# FIVE YEAR STRATEGIC FRAMEWORK FOR REFORM AND DEVELOPMENT (JULY 2026-JUNE 2031)

# TRANSFORMING ECONOMY FROM FRAGILITY TO PROSPERITY

## RECOVERY, RESTORATION AND RECONSTRUCTION (3R) STRATEGIES

**General Economics Division (GED)**
Bangladesh Planning Commission
Government of the People's Republic of Bangladesh

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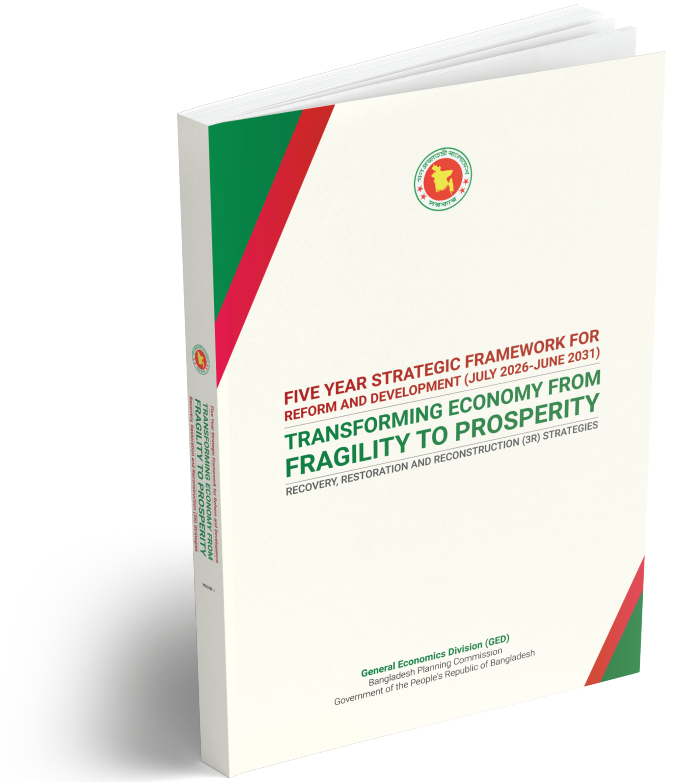
## VOLUME I

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## Conceptualisation, Coordination and Overall Supervision

Dr. Monzur Hossain
Member (Secretary)
General Economics Division (GED)


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## A Note on this Edition

National Economic Council (NEC) approved the Five Year Strategic Framework for Reform and Development (July 2026-June 2031) on 18 May, 2026. This is also available in the Bangladesh Planning Commission Website: http://www. plancomm.gov.bd/ and GED Knowledge Portal (www.gedkp.gov.bd) for general access.


## Publication Date

July 2026

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

**PRIME MINISTER**
**GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH**

06 Ashar 1433
20 June, 2026

# MESSAGE

Just four months after assuming office, our government is proud to present to the people of Bangladesh the Five-Year Strategic Framework for Reform and Development (July 2026-June 2031).

This reflects our government's firm commitment to implementing our manifesto and vision for rebuilding the state as a democratic, humane and welfare-oriented one.

Prepared by the General Economics Division (GED) of the Bangladesh Planning Commission, this framework outlines a transformative development paradigm built around five pillars: (i) reforming the economy and the state; ii) ensuring equitable socio-economic development; iii) reconstructing the fragile economy; (iv) achieving balanced regional development: and (v) ensuring religious harmony, cultural diversity and solidarity.

This framework provides comprehensive guidance for transforming the inherited fragile economy into a prosperous one over the next five years through a phased 3Rs strategy: Recovery (1 year), Restoration (1-3 years), and Reconstruction (3-5 years).

Our government has inherited a devastated economy, ravaged by years of mismanagement, corruption and political repression. The economy faces high inflation, fiscal stress, declining private investment, a crippled financial sector, widening regional inequalities and an employment crisis, particularly affecting our young workforce - all of which require urgent attention.

Our commitment is to revitalise economic dynamism, moving from fragility to prosperity through market-oriented reforms, decentralisation, economic diversification, private-sector-led growth, and enhanced productivity across key sectors.

We emphasise leveraging Bangladesh's demographic dividend through investments in human capital, education, and skills development to align the labour force with the demands of a rapidly changing global economy.

Under the "Bangladesh First" policy, we aim to transform Bangladesh into a $1 trillion economy by 2034, create 10 million jobs within five years, promote "production over plunder", and advance a more inclusive, accountable, and sustainable development path.

Macroeconomic stability, deregulation of the business environment, the attraction of domestic and foreign investment, and export diversification in manufacturing, ICT, agro-processing, pharmaceuticals, and renewable energy are the pillars of this strategy.

The welfare of the people will remain at the heart of this framework. We have already launched the Family Card for monthly income support to vulnerable families and the Farmer's Card to support farmers.

As committed in our election manifesto, we will recruit 100,000 healthcare workers, target public expenditure of around 5 per cent of GDP for health and education each, and establish a universal, life-cycle-based approach to social protection for informal workers and vulnerable groups.

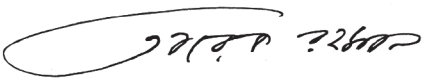
Our top priority is to generate 10 million new jobs by promoting labour-intensive manufacturing, reforming TVET, encouraging entrepreneurship, and expanding overseas employment. We will also ensure good governance, combat corruption, reform the civil service and judiciary, and promote evidence-based policymaking.

Inclusive regional development, with Chattogram as the commercial city, the Northern Region as a new growth hub, and the development of the climate-vulnerable Coastal and Haor regions, will ensure that no one in Bangladesh is left behind. We are also firmly committed to advancing progress towards the Sustainable Development Goals (SDGs) under the United Nations' 2030 Agenda.

I would like to thank the General Economics Division (GED) of the Bangladesh Planning Commission for its relentless efforts in preparing this strategic document, the Five-Year Strategic Framework (July 2026-June 2031).

I also acknowledge the support and contributions of various ministries and divisions, development partners, distinguished economists, civil society representatives, and private-sector stakeholders, whose ideas and recommendations have been incorporated into this strategic framework. I sincerely hope that, together, we will work tirelessly to implement this FYSF and realise our vision of a democratic and prosperous Bangladesh.

The journey from fragility to prosperity will not be easy. But we have a plan. We have the will. And we have the support of the people. Now is the time to take our country forward into a new phase of progress and opportunity, where all can proudly say: Bangladesh Before All.



Tarique Rahman

**Minister**
Ministry of Finance and
Ministry of Planning
Government of the People's Republic of Bangladesh

# MESSAGE

I am pleased to present the Five-Year Strategic Framework for Reform and Development (July 2026-June 2031), prepared by the General Economics Division (GED) of the Bangladesh Planning Commission. This framework is the first major planning document of the government led by the Hon'ble Prime Minister, Mr. Tarique Rahman. It translates the mandate of the Bangladesh Nationalist Party's Election Manifesto 2026 into a coherent, time and outcome based development plan for the welfare of the people of Bangladesh.

As you all are aware, we inherited a fragile economy characterized by macroeconomic mismanagement, a shrinking financial sector, sluggish investment, and illicit capital flight, which requires a phased approach to recovery. This Five-Year Strategic Framework therefore outlines activities in three phases: Recovery (1 year), Restoration (1-3 years), and Reconstruction for acceleration (3-5 years).

Our government places the highest priority on deregulation and democratisation of the economy as a key agenda for economic reform. Key initiatives include reforming business licensing, improving the investment climate, enhancing one-stop services, and eliminating barriers to domestic and foreign investment. The proper implementation of the strategic framework will lead to achieving a trillion-dollar economy by 2034 by promoting competition, attracting investment, and promoting productive businesses that reward production, employment, and innovation.

The Framework is the outcome of a wide-ranging consultative process. I express my gratitude to all, particularly Dr. Rashed Al Mahmud Titumir, Adviser to the Hon'ble Prime Minister, and Mr. Jonayed Abdur Rahim Saki, State Minister for Planning, for their support and guidance. I thank Dr. Monzur Hossain, Member, General Economics Division, and his team, for their relentless efforts in preparing this Strategic Framework. I also thank the members of the Advisory Committee, National Steering Committee, and other technical experts for their support and feedback.

I finally express my sincere gratitude to the Hon'ble Prime Minister, Mr. Tarique Rahman, for his leadership, advice, and unwavering support for the principles of "Bangladesh before All" the foundation of this framework. Together, we will create a democratic, inclusive, and prosperous Bangladesh that all citizens of this great nation can be proud of.

Allah Hafez. Bangladesh Zindabad.

(Amir Khosru Mahmud Chowdhury, MP)

**Adviser (Status of Minister)**
Ministry of Finance & Ministry of Planning
Prime Minister's Office
Government of the People's Republic of Bangladesh

# MESSAGE

We feel honoured to present the Five-Year Strategic Framework for Reform and Development (July 2026–June 2031), prepared and published by the General Economics Division (GED) of the Bangladesh Planning Commission. This document is not merely a plan, it is a national pledge to regain trust, rebuild institutions and renew hope in the lives of our people.

We pay homage, with profound respect, to the leadership of the Honourable Prime Minister, Mr Tarique Rahman, M.P., who, on his momentous return to Bangladesh, proclaimed, "We have a plan," upon which this Framework is structured. The Framework captures his philosophy of "Bangladesh Before All."

Bangladesh begins a new journey with a vision of transforming the economy from fragility to prosperity. The country has faced structural challenges and economic mismanagement over the past decade or more. Our growth trajectory has been hampered by high inflation, fiscal stress, low private investment, fragile financial institutions, regional imbalances and high unemployment, particularly among young people. In light of these challenges, the Bangladesh Nationalist Party's Election Manifesto 2026 emphasises the urgency of the course correction of these imbalances through reform, accountability, equity, and the development of a people-centred economy.

This Framework establishes a time-bound strategic agenda to achieve that vision through a 3R phased strategy: Recovery, Restoration, and Reconstruction for acceleration.

The strategic framework sets out several goals. First, it aims to enhance economic growth through investment expansion, rapid industrialisation, productivity improvements and structural transformation. Second, it seeks to achieve a trillion-dollar economy by 2034 through export diversification, technological upgrading, and global competitiveness. Third, it contains strategies toward building a welfare state. Thus, it centres on human resource development by strengthening education, healthcare, and skills systems to build a productive, skilled and globally competitive workforce. A life-cycle–based universal social protection system ensures that every individual receives appropriate and continuous support—from childhood to old age—through integrated policies that address evolving risks, vulnerabilities and needs at each stage of life. Fourth, it seeks to ensure balanced regional development by promoting equitable growth across regions through the development of secondary cities, rural economies, and new growth centres. Fifth, it aims to promote environmental sustainability by integrating climate resilience, green growth and sustainable resource management into all aspects of economic planning. Sixth, this Framework is anchored in the principles of harmony, solidarity, compassion and the collective well-being of all citizens. We recognise

and celebrate the rich diversity of ethnicity, religion, and demographics that forms the foundation of our national identity. Seventh, and of equal importance, it seeks to ensure governance and institutional strengthening by enhancing transparency, accountability, and institutional capacity to ensure effective policy implementation and service delivery. The Framework also places importance on data credibility, economic reforms, and the implementation, monitoring and evaluation of its strategies.

Our vision is to ensure that no one is left behind in the journey of nation-building. This means fostering a society where every individual, regardless of their background, can participate fully and benefit equitably from national progress. It also means fulfilling our sacred duty to safeguard our environment and to hand over a liveable and healthy planet to the next generation. We are committed to a development path that not only meets our present needs but also secures the future of our children and grandchildren.

A key point of this strategic framework is that development must not be limited to a few regions or communities. Investing in regions such as Chattogram, the north, the Haor and coastal areas, and other disadvantaged regions will ensure that all people benefit. Likewise, prioritising agriculture, agro-processing, ICT, light manufacturing, and export diversification will help make our economy more productive. We would also like to stress that reforms should be citizen-friendly. Reforms must make life easier, reduce harassment, enhance services, and strengthen institutional accountability. For this reason, this strategic framework prioritises deregulation, one-stop services, efficient public expenditure, audit and evaluation and evidence-based policymaking. Growth is crucial, but fair, just, and inclusive growth will make the difference in Bangladesh.

The underlying strength of this FYSF is that it shifts from a static document to a dynamic, living document, allowing for continuous evaluation, revision and recalibration to achieve the best possible development outcomes.

We extend our gratitude to the Member (Secretary), GED, and his team, the Planning Commission, relevant ministries and divisions, the private sector, civil society, development partners, economists, researchers and all others who have played their part in preparing this framework in a short span of time. Their work demonstrates that national renewal is possible through the combination of knowledge, service and love for the nation. As such, we are bound to implement it in every budget, every policy, and every institutional reform called for in this framework.

We firmly believe that this strategic framework will help transform our economy from fragility to prosperity. Let us, therefore, move ahead with confidence, solidarity and accountability to create a more peaceful, equitable, and prosperous Bangladesh for all.

(Rashed Al Mahmud Titumir)

**State Minister**
Ministry of Planning
Government of the People's Republic of Bangladesh

# MESSAGE

It is a great honour for me to present the Five-Year Strategic Framework for Reform and Development (July 2026- June 2031) prepared by the General Economics Division (GED) of the Bangladesh Planning Commission. This new framework has come at a critical juncture in our national history, when the people of Bangladesh, after the historic student-people's mass uprising of July 2024, have given this government a landslide mandate in the 2026 Election to transform the country into a democratic, humane, and welfare state.

As the state minister for Planning, I had the privilege of closely monitoring the preparation of this strategic framework and can assure you that an inclusive planning process has been undertaken. For decades, development planning in Bangladesh was dominated by a culture of showcasing projects, fabricated figures, and politically driven expenditures that favoured a few while excluding the masses. This framework is likely to depart from this legacy. It rests on the insights of the Government's Election Manifesto 2026 with a focus on greater access to financial and market resources, and the inclusion of all citizens- farmers, workers, women entrepreneurs, young graduates, and people with disabilities - in the economic process.

Efficient public investment management through ensuring the quality and timely implementation of government projects is vital to achieve the best development outcomes. Therefore, strong emphasis should be given to re-scoping and re-purposing of the poorly motivated inherited projects. Integrating the ongoing and the future projects with this strategic framework, sectoral alignment of them with the government's election manifesto and establishing a real-time monitoring dashboard for the ADP projects to ensure Value for Money and Return on Investment, and to attain the project objective will be our immediate prime focus. This FYSF provides time-bound strategic priorities for the respective sectors/ministries to delineate annual development Programs and translate them into projects critical to achieving the government's vision of a trillion-dollar economy by 2034.

To undertake this framework, GED held numerous discussions with line ministries/divisions, the private sector, development partners, think tanks, etc. I appreciate the sincere efforts of the persons related to the formulation of this document, particularly by the Member, GED. I am profoundly grateful to the Hon'ble Prime Minister, Mr. Tarique Rahman, MP, for his visionary leadership and for approving this Five-Year Strategic Framework. I am also thankful to the Hon'ble Minister for Finance and Planning,

Mr. Amir Khasru Mahmud Chowdhury, MP, and Dr. Rashed Al Mahmud Titumir, Adviser to the Hon'ble Prime Minister for the Planning and Finance Ministry, for their guidance and leadership in preparing this Strategic Framework.

I expect this Five-Year Strategic Framework to serve as the practical roadmap for transforming Bangladesh from a fragile economy into a resilient one. More than a set of targets, it must deliver growth translated into concrete annual programs and well-implemented projects across every ministry/division. This Framework must function as a dynamic document, not a static plan filed away after publication. As the country moves through Recovery, Restoration, and Reconstruction, its priorities must be periodically evaluated, revised, and recalibrated, considering changing domestic and global realities.

Finally, I urge all ministries/divisions, implementing agencies, local governments, private sector, and the civil society to take ownership of this Strategic Framework as a national mission and to collaborate, with openness and accountability, to achieve a democratic and inclusive Bangladesh.

Bangladesh before All, Bangladesh for All.

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(Zonayed Abdur Rahim Saki, MP)

**Member (Secretary)**
General Economics Division (GED)
Bangladesh Planning Commission
Government of the People's Republic of Bangladesh

# PREFACE

The General Economics Division (GED) of the Planning Commission has prepared the Five-Year Strategic Framework (FYSF) for Reform and Development, covering the period from July 2026 to June 2031, to translate the government's development vision into a pragmatic policy document. This framework serves as the definitive architecture for dismantling the systemic bottlenecks of a "Fragile Economy" and anchoring the transition toward prosperity. This strategic navigation is necessary to withstand external shocks, enhance fiscal depth, and provide essential safeguards for the economy during reconstruction, while accelerating growth.

Moving from a traditional static plan document to an agile strategic framework, this approach integrates institutional reforms and development priorities into a coherent framework. The overall framework is built on five foundational pillars to strengthen the state's sustainable capacity and enhance people's welfare by distributing growth equitably across all geographies and sectors. With the aim of transforming the economy from fragility to prosperity, time-bound 3R strategies are adopted: Recovery (1 year), Restoration (1-3 years), and Reconstruction for Acceleration (3-5 years). The strategies are clustered in eleven economic and development priorities that are instrumental for accelerating inclusive growth and development.

The FYSF considers macroeconomic stabilisation and economic diversification (Clusters 1 and 3) as the key prerequisites for achieving inclusive and sustainable development. Emphasis has been placed on restoring growth (Chapter 1), which is contingent upon a strong banking sector and capital markets (Chapter 2). Stabilising the financial sector reduces the risk premium on national debt and lowers debt-servicing costs, freeing the liquidity needed to fund the human capital and infrastructure investments detailed in specific chapters.

The drive toward a "Competitive and Resilient Economy" requires a multidimensional overhaul of our productive sectors. This involves integrating trade and industry (Chapter 5) with a massive scale-up of ICT (Chapter 7) and digital connectivity (Chapter 8). The Framework also looks into the horizon through the lens of the "Blue Economy" (Chapter 9), treating our oceanic resources as a new frontier for sustainable wealth. Critically, the "Energy Transition" (Chapter 10) is positioned as a core energy security measure not only to sustain cleaner energy and industrial production, but also to reduce our reliance on volatile hydrocarbon imports. This economic reconstruction serves as the essential platform for unlocking the massive potential of industrialisation of the economy and thereby growth.

Economic growth will be unsustainable and eventually regressive without corresponding investment in human capital optimisation (Clusters 2 and 5). Therefore, the framework places strong emphasis

on population dynamics (Chapter 3), viewing it not as a fixed reality but as a variable to be managed. The strategic link between population management and employment generation (Chapter 4) has been established to harness the first demographic dividend and prepare the country for the second demographic dividend after 2040.

In this FYSF, we place specific emphasis on specialised skills training and youth development (Chapter 15), which will protect our valuable assets from a "dependency burden." Furthermore, by treating Health (Chapter 13) and Education (Chapter 14) as capital investments, the framework aims to improve the long-term dependency ratio and increase national productivity. A healthy, skilled workforce is the primary engine for high-value sectors, such as ICT, the Blue Economy, and modern industry, that will define our journey toward a trillion-dollar economy in 2034.

This framework recognises that rising inequality and poverty (Chapter 11) pose a systemic risk to economic stability, social cohesion, and democratic institutions. The "Integrated Rural Transformation" strategy (Cluster 6) and a more comprehensive social protection framework are the centrepieces of the approach to tackling inequality and poverty by bolstering the rural economy. Revitalising the rural economy (Chapter 17) is thus a strategic necessity—it is a primary means to alleviate unsustainable migration pressure on primary cities (Chapter 21) while securing national food and nutrition security (Chapter 18). Parallel to this, the move toward "Universal Social Protection" (Chapter 12) transforms social security from a fragmented safety net into a proactive tool for inclusion. By mitigating the risks of poverty, the state enables citizens to participate more fully in the market economy.

The FYSF places emphasis on "Regional Balanced Development" to achieve more inclusive and decentralised development. The "Integrated Regional Development Network" (Cluster 8) is designed to optimise rural and urban development and migration by distributing economic opportunities across multiple nodes. This includes a specific focus on cluster-based development across Chattogram, Dhaka, North Bengal, and linking delta Hotspots (Appendix III)—territories that represent the front lines of climate resilience and economic specialisation. By targeting these hotspots for specialised investment, the framework aims to turn environmental vulnerabilities into catalysts for localised economic growth.

Furthermore, emphasis has been given to revitalise the "Creative Economy" (Cluster 9), encompassing Religion, Culture, and Sports (Chapters 22-24), for economic growth, national solidarity and international soft power. A vibrant creative sector provides high-value employment for our youth and fosters the social cohesion necessary to withstand the disruptions of reform. This spatial and social harmony, however, requires a strong institutional backbone to protect these gains.

The success of the FYSF (FY2027-FY2031) is entirely contingent on "Reforming the Economy and the State," which serves as the institutional backbone of the FYSF. The "Democratisation of the Economy" (Chapter 25) and the reinforcement of Governance and Human Rights (Chapter 26) are not merely political goals; they are economic imperatives. Transparent institutions reduce the "corruption tax," lower systemic risk, and attract high-quality foreign direct investment (FDI) needed to sustain the growth trajectory.

To improve the implementation of the Programmes and projects outlined in the FYSF, the FYSF emphasises a rigorous Reform, Monitoring, and Implementation Framework (Cluster 11). This framework is supported by Open Government Data, land-use reform, and a modernised Strategic Public Investment Management system. A four-tier Oversight Committee structure has been proposed to monitor the FYSF's implementation progress: a Governing Council headed by the Hon'ble Prime Minister, a Steering Committee, a Coordination Committee, and an Advisory Committee. This institutional architecture is key to achieving strategic objectives. For the first time in Bangladesh's Development Planning history, an oversight mechanism has been introduced.

The Five-Year Strategic Framework (FY2027-FY2031), accompanied by a Strategic Action Matrix, is a holistic blueprint for economic reform and development. Every pillar—from macro-financial stabilisation to climate resilience to governance improvements—is linked by a single strategic logic to transform the economy into a resilient, equitable, and democratically governed one. This framework is the roadmap to 2031, but the document itself is as strong as the political will behind it. The responsibility for its realisation rests with the collective effort of the government, the private sector, and civil society. Together, we will dismantle the foundations of fragility and build a nation prepared to prosper in the days to come.

The approval of the FYSF followed a four-phased consultative process: (i) a technical committee, led by the Member, GED reviewed and constructed the framework; (ii) an Advisory Council of experienced economists, academics, researchers, business leaders, led by Professor Wahiduddin Mahmud provided necessary guidelines and technical suggestions; (iii) a National Steering Committee, consisting of Secretaries of different Ministries and Divisions, led by Hon'ble Planning Minister reviewed the framework; and (iv) finally, the National Economic Council (NEC), headed by the Hon'ble Prime Minister, Mr. Tarique Rahman, approved the Five Year Strategic Framework.

In addition, the FYSF chapters were scrutinised by relevant ministries, and their feedback was incorporated where feasible. An inclusive process was undertaken in preparing this FYSF to make it an inclusive strategic document of the government. Accordingly, this strategic framework is designed to be a Living Document that enables periodic monitoring, evaluation, and revision of its strategic priorities, in line with domestic and global scenarios over the next five years.

Finally, I express my sincere gratitude to the Honourable Prime Minister and the Chairman of the National Economic Council (NEC), Mr. Tarique Rahman, for approving this strategic framework. I would like to thank the Honourable Minister, Ministry of Finance and Ministry of Planning, Mr. Amir Khasru Mahmud Chowdhury, M.P.; the Honourable Adviser, Ministry of Finance and Ministry of Planning, Dr. Rashed Al Mahmud Titumir; and the Honourable State Minister, Ministry of Planning, Mr. Zonayed Abdur Rahim Saki, M.P., for their invaluable support and guidance during the preparation of this framework. I am also thankful to the respected members of the Advisory Council and its chair, Professor Wahiduddin Mahmud, the Technical Committee members, and all Secretaries and officials of the concerned ministries/ divisions for their invaluable support. My colleagues and the officials of GED, who have worked with great dedication to finalise this framework, deserve special mention and commendation. I gratefully acknowledge that it would not have been possible to finalise the Five Year Strategic Framework in just four months without support from all stakeholders and the government's strong political commitment to deliver development results.

I hope this Five-Year Strategic Framework for Reform and Development (FY2027-FY2031) will be a credible, actionable, and inclusive framework—one that will help Bangladesh decisively leap from vulnerability to prosperity, rebuild citizens' trust in government institutions, and pave the way for a just, equitable, and democratic society that will prioritise the people's interests.

(Dr. Monzur Hossain)

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# LIST OF ABBREVIATIONS

Five-Year Strategic Framework for Reform and Development (July 2026- June 2031)

| | |
|---|---|
| **3R** | Recovery, Restoration and Reconstruction |
| **4IR** | Fourth Industrial Revolution |
| **8FYP** | Eighth Five Year Plan |
| **9FYP** | Ninth Five Year Plan |
| **a2i** | Aspire to Innovate |
| **ABB** | Association of Bankers, Bangladesh |
| **AC** | Air Conditioner / Air Conditioning |
| **ACC** | Anti-Corruption Commission |
| **ADB** | Asian Development Bank |
| **ADM** | Adaptive Delta Management |
| **ADP** | Annual Development Programme |
| **ADR** | Alternative Dispute Resolution |
| **AEIS** | Annual Establishment and Institutions Survey |
| **AI** | Artificial Intelligence |
| **AIA** | Algorithmic Impact Assessment |
| **AMC** | Asset Management Company |
| **AMR** | Antimicrobial Resistance |
| **ANC** | Antenatal Care |
| **API** | Active Pharmaceutical Ingredient; Application Programming Interface (data/ technology context) |
| **ARC** | Advance Release Calendar |
| **ASEAN** | Association of Southeast Asian Nations |
| **ATM** | Automated Teller Machine |
| **AWD** | Alternate Wetting and Drying |
| **B2B** | Business-to-Business |
| **BACCO** | Bangladesh Association of Contact Centre and Outsourcing |
| **BADC** | Bangladesh Agricultural Development Corporation |
| **BANBEIS** | Bangladesh Bureau of Educational Information and Statistics |
| **BAPEX** | Bangladesh Petroleum Exploration and Production Company Limited |
| **BARC** | Bangladesh Agricultural Research Council |
| **BARI** | Bangladesh Agricultural Research Institute |
| **BASIS** | Bangladesh Association of Software and Information Services |
| **BB** | Bangladesh Bank |
| **BBA** | Bangladesh Bridge Authority |

| | |
|---|---|
| **BBS** | Bangladesh Bureau of Statistics |
| **BCC** | Bangladesh Computer Council |
| **BCCTF** | Bangladesh Climate Change Trust Fund |
| **BCDA** | Bangladesh Creative Development Authority |
| **BCIC** | Bangladesh Chemical Industries Corporation |
| **BCPCL** | Bangladesh-China Power Company Limited |
| **BCSIR** | Bangladesh Council of Scientific and Industrial Research |
| **BDCCL** | Bangladesh Data Centre Company Limited |
| **BDHS** | Bangladesh Demographic and Health Survey |
| **BDRIS** | Birth and Death Registration Information System |
| **BDT** | Bangladeshi Taka |
| **BEPZA** | Bangladesh Export Processing Zones Authority |
| **BERC** | Bangladesh Energy Regulatory Commission |
| **BEZA** | Bangladesh Economic Zones Authority |
| **BFRI** | Bangladesh Fisheries Research Institute |
| **BFSA** | Bangladesh Food Safety Authority |
| **BFTI** | Bangladesh Foreign Trade Institute |
| **BGMEA** | Bangladesh Garment Manufacturers and Exporters Association |
| **BHTPA** | Bangladesh Hi-Tech Park Authority |
| **BIDA** | Bangladesh Investment Development Authority |
| **BIDS** | Bangladesh Institute of Development Studies |
| **BIM** | Building Information Modelling; Bangladesh Institute of Management (institutional context) |
| **BIMSTEC** | Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation |
| **BINA** | Bangladesh Institute of Nuclear Agriculture |
| **BITAC** | Bangladesh Industrial Technical Assistance Centre |
| **BIWTA** | Bangladesh Inland Water Transport Authority |

| | |
|---|---|
| BKSP | Bangladesh Krira Shikkha Protishtan |
| BLA | Bangladesh Labour Act |
| BLRI | Bangladesh Livestock Research Institute |
| BMD | Bangladesh Meteorological Department |
| BMET | Bureau of Manpower, Employment and Training |
| BNDA | Bangladesh National Digital Architecture |
| BNHA | Bangladesh National Health Accounts |
| BNP | Bangladesh Nationalist Party |
| BPATC | Bangladesh Public Administration Training Centre |
| BPC | Bangladesh Petroleum Corporation |
| BPDB | Bangladesh Power Development Board |
| BPO | Business Process Outsourcing |
| BPPA | Bangladesh Public Procurement Authority |
| BR | Bangladesh Railway |
| BRAC | Bangladesh Rural Advancement Committee |
| BRDB | Bangladesh Rural Development Board |
| BRF | Bus Route Franchising |
| BRRI | Bangladesh Rice Research Institute |
| BRT | Bus Rapid Transit |
| BRTA | Bangladesh Road Transport Authority |
| BRTC | Bangladesh Road Transport Corporation |
| BSCIC | Bangladesh Small and Cottage Industries Corporation |
| BSEC | Bangladesh Securities and Exchange Commission |
| BSTI | Bangladesh Standards and Testing Institution |
| BTCL | Bangladesh Telecommunications Company Limited |
| BTEB | Bangladesh Technical Education Board |
| BTRC | Bangladesh Telecommunication Regulatory Commission |
| BUET | Bangladesh University of Engineering and Technology |
| BWDB | Bangladesh Water Development Board |
| CAAB | Civil Aviation Authority of Bangladesh |
| CAD/ CAM | Computer-Aided Design / Computer-Aided Manufacturing |
| CAGR | Compound Annual Growth Rate |
| CAMELS | Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk |
| CAPI | Computer-Assisted Personal Interviewing |
| CC | Climate Change; Control of Corruption (WGI indicator context) |
| CCTV | Closed-Circuit Television |
| CDN | Content Delivery Network |
| CDP | Committee for Development Policy |
| CEGIS | Centre for Environmental and Geographic Information Services |
| CERT | Computer Emergency Response Team |
| CETP | Common Effluent Treatment Plant |
| CFC | Common Facility Centre |
| CFMC | Community Fisheries Management Committee |
| CGS | Credit Guarantee Scheme |
| CHT | Chittagong Hill Tracts |
| CID | Criminal Investigation Department |
| CII | Critical Information Infrastructure |
| CIRS | Cyber Incident Response System |
| CIRT | Computer Incident Response Team |
| CISO | Chief Information Security Officer |
| CLT | Community Land Trust |
| CME | Cottage and Micro Enterprises |
| CMSME | Cottage, Micro, Small and Medium Enterprise |
| CNG | Compressed Natural Gas |
| COVID-19 | Coronavirus Disease 2019 |
| CPA | Chittagong Port Authority |
| CPF | Central Provident Fund |
| CPI | Consumer Price Index; Corruption Perceptions Index (governance indicator context) |
| CPS | Citizen Perception Survey |
| CPTU | Central Procurement Technical Unit |
| CRAR | Capital to Risk-Weighted Assets Ratio |
| CRMO | Contract Research and Manufacturing Organisation |
| CRVS | Civil Registration and Vital Statistics |
| CSA | Community Supported Agriculture; Climate-Smart Agriculture (agriculture/ climate context) |
| CSC | Common Service Centre |
| CSR | Corporate Social Responsibility |
| CSV | Comma-Separated Values |
| CU-IGND | Coordination Unit for Integrated Growth Network Development |
| CVI | Climate Vulnerability Index |

| | |
|---|---|
| **CWP** | Credit Wholesale Program |
| **CWS** | Credit Wholesale Scheme |
| **DAE** | Department of Agricultural Extension |
| **DEGURBA** | Degree of Urbanisation |
| **DES** | Department of Employment Services |
| **DGDA** | Directorate General of Drug Administration |
| **DGFood** | Directorate General of Food |
| **DGFP** | Directorate General of Family Planning |
| **DGHS** | Directorate General of Health Services |
| **DHIS2** | District Health Information Software 2 |
| **DHS** | Demographic and Health Survey |
| **DIFE** | Department of Inspection for Factories and Establishments |
| **DLS** | Department of Livestock Services |
| **DMP** | Dhaka Metropolitan Police |
| **DMS-IGND** | Digital Management System for Integrated Growth Network Development |
| **DNCC** | Dhaka North City Corporation |
| **D-Nothi** | Digital File System |
| **DO** | Dissolved Oxygen |
| **DoC** | Department of Cooperatives |
| **DoE** | Department of Environment |
| **DoF** | Department of Fisheries |
| **DoICT** | Department of Information and Communication Technology |
| **DoNC** | Department of Narcotics Control |
| **DP** | Development Partner |
| **DPDT** | Department of Patents, Designs and Trademarks |
| **DPE** | Directorate of Primary Education |
| **DPHE** | Department of Public Health Engineering |
| **DPI** | Digital Public Infrastructure |
| **DPP** | Development Project Proposal |
| **DRG** | Diagnosis-Related Group |
| **DSCC** | Dhaka South City Corporation |
| **DSR** | Dynamic Social Registry |
| **DSS** | Department of Social Services |
| **D-STAR** | Digital Service Transformation and Accelerated Reform |
| **DTCA** | Dhaka Transport Coordination Authority |
| **DTE** | Directorate of Technical Education |
| **DTIS** | Diagnostic Trade Integration Study |
| **DTW** | Deep Tube Well |

| | |
|---|---|
| **EBFM** | Ecosystem-Based Fisheries Management |
| **EC4J** | Export Competitiveness for Jobs |
| **ECC** | Employment Coordination Committee |
| **EDGE Project** | Enhancing Digital Government and Economy Project |
| **EESP** | Emergency Employment Support Programme |
| **EEZ** | Exclusive Economic Zone |
| **eGDI** | E-Government Development Index |
| **e-GP** | Electronic Government Procurement |
| **EGPP** | Employment Generation Programme for the Poorest |
| **EIA** | Environmental Impact Assessment |
| **EIS** | Employment Injury Scheme |
| **ekPay** | Integrated Government Payment Processor |
| **EMP** | Environmental Management Plan |
| **EMR** | Electronic Medical Record |
| **EPB** | Export Promotion Bureau |
| **EPF** | Employees Provident Fund |
| **EPR** | Extended Producer Responsibility |
| **EPZ** | Export Processing Zone |
| **ERD** | Economic Relations Division |
| **ESF** | Entrepreneurship Support Fund |
| **ESG** | Environmental, Social and Governance |
| **ESIA** | Environmental and Social Impact Assessment |
| **ESR** | Economic Support Ratio |
| **EU** | European Union |
| **EV** | Electric Vehicle |
| **EVI** | Economic and Environmental Vulnerability Index |
| **FAO** | Food and Agriculture Organisation |
| **FAOSTAT** | Food and Agriculture Organisation Corporate Statistical Database |
| **FCB** | Foreign Commercial Bank |
| **FDCA** | Food and Drug Control Authority |
| **FDD** | First Demographic Dividend |
| **FDI** | Foreign Direct Investment |
| **FFP** | Food Friendly Programme |
| **FHIR** | Fast Healthcare Interoperability Resources |
| **FID** | Financial Institution Division |
| **FIFA** | Federation Internationale de Football Association |

| | |
|---|---|
| FLFPR | Female Labour Force Participation Rate |
| FMD | Foot-and-Mouth Disease |
| FoF | Fund of Funds |
| FPIC | Free, Prior and Informed Consent |
| FPMC | Food Planning and Monitoring Committee |
| FPMU | Food Planning and Monitoring Unit |
| FRS | Flood Retention Structure |
| FSCU | Food Security Coordination Unit |
| FSI | Financial Soundness Indicator |
| FSM | Faecal Sludge Management |
| FSRU | Floating Storage Regasification Unit |
| FTA | Free Trade Agreement |
| FY | Fiscal Year |
| FYSF | Five Year Strategic Framework |
| FYSRDF | Five-Year Strategic Reform and Development Framework |
| G2C | Government-to-Citizen |
| G2P | Government-to-Person |
| GCC | Gulf Cooperation Council |
| GCF | Green Climate Fund |
| GCI | Global Cybersecurity Index |
| GDP | Gross Domestic Product |
| GDPR | General Data Protection Regulation |
| GE | Government Effectiveness |
| GED | General Economics Division |
| GEMS | Government Employee Management System |
| GER | Gross Enrolment Ratio |
| GHG | Greenhouse Gas |
| GI | Geographical Indication |
| GIS | Geographic Information System |
| GLASS | Global Antimicrobial Resistance and Use Surveillance System |
| GLI | Global Labour Institute |
| GMP | Good Manufacturing Practice |
| GNI | Gross National Income |
| GoB | Government of Bangladesh |
| GPS | Global Positioning System |
| GRI | Government Restrictions Index |
| GRP | Government Resource Planning |
| GSBPM | Generic Statistical Business Process Model |
| GSOC | Government Security Operations Centre |
| GVA | Gross Value Added |

| | |
|---|---|
| GVC | Global Value Chain |
| GWh | Gigawatt-hour |
| HACCP | Hazard Analysis and Critical Control Point |
| HAI | Human Assets Index |
| HBES | Household Based Environmental Survey |
| HFO | Heavy Fuel Oil |
| HIES | Household Income and Expenditure Survey |
| HL7 | Health Level Seven |
| HMSS | Health and Morbidity Status Survey |
| HPC | High Performance Computing |
| HR | Human Resources |
| HSD | High Speed Diesel |
| HSSP | Health Sector Strategic Plan |
| HVDC | High-Voltage Direct Current |
| IAEA | International Atomic Energy Agency |
| ICB | Investment Corporation of Bangladesh |
| ICD | Inland Container Depot |
| ICOR | Incremental Capital-Output Ratio |
| ICT | Information and Communication Technology |
| ICTD | Information and Communication Technology Division |
| ICTs | Inland Container Terminals |
| ICTUAS | ICT Use and Access Survey |
| ICU | Intensive Care Unit |
| IDTP | Interoperable Digital Transaction Platform |
| IEDCR | Institute of Epidemiology, Disease Control and Research |
| IFPRI | International Food Policy Research Institute |
| IGN | Integrated Growth Network |
| IGND | Integrated Growth Network Development |
| IHR | International Health Regulations |
| IIG | International Internet Gateway |
| ILO | International Labour Organisation |
| IMED | Implementation Monitoring and Evaluation Division |
| IMF | International Monetary Fund |
| IoT | Internet of Things |
| IPC | Infection Prevention and Control |
| IPP | Independent Power Producer |
| IPR | Intellectual Property Rights |
| ISC | Industry Skills Council |

| | |
|---|---|
| **ISO** | International Organisation for Standardisation |
| **ISP** | Internet Service Provider |
| **IT** | Information Technology |
| **ITEE** | Information Technology Engineers Examination |
| **ITES** | Information Technology-Enabled Services |
| **ITLOS** | International Tribunal for the Law of the Sea |
| **ITS** | Intelligent Transport Systems |
| **ITU** | International Telecommunication Union |
| **IUU** | Illegal, Unreported and Unregulated |
| **IVR** | Interactive Voice Response |
| **IWT** | Inland Water Transport |
| **JEE** | Joint External Evaluation |
| **JICA** | Japan International Cooperation Agency |
| **JMP** | Joint Monitoring Programme |
| **JRC** | Joint Rivers Commission |
| **KPI** | Key Performance Indicator |
| **KSS** | Krishak Samabaya Samities |
| **kWh** | Kilowatt-hour |
| **LDC** | Least Developed Country |
| **LED** | Light Emitting Diode |
| **LFPR** | Labour Force Participation Rate |
| **LFS** | Labour Force Survey |
| **LGD** | Local Government Division |
| **LGED** | Local Government Engineering Department |
| **LGI** | Local Government Institution |
| **LIUPC** | Livelihoods Improvement of the Urban Poor Communities |
| **LLM** | Large Language Model |
| **LMIS** | Labour Market Information System |
| **LNG** | Liquefied Natural Gas |
| **LPA** | Land Port Authority |
| **LPG** | Liquefied Petroleum Gas |
| **LPL** | Lower Poverty Line |
| **LSR45** | Longitudinal Support Ratio |
| **LTP** | Land Trust Policy |
| **LVC** | Land Value Capture |
| **LWG** | Leather Working Group |
| **M&E** | Monitoring and Evaluation |
| **MCBP** | Mother and Child Benefit Programme |
| **MCH** | Maternal and Child Health |

| | |
|---|---|
| **MCS** | Monitoring, Control and Surveillance |
| **MDB** | Multilateral Development Bank |
| **MFI** | Microfinance Institution |
| **MFS** | Mobile Financial Services |
| **MICS** | Multiple Indicator Cluster Survey |
| **MIS** | Management Information System |
| **MkWh** | Million Kilowatt-hours |
| **ML** | Machine Learning |
| **MMcfd** | Million Cubic Feet per Day |
| **MMLH** | Multimodal Logistics Hub |
| **MMT** | Million Metric Tons |
| **MoA** | Ministry of Agriculture |
| **MoC** | Ministry of Commerce |
| **MoCA** | Ministry of Cultural Affairs |
| **MoCAT** | Ministry of Civil Aviation and Tourism |
| **MoDMR** | Ministry of Disaster Management and Relief |
| **MoE** | Ministry of Education |
| **MoEFCC** | Ministry of Environment, Forest and Climate Change |
| **MoEWOE** | Ministry of Expatriates' Welfare and Overseas Employment |
| **MoF** | Ministry of Finance |
| **MoFA** | Ministry of Foreign Affairs |
| **MoFL** | Ministry of Fisheries and Livestock |
| **MoHA** | Ministry of Home Affairs |
| **MoHFW** | Ministry of Health and Family Welfare |
| **MoI** | Ministry of Industries |
| **MoL** | Ministry of Land |
| **MoLaw** | Ministry of Law, Justice and Parliamentary Affairs |
| **MoLE** | Ministry of Labour and Employment |
| **MoL GRD&C** | Ministry of Local Government, Rural Development and Co-operatives |
| **MoPA** | Ministry of Public Administration |
| **MoPME** | Ministry of Primary and Mass Education |
| **MoPT** | Ministry of Posts and Telecommunications |
| **MoPTIT** | Ministry of Posts, Telecommunications and Information Technology |
| **MoR** | Ministry of Railways |
| **MoRA** | Ministry of Religious Affairs |
| **MoRTB** | Ministry of Road Transport and Bridges |
| **MoS** | Ministry of Shipping |
| **MoST** | Ministry of Science and Technology |

| | |
|---|---|
| **MoSW** | Ministry of Social Welfare |
| **MoU** | Memorandum of Understanding |
| **MoWCA** | Ministry of Women and Children Affairs |
| **MoWR** | Ministry of Water Resources |
| **MPA** | Mongla Port Authority; Marine Protected Area (marine context) |
| **MPI** | Multidimensional Poverty Index |
| **MRA** | Mutual Recognition Agreement |
| **MRL** | Maximum Residue Limit |
| **MRV** | Monitoring, Reporting and Verification |
| **MSME** | Micro, Small and Medium Enterprise |
| **MSP** | Marine Spatial Planning |
| **MT** | Metric Ton |
| **MTBF** | Medium-Term Budgetary Framework |
| **MTEF** | Medium-Term Expenditure Framework |
| **MW** | Megawatt |
| **NBR** | National Board of Revenue |
| **NbS** | Nature-based Solutions |
| **NCD** | Non-communicable Disease |
| **NCSA** | National Cyber Security Agency |
| **NCSI** | National Cybersecurity Index |
| **NCTB** | National Curriculum and Textbook Board |
| **NDC** | Nationally Determined Contribution; National Data Centre (digital infrastructure context) |
| **NDGA** | National Data Governance Authority |
| **NEET** | Not in Education, Employment or Training |
| **NENP** | Non-Enterprise Non-Public Power Producer |
| **NFSIS** | National Food Safety Information System |
| **NGO** | Non-Governmental Organisation |
| **NHA** | National Housing Authority |
| **NHIC** | National Health Intelligence Centre |
| **NHPA** | National Health Protection Authority |
| **NID** | National Identity / National ID |
| **NIPN** | National Information Platform for Nutrition |
| **NIST** | National Institute of Standards and Technology |
| **NLDCC** | National Logistics Development and Coordination Committee |
| **NLMIS** | National Labour Market Information System |
| **NMT** | Non-Motorized Transport |
| **NPHCC** | National Primary Health Care Commission |

| | |
|---|---|
| **NPL** | Non-performing Loan |
| **NPR** | National Population Register |
| **NPS** | National Pension Service |
| **NPSB** | National Payment Switch Bangladesh |
| **NQAF** | National Quality Assurance Framework |
| **NRDEX** | National Responsible Data Exchange |
| **NSC** | National Steering Committee; National Sports Council (sports context) |
| **NSC-IGND** | National Steering Committee on Integrated Growth Network Development |
| **NSDA** | National Skills Development Authority |
| **NSDP** | National Skills Development Policy |
| **NSDS** | National Strategy for the Development of Statistics |
| **NSEZ** | National Special Economic Zone |
| **NSIS** | National Social Insurance Scheme |
| **NSO** | National Statistics Office |
| **NSOC** | National Security Operations Centre |
| **NSQF** | National Skills Qualifications Framework |
| **NSS** | National Statistical System |
| **NSSS** | National Social Security Strategy |
| **NTA** | National Transfer Accounts |
| **NTP** | National Tariff Policy |
| **NTTA** | National Time Transfer Accounts |
| **NTTN** | Nationwide Telecommunication Transmission Network |
| **NTVQF** | National Technical and Vocational Qualifications Framework |
| **O&M** | Operations and Maintenance |
| **OAA** | Old Age Allowance |
| **ODOP** | One District One Product |
| **ODP** | Other Data Provider |
| **OECD** | Organisation for Economic Co-operation and Development |
| **OMS** | Open Market Sales |
| **OOP** | Out-of-Pocket |
| **OPOP** | One Palli One Product |
| **OPOS** | Other Providers of Official Statistics |
| **OSC** | One-Stop Service Centre |
| **OSH** | Occupational Safety and Health |
| **OSS** | One-Stop Service |
| **OTC** | Over-the-Counter |
| **OVOP** | One Village One Product |
| **P2G** | Person-to-Government |

| | |
|---|---|
| PA | Project Assistance |
| PCA | Permanent Court of Arbitration |
| PCB | Private Commercial Bank |
| PDPA | Personal Data Protection Act |
| PDPA | Personal Data Protection Act |
| PEC | Post-Enumeration Check |
| PES | Payments for Environmental Services |
| PFDS | Public Food Distribution System |
| PGCB | Power Grid Company of Bangladesh |
| PHC | Primary Health Care |
| PKSF | Palli Karma-Sahayak Foundation |
| PLC | Public Limited Company |
| PMO | Prime Minister's Office |
| PPA | Payra Port Authority; Power Purchase Agreement (energy context) |
| PPE | Personal Protective Equipment |
| PPP | Public-Private Partnership |
| PPPA | Public Private Partnership Authority |
| PPRC | Power and Participation Research Centre |
| PQC | Post-Quantum Cryptography |
| PSC | Production Sharing Contract |
| PSW | Port Single Window |
| PV | Photovoltaic; Political Stability (WGI indicator context) |
| QA | Quality Assurance |
| QoS | Quality of Service |
| R&D | Research and Development |
| RAJUK | Rajdhani Unnayan Kartripakkha |
| RE | Renewable Energy |
| RHD | Roads and Highways Department |
| RJSC | Registrar of Joint Stock Companies and Firms |
| RL | Rule of Law |
| RMG | Ready-Made Garments |
| RNFE | Rural Non-farm Economy |
| ROA | Return on Assets |
| ROE | Return on Equity |
| RPGCL | Rupantarita Prakritik Gas Company Limited |
| RPL | Recognition of Prior Learning |
| RPO | Renewable Purchase Obligation |
| RQ | Regulatory Quality |
| RTA | Regional Trade Agreement |

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|---|---|
| SAARC | South Asian Association for Regional Cooperation |
| SAM | Social Accounting Matrix |
| SASEC | South Asia Subregional Economic Cooperation |
| SBR | Statistical Business Register |
| SCADA | Supervisory Control and Data Acquisition |
| SCB | State-owned Commercial Bank |
| SCITI | Small and Cottage Industries Training Institute |
| SDD | Second Demographic Dividend |
| SDG | Sustainable Development Goal |
| SDMX | Statistical Data and Metadata Exchange |
| SEC | Securities and Exchange Commission |
| SEED | Self-Employment and Entrepreneurship Development |
| SEIP | Skills for Employment Investment Programme |
| SEZ | Special Economic Zone |
| SFR | Statistical Farm Register |
| SHI | Social Hostilities Index |
| SHQTC | Software and Hardware Quality Testing and Certification |
| SID | Statistics and Informatics Division |
| SIM | Subscriber Identity Module |
| SIPP | Small Independent Power Producer |
| SIS | Small Indigenous Fish Species |
| SLM | Sustainable Land Management |
| SME | Small and Medium Enterprise |
| SMEF | SME Foundation |
| SMI | Survey of Manufacturing Industries |
| SMS | Short Message Service |
| SNA | System of National Accounts |
| SOC | Security Operations Centre |
| SOC 2 | Service Organisation Control 2 |
| SOP | Standard Operating Procedure |
| SP | Strategic Priority |
| SPARRSO | Bangladesh Space Research and Remote Sensing Organisation |
| SR | Support Ratio |
| SREDA | Sustainable and Renewable Energy Development Authority |
| SRHR | Sexual and Reproductive Health and Rights |
| SSGP | Support to Sustainable Graduation Project |

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|---|---|
| SSK | Shasthyo Surokhsha Karmasuchi |
| SSNP | Social Safety Net Programme |
| SSO | Single Sign-On |
| SSP | Social Security Programme |
| SSU | Social Security Unit |
| STEM | Science, Technology, Engineering and Mathematics |
| STP | Strategic Transport Plan |
| STS | Smooth Transition Strategy |
| SVRS | Sample Vital Registration System |
| SVSS | Sample Vital Surveillance System |
| SWAp | Sector-Wide Approach |
| SWIFT | Society for Worldwide Interbank Financial Telecommunications |
| TakaPay | National Debit Card Scheme |
| TB | Tuberculosis |
| TBT | Technical Barriers to Trade |
| TCB | Trading Corporation of Bangladesh |
| TEU | Traffic Engineering Unit |
| TFP | Total Factor Productivity |
| TFR | Total Fertility Rate |
| TIIP | Trade, Industry and Investment Policy |
| TISP | Threat Intelligence Sharing Platform |
| Tk | Taka |
| ToT | Training of Trainers |
| TRCMRP | Teesta River Comprehensive Management and Restoration Project |
| TRIPS | Trade-Related Aspects of Intellectual Property Rights |
| TRL | Technology Readiness Level |
| TRM | Tidal River Management |
| TVET | Technical and Vocational Education and Training |
| UBID | Unique Business ID |
| UCCA | Upazila Central Cooperative Associations |
| UCAR | |
| UDC | Union Digital Centre |
| UFG | Unaccounted-for Gas |
| UGC | University Grants Commission |
| UHC | Universal Health Coverage |
| UN | United Nations |
| UNDESA | United Nations Department of Economic and Social Affairs |

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|---|---|
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNFPA | United Nations Population Fund |
| UNICEF | United Nations Children's Fund |
| UP | Union Parishad |
| UPL | Upper Poverty Line |
| UPS | Universal Pension Scheme |
| USD | United States Dollar |
| UWPP | Unemployed Workers' Protection Program |
| VA | Voice and Accountability |
| VAT | Value Added Tax |
| VC | Venture Capital |
| VDS | Visible Digital Seal |
| VFX | Visual Effects |
| VGD | Vulnerable Group Development |
| VGF | Vulnerable Group Feeding |
| VLSI | Very Large-Scale Integration |
| VoIP | Voice over Internet Protocol |
| VWB | Vulnerable Women Benefit |
| WA | Widow Allowance |
| WARPO | Water Resources Planning Organisation |
| WASA | Water Supply and Sewerage Authority |
| WASH | Water, Sanitation and Hygiene |
| WDI | World Development Indicators |
| WEAI | Women's Empowerment in Agriculture Index |
| WEDF | Women Entrepreneur Development Fund |
| WEO | World Economic Outlook |
| WEWB | Wage Earners' Welfare Board |
| WGI | Worldwide Governance Indicators |
| WHO | World Health Organisation |
| WIFI | Women in ICT Frontier Initiative |
| WJP | World Justice Project |
| WMO | Water Management Organisation |
| WPP | World Population Prospects |
| WRM | Water Resources Management |
| WSP | Water Safety Plan |
| WTO | World Trade Organisation |

# INTRODUCTION

# INTRODUCTION

## 1. Background

Bangladesh stands at a defining moment in its national history. Following more than fifteen years of anti-fascist democratic struggle and the historic student–people uprising of 2024, the nation has entered a new era of hope, democratic renewal, and institutional reconstruction. The people's overwhelming mandate in the 2026 general election has entrusted the Bangladesh Nationalist Party (BNP), under the leadership of Honourable Prime Minister Tarique Rahman, with the historic responsibility of rebuilding the state structure, restoring public confidence, and placing the country on a path of sustainable prosperity. This Five-Year Strategic Framework (July 2026–June 2031) translates that mandate based on the historic election manifesto into a coherent national development agenda, building upon the democratic aspirations articulated during the long struggle for constitutional and structural reform of governance.

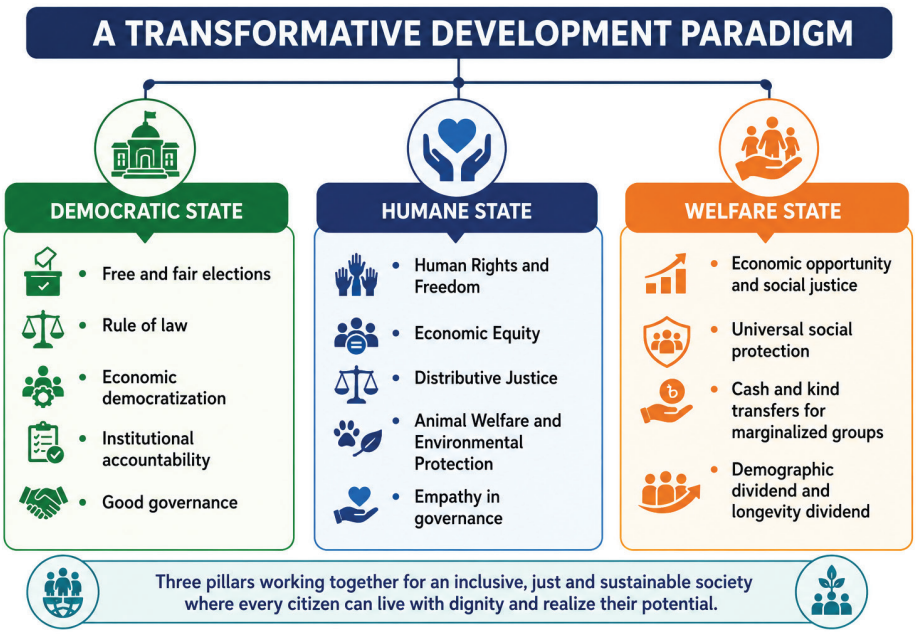
This Strategic Framework is the articulation and elaboration of the Honourable Prime Minister Tarique Rahman's commitment and assurance to the nation that— "We Have a Plan." Much more than mere political rhetoric, it is a comprehensive national commitment to transform Bangladesh into a democratic, inclusive, productive, and globally competitive nation. It recognises that rebuilding Bangladesh requires more than economic recovery. Years of institutional erosion, governance failures, and economic distortions have weakened public trust, constrained and distorted private investment, and limited the country's development potential. Guided by the conviction that sustainable and inclusive development must be accompanied by democratic accountability, social harmony, and intergenerational equity, the "We Have a Plan" commitment provides the strategic bridge between the foundational ideals of Shaheed President Ziaur Rahman's 19-point nation-building philosophy, Begum Khaleda Zia's 'Vision 2030' reform agenda and the 31-Point Reform Programme of the Simultaneous Movement in 2023.

Drawing upon these complementary visions, the Five-Year Strategic Framework adopts an integrated approach to national development that combines democratic renewal with economic transformation. The Framework places governance reform at the centre of development, recognizing that effective institutions are essential for macroeconomic stability, investor confidence, and sustained growth. It therefore prioritizes strengthening democratic governance, restoring institutional credibility, ensuring transparency and accountability, and enhancing the capacity of public institutions to implement programmes and projects and to deliver quality services. Simultaneously, it pursues economic democratisation by expanding access to finance, technology, markets, skills, and productive assets, enabling citizens across all regions and socioeconomic groups to participate meaningfully in economic activity. The Government will promote private sector-led growth, competitive markets, export diversification, agricultural modernisation, industrial upgrading, digital innovation, and green transition while maintaining prudent fiscal and monetary policies to safeguard macroeconomic stability. The Framework thus integrates democratic governance, institutional accountability, economic modernisation, social justice, and environmental sustainability into a single national development strategy. Indeed, the Strategic Framework is the operational elaboration of the Prime Minister's "We Have a Plan" commitment.

## 2. Strategic Framework for Bangladesh—A Vision for Transformative Development

Bangladesh stands at a critical juncture in its development trajectory, transitioning from a lower-income to an emerging middle-income economy while confronting structural challenges in governance, economic diversification, and global competitiveness. The need for a coherent and forward-looking strategic framework has never been more pressing, particularly in the context of impending graduation from Least Developed Country (LDC) status and the evolving dynamics of the global economy.

Within this context, Honourable Prime Minister Tarique Rahman envisions a transformative development paradigm grounded in three key pillars: a democratic, humane, and welfare state. This strategic framework is grounded on these visions and underscores the following strategic outlook—(i) Democratic State- political stability, rule of law, institutional accountability; (ii) Humane State- people-centric services (health, education, etc.), civil and political rights, transportation for all, etc. and (iii) Welfare State- ensuring economic opportunities for all, leading to inter-generational equity, inclusive and sustainable development.




At the core of this strategic outlook is a commitment to revitalising economic dynamism through market-oriented economic reforms—decentralisation and economic diversification, and private sector-led growth, and enhanced productivity across key sectors. The framework prioritises macroeconomic stability while advocating structural reforms in fiscal management, financial sector governance, and public administration. It further envisions leveraging Bangladesh's demographic dividend through investments in human capital, education, and skills development, aligning the labour force with the demands of a rapidly changing global economy.

Another defining pillar of this vision is the emphasis on decentralisation and inclusive development. By strengthening local governance structures and ensuring equitable resource allocation, the framework seeks to address regional disparities and promote balanced growth. Infrastructure development—particularly in energy, transport, and digital connectivity—is identified as a critical enabler of competitiveness and integration into global value chains.

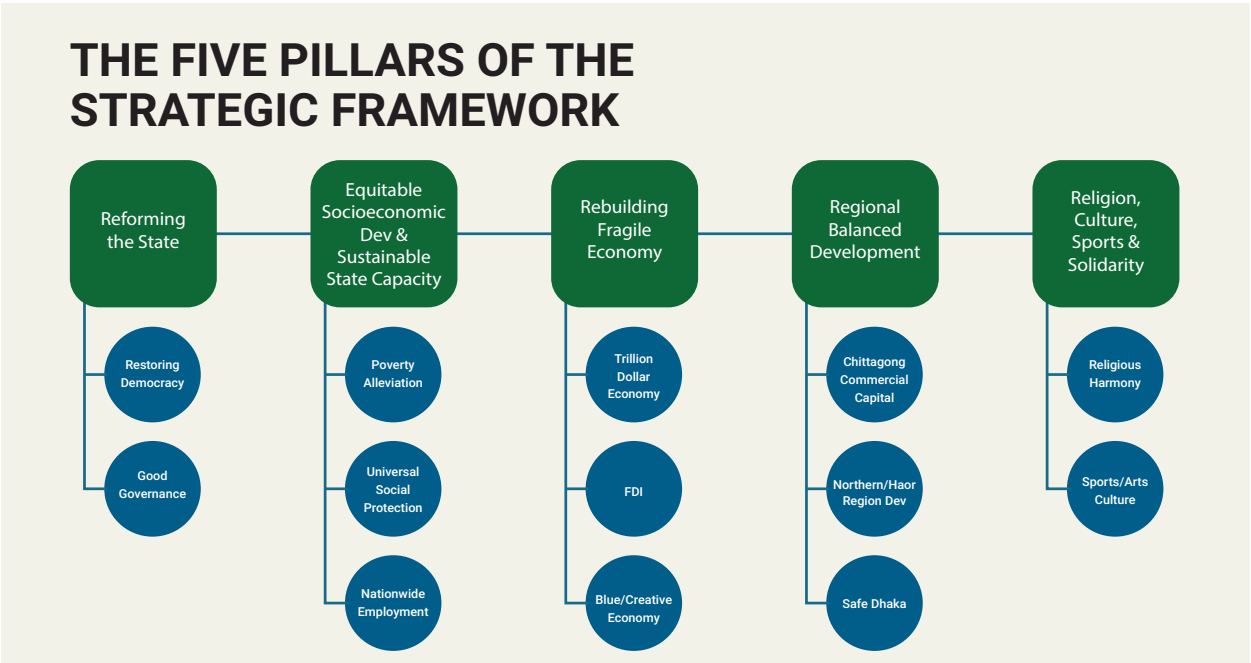
The strategic framework further recognises the importance of resilience in the face of climate change and external shocks. It calls for integrating environmental sustainability into development planning,

enhancing adaptive capacity, and mobilising international partnerships to support climate finance and technology transfer. This strategic vision articulates a reform-oriented pathway for Bangladesh—one that seeks to combine economic efficiency with social equity, institutional integrity with political inclusiveness, and national ambition with global integration.

Against these visions of a transformative development paradigm, however, is the current stark reality of fragility. Much like the rest of the world, Bangladesh has also been buffeted by repeated adverse shocks since the beginning of this decade in the form of pandemic, wars, supply chain disruptions, and energy and fuel price rises. In the case of Bangladesh, these shocks have been compounded by severe macroeconomic mismanagement and institutional degradation by the previous regime. Further, political uncertainties of the last few years have also left the macroeconomy fragile and vulnerable to shocks.

## 3. Five Pillars of the Strategic Framework

The strategic framework can be consolidated into five broader priority areas that capture the government's overall development vision. Under the "Bangladesh First" policy, the framework aims to transform Bangladesh into a $1 trillion economy by 2034, create 10 million jobs within five years, promote "production over plunder," and support a more inclusive, accountable, and sustainable development path. The five priority areas—Reforming the State; Equitable Socioeconomic Development and Sustainable State Capacity; Rebuilding Fragile Economy; Regional Balanced Development; and Religion, Culture, Sports and Solidarity—bring together the agenda for democratic reform, youth and women's empowerment, poverty reduction, agricultural and industrial modernisation, digital transformation, climate resilience, and balanced national development.




## 4. Rationale for the Economic Recovery and Growth Plan: From Fragility to Prosperity

The Bangladesh economy faces numerous interrelated issues that may hinder the country's economic development and growth. High inflation rates (8%-9%) resulting from the rise in food prices, an increase in the cost of imports due to devaluation of the currency, energy cost pressure, and disrupted supply chains have reduced real income, especially of poor and rural people. The current economic environment

reflects a combination of external shocks and internal structural weaknesses that have contributed to macroeconomic fragility. The economy has been adversely affected by the COVID-19 pandemic, rising geopolitical tensions, persistent macroeconomic mismanagement, financial sector irregularities, and episodes of capital flight. These factors have collectively strained external balances, weakened investor confidence, and heightened vulnerabilities in inflation and foreign exchange management.

As a result, economic growth has decelerated, with declining momentum in key productive sectors, while employment generation has weakened—particularly in manufacturing and informal services—leading to rising underemployment and income insecurity. Inflationary pressures have intensified, eroding real incomes and disproportionately affecting low- and middle-income households. At the same time, pressures on the exchange rate and declining foreign exchange reserves have constrained import capacity, disrupted supply chains, and increased the cost of essential goods and inputs. Investment activity has slowed due to heightened uncertainty, tighter financial conditions, and reduced credit availability, further dampening prospects for private sector–led growth. Fiscal pressures have also increased, limiting the government's ability to undertake countercyclical measures and protect vulnerable populations.

Moreover, during the tenure of the interim government, there was an absence of a coherent economic stabilisation or recovery plan, and no significant structural reforms were undertaken to address these emerging challenges. This lack of policy direction further compounded existing vulnerabilities and delayed necessary adjustments in key sectors, including the financial system, revenue mobilisation , and external sector management.

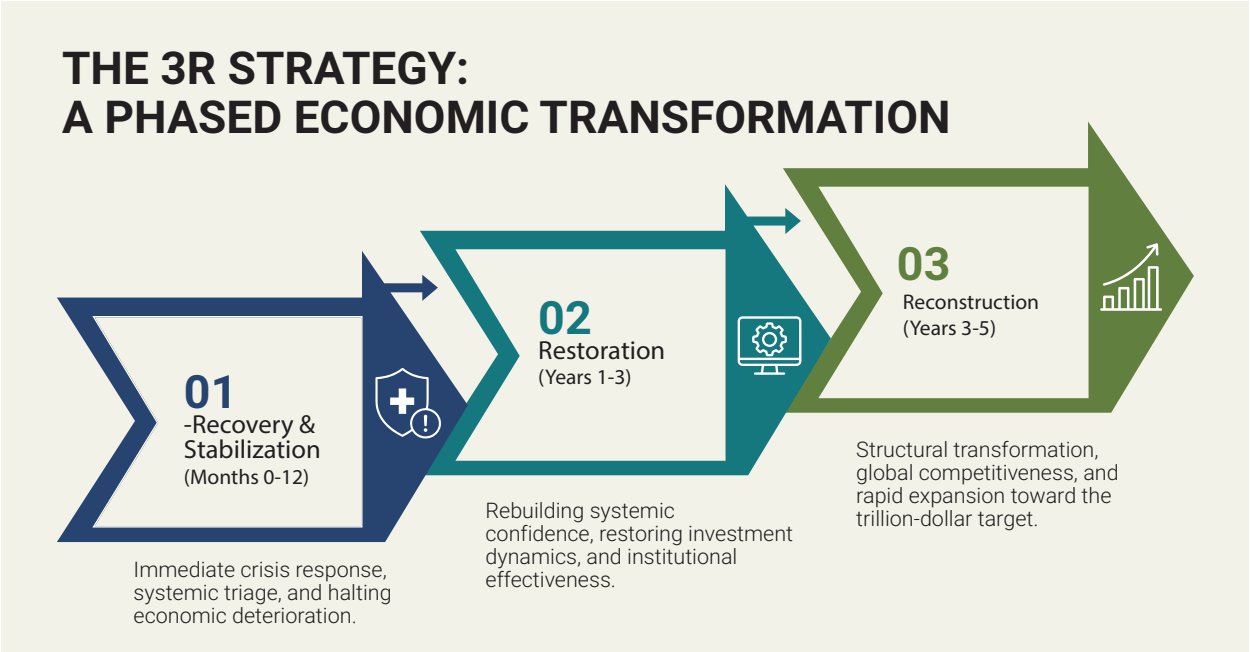
Against this backdrop, the Government is committed to implementing a comprehensive reform agenda aimed at restoring macroeconomic stability, strengthening institutions, and rebuilding confidence in the financial system. This Five-Year Strategic Framework (2026–2030) seeks to address these challenges through decisive policy actions that stabilise key macroeconomic indicators, improve governance, and create a more resilient economic environment conducive to sustainable and inclusive growth.

LDC graduation and slow SDG Implementation progress are two challenges that require a comprehensive reform and transition framework to be successfully addressed. As Bangladesh prepares to graduate from Least Developed Country (LDC) status in 2026, it faces a critical transition that requires strengthening competitiveness, enhancing productivity, and accelerating export diversification. At the same time, the slow progress in achieving the Sustainable Development Goals (SDGs) underscores the urgency of re-strategizing the country's economic approach. While Bangladesh has made notable gains in poverty reduction, health, and education, persistent challenges—such as inequality, climate vulnerability, unemployment, and weak institutional capacity—continue to constrain progress. Addressing these dual challenges requires a shift from short-term growth priorities toward a more sustainable, inclusive, and resilient development model, with greater emphasis on green industrialisation, rural transformation, innovation, and broad-based economic participation.

The FYSF is framed against this 'initial condition' of fragility, and presents an ambitious and yet realistic strategic framework that will set the country on a path to prosperity. The strategy will work through both aggregate demand and supply channels, over short, medium and long term horizon, improving buffers and building the economy's ability to absorb shocks, reduce inflation, and boosting economic growth, income and employment.

Moving from fragility will require three steps — the 3R policy objectives: recovery and stabilisation; restoration; and reconstructions and growth acceleration. The first "R", recovery and stabilisation, refers to immediate crisis response where the government stabilises the macroeconomy. The restoration of the second "R" refers to wide ranging, systemic actions, particularly in the fiscal arena, banking sector and the capital market. This will set the stage for the third "R" —reconstruction and growth acceleration—

whereby firms will invest, boosting productivity and employment so that the demographic dividend is fully realised and poverty is reduced. Furthermore, there are detailed strategic interventions in 16 specific sectors against these policy objectives.




## 5. The Vision and Strategic Objectives of the 3R Strategy Vision

A democratic, inclusive, and investment-driven economy that ensures shared prosperity, social justice, and balanced regional development.

### Mission

To restore macroeconomic stability, accelerate investment-led growth, and implement structural reforms that enhance productivity, create employment, strengthen institutions, and improve the quality of life for all citizens—guided by democratic values, accountability, and economic resilience.

### Strategic Goals

Building on the above rationale, the strategic framework is anchored around a set of ten overarching national goals that aim to transform the structure of the economy while ensuring sustainability, inclusiveness, and resilience.

**i) Inclusive Development with a target of a trillion dollar economy by 2034:** The development agenda will ensure meaningful, equitable participation of all citizens, classes, sectors, and regions so that the benefits of growth are shared equitably. Laying the foundation for Bangladesh to transition into a trillion dollar economy through export diversification, industrial upgrading, and global competitiveness.

**ii) Quality Education and Healthcare for All:** Transforming the education system into a skills-based, value-oriented framework while ensuring universal access to quality healthcare as a fundamental right.

**iii) Universal Social Protection:** Establishing a universal, life-cycle-based social protection system to ensure social security coverage for citizens at all stages of life, thereby reinforcing the foundation of a welfare state.

**iv) An Economy Driven by Investment, Employment, and Production:** Agriculture will be given a strategic priority, supporting production, livelihoods, and food security. Alongside this, the development agenda will promote entrepreneurship, accelerate industrialisation, diversify exports, and leverage technology to create sustainable jobs and income opportunities, particularly for young people.

**v) Deregulation and a Cost-effective, Simplified Business Environment:** Fostering a transparent, streamlined, and cost-efficient business environment by deregulating government procedures and eliminating delays and unnecessary administrative steps.

**vi) Financial Sector Stability:** Restoring discipline, transparency, and accountability across the banking and financial sectors to safeguard depositors' interests, rebuild public confidence, and reinforce institutional responsibility, while promoting investment through reforms aimed at developing a vibrant and efficient capital market.

**vii) Energy Security:** Ensure a reliable supply of power and energy to support economic activity while pursuing a self-reliant energy strategy that delivers affordable, dependable, and environmentally sustainable energy solutions.

**viii) Digital Transformation and ICT Development:** Transforming Bangladesh into one of the world's leading exporters of ICT products and services by building a technologically advanced, innovative, and inclusive digital economy.

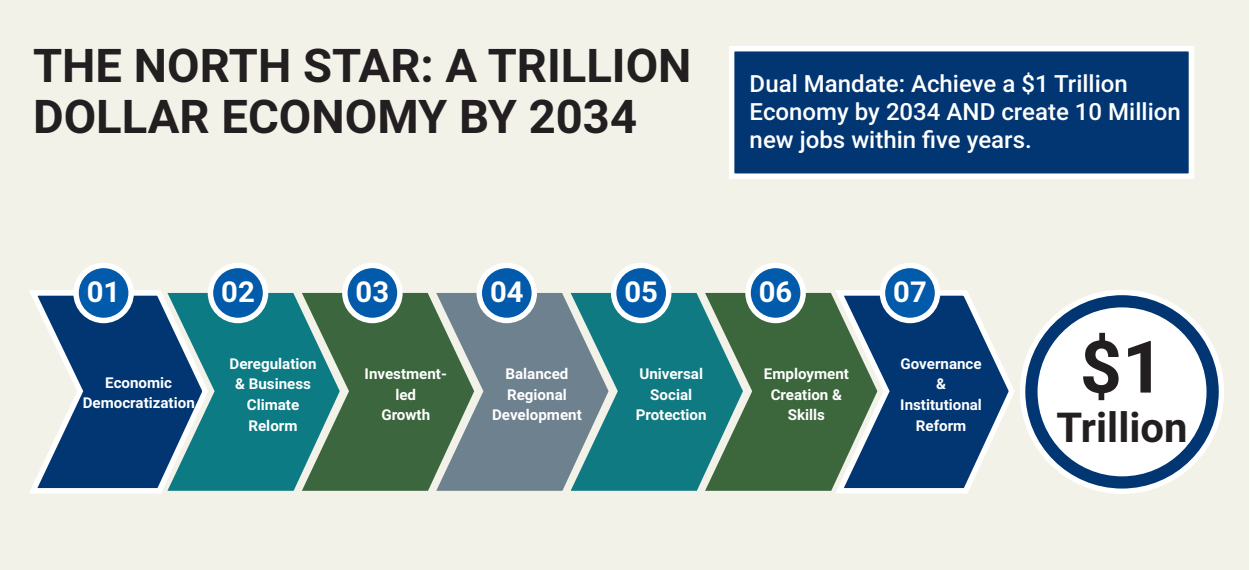
**ix) Management of Life, Nature, Environment, and Water Resources:** Protecting the nation from the impacts of climate change and preserving biodiversity by transforming community-led afforestation into a green revolution; mainstreaming environmental considerations in development planning; restoring the navigability of rivers; and relaunching canal restoration and excavation programmes to build a sustainable, green, climate-resilient, and livable future for generations to come.

**x) Transparent, Efficient, and Accountable Institutions and Administrative Systems:** Building transparent, efficient, and accountable institutions and administrative systems, while fostering merit-based governance and enhancing the efficiency and effectiveness of public investment implementation.

## 6. Governing Principles of the FYSF: Achieving a Trillion Dollar Economy by 2034

1. **Economic Democratisation:** Promoting wider participation in economic opportunities by reducing the concentration of wealth and market power. This includes improving access to finance, markets, and assets for SMEs, farmers, and marginalised groups to ensure fair and inclusive growth.
2. **Deregulation and Business Climate Reform:** Simplifying regulations, reducing bureaucratic barriers, and improving ease of doing business to encourage private investment. The focus is on transparency, faster approvals, and a predictable policy environment that lowers the cost of doing business.
3. **Investment-led Growth:** Driving economic expansion through increased public and private investment in key sectors such as infrastructure, energy, manufacturing, and technology. This approach prioritises capital formation to boost productivity, exports, and long-term growth.
4. **Balanced Regional Development:** Reducing regional disparities by promoting economic activities beyond major urban centres. This includes developing secondary cities, improving rural infrastructure, and creating new growth hubs to ensure equitable distribution of opportunities.
5. **Universal Social Protection:** Ensuring all citizens, particularly the vulnerable, have access to basic income security and essential services. This involves expanding coverage, improving targeting, and enhancing efficiency of social safety net Programmes.

6. **Employment Creation and Skills Development:** Generating productive jobs through sectoral growth while aligning education and training systems with Labour market needs. Emphasis is placed on youth employment, technical skills, and entrepreneurship development.




## 7. New Approach: Transition from Five Year Plan to Five Year Strategic Framework

Bangladesh's Five Year Plans have historically provided a structured framework for development planning, but their effectiveness has been constrained by persistent gaps between targets, implementation, and outcomes. A central limitation has been the mismatch between ambitious growth targets and the underlying macroeconomic and institutional capacity. Growth projections have often been optimistic, without adequate consideration of investment constraints, productivity trends, and external vulnerabilities. As a result, while headline GDP growth has remained relatively strong, it has not always translated into commensurate improvements in employment, productivity, or structural transformation—indicating a disconnect between growth and development outcomes.

Another critical issue has been weak alignment between planning frameworks and budgetary processes. Although the plans outline strategic priorities, these are not consistently reflected in annual budgets or the composition of public expenditure. This has led to fragmentation, where resource allocation does not fully support stated priorities such as human capital development, export diversification, or social protection. The Annual Development Programme (ADP), which is the main vehicle for implementing plan priorities, has faced chronically low implementation rates, frequent revisions, and end-year spending pressures. These inefficiencies not only delay project completion but also reduce the quality and impact of public investment.

Implementation bottlenecks have further undermined plan effectiveness. Large infrastructure and social sector projects often suffer from delays, cost overruns, and weak project appraisal and monitoring systems. Institutional capacity constraints, procurement inefficiencies, and coordination failures across ministries and agencies have limited the translation of policy intent into tangible outcomes. In many cases, projects have been approved without rigorous feasibility assessments, leading to suboptimal returns on public investment.

Additionally, the plans have not adequately addressed structural weaknesses in the economy. Despite repeated emphasis on diversification, exports remain highly concentrated, and domestic resource mobilisation has remained persistently low. Financial sector vulnerabilities, including governance issues and non-performing loans, have not been sufficiently tackled within the planning framework. This points to a broader issue: the plans tend to emphasise targets and sectoral allocations rather than binding constraints and reform sequencing.

Monitoring and evaluation mechanisms have also been relatively weak. While progress reports are produced, they often focus on input and output indicators rather than outcomes and impacts. This limits feedback loops and reduces the ability to course-correct during implementation. As a result, lessons from previous plans are not systematically integrated into subsequent planning cycles.

Finally, there has been limited adaptability of the plans to emerging shocks and changing global conditions. The rigid structure of the Five Year Plans makes it difficult to respond dynamically to crises such as the COVID-19 pandemic or external economic shocks. This has exposed the need for more flexible, responsive, and evidence-based planning approaches.

Taken together, these limitations—growth mismatches, weak alignment with budgets, low ADP implementation efficiency, persistent structural gaps, and limited adaptability—highlight the need for a new approach to economic planning. Such an approach must move beyond target-driven frameworks toward a more integrated, reform-oriented, and implementation-focused strategy that prioritises realism, flexibility, and accountability.

## 8. New Approach: A 3R Strategy—Recovery, Restoration, Reconstruction

To address the current macroeconomic fragility and structural constraints, the proposed Five-Year Strategic Framework adopts a sequenced and implementation-focused 3R Strategy—Recovery, Restoration, and Reconstruction. This approach reflects a clear departure from target-driven planning toward a phased reform and delivery model, where immediate stabilisation is followed by institutional strengthening and, ultimately, long-term structural transformation.

Drawing on international best practices in economic recovery planning, the 3R Strategy prioritises macroeconomic stabilisation, institutional accountability, and coordinated policy implementation, ensuring that reforms are both realistic and executable within Bangladesh's institutional and fiscal constraints.

**Crisis Response: Immediate Stabilisation and Economic Recovery (Short Term: 0–12 Months)**

The first phase focuses on rapid crisis response to stabilise the macroeconomic environment and prevent further deterioration. Given the current pressures on inflation, foreign exchange reserves, and fiscal space, the priority is to restore confidence and ensure basic economic functioning.

**Key policy priorities include**

- **Macroeconomic Stabilisation**

  Tightening monetary policy to contain inflation, improving exchange rate management, and rebuilding foreign exchange reserves through prudent external sector policies.

- **Fiscal Consolidation with Protection**

  Rationalising non-essential expenditures while safeguarding critical social spending, particularly targeted safety net Programmes to protect vulnerable populations from inflationary shocks.

- **External Sector Management**

  Reducing import pressures through demand management, prioritising essential imports, and facilitating remittance inflows and export earnings.

- **Financial Sector Stabilisation**

  Addressing liquidity constraints, strengthening banking supervision, and initiating corrective measures for non-performing loans to restore financial sector confidence.

- **Emergency Support to Key Sectors**

  Providing targeted support to agriculture, SMEs, and export-oriented industries to sustain production, employment, and supply chains.

This phase emphasises speed, coordination, and policy coherence, recognising that restoring macroeconomic stability is a prerequisite for any sustained recovery. As seen in successful recovery frameworks, early stabilisation efforts must be supported by clear policy signals and strong institutional coordination to rebuild investor and consumer confidence.

**System Restoration:** Rebuilding Confidence and Institutional Effectiveness (Medium Term: 1–3 Years)

Once immediate stability is achieved, the second phase focuses on restoring economic momentum and strengthening institutional capacity. This involves addressing underlying structural weaknesses that contributed to the crisis and ensuring that recovery gains are sustained.

**Key reform areas include**

- **Restoring Investment and Growth Dynamics**
  Reviving private sector investment through improved access to finance, reduced regulatory barriers, and enhanced business confidence.

- **Strengthening Public Financial Management**
  Improving budget–plan alignment, enhancing revenue mobilisation , and ensuring efficient public expenditure management to support priority sectors.
- **Financial Sector Reforms**
  Deepening reforms in banking governance, reducing systemic risks, and improving credit allocation to productive sectors.
- **Improving Policy Coordination and Implementation**
  Establishing stronger linkages between planning, budgeting, and execution, with clearly defined institutional responsibilities and accountability mechanisms.
- **Export Competitiveness and Diversification**
  Promoting sectoral diversification, improving trade logistics, and supporting industries with high export potential.
- **Human Capital and Labour Market Recovery**
  Expanding employment opportunities through targeted skills development, youth employment Programmes, and labour-intensive sectors.

This phase reflects a shift from stabilisation to systemic recovery, where the focus is on rebuilding trust in institutions, improving governance, and enabling the private sector to act as the primary engine of growth. Consistent with global recovery experiences, this stage requires strong monitoring, clear targets, and coordinated implementation frameworks.

**Reconstruction and Acceleration: Structural Transformation and Sustainable Growth (Long Term: 3–5 Years)**

The final phase focuses on long-term reconstruction and growth acceleration, aiming to transform Bangladesh into a resilient, diversified, and globally competitive economy.

**Key strategic priorities include**

- **Investment-Led Growth and Industrial Transformation**
  Scaling up public and private investment in infrastructure, manufacturing, and high-value-added sectors to enhance productivity and competitiveness.
- **Economic Diversification**
  Reducing dependence on a narrow export base by promoting new growth sectors, innovation, and integration into global value chains.
- **Infrastructure and Connectivity Development**
  Expanding energy, transport, and digital infrastructure to reduce costs of doing business and support regional and global integration.
- **Green and Climate-Resilient Development**
  Integrating climate adaptation, sustainable resource management, and green technologies into economic planning.
- **Governance and Institutional Deepening**
  Strengthening rule of law, regulatory quality, and public service delivery systems to sustain long-term development.

- **Inclusive Growth and Social Protection**
  Ensuring that growth translates into broad-based welfare improvements through expanded social protection, reduced inequality, and improved access to services.

At this stage, the strategy moves beyond recovery toward structural transformation, where growth is driven by productivity, innovation, and diversification rather than factor accumulation alone. The emphasis is on creating a resilient economic system capable of withstanding future shocks while sustaining high and inclusive growth.

### Cross-Cutting Implementation Principles of the 3R Strategy

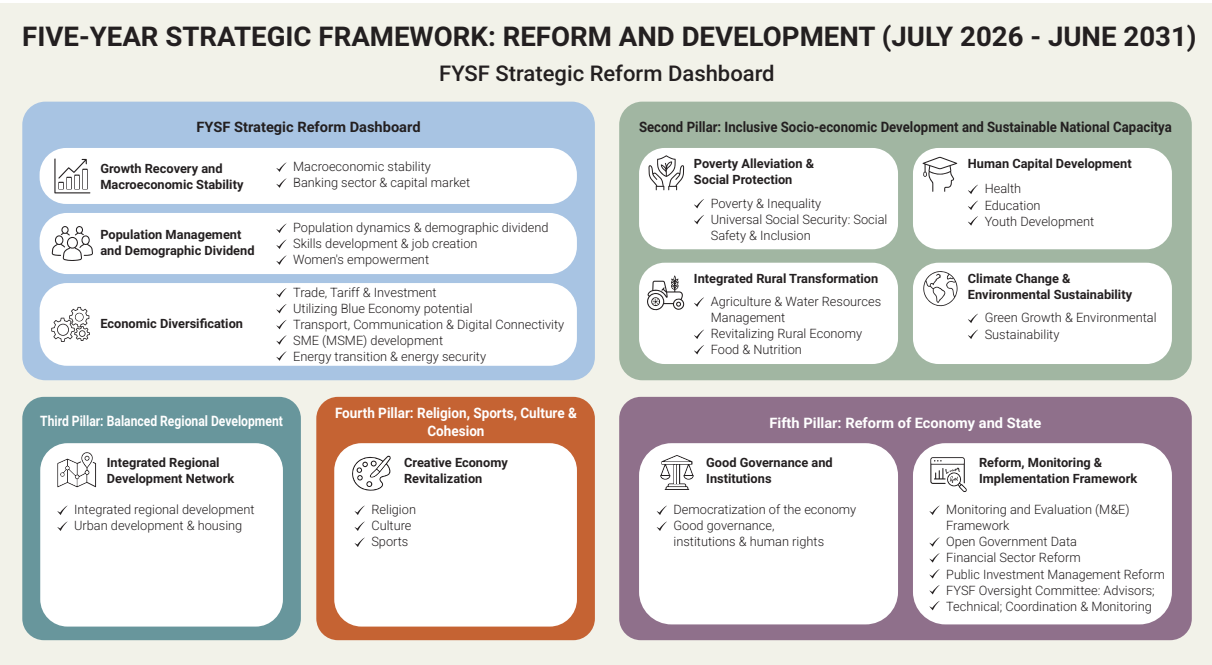
Consistent with global recovery frameworks, the effectiveness of the 3R Strategy depends on strong delivery mechanisms. Therefore, the strategy is underpinned by:

- Clear prioritisation of reforms and investments
- Defined institutional accountability and coordination
- Alignment between planning, budgeting, and implementation
- Robust monitoring and evaluation systems
- Adaptive policy frameworks to respond to shocks

This implementation-focused approach ensures that the strategy is not merely aspirational but operationally grounded, with a clear pathway from stabilisation to transformation.

## 9. Organisational Structure of FYSF

The FYSF is organised in different chapters under five parts aligning with the manifesto of the government



# A REVIEW OF DEVELOPMENT PLANNING IN BANGLADESH: FROM INDEPENDENCE TO THE EIGHTH FIVE-YEAR PLAN, FY1973–FY2025

## 1. Introduction

This Chapter reviews the experience of development planning in Bangladesh since independence, starting with the First Five Year of Bangladesh, 1973-1975 (1st FYP) and ending with the Eight Five Year Plan, 2020-2025 (8th FYP). The structure reviews successive plans and covers their main objectives, key targets, sector allocations and outcomes of the plan. It is acknowledged that not all outcomes discussed in the assessments are the result of plan implementation. They are included because public investment in the economy has both direct as well as indirect influence on the wider economy, including effects on 'softer' outcomes such as governance and environment indicators. This chapter mainly intends to shed light on the issues relating to five-year plan design and implementation. In the past thirty-five years in particular Bangladesh has come a long way in terms of economic prosperity, poverty reduction and improving educational attainment of both female and male students. However, the results regarding sustained structural reforms and strengthening foundational institutions of economic welfare and broader human development are much less inspiring. Realising the objectives of development plans not only depends on their technical quality but also requires strong political commitment. The present context presents the country with another historic opportunity to devise a medium term strategic framework that will accelerate growth and long postponed reforms of the economy, and redirect it towards a trajectory of sustainable long-term prosperity for all. The Five-Year Strategic Framework is intended to achieve this mission.

## 2. The First Five-Year Plan, FY1973–FY1978

### 2.1 Objectives and Features

The 1st FYP of Bangladesh was launched in 1973 in the aftermath of Bangladesh's Liberation War. The country was predominantly agricultural (the sector accounted for 80% of the GDP) with low productivity and low food grain production, per capita income of $ 90, population of 75 million people growing at over 2.6% per year, a small manufacturing sector based mainly on jute and jute goods accounting for over 80% of exports, no known natural resources, and poor quality and reach of health and education services. Added to this were the ravages of war– heavily damaged major road, rail, sea and river port infrastructure across the country, educational institutions, housing, etc. Moreover, public institutions, e.g., bureaucracy, justice system, law and order, which till then functioned within the confines of a backwater province had to transition overnight to functioning as state institutions in an independent country. They were mostly fragile and many more had to be built from scratch. On the political front, the environment was vitiated by tensions while people's expectations were high against a backdrop of acute economic scarcity. It was in this complex context that the First Five Year Plan was prepared.

The four pillars of state policy: nationalism, socialism, democracy and secularism (Constitution of the People's Republic of Bangladesh, 1972, Part I, Article 8) formed the political edifice of the 1st FYP. It was guided by the ideals of democratic socialism and motivated by an urgent need to deliver the

benefits of planned development to the poor and the wider public.The plan's primary objectives, were: (i) reconstruction of the war-ravaged economy, (ii) reduce extreme poverty and unemployment by expanding the rural works programmes, industrial rehabilitation and recovery to ensure minimum consumption needs and address inequality (iii) agricultural development and food self-sufficiency by expanding irrigation, using modern agricultural inputs, increase production to reduce food imports, and building rural infrastructure, (iv) rehabilitation of industrial assets and restore output levels to pre-war levels, and (v) strengthen the external sector by promoting import substitution, promoting exports and reducing dependence on foreign aid over time. The political leadership's view on socialism envisioned the public sector taking control of the "commanding heights" of the economy. Consequently, the plan incorporated the nationalisation of major industries– jute, textiles, sugar, banking, insurance, and international trade– leaving only small-scale agriculture, retail trade, and cottage industries to the private sector.

The 1st FYP followed a public investment-led growth strategy in which 81% of the total public expenditure was allocated to four key sectors: agriculture, industry, infrastructure, and 18% to human development (education, health, family planning). The plan gave highest priority to agriculture and food self-sufficiency, along with rural infrastructure and water resources receiving a quarter of the total plan outlay. The agriculture development strategy entailed accelerating the "Green Revolution" through expansion of irrigation and widespread diffusion of modern inputs. Agriculture received the single-largest allocation at 26% of the total plan outlay followed by nationalised industries at 19% of the total outlay. The latter reflects its out sized importance both for export earnings and employment. The large allocation to human development reflects the plan's commitment to human capital formation and social welfare. The sectoral allocations were largely consistent with the plan's philosophy of democratic socialism.

## 2.2 Assessment

The political leadership's focus on socialism was more of a rhetorical obsession, and the nationalisation of large-scale industries was essentially an ideological choice devoid of any consideration for economic efficiency.

In the initial conditions prevailing at its initiation, the First FYP was overly ambitious and fell well short of its targets and goals. The 5.5% annual GDP growth target was not achieved; actual growth averaged a dismal 3.5% per year, barely above population growth (2.8%) which permitted a minuscule rise in per capita income. Industrial growth was negative in the first year (1973-74) due to mismanagement of nationalised industries, labour unrest, and power supply deficit. The result was a foreign aid financing of public expenditure increased sharply to 81% instead of declining to 27% of total plan public expenditure in the terminal year Far from achieving the cherished objective of food self-sufficiency, Bangladesh experienced a famine in 1974 in which over one million lives were lost.

The 1st FYP accurately identified the binding constraints and immediate imperatives for the reconstruction of the economy and was technically sound, but the government's implementation capacity was highly constrained in critical areas such shortage of skilled bureaucrats and technocrats and scarcity of domestic resources--the domestic savings rate was just over 3 per cent and the tax-GDP ratio was 2.5 per cent.

The 1st FYP, incorporated nationalisation of large-scale industries, external trade, commerce, finance and insurance at a time most argued that it was done without the capacity to implement it. The argument in favour of nationalisation was that most of the industry owners were non-Bangali and had fled the country. It is also a fact that there were very few entrepreneurs who could have owned and managed these industries. Second, the plan was launched just before the 1974 famine in which more than one million people died. The state agencies involved failed to import and manage the domestic procurement

and public distribution system of foodgrain and enforce price controls put in place, exposing their weak and fragile capacity of state institutions. It has also been argued in later analyses that the famine was caused by other factors. The sharp increase in world food prices due to the oil price shock of 1973 also contributed to the domestic food inflation as well as the economy.

## 3. The Two-Year Plan (FY1978–FY1980)

### 3.1 Objectives and Features

The Two-Year Plan (2YP), 1978-80 was prepared and implemented under the government of Shaheed president Ziaur Rahman, began a gradual move away from nationalisation and the state-dominated model of the 1st FYP, toward a more market-oriented economy and incentivised private investment through phased denationalisation and policy changes to increase growth and efficiency of agriculture, industry and trade. Although the plan emphasised economic growth and poverty eradication and strengthening human capital, it moved away from income redistribution to income equity. While the approach was based on an interim development framework, it was historically significant as the first step towards building a mixed market-oriented economy in Bangladesh without withdrawing support for state enterprises.

During the brief interregnum, the government started gradually denationalising jute and textile mills, deregulated agricultural input distribution, permitted private operators to trade in fertilisers and irrigation pumps backed by concomitant increases in public spending on agricultural modernisation and expansion of rural infrastructure. The Two-Year Plan institutionalised the Annual Development Programme (ADP), which has since remained the primary instrument for public investment. Official data indicate signs of recovery during phase and by 1976-77 the economy regained its pre independence (1969-70) level of GDP and annual GDP growth reached 6.1% in 1980/81.

### 3.2 Assessment

While the Two-Year Plan marked a retreat from the state-led development model towards deregulating markets to encourage private sector investment. The shift was more a reaction to poor economic performance and hardship experienced due to economic mismanagement and political instability in the preceding years. It was also motivated by the political conviction that a more liberalised, market-oriented economic regime rather than statism was more suited as a development strategy for Bangladesh. The plan was implemented through two annual development plans (ADP), which has since remained the primary planning and implementation instrument in Bangladesh's development administration. The more lasting contributions of the interim period were a return to multi-party democracy with competitive elections and a more multi-faceted foreign policy professing relations with all countries. These political changes paved the way for greater economic stability and growth experienced later as well as continuity in development planning and policy in later years.

## 4. The Second Five-Year Plan, FY1980–FY1985

### 4.1 Objectives and Features

The Second Five Year Plan (2nd FYP), launched under the government of Shaheed president Ziaur Rahman marked a decisive break with the political underpinnings of the 1st FYP and made it formal. It built on the approach of the Two-Year Plan and accelerated the shift towards a market-oriented, private sector-led medium term growth strategy while recognising the role of the state in key areas to support economic growth and poverty eradication. It reinstated the five-year planning horizon in setting

development targets and guiding public resource allocation. Following the poor performance and pervasive food insecurity the 2nd FYP explicitly retreated from comprehensive nationalisation while retaining key state enterprises under government management in a significantly reformed structure. The role of the state in guiding and influencing development was acknowledged and practiced. The 2nd FYP's main objectives were to: accelerate economic growth, productivity and efficiency especially in textile and light industry, modernise agriculture to achieve food self-sufficiency and hence reduce foodgrain imports, encourage private investment, shift from the import substitution regime to export promotion to expand and diversify exports away from the predominance of raw jute and jute goods exports to ease the balance of payments constraint, reduce poverty by a large scaling up of rural works programmes, rural infrastructure and employment generation, and invest human development. To achieve these objectives, the plan followed an agriculture-cum-rural development led strategy. In industry, it followed a strategy of selective denationalisation, promoting market signals as the basis for resource allocation and incentivised private investment. The plan emphasised lowering the high population growth rate through family planning. In a landmark shift the plan provided for Export Processing Zones (EPZ) along with an implementation framework as part of its export strategy. The incentives extended to private sector RMG producers at this time eventually proved transformational for Bangladesh's development trajectory for the next four decades. The plan gave the highest priority to agriculture and rural development with an allocation of 30% followed by infrastructure development across all sectors including transport and power with an allocation of 34% out of the total outlay of Tk 17,200 crores.

### 4.2 Assessment

The 2nd FYP learned important implementation lessons of the 1st FYP and continued the basic approach of the Two-Year Plan but refined it further and formally presented a new vision and strategic direction for the economy. It reflected a deeper understanding of the country's context and invested in agriculture and rural development to yield benefits for the largest segment of the population. The 'Green Revolution' in agriculture took off with significant increase in rice production driven by diffusion of high-yielding varieties and shallow tubewell irrigation, and yielded productivity gains. The 2nd FYP also laid the foundations for the development of a market economy and appropriately emphasised the role of the private sector in the development of Bangladesh. The privatisation of state enterprises sparked the growth of the private sector in the country. This strategic shift resulted in industrial expansion and RMG export growth. These were seminal achievements. However, lingering political instability constrained its achievements. President Ziaur Rahman was assassinated in May 1981, and amidst the ensuing uncertainty, general H.M. Ershad, seized power in a military coup d'etat, later emerged as president. The 2nd FYP was implemented under his regime.

There were inconsistencies in the macroeconomic framework of the plan. The targeted GDP growth rate of 7.1% was incompatible with projected levels of exports, foreign aid, and the domestic savings rate. If the assumed levels were realised the actual growth rate would exceed 9%. Moreover, without full financing of the foreign exchange gap, the plan targets would not be achieved due to the binding domestic resource constraint. Overall, weak state capacity and issues of political legitimacy following the assassination of Shaheed president Ziaur Rahman made plan implementation more challenging. External shocks, most notably domestic political instability and the second global oil price shock of 1979-80 and high jute price instability further undermined realisation of plan targets. Growth, unemployment, poverty lagged plan targets and the actual GDP growth was 3%, i.e, half of the plan target.

## 5. The Third Five-Year Plan (FY1985–FY1990)

### 5.1 Objectives and Features

The Third Five Year Plan, 1985-90, prepared under the dictatorship of Gen. Ershad, marked poverty alleviation and human resource development as central goals– a departure from the approach of setting high growth rates which were then expected to reduce poverty. The plan's approach also envisaged significantly greater support to private sector development to make it the king pin of economic development and structural change. The plan set a GDP growth rate target of 5.4%. Against this target, the first three years yielded a growth rate of only 3.3% in the first three years due to the devastating floods of 1987 and 1988. Although a strong recovery in the last year of the plan increased the growth rate to 5.6%, it still fell short of its target. Agricultural growth was 2.6% against a 4% target, and industrial growth was 4.8% against a 10.1% target.

The 3rd FYP outlay was Tk 38,000 crores. Although the plan's allocation of 27% of the total outlay was 3% points less than the 2nd FYP it still shows continuity of priority to agriculture and rural development given its importance for poverty reduction. The lower allocation to agriculture was offset by an equivalent increase in infrastructure allocation, including power, transport and water. It received the largest allocation at 34%. Other sector allocations show no significant difference with those of the 2nd FYP.

### 5.2 Assessment

The plan's GDP growth rate target of 5.4% was ambitious, along with most of its other sector targets. In a flood plain delta, larger public investment was needed in water management infrastructure and soil productivity. The devastating flood of 1988 took a heavy toll on the realised growth rate under the plan. At 3.5 per cent it mirrored the GDP growth rate achieved under the 2nd plan. It mentioned a poverty ratio of 85% of the population as being in poverty and expected poverty incidence to decline by 10% over the plan period. This is another example of overly ambitious planning. On the macroeconomic side, the plan failed to contain inflation, which increased to 9.8% annually. Despite an emphasis on local resource mobilisation, the domestic savings rate declined to 3.8% from 4.2% during the plan period. However, on the positive side, there was robust growth in exports at 12.1%, rising well above the target, and a sharp increase in remittance. The impressive growth of ready-made garment exports due to supportive policy reform, especially the financing of raw materials imports by banks via back-to-back letters of credit and the customs bonded warehouse system, which permitted duty free imports of raw materials and the imposition of export quotas under the Multi Fibre Agreement. The rapid growth in remittances driven by export of unskilled labour due to the Middle Eastern countries was the result of policy continuity from in the 2nd FYP, as well as increasing shift to a private sector led growth strategy since 1978. These developments–the result of sound government policies—marked the beginning of higher growth, reduced poverty and macroeconomic stability seen in later years.

The 2nd and 3rd FYPs were implemented in the backdrop of balance of payments and macroeconomic instability sparked by the oil price shock of 1979-80 and instability of its primary exports—jute and tea. To respond to the deteriorating economic environment and beset by problems of political legitimacy, the government decided to accept the IMF–World Bank Structural Adjustment Programmes (SAP) with rigid conditionalities to obtain access to concessional financing. Motivated by neoliberalism of the Washington Consensus, the SAP objectives centred around liberalising markets and external trade and privatisation of state-owned enterprises, and through these measures, achieve fiscal and balance of payments stability and economic growth. In agriculture the SAPs proposed the elimination of input subsidies (seed, fertilisers and irrigation), permitting foodgrain and irrigation pump imports by the private sector. The government implemented a phased withdrawal of input subsidies in agriculture but did not eliminate

them completely. It eliminated import restrictions on irrigation pumps, making the domestic market more competitive and significantly expanding irrigation coverage. The impact of agricultural reforms became visible by the early 1990's. However, the privatisation of state enterprises while reducing fiscal pressure, encouraged cronyism and corruption, and there was little progress in industrialisation beyond the RMG exports sector. Tariff reforms in external trade significantly increased consumer goods imports benefitting mostly urban consumers. While the SAPs macroeconomic stability lower fiscal deficits, improved fiscal discipline, improved exchange rate stability. However, they failed to increase the GDP growth rate, the domestic savings rate continued to stagnate, the foreign exchange constraint improved somewhat but the country continued to rely heavily on external assistance to finance development. The low GDP growth rate for an entire decade set the country behind in achieving greater prosperity and reducing poverty much earlier in its development trajectory.

## 6. The Fourth Five-Year Plan, FY1990–FY1995

### 6.1 Objectives and Features

The Fourth Five-Year Plan ( 4th FYP, 1990–95) was prepared following the removal of the authoritarian government of President Ershad in 1990 and restoration of parliamentary democracy in 1991. Although the first draft was prepared in 1990, it was finally approved in 1993 by the democratically elected government of Begum Khaleda Zia. Meanwhile, however, a set of guidelines and targets based on the plan's earlier drafts were used to guide the annual budgets and the ADPs. With an outlay of Tk 62,000 crores, the plan's main objectives were to achieve a high economic growth rate of 5%, poverty alleviation, employment generation and self-reliance, ie, reducing dependence on foreign aid. It proposed a "New Development Perspective" prioritising human resource development focused on primary education, women's development, and environmental sustainability. The latter two areas were new priorities and especially relevant. The plan aimed at decentralised development with the 'thana' as the local unit. It also recognised the growing importance of NGOs in local level development and encouraged them to play a greater role in this space. The government opted for the IMF-World Bank structural adjustment programmes and accordingly accepted conditionalities which spawned reforms to privatise state assets, liberalise the economy to foster greater role for the market in allocating resources as well as stepping up growth of the private sector. The 1991 New Industrial Policy, for example, permitted 100% ownership to private foreign investors.

### 6.2 Assessment

The 4th FYP was prepared at a challenging time—the re-initiation of the democratic transition in Bangladesh. The return to representative democracy permitted more broad-based economic growth and increased private investment especially in the RMG industry. The 4th FYP achieved a GDP growth rate of 4.5% against the target rate of 5%, again falling short of the plan target. However, several significant impacts were quietly changing the structure of the economy: the country was almost self-sufficient in foodgrain production by 1992, an objective it was chasing since independence. Agricultural production continued to grow and diversify during the 4th FYP; higher natural gas production, rapid RMG exports and remittances reduced pressure on the balance of payments. The growth in the RMG sector had far reaching impacts—strong backward and forward linkages in manufacturing, construction and services sectors– banking, insurance, trade and transport, increasing industrial employment, especially female participation in the labour force. Solid agricultural performance despite the devastating cyclone of 1991 and intermittent floods, reflected resilience of the sector. The labour released from the sector kept wages low in the industrial sector, permitting labour to be absorbed in the latter and in services. The two key drivers of the economy — RMG manufacturing and exports, remittances and growth of the agriculture — signaled along with improved social indicators—increasing male and female enrolment at the primary

and secondary school levels, improving family health indicators and declining population growth rate in the 4th FYP period, signaled the beginnings of the structural transformation of the economy which would become increasingly visible during the later plan periods. A notable event in this period was the Awami League's embrace of private sector-led, market-based development, formally ending its espousal of socialism and state-led development.

On the public investment side, the construction of the critically important Jamuna Multipurpose Bridge was started in 1994 i.e, during the previous plan period, the new government kept it on track, completing it on time in 1997. The Jamuna Multipurpose Bridge project involved a massive resettlement programme of over 105,000 people in 18,000 families to newer locations on both riverbanks with plot allocations to the unsettled along with many community facilities. Although heavily donor funded and supervised, the first mega project of the country was competently complemented by a team of Bangladeshi bureaucrats and technocrats and won international plaudits for the country. The JMB connected the remote high-poverty northern region of Bangladesh to major growth centres, Dhaka and Chattogram, with strong and lasting poverty reduction impacts especially in the northern districts of Bangladesh.

Implementation of the 4th FYP exposed several constraints that caused under-achievement of plan targets: low labour productivity across all sectors of the economy, inefficient implementation due to weak institutional capacity, poor relations between labour and management, and large rural-urban migration. The repeated failure to achieve plan targets reflected institutional weaknesses in both plan formulation and implementation. Such high reliance on foreign aid in this plan period made the country susceptible to fluctuations in aid flows and changing donor priorities. Externally imposed structural reforms embedded in the IFI structural programmes were not always suited to the country's realities nor did the demands of implementing the structural reform agenda match Bangladesh's institutional capacity. Promoting private sector growth and strengthening market institutions were slow. The results analysed above indicate that the plan's results were mixed albeit with some important successes.

## 7. The Fifth Five Year Plan FY1997–FY2002

### 7.1 Objectives and Features

The Fifth Five-Year Plan , 1997–2002 (5th FYP) came into effect in FY1997. On the back of important economic successes in the previous years, the government set an extremely ambitious target of 7% GDP growth, underpinned by high sectoral targets to support the high GDP growth rate. The main objectives of the plan were to pursue a pro-poor economic growth strategy to alleviate poverty, expand social services, increase women in development and major infrastructure expansion. Agriculture would strengthen linkages with the off-farm rural sector and other sectors of the economy and the labour market to alleviate poverty. The 5th FYP explicitly targeted poverty incidence to decline to 15.6% by 2002. The shift from agriculture to industry already underway would translate into the structural transformation of the economy observed in later years. Agriculture's share was targeted to decline from 29.8% to 25.8%, while the industry's share would grow from 9.3% to 12.7% by the end of the plan period. Women's participation, especially poorer women in development would integrate them into the economic growth process increasing their employment and making growth more pro-poor, essentially mainstreaming women in development. While education and health were targeted to strengthen the social sectors, the main focus was on education, which was allocated 15% of the total plan outlay. In education, priority was on achieving universal enrolment in primary education and non-formal education. Some of the other key targets included: rice production at 23.4 million metric tons; electricity generation capacity at 5,739 MW, i.e, it would double, and a leapfrog in the adult literacy rate to 70% from 47% in five years. In infrastructure development the plan kept completion of the Jamuna Multipurpose Bridge, expanded major roads, other important bridges, and regional airports.

An important institutional weakness to note is that the 5th FYP could not be prepared between 1995 to 1997 because of the political crisis around the national parliamentary elections at the time. The breakdown of governance in this period underscored the vulnerability of the planning process to political transitions.

## 7.2 Assessment

The government adopted the Private Sector Power Generation Policy toward the end of 1996 to fast-track elimination of the large existing power deficit. The policy permitted private foreign investment in the first independent power production (IPP) plants on a Build-Operate-Own (BOO) basis. Three of these plants generated nearly 1500 MW of gas-fired electricity by 2001-2002. Average private sector investment was estimated at 56% of total investment, exceeding public investment for the first time. While private investment in power generation represented a breakthrough in addressing Bangladesh's binding energy constraint, the 5th FYP fell far short of its power generation capacity target. Liberalisation of the economic sectors along with continued higher growth in RMG output and exports, remittances and agricultural production and productivity growth, and diversification were the 5th FYP's key achievements.

Continued overestimation and unrealistic plan targets both in the economic and social sectors resulting in target under achievement also characterized the 5th FYP. The plan ignored or underestimated severe capacity and political economy constraints in plan formulation and implementation. Similar unrealistic commitments in the economic and social sectors, gender mainstreaming and poverty alleviation. Several targets remained unmet including GDP growth which was 5.5% against the target of 7%. Reduction of poverty from 47% in 1996 to 44% at the end of the plan showed the ineffectiveness of the plan's pro-poor growth strategy. While the plan aimed at inclusive growth, inequality was increasing with the largest share of income accruing to the richest segment of society at the cost of the poorest. The plan failed to increase domestic resources; the tax-GDP ratio remained low leading to a larger budget deficit and increased reliance on foreign financing of the plan. A weak understanding of ground realities once again surfaced as a key weakness of the 5th FYP. The prevailing political instability also had a negative impact on plan implementation.

### The PRSP, FY2003-05, NSAPR-I, FY2005–08 and NSAPR-II, FY2009–2011

## 7.3 Objectives and Features

At the end of the 5th FYP in 2002, Bangladesh opted to programme development under three successive poverty reduction strategies: The Poverty Reduction Strategy Paper (PRSP), 2003-2004, National Strategy for Accelerated Poverty Reduction-I (NSAPR-I), FY2005–08, and National Strategy for Accelerated Poverty Reduction-II (NSAPR-II), FY2009–11, as a pre-condition for the continued access to concessional development financing from the World Bank, the IMF's Poverty Reduction and Growth Facility (PRGF) and ADB. In fact, all donors required the adoption of the three development frameworks as a pre-condition for access to ODA financing.

The central objective of the PRSP was to reduce the national poverty headcount ratio from 48.9% to 39.9% by 2010, and extreme poverty from 34% to 25%. This would be achieved by 1) accelerating pro-poor economic growth; 2) improving the quality of life through massive investment in human development (health, education, water, and sanitation); 3) ensuring social protection for vulnerable groups; and 4) strengthening the institutional capacity of the state and local governance institutions to deliver public services. Poverty reduction would thus not focus only on economic growth but also directly address human development, governance and social safety nets. The priority to social development is reflected in ambitious allocations of 6 per cent of total outlays to education and 3 per cent to health. The paradigm

underlying all three documents shifted from growth and macroeconomic stability as drivers of poverty reduction to a holistic view of poverty, viewing it not only as lack of income but as a more complex reality involving poor access to education, health, lack of empowerment and vulnerability to shocks. They shifted from a project based to a sector wide approach in implementation to improve harmonisation of budgets, coordination and partnerships among stakeholders. They emphasised the development of infrastructure in particular, rural roads, power and telecommunications to improve access of poor communities to markets. Commitments were made to decentralise the development process, including fiscal decentralisation by strengthening local governments at the thana/upazila level to implement local development projects and allow the poor a voice in resource allocation decisions.

Implementation of the PRSP, NSAPR I and II took place across three governments starting in 2003. During NSAPR I the government expanded the participatory process by including 27 thematic groups while keeping its core objectives intact. The implementation of all three strategies was marked by continuity through the entire period, except for a brief slowdown during the 2007-08 military backed regime, and a strong commitment to build on the initial success as well as progress towards achieving the MDGs. They also introduced a results-based framework with fifty-five core indicators across all sectors and thematic areas to monitor progress towards the goals and objectives of the strategies and ensure government accountability for delivering results to local stakeholders and development partners.

### 7.4 Assessment

Shifting to a different paradigm of poverty reduction, continuity in implementing the goals and objectives and shared commitment to the MDGs by the political parties, and decentralisation were important landmarks of all three poverty reduction strategy documents. The macroeconomic achievements under the PRSP and the two NSAPRs were undoubtedly impressive. During this period, a sharply higher GDP growth of6.3 per cent was sustained, a significant increase over the previous decade, and the growth was pro-poor. Strong export and remittance growth steadily increased foreign exchange reserves and buoyed exchange rate stability. The poverty head count declined sharply from 48.9% in 2000 to 40% by 2005, 31.5% in 2010, and further to 24.3% in 2013 (at the end of NSAPR II). Extreme poverty dropped even more dramatically. The agricultural sector, which employed the majority of the poor, experienced sustained growth due to the dissemination of higher-yielding rice varieties and investment in rural infrastructure, and the reach of rural electrification expanded rapidly, connecting millions of villages to the national power grid and catalysing non-farm economic activities. Domestic resource mobilisation fell conspicuously short of expectations at 8.5 per cent of the tax-GDP ratio, well below the target of 11 per cent.

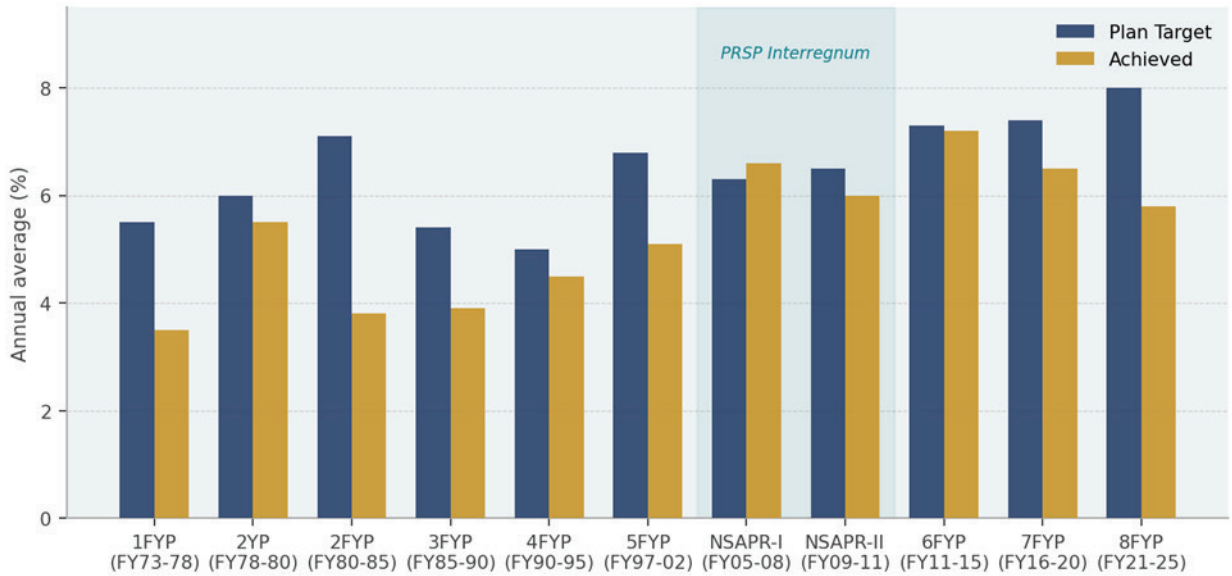
The sound macroeconomic performance in this period was achieved despite the end of the Multi Fibre Agreement in 2004, which had protected the RMG exports and fueled its boom, the global financial crisis of 2007-08, and domestic political instability from 2006 to 2008 involving three changes in government, reflecting the underlying resilience of the economy.

The attempt to fundamentally alter the practice of five-year plans and the ADPs to shorter development frameworks, however, had major shortcomings. While it served to harmonise the assistance, priorities and programmes of a large number of development partners in Bangladesh, the PRSPs were developed in response to years of criticism of the lack of sustained progress achieved by donor assisted poverty reduction programmes, including the SAPs, across low-income countries.

They empowered the Ministry of Finance at the expense of the Planning Commission, which till then was the principal anchor of five-year plan preparation, and relegated it to the role of monitoring compliance. The achievements of the macroeconomic and social development indicators were undermined by poor

performance of the governance indicators, rising inequality and a failure to significantly change the socio-political power imbalances that perpetuate poverty. The PRSP, NSAPR I and NSAPR II, however,left a contested legacy. They focused the political leadership on economic and social development, but failed to motivate them to address the deeply entrenched institutional inertia.

*Figure 1: GDP Growth Rate — Plan Target vs. Actual, FY1973–FY2025*




*Sources: BBS National Accounts (various years); GED Plan Documents 1FYP–8FYP; BBS Final National Accounts, 26 February 2026.*

**Table 1: NSAPR-I and NSAPR-II Key Macroeconomic Indicators**

| Indicator | NSAPR-I Target | NSAPR-I Achieved | NSAPR-II Target | NSAPR-II Achieved |
|---|---|---|---|---|
| GDP Growth (% p.a.) | 6.0–6.5 | 6.6 | 6.5 | 6.0 |
| Inflation (CPI, %) | ~7.0 | 8.2 | ~7.0 | 8.1 |
| Tax/GDP (%) | 10–11 | 8.5 | 10–11 | 8.5 |
| Investment/GDP (%) | 26 | 24.8 | 27 | 25.3 |
| Exports (USD bn) | n.a. | 10.7 | n.a. | 22.9 |
| Remittances (USD bn) | n.a. | 7.9 | n.a. | 11.7 |
| Poverty Headcount (%) | n.a. | ~40 | n.a. | 31.5 |

*Sources: BBS National Accounts; Bangladesh Bank Annual Reports; Finance Division Bangladesh Economic Review (various years); GED NSAPR-I (2005); GED NSAPR-II (2009); Export Promotion Bureau (EPB) Annual Export Reviews; Bangladesh Bank External Sector Statistics (various years).*

## 8. The Sixth Five-Year Plan, FY2011–2015

### 8.1 Objectives and Features

The Sixth Five-Year Plan ( 6th FYP) marked a return of five-year plans to set strategic planning objectives and determine public sector resource allocation. Buildig on the economic successes since 1991, the new government set a more ambitious agenda of growth and poverty reduction. These were to be achieved through two related instruments: 'Digital Bangladesh' and 'Vision 2021.' The intent was to upgrade and expand technology adoption to drive efficiency in administrative decisions and expand

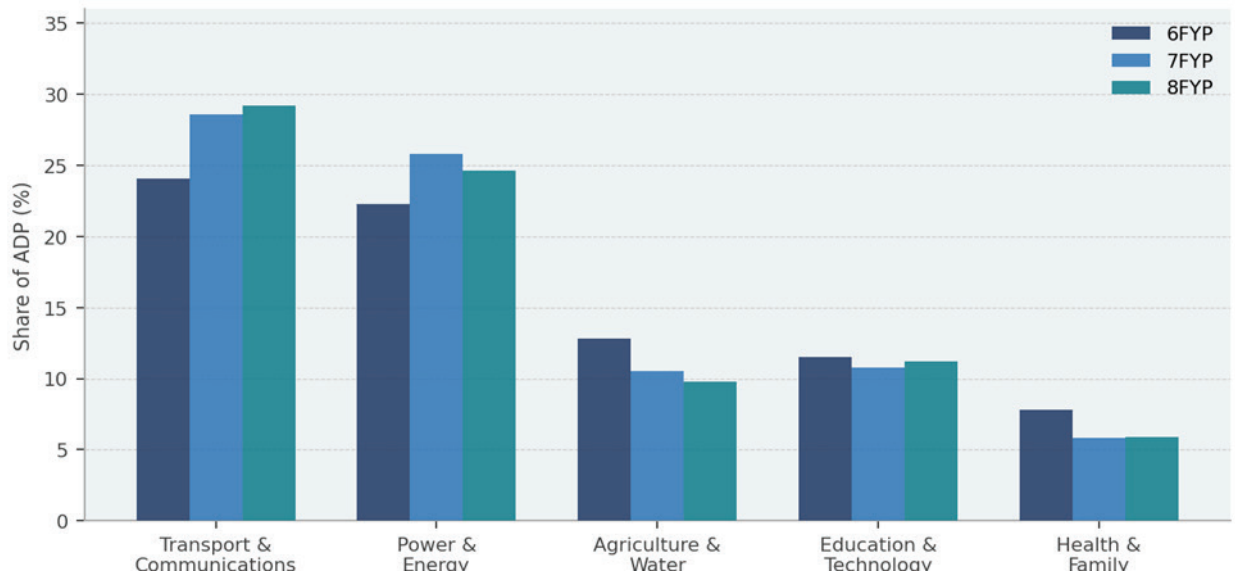
public service networks across the country. The 6th FYP was also an assertion of control over and ownership of development plans. To monitor and establish accountability the plan continued on the path of monitoring development results but replaced the MfDR framework of the 5th Plan with a more elaborate Development Results Framework (DRF) linking plan goals and objectives to quantifiable outcome indicators.

The 6th FYP continued on the path of private sector led development and further accelerated it through significant increases in incentives to mobilise greater investment from the sector. It committed to more liberal models of domestic private sector investment to expand power generation and other ambitious infrastructure projects to achieve the plan's high growth target of 7.3 per cent. Its critical design flaw lay not in the growth target but in an implicit assumption: that private investment would respond to infrastructure provision without requiring commensurate improvement in governance, contract enforcement, and banking sector integrity.

## 8.2 Assessment

The 6th FYP was the first to exceed the 7 per cent GDP growth threshold and sustained it through most of the plan period. It achieved an average GDP growth rate of 7.2 per cent against the plan target of 7.3 per cent. This represents a landmark achievement for Bangladesh. The only significant deviation from this trend took place in the aftermath of the tragic accident in a multi-storied garment factory which collapsed killing 1,134 workers and a one per cent drop in overall GDP growth in 2013, revealing an appalling failure of government regulation. It also revealed the vulnerability of the country's export earnings to output shocks in a single industry.

*Figure 2: Tax-to-GDP Ratio (%) — Plan Target vs. Achieved, All Plan Periods (1st FYP–8th FYP)*




*Sources: Finance Division, Bangladesh Economic Review (various years); IMF CR No. 26/24 (2026); GED Plan Documents 5FYP–8FYP.*

Power generation expanded rapidly as Installed generation capacity (including captive power) doubled to 13,540 MW by 2015 and was critical in achieving the high GDP growth. It also extended electricity access in the country from 48 per cent to 72 per cent. On other achievements. moderate poverty fell from 31.5 per cent (2010) to 24.3 per cent by 2016, driven by RMG-led employment, remittances,

microcredit, and the delivery of health and education services by NGOs. Bangladesh was acknowledged as a MDG high performer, due to continuing GDP growth, poverty and extreme poverty reduction, increase in gross enrolment rates at the primary and secondary school levels, fall in under-5 mortality and maternal mortality rates. These indicators helped Bangladesh to achieve Lower Middle Income Country (LMIC) status in FY2015.'

The 6th FYP introduced a development results framework (DRF) to monitor the MDGs. It linked the plan's goals and objectives to quantifiable outcome indicators, aligned with the MDGs. This provided a framework for results-based management would be further improved in 7th FYP and 8th FYP.

Against these achievements, the plan fell short in addressing several challenges that were passed on to its successor plans. Domestic revenue mobilisation remained severely constrained squeezing the budget's fiscal space.

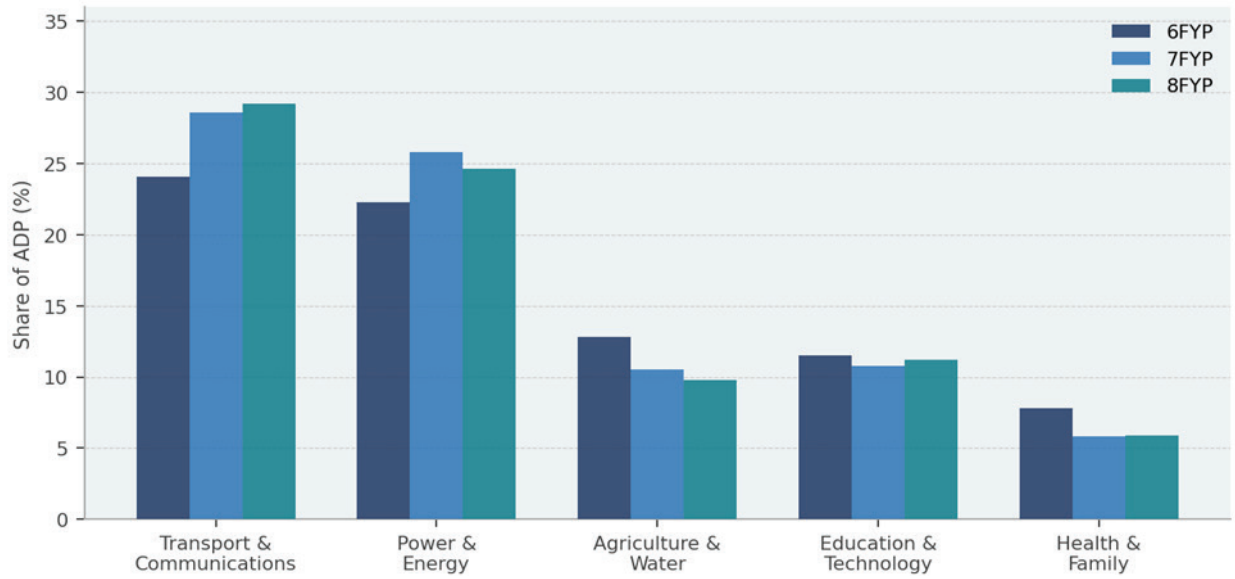
The record on governance was however the plan's most conspicuous downside. Gross NPLs in the banking sector, having significantly declined from 32 per cent in 2000 to 6.1 per cent in 2011, driven by banking sector reforms, rose to 10 per cent by 2015 reflecting weakening corporate governance. The plan period was marked by several banking and capital market scandals and were passed over without accountability. These governance failures occurred despite the plan's recognition of the governance challenges and a strong commitment to undertake governance reforms in the plan. Overall the 6th FYP achieved high growth and poverty reduction and performed well on the social indicators but failed to address institutional challenges in committed to address, thus, perversely implying that economic growth and poverty reduction could be achieved without progressively improving governance and reforming institutions—a notion which at the time the World Bank referred to as the 'Bangladesh Paradox.' However, the reality was that there was no paradox at all-- rather, glossed up economic statistics masked institutional rots, and the latter would eventually overwhelm the economy.

## 9. The Seventh Five-Year Plan, FY2016–2020

### 9.1 Objectives and Features

The Seventh Five-Year Plan (7th FYP) was distinguished by an unprecedented infrastructure-led growth strategy. It included 7 mega projects including the Padma Multi Purpose Bridge, Dhaka Mass Rapid Transit (MRT) Line-6, Roopur Nuclear Power Plant (at a cost of USD 12.6 billion), Dhaka Elevated Expressway, Matarbari and Ramphal Ultra Super Critical Coal-fired Power Plants, The Karnaphuli Underground Tunnel and the Payra Port Project at an estimated cost of USD 26 billion. The plan also incorporated the Sustainable Development Goals (SDGs) and a Development Results Framework to monitor progress of the indicators. The ambition was to accelerate GDP growth and achieve a steeper reduction in poverty. However the GDP growth (rebased to 2005–06) was 6.5 per cent against the plan target of 7.4- per cent, set back by a sharp decline to 3.4 per cent in the FY2020 due to the Covid-19 pandemic. The pre-pandemic GDP growth did reach highs of over 7 per cent. Inflation was stable at 6.5 per cent, exports increased from USD 30 billion to USD 36 billion and foreign exchange reserves reached USD 40 billion in FY2019. The most consequential failure, however, was fiscal: the tax-GDP ratio stagnated around 8.6 per cent against a target of 14 per cent keeping the fiscal space squeezed. The plan targets of 4 per cent of GDP expenditures on education, 2 per cent on health, and 9 per cent on infrastructure were not achieved.

*Figure 3: ADP Sectoral Allocation (%):6th FYP, 7th FYP, and 8th FYP*




*Sources: IMED Annual Reports; GED 6th FYP (2011), 7th FYP (2015), 8th FYP (2020); Finance Division ADP Summaries.*

Public investment under the 7th plan allocated 28.6 per cent to transport and communication and 25.8 per cent to industry and energy combined—over half of total development spending concentrated in two sectors—while education and health were allocated 10.8 per cent and health 5.8 per cent—lower than the 6th FYP declined further in the 8th FYP.

The low levels of social investment occurred when quality constraints in education and health were becoming more acute and when the country's transition to middle-income status demanded the human capital upgrading that infrastructure spending could not substitute.

## 9.2 Assessment

The power sector expansion increased installed generation capacity nearly doubled again 25,000 MW and extended electricity access from 72 per cent to 90 per cent. of the population during the plan period. It alleviated the severe power constraint. However, the mega projects under the 7th Plan despite their importance were preceded by poor cost-benefit analysis and planned in disregarded for well known project implementation experience of the past marked by delays and cost overruns. Signficantly, only the Padma MP Bridge project and one segment of the Dhaka Elevated Expressway Project were completed during the Plan period. The remaining projects are still underconstruction. The massive total cost of the 7 projects have significantly increased the short- and medium-term external and domestic debt burden of the country. These mega projects were commonly criticised for their embedded corruption.

The governance record was the plan's most conspicuous failure. Bangladesh's Corruption Perceptions Index score oscillated narrowly between 26 and 28 throughout the period, recording no net improvement in perceived public integrity. Banking sector fragility deteriorated significantly this period, and Bangladesh became a net capital importer. Reported gross non-performing loans rising from 9.3 per cent in 2016 to 11.9 per cent in 2019 (the true figure is likely much higher), encouraged by regulatory weakness and poor quality economic and financial analysis of projects and credit risk assessments.

On the SDGs, the 7th FYP formally embedded the 2030 Agenda in the Development Results Framework, which included a SDG-mapping matrix Yet the framework did not translate into measurable improvement

in the outcomes: Bangladesh scored 62.9 on the SDG Index and ranked 109th out of 166 countries (the Sustainable Development Report, 2020), with particularly weak performance on inequality, governance, and climate action. The government estimated the annual SDG financing gap of USD 132 billion once again reflecting the weak revenue base of the country.

In sum, the 7th FYP delivered sustained growth above 7 per cent and completion of one mega project and partial completion of another; significant gains in power and connectivity, but these achievements rested on corruption in quick rental plants, data manipulation in national income accounts and population census, structural weaknesses—a single dominant export sector, remittance dependence, and rising external debt but continued to reveal weak institutiona capacity at all levels of planning and policy making.

## 10. The Eighth Five-Year Plan, FY2021–FY2025

### 10.1 Objectives and Features

The Eighth Five Year Plan (8th FYP) is the 3rd consecutive five year plan under the repressive regime of Sheikh Hasina. It was prepared in the context of three simultaneous and unprecedented pressures: the need to respond to the severe COVID-19 shock that sharply reduced GDP growth to 3.5 per cent in FY2020 and RMG exports; and ambitious vision to lift Bangladesh's development to a higher trajectory under the concurrently prepared new Perspective Plan 2021–2041 (PP2041), achieving upper-middle-income status by FY2031 and high-income status by FY2041; as well as managing the impending transition to of the country to Developing Country status from Low Income Country status. The latter would entail the loss of preferential trading arrangements — including the EU's GSP, under which 81.5 per cent of Bangladesh's merchandise exports had duty-free access.

The 8th FYP's continued the infrastructure-led development strategy and added focus on broad based technological innovation and adoption as well as industrial diversification to accelerate structural transformation of the economy. Its vision was derived from the Perspective Plan, 2041. The plan targeted an average annual GDP growth rate of 8 per cent and rising to 8.5 per cent by the end of the plan. The growth rate takes explicit account of the pandemic effects in the middle years of the plan. The plan set moderate and extreme poverty reduction targets of 18.7 per cent and 5.6 per cent. The plan's infrastructure strategy was focused on the completion of the mega projects started under the 7th FYP with the addition of more projects, eg. The Padma Bridge Rail Link expansion of the railway and road network as well as increasing the container management capacity of Chattogram Port. Industrial diversification under the plan, centred around promoting exports sourced from IT services, leather, pharmaceuticals and light engineering. In the social sectors, the targets were to achieve universal school enrollment in education and significantly increase health expenditure to 2 per cent of GDP. On governance, the plan identified key institutional constraints — lack of independence of the Anti-Corruption Commission, judicial reform, weak regulatory autonomy of Bangladesh Bank, and poor business environment and committed to address them.

### 10.2 Assessment

The 8th FYP included a more evolved Development Results Framework which embedded a phased COVID-19 recovery trajectory. The , DRF included over 300 indicators across five strategic objectives with 111 of the 169 SDG targets explicitly mapped to DRF indicators. A Voluntary National Review (VNR) mechanism, would simultaneously serve as the plan's primary accountability instrument for the 2030 Agenda. In plan implementation, however, the DRF fell consistently short of the standard set by the OECD-DAC: no tiered indicator hierarchy distinguished strategic priorities from operational priorities,

DRF targets were not directly linked to ADP budget allocations, the Mid-Term Implementation Review (MTIR),which found 40 per cent of DRF indicators were well below target — generated no formal Cabinet response or ADP reallocation, and no pre-defined shock-response protocol was triggered in response to the Ukraine War oil and commodity price shocks in FY2023. The result was that the DRF functioned as a reporting instrument rather than a course-correction tool, and the Sustainable Development Report 2025 confirmed the cumulative SDG outcome: Bangladesh ranked 114th of 167 countries with a score of 63.9, with only 20.8 per cent of SDG targets on track and 35.1 per cent actively worsening — a result that indicates the gap between the 8th FYP's more evolved design and its institutional capacity to deliver.

### 10.2.1 Macroeconomic Performance

The macroeconomic performance record of the 8th FYP indicates two phases, as Table 2 shows. In the first phase — FY2021 and FY2022 — GDP growth at 6.9% and 7.1% were high showing strong recovery from the Covid 19 pandemic shock and that the plan was on track to achieving higher growth rates during the rest of the plan. The average growth rate was 5.8 per cent falling far short of the plan target of 8 per cent. 3.5 per cent in FY2025, the plan's terminal year, reflecting the effects of the external commodity price shock, monetary tightening, and political disruption.

**Table 2: 8th FYP — Key Economic Indicators (FY2021–FY2025)**

| Indicator | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|---|
| GDP Growth (%) | 6.94 | 7.10 | 5.78 | 5.82 | 3.49 |
| CPI Inflation (%) | 5.56 | 5.56 | 8.97 | 9.50 | 8.48 |
| Investment/GDP (%) | 31.50 | 31.22 | 30.11 | 29.34 | 28.54 |
| Tax/GDP (%) | 7.5 | 7.8 | 7.4 | 7.3 | 6.9 |
| Remittances (USD bn) | 24.8 | 21.3 | 21.9 | 23.9 | 26.5 |
| Gross NPL Ratio (%) | 8.8* | 8.8* | 11.1 | 17.0 | 30.6** |
| Per Capita GNI (USD) | 2,221 | 2,456 | 2,606 | 2,765 | 2,769 |
| Gross National Savings/GDP (%) | 29.4 | 28.3 | 27.7 | 27.2 | 26.8 |
| Current Account Balance/GDP (%) | −0.9 | −4.1 | −0.5 | −1.3 | +0.9 |
| Population Growth Rate (%) | 1.01 | 1.00 | 0.98 | 0.96 | 0.95 |

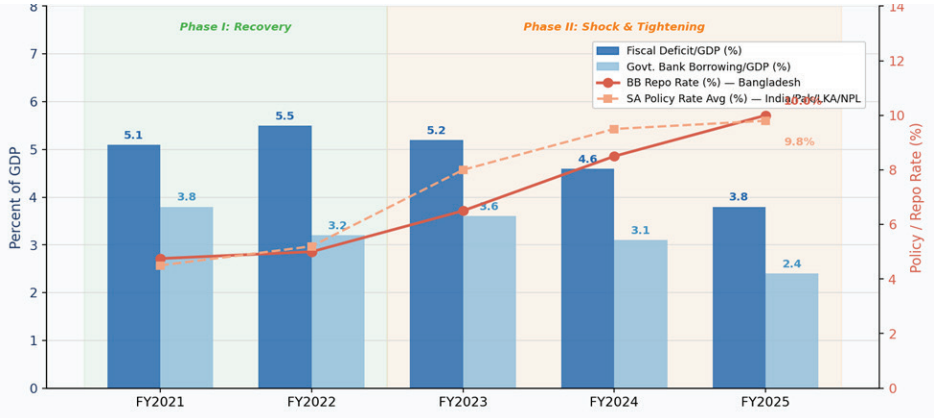
*Sources: BBS; IMF CR No. 26/24 (2026); Bangladesh Bank; World Bank WDI; Finance Division. * NPL BRPD Circular 11/2020. ** December 2025.*

As Figure 4 illustrates, Bangladesh's fiscal deficit widened and government borrowing from the banking system crowded out private credit during the 8th FYP period, while the BB policy rate — held at 4.8 per cent in FY2021 — was increased rapidly to 10 per cent by FY2025 in response to the inflation surge.

The actual On the external sector, merchandise exports rose sharply from to USD 55.6 billion in FY2023 — a COVID recovery-driven surge — before declining to USD 48.3 billion in FY2025 under the combined pressure of the global demand slowdown and post-July 2024 political uprising. The current account deficit widened to 4.1 per cent of GDP in FY2022 as import costs surged, triggering a foreign exchange reserve crisis that saw reserves fall from a peak of USD.

46 billion in mid-FY2021 to below USD 20 billion by mid-FY2024. By FY2025 the current account had recovered to a surplus of approximately 0.9 per cent of GDP on the back of strong remittances (USD 26.5 billion) and export recovery. Gross national savings averaged 28 per cent of GDP during the plan period, while the gross domestic savings rate was 23 per cent.

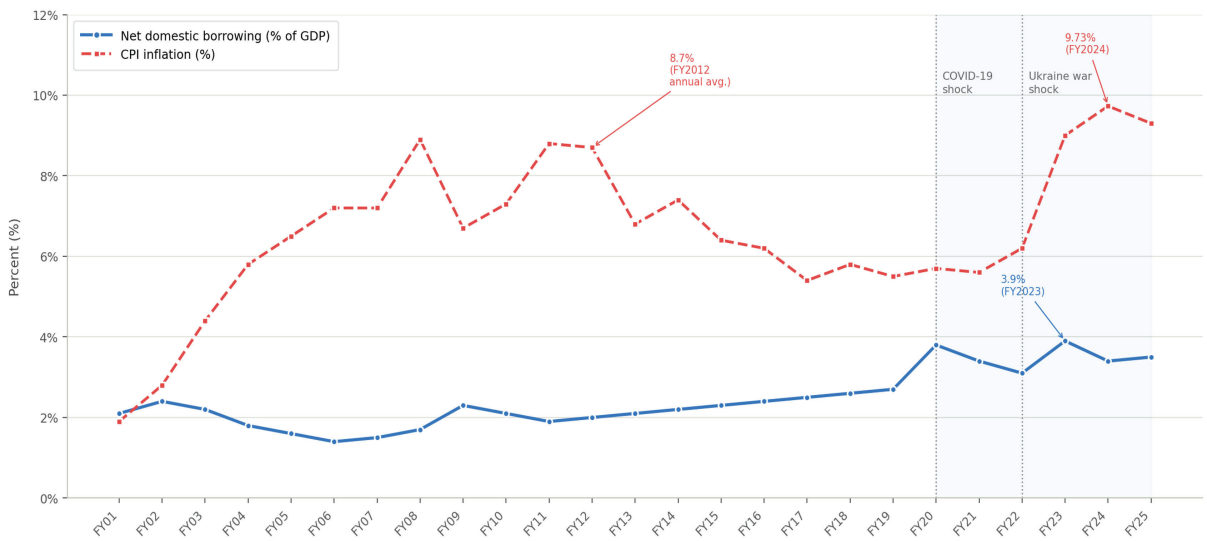
*Figure 4: Fiscal Deficit, Government Bank Borrowing and BB Repo Rate in Bangladesh and South Asia, FY2021–FY2025*




*Sources: Finance Division, Bangladesh Economic Review (various years); IMF Article IV CR No. 26/24 (2026); Bangladesh Bank Monetary Policy Statements FY2021–FY2025; IMF WEO (South Asia policy rates).*

The fiscal performance was, once again, the most consequential failure. The tax- GDP ratio for FY2025 — 6.9 per cent against a target of 12.3 per cent — represents the fifth consecutive plan that fell well short of the revenue target. Gross investment declined from 31.5 per cent of GDP in FY2021 to 28.5 per cent in FY2025 — against the plan's target of 36.6 per cent in the terminal year, a shortfall of over 8 percentage points. Public investment under the was reduced to BDT 2,365 billion in FY2025, significantly below the plan's planned investment expenditure of BDT 3,500 billion — a reduction to be achieved but by cutting back development expenditures. On the other hand, the convergence of elevated domestic borrowing and persistently high inflation in FY2023–FY2025 reflects a structurally weak fiscal position. With the tax-GDP ratio at 6.9 per cent, the government had no short term option but to cut back public investment Tight monetary policy and concomitant high interest rates complemented fiscal prudence to compress aggregate demand but demand management had little effect on inflation.

*Figure 5: Government Net Domestic Borrowing and CPI Inflation, FY2001–FY2025*




*Sources: Bangladesh Bank, Debt Management Department, Monthly Report on Government Domestic Borrowing (various issues); BBS National CPI; Finance Division, Bangladesh Economic Review (various years); IMF Article IV CR No. 26/29 (2026).*

Figure 5, shows that inflation fluctuated significantly with two periods of steady increase from 2001 and from FY2021 onward. Weakening fiscal position compounded by the Bangladesh Bank's misguided interventions in the foreign exchange market in FY2024 accentuated depreciation of the Taka rather than stabilising its value. This along with COVID-19, Ukraine war and the Middle East war shocks caused major supply side disruptions which triggered high inflation experienced in the plan period which peaked at 9.7 per cent in FY2024.

### 10.2.2 Managing for Development Results

In plan implementation, however, despite the elaborate design of the results framework, the DRF fell consistently short of the standard set by the OECD-DAC: no tiered indicator hierarchy distinguished strategic priorities from operational priorities, DRF targets were not directly linked to ADP budget allocations, the Mid-Term Implementation Review (MTIR),which found 40 per cent of DRF indicators were well below target, generated no formal cabinet response or ADP reallocation, and no pre-defined shock-response protocol was triggered in response to the Ukraine War oil and commodity price shocks in FY2023. The result was that the DRF functioned as a reporting instrument rather than a course-correction tool, and the Sustainable Development Report 2025 confirmed the cumulative SDG outcome: Bangladesh ranked 114th of 167 countries with a score of 63.9, with only 20.8 per cent of SDG targets on track and 35.1 per cent actively worsening — a result that indicates the gap between the 8th FYP's more evolved design and its institutional capacity to deliver.

### 10.2.3 Governance

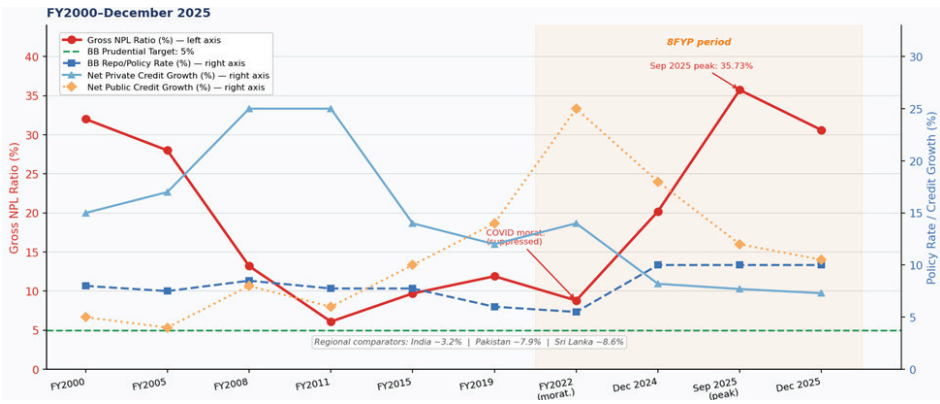
The 8th FYP's governance record remained weak. The Interim Government's White Paper on the State of the Bangladesh Economy (December 2024), provides revealing insights on the governance weaknesses. Between FY2009 and FY2023 — spanning the 6th FYP, 7th FYP, and 8th Plan — illicit financial outflows averaged an estimated USD 16 billion annually, more than double the combined annual value of net foreign aid and FDI inflows in the same period. Weak banking sector governance marked among indicators, by poor lending practices resulted in the accumulation of distressed assets in the banking sector worth an estimated BDT 6.8 lakh crore at end-June 2024. NPLs alone increased ten-fold to BDT 2.1 lakh crore—an NPL ratio of over 30 per cent—at end-June 2024. The White Paper identified 28 dominant channels of corruption including bank loan scams, directed lending, inflated project costs, non-competitive procurement, and poorly evaluated tax exemptions.

Bangladesh scored 23 out of 100 on Transparency International's Corruption Perceptions Index in 2024 — its lowest score in 13 years, placing it 151st out of 180 countries, the second lowest in South Asia and fifth lowest in Asia-Pacific, with only Afghanistan below it regionally. Under the World Bank's Worldwide Governance Indicators (WGI), Bangladesh's Government Effectiveness per centile rank stood at 26. 9 in 2023 — below Pakistan and Laos in the regional ranking — and the Control of Corruption indicator stood at the 14.6th per centile in 2023, having shown no sustained improvement since. On the World Bank's 'Ease of Doing Business Index (2020)', Bangladesh ranked 168th out of 190 economies, with particular weaknesses in enforcing contracts (almost last globally) and registering property (184thout of 190); the successor B-Ready 2024 report ranked Bangladesh 29th out of 50surveyed economies, with a low public services score of 41.6 reflecting persistent gaps in regulatory quality and service delivery. On urban liveability, the Global Liveability Index ranked Dhaka 171st of 173 cities — the world's third least liveable city in 2025, behind only Damascus and Tripoli — scoring 41.7 overall, with particularly low infrastructure (26.8) and healthcare (41.7) scores despite the city's large public investment over the plan period. The governance indicators represent entrenched structural constraints rooted in the political economy of the country.

### 10.2.4 The Banking Crisis

The banking sector crisis of the 8th FYP period is the most directly quantifiable governance failure. The loan moratorium amidst the Covid 19 pandemic (April 2020) did not permit reporting of NPLs of the banking sector, and hence masked a huge jump in distressed assets from 8 per cent in 2020 to a concerning 34 per cent at end-FY2024. It has increased further since then. Figure 6 below depicts the extent of the rise in NPLs. The comparable official NPL estimates for India and Pakistan 3.2 per cent and 7.9 per cent respectively, revealing the scale of the challenge in addressing the problem of NPLs in Bangladesh that lies ahead.

*Figure 6: Banking Sector Gross NPL Ratio, BB Policy Rate and Net Credit Growth, FY2000–December 2025*




*Sources: Bangladesh Bank Financial Stability Reports (NPL ratios); BB Monetary Policy Statements (repo/policy rate); Bangladesh Bank Selected Economic Indicators (net private & public sector credit growth, % YoY); BB data release, 26 November 2025; ADB (2024); CEIC Data (2025).*

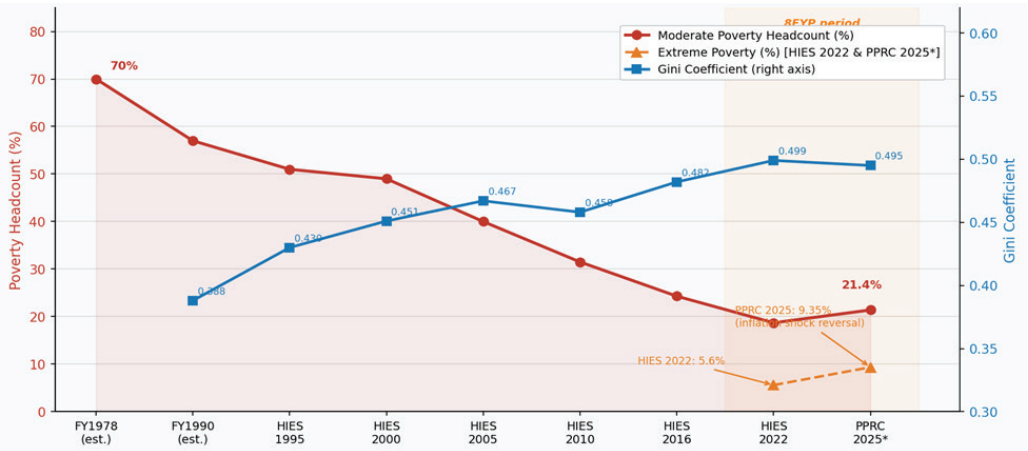
The main drivers systemic banking sector distress were: loan rescheduling terms which the IMF termed 'relatively permissible compared to regional peers;' the government's policy of fixing the commercial banks' deposit and lending rates at 6 and 9 per cent which was far below the lending rate of 12-14 per cent at the time, to reduce borrowing costs; and ineffective Artha Rin Adalat (Financial Loan Court). The fixed commercial lending and deposit interest rate policy was announced in 2018 and enacted into law 2020, It contradicted the government's commitment to move toward market based interest rates and hence faced resistance from the banks. '

### 10.2.5 Social Sector Achievements and Their Vulnerability

The record of progress in the social sectors under the 8th FYP was sound progressively extending the country's achievements under previous plan periods. Moderate poverty declined steadily to 18.7 per cent against a target of 18.6eExtreme poverty to 5.6 per cent in 2022 outperforming the plan target of 7.4 per cent. More recent survey by the PPRC indicates a rise in both post-pandemic poverty and extreme poverty, latter to 9.4 per cent due to erosion of purchasing power of the poor. World Bank estimates indicate that the surge in inflation since 2022 pushed 2–3 million people below the poverty line in FY2025. The evidence lends credence to the view that poverty reduction in Bangladesh's poverty was primarily driven by income growth (wages and remittances) rather than the accumulation of productive assets or the provision of strong social safety nets. In education, gross enrolment was 99 per cent and 97 per cent in primary and secondary school enrolment and gender parity continued to hold. The net enrolment rate in secondary school level was significantly lower due to high drop out rates of both male and female students. In the health sector, the realised development expenditures averaged only 0.7–0.8 per cent of GDP against the plan's 2 per cent target — the lowest in South Asia.

Figure 7, shows that, while Bangladesh achieved solid outcomes in GDP growth and poverty reduction, the outcomes in inequality moved in the opposite direction—inequality in the 8th FYP extended the rising trend observed since the 1990s. Available inequality data (Gini-coefficients) indicates that the richest 10 per cent of households receive over 40 per cent of national income while the poorest 20 per cent received only 4 per cent.

***Figure 7: Growth, Poverty and Inequality***




*Sources: BBS HIES (various years); World Bank Poverty Data; PPRC (2025); BBS HIES 2010, 2016, 2022 (Gini coefficient). * PPRC (2025) extreme poverty estimate is preliminary; official HIES update pending.*

Overall, the 8th FYP failed to achieve several key targets including GDP growth, macroeconomic indicators, poverty reduction and health; implementation of most mega projects are significantly off track; increased the debt burden putting pressure on the balance of payments; and inequality increased further. However, the country's power generation capacity increased significantly and electricity coverage reached 99 per cent of the population and education access reached 99 per cent of the school going children at all levels. The persistence of poor governance indicators added to the lacklustre performance of the plan. These outcomes are due to a combination of internal and external factors: ambitious plan targets even while experiencing serious slowdown in economic activity and supply disruptions due to the pandemic, complex design of the plan with a large number of monitoring and outcome indicators across many sectors without mandated accountability mechanism, economic mismanagement, political instability during the plan period evenually leading to the countrywide uprising which overthrew the incumbent government in August 2024. Among external factors, the prolonged war in Ukraine and two successive wars in the Middle East and geopolitical tensions were critically important factors in the observed weak outcomes. It is tempting to blame external factors for the plan outcomes but the key drivers of failure are mainly internal, and most of all, the inability to stay focused on addressing the country's development challenges rather than on political power.

## 11. Assessment of The Five-Year Plans and Lessons for Future Planning

Since independence all five-year plans of Bangladesh reveal a concerning pattern: they consistently fell short of achieving their targeted outcomes across most indicators. This, in turn, begs the question: what caused the chronic shortfalls? The assessments of the past plans in the last half century presented above suggest that it was a mix of the following factors: populism of successive governments, combined with a weak understanding of 'ground' realities rooted in the political economy of the country and a tendency not to acknowledge them. A third factor lies on the technical side. The five-year plans were generally sound in technical design with few exceptions, where macroeconomic consistency was

lacking, however their implementation was chronically weak causing the observed underachievement of plan targets. Plan performance depends critically on effective implementation.

The issue of implementation capacity needs further elaboration. The five-year plans, as the government's public investment plans, are implemented through the annual development programmes (ADP) which specify investment projects to be implemented each year. Both the plan and the ADPs are prepared by the planning commission. However, the projects specified in the ADP are implemented by the line ministries, leaving the former with little influence over the project implementation process. The lack of coordination between key ministries in implementation, monitoring, and making mid-course corrections, including discontinuing projects which seem infeasible or unimplementable during implementation, makes successful achievement of project objectives challenging. Implementation capacity of implementing ministries and agencies needs to be strengthened.

The ADP is an annual investment plan. The projects prepared and implemented under it are not always consistent with five-year plan priorities, which can significantly undermine plan outcomes. The ADPs have a long history of under-utilisation, and yet the tendency not to adjust their size in line with institutional capacity in the next ADP has persisted. There is also a tendency to proliferate projects, often motivated by political considerations, which undermines social returns from them.

Three more important factors deserve mention with regard to the failure of achieving plan targets. First, implementing five-year plans through annual investment plans has become institutionalised since its introduction in the 1st FYP. However, the practice engenders excessive focus on short-term development issues, often at the cost of the medium-term objectives and targets of the five-year plans. Second, in the absence of adequate institutional checks and balances, undue political influence in setting development priorities and public policies could undermine economic efficiency and effectiveness. Third, plan priorities are vulnerable to changing donor priorities and committed aid levels. They may also not be appropriate in the country's context. The changes can happen suddenly or not coincide with plan preparation timings. Aid dependent countries, including Bangladesh, have been experiencing cutbacks due to slowdown in the economies of donor countries.

Admittedly, shifts in donor priorities and financing cuts are exogenous factors. Natural disasters such as floods and cyclones, which are routine annual events, are also exogenous shocks. In recent years, added exogenous shocks such as tectonic activity and climate change impacts have increased. To address these growing risks, Bangladesh needs to build stronger buffers. Export and remittance growth have helped, but these also depend on external factors. Historically, developing countries relied on domestic savings and internal revenue mobilisation to build their internal resource base. This enables not only a reduction in aid dependence and remittances but also helps to build stronger buffers against external shocks. Availability of large aid and grant resources from donors and by strong remittance growth, may have discouraged Bangladesh's tax effort and domestic savings effort. The country's tax-GDP ratio increased from 5% of GDP to 10.8 per cent between 1990 and 2010, but declined steadily to 6.8% in 2025. The domestic savings rate has stagnated at around 22 per cent over the last three decades. The next plan will need to reckon with these stark numbers. The low tax-GDP ratio, among the lowest in the world, has progressively squeezed the fiscal space constraining public resources available for development, compelling the government to resort to large-scale domestic borrowing from the banking system and the public as well as non-concessional external financing of annual development expenditures and five-year plans. This has sharply raised the public debt burden.

Once approved and launched by the government, the FYPs have a history of being ignored, mainly because of the short-term focus on ADP targets and the marginal role of the planning commission in overall supervision and coordination across all relevant ministries. The Implementation, Monitoring and

Evaluation Division (IMED) of the Planning Ministry does routine evaluation of development projects, but its findings do not seem to significantly impact project design or implementation. Even though IMED and the General Economics Division (GED), which prepares the plans, are under the same ministry, the coordination between them is weak. The plan, to be effective in achieving its objectives and targets, needs to be a "living" document, actively used in monitoring and implementation of resource allocation and project costs, as well as in correcting design and implementation flaws, to keep development projects on track to achieving the plan's objectives and targets. This requires a supervisory and overall coordinating role of the planning commission to ensure effective coordination among all relevant stakeholders (ministries and agencies). The results management framework in use since the 7th FYP is still not fully effective. The entire planning machinery of the government needs major restructuring and greater administrative authority to focus on results and achieve plan targets.

On the human resource side, the country's capacity to build an effective bureaucracy has been one of the most significant challenges since independence. Without strengthening the orientation of the bureaucracy and incentivising it to function as a pro-poor, pro-development public service institution, it will remain challenging to improve project implementation results. Restructuring the planning and implementing machinery alone while critically important will not achieve the objectives and targets of development plans. The country will also need highly skilled career technocrats working alongside bureaucrats in the planning and implementing institutions to achieve transformational outcomes in development planning.

Difficult challenges in social development still remain. In education, with universal access achieved, medium and long term plans need to focus more on improving improving quality. Some assessments suggest that language and numerical skills at every level of primary and secondary school is lagging well behind the expected standards. In health, the reach and quality of basic services must rapidly become universal—every household must have access to basic healthcare services. Education and health standards determine productivity and longer working lives of household members and hence of the work force. Bangladesh's ambitious to achieve upper middle income status over the next decade will depend critically on its attainments in education and health.

The transition to parliamentary democracy in 1991 was a major leap forward for Bangladesh's economic progress. This is evidenced by higher GDP and per capita GDP growth rates, a sharp reduction in poverty from 1992 onward as well as significant improvement in the social and social development indicators were achieved within a democratic system based on a market-based economy led by the private sector. These achievements have ensured Bangladesh's graduation from LDC to LIC status and in the past decade to the threshold of graduating from LIC to MIC status. These achievements have been widely recognised including by the IFIs and the wider international community. Representative democracy broadened the economic and social base of development, helped popular aspirations be r reflected in the planning and policy making process, and competitive elections have assured a degree of accountability.

While the economic benefits of the transition to representative democracy in Bangladesh are no longer in doubt, the results on the governance front leave much to be desired. Bangladesh's experience suggests that the political and economic institutions which underpin economic development have lagged well behind the economic progress it has achieved. The country's governance indicators on all important dimensions still rank low in comparison with other countries. Improving governance standards, especially the accountability of political and other institutions, is the next development 'rubicon' that Bangladesh must cross to establish a stable, prosperous and 'green' society where economic prosperity is more equitably shared across social groups.

Importantly, the role of politics in democratic systems is a critical determinant of economic progress and hence understanding the political economy constraints and addressing them is equally important. Economic planners often ignore this important aspect and hence fail to understand the limits of what reforms and results can and cannot be achieved by the plan and policies they design. Consideration of this aspect will help to design more realistic targets and gain support for the difficult reforms.

## 12. Concluding Remarks

The lessons of development planning are outlined in the assessments throughout the text above. They also indicate several priorities that need to be addressed in the FYSF. Macroeconomic stability should include, along with the standard indicators—GDP, inflation, current account and external payment deficits, etc. but also banking sector indicators as well as domestic resource mobilisation indicators relating to domestic savings rates and tax-GDP ratios. The objective of macroeconomic stability is too focused on inflation, interest and foreign exchange rates. In the current stage of development Bangladesh should consider a focused, phased reduction of dependence on external assistance and excessive reliance on remittances. The latter is a vital foreign exchange resource and is needed to eliminate the external trade gap and build up reserves as strong buffers against external shocks.

Immediate priority on the macroeconomic side, is to stabilise inflation and progressively reduce it to below 5-6 per cent while accepting that this may take longer due to ongoing external shocks. On infrastructure, cost-effective power generation, transmission and distribution coupled with new energy technologies and renewables should receive priority. In industry, the FYSF needs to take queue from recent global trends—a return to industrial policy and align trade policy with it rather than the other way around which has been practiced for the past three decades. Developing economies need to create employment with higher salaried jobs and fairer wage jobs. Most of them have not benefitted significantly from the Fourth Industrial Revolution, while rapidly developing rengerative AI technologies are pushing them into the era of 'disruption' at break neck speed.

Overlaid on these developments is the rising risk of geopolitical tensions sparked by the re-emergence of Asia as this century's potential economic powerhouse of the world. Bangladesh needs to diversify the industrial and export base by addressing the binding energy, financial sector (banking and capital markets) foreign exchange, domestic resource, human capital, and political economy (governance) constraints and address the constraints to women from entering the work force and be vertically mobile in the work place as an issue in its own right. With a vision and strategic approach along these lines under a committed political leadership which is also astute in managing the risks of geopolitical tensions, Bangladesh can steadily transition from LMIC through MMIC, UMIC and finally a developed country status in the next three decades.

# PART I

## RECONSTRUCTING FRAGILE ECONOMY

### CLUSTER 1

## RESTORING GROWTH AND MACROECONOMIC STABILISATION

# CHAPTER 1

# MACROECONOMIC FRAMEWORK FOR STABILITY AND RESTORING GROWTH

## 1.1 Introduction

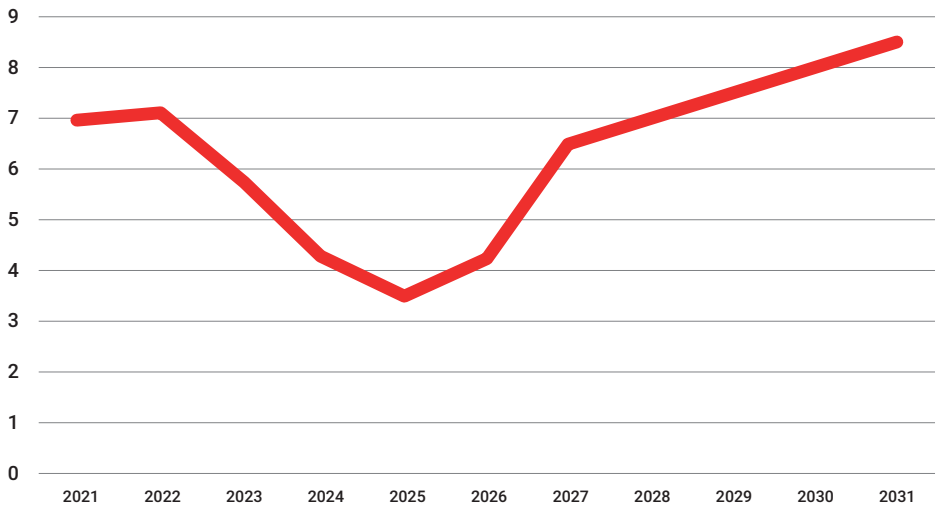
A series of negative shocks and policy mismanagements since the beginning of this decade has left the economy vulnerable to crisis. There is weak demand as well as hampered supply. Policy interventions therefore address both demand and supply, over multiple time horizons.

The immediate focus is on macroeconomic stabilisation. Through a judicious mix of institutional reforms in the central bank as well as carefully crafted microeconomic interventions to improve supply chain management, inflation will be brought down, while stability will be restored in the financial sector. Financial-sector reforms, including strengthening banking sector governance, depositor protection, financial stability arrangements, and capital market development, will complement macroeconomic stabilisation efforts and support the recovery of private-sector confidence and investment.

The focus in 2026-27 will be on fiscal sustainability. On the one hand, comprehensive steps will be taken to mobilise revenue to raise revenue-to-GDP ratio to 11 per cent by 2030-31 (and to 15 per cent by 2035). On the other hand, number of actions will be taken to improve expenditure efficiency, which will see an increase in development expenditure as well as a recalibration of non-development expenditure to support government's political philosophy while maintaining fiscal discipline. As a result, public debt will remain stable relative to GDP, and debt service burden will decline relative to revenue.

The third phase of the Strategy will see a private investment driven acceleration of economic growth, which is projected to reach 8 per cent by the end of the decade (Figure 1.1). Macroeconomic stabilisation will be maintained in the acceleration phase, with the current account remaining close to balance. The full macroeconomic framework is appended to this chapter.

*Figure 1.1: Real GDP Growth (per cent)*

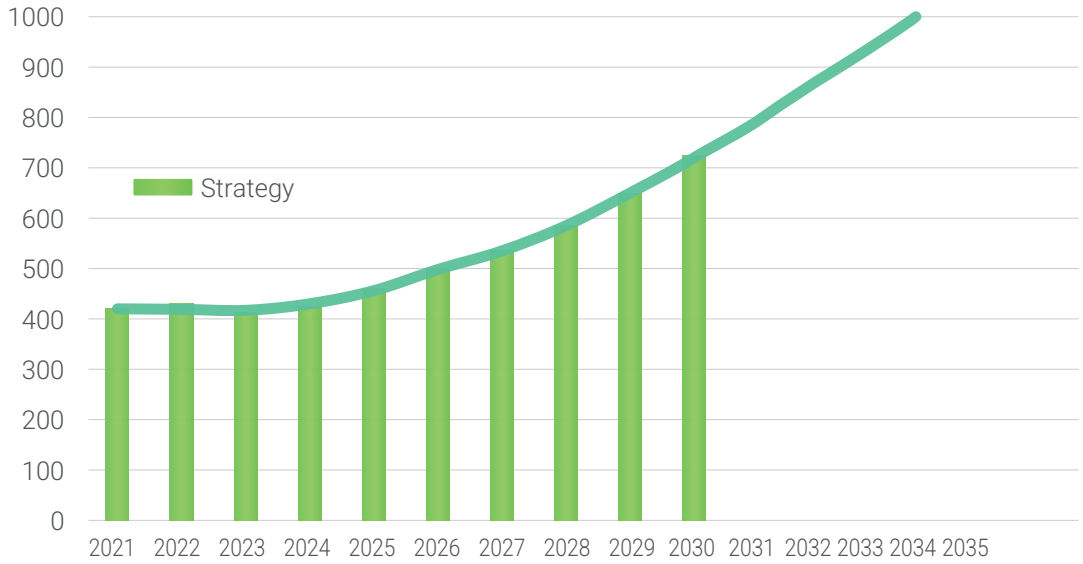



*Source: BBS. GED modelling. Fiscal years.*

## 1.2 Situation Analysis

A series of measures boosting both the demand and the supply sides of the economy will stabilise the macroeconomic imbalances in the near term, followed by sustainable public finances in the medium term, before accelerating economic growth towards a trajectory that will see the realisation of the trillion-dollar economy by 2034.

*Figure1.2: Nominal GDP (USD, billion)*




*Source: BBS, GED modelling. Fiscal years. Green bars represent the macroeconomic framework detailed in this chapter, while the green line is an extrapolation for illustrative purpose.*

Nonetheless, the economy continues to face significant headwinds, and should the global economic conditions worsen, progress towards the trillion-dollar ambition could be slowed. Crucially, the economy had been buffeted by repeated shocks since the beginning of this decade, which had been chronically mismanaged. Against that background, and as illustrated in Figure 1.2, a failure to implement the measures laid out in this Strategy could make the trillion-dollar economy ambition unattainable by 2034.

The economic shocks of this decade have hit both the demand and supply side of the economy. Like the rest of the world, Bangladesh economy was hit by the COVID-19 pandemic and economic disruptions in its wake in 2020-21, immediately followed by the external shock induced by the war in Ukraine that saw global energy and food prices soar in 2022. Inflation increased, and the taka came under pressure.

However, the supply side shocks to the economy were compounded by policy mismanagement by the then government. An eclectic mix of interest rate caps, parallel exchange rates, and import controls, against the backdrop of a highly corrupt banking system, created severe macroeconomic imbalances. Real borrowing rates were negative for much of the 2022-24 period, and politically connected oligarchs borrowed and siphoned billions of dollars to offshore accounts. Consequently, the taka depreciated by over 40 per cent despite the central bank losing half of its stock of international reserves. This, of course, stoked inflation even further.

With the end of the Awami League regime in August 2024, monetary policy was recalibrated to meet inflationary circumstances. Consequently, the exchange rate has been stable. However, inflation has continued to be sticky, fuelled by further supply disruptions from natural disasters and political instability, and more recently the Iran war.

Further, the full extent of the banking sector woes came to light after the fall of the previous regime in 2024. While the burden of non-performing loan weighs on the banking sector's ability to lend, the sector itself remains vulnerable to a crisis. Restoring confidence in the banking and financial system, strengthening governance, and improving financial intermediation will therefore be essential not only for financial stability but also for the recovery of private investment and long-term economic growth. Meanwhile, prolonged political uncertainty heavily weighed on private investment in 2025. Consequently, economic growth in FY2025 was a paltry 3.5 per cent.

Taken together, the economy's 'initial condition' is one of weakness in both aggregate demand and aggregate supply. The economy is likely operating below potential, and there is a case for buoying up demand. However, the global economic environment may not be conducive for supportive monetary policy, and the government faces a constrained fiscal space. Therefore, demand side policies must be carefully crafted, and supported by supply side measures. Furthermore, recent shocks may have scarred the economy's supply potential that need repairing in the near term, and the potential growth rate needs to be boosted so that the trillion-dollar economy ambition can be realised at the earliest.

To this end, supply side measures boosting private sector investment, with flow on impact on employment and total factor productivity, will be crucial in the medium term. The demand and supply side measures will interact such that they are complementary, acting as force multipliers, and not offsetting each other. They will work over multiple time horizons. Table 1.1 illustrates this in a stylized manner.

**Table 1.1: Phased Strategic Approach**

| Phase | Timeline | Focus |
|---|---|---|
| Recovery and Stabilisation | 1 Year | Macroeconomic stabilisation – exchange rate stability, credible disinflation measures, banking sector measures |
| Restoration | 1-3 Years | Fiscal sustainability – revenue mobilisation , expenditure efficiency, development Programmes, debt sustainability |
| Reconstruction and growth acceleration | 3-5 Years | Growth acceleration – private investment, including FDI, flowing through to employment and TFP to create a self-sustaining economic take off |

The rest of the chapter is organised as follows: the next section outlines the macroeconomic framework; the following section explains how the current Strategy's macroeconomic framework differs from those of previous Five Year Plans; three subsequent sections detail key interventions to achieve macroeconomic stabilisation, fiscal sustainability, and growth acceleration; and the last section considers the risks to the macroeconomic framework.

## 1.3 Strategic Priorities: Macroeconomic Projections

Prudent macroeconomic policies, appropriate supply side measures, and political stability is expected to stabilise the macroeconomic imbalances and reduce vulnerabilities in the near term. Consequently, real GDP growth is expected to rise the from recent sub 4 per cent rate to 6.5 per cent in 2026-27 fiscal year, while CPI inflation is expected to ease to 7.5 per cent. Economic growth is projected to accelerate thereafter, reaching 8.5 per cent by the beginning of the next decade, while inflation is projected to decline to 5 per cent by 2030-31 fiscal year. Table 1.2 summarizes the key macroeconomic indicators over the projection horizon. The macroeconomic and sectoral growth projections are made using dynamic CGE model.

### Table 1.2: Selected Economic Indicators

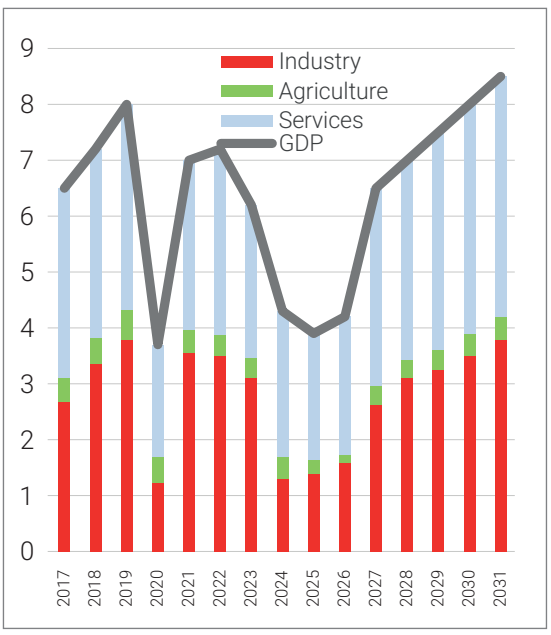
| | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | FY30 | FY 31 |
|---|---|---|---|---|---|---|---|
| Real GDP growth (%) | 3.5 | 4.2 | 6.5 | 7.0 | 7.5 | 8.0 | 8.5 |
| Investment (% of GDP) | 29.6 | 26.9 | 34.5 | 35.6 | 36.8 | 37.6 | 40.0 |
| CPI Inflation (%) | 10.0 | 9.0 | 7.5 | 6.5 | 6.0 | 5.5 | 5.0 |
| Revenue ( % of GDP) | 9.33 | 9.0 | 10.0 | 10.0 | 11.0 | 11.0 | 11.0 |
| Development expenditure (% of GDP) | 2.8 | 4.6 | 5.6 | 5.9 | 6.4 | 6.9 | 6.9 |
| Debt-GDP ratio (%) | 38.9 | 38.2 | 38.4 | 38.2 | 38.6 | 38.8 | 38.9 |
| Current account (% of GDP) | 0.03 | 0.0 | -0.6 | -0.4 | 0.0 | 0.2 | 0.5 |

*Source: GED modelling.*

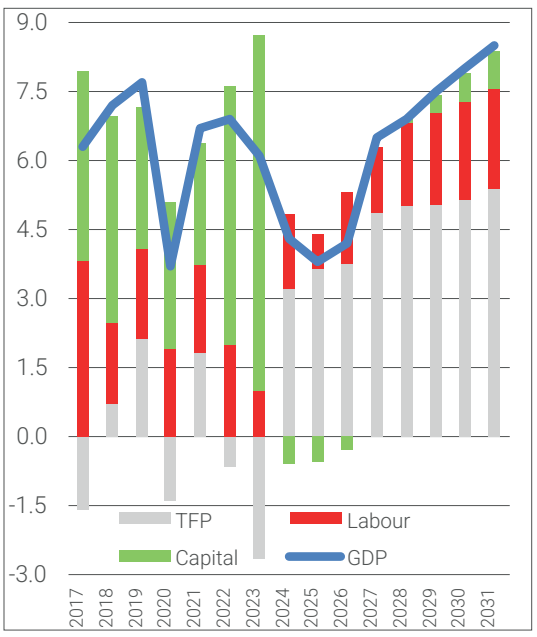
The industry sector's contribution to growth had been steadily declining in recent years owing to the shocks and mismanagement described above. This is projected to reverse in the acceleration phase of the Strategy (Figure 1.3 A). Further, a stylized production function estimate finds that capital's contribution to economic growth has also become negative as private investment has ground to a halt because of economic disruptions. As the economy stabilises and then accelerates, growth is projected to rely more on employment and total factor productivity than had been the case in the past (Figure 1.3 B).

### *Figure 1.3: Contribution to Real GDP growth (percentage points)*

A. Production sectors

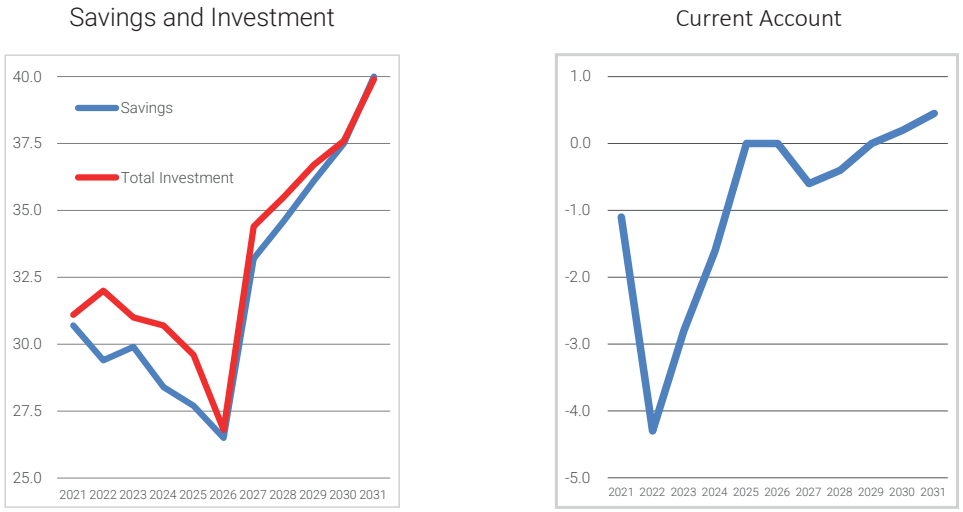



B. Factors of production




*Source: BBS, Penn World Table, UN population statistics, GED modelling. Fiscal years. Production function analysis assumes a standard Cobb-Douglas production function. TFP estimates include labour quality, human capital, and educational attainment effects.*

### *Figure1.4: Saving-Investment and Current Account (per cent of GDP)*

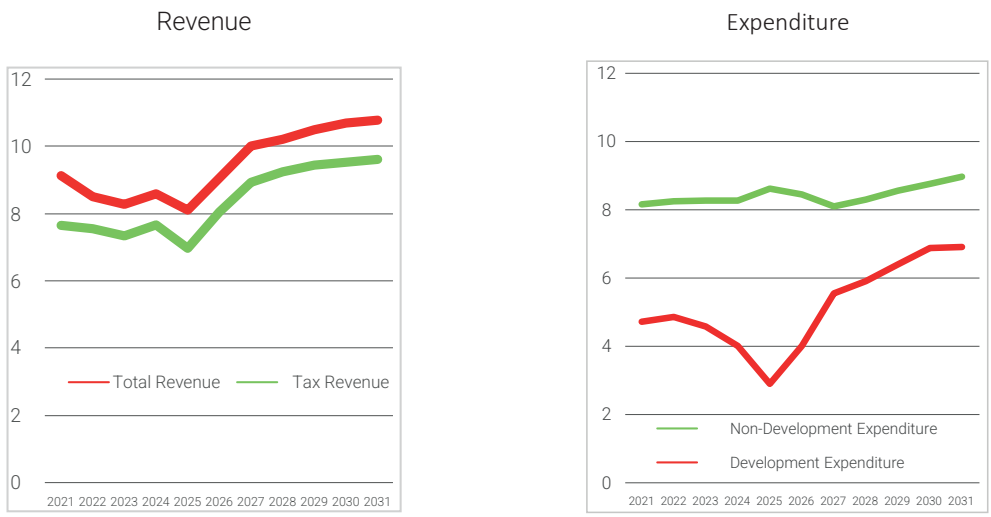



*Source: BBS, GED modelling. Fiscal years.*

Investment, particularly private investment —both foreign direct as well as domestic —are, however, projected to recover strongly relative to GDP. Specifically, FDI is projected to reach 2.5 per cent of GDP by the end of the decade. The realisation of these projections will depend on the successful implementation of structural reforms, including improvements in the investment climate, financial sector stability, governance, infrastructure, and regulatory efficiency. The increase in investment share of GDP is projected to be matched by a concomitant increase in gross national savings ratio, implying a gradual narrowing of the current account imbalance. That is, the projected framework maintains macroeconomic stability in the acceleration phase of the Strategy. These are illustrated in Figure 1.4.

Consistent with the 2026-27 Budget, strong revenue mobilisation is projected in the stabilisation phase of the Strategy, which is sustained in the acceleration phase. Consequently, revenue-to-GDP ratio is projected to rise by 3 percentage points over the projection period, most of the increase coming from tax revenue. Development expenditures are also projected to rise relative to GDP, by 4.1 percentage points between 2024-25 to 2030-31. In comparison, non-development expenditure is projected to remain broadly stable relative to GDP. Figure 1.5 shows the fiscal projections.

### *Figure 1.5: Revenue and Expenditure (per cent of GDP)*




*Source: Ministry of Finance, GED modelling. Fiscal years.*

The fiscal projections imply public sector financing needs of 3.2-3.8 per cent of GDP over the Strategy horizon. Nonetheless, the financing projections keep debt stable relative to GDP, with debt service burden declining modestly as a share of revenue over time. These are illustrated in Figure 1.6. Figure 1.7 shows the decline in inflation that results from accelerated economic growth through supply side reforms while maintaining external and fiscal sustainability through prudent policies.

*Figure 1.6: Debt-to-GDP ratio (per cent) and Debt Service (per cent of revenue)*

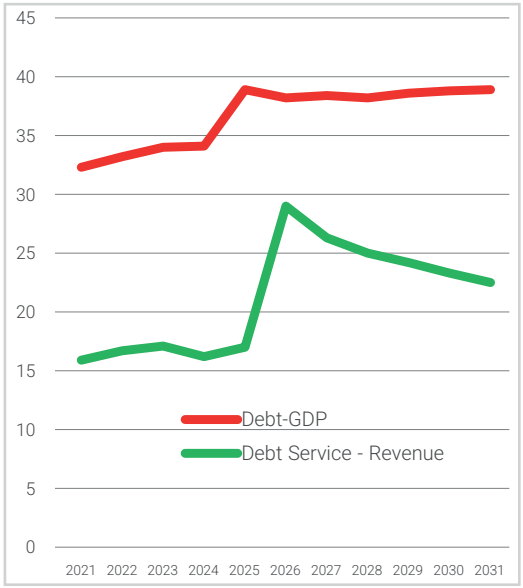
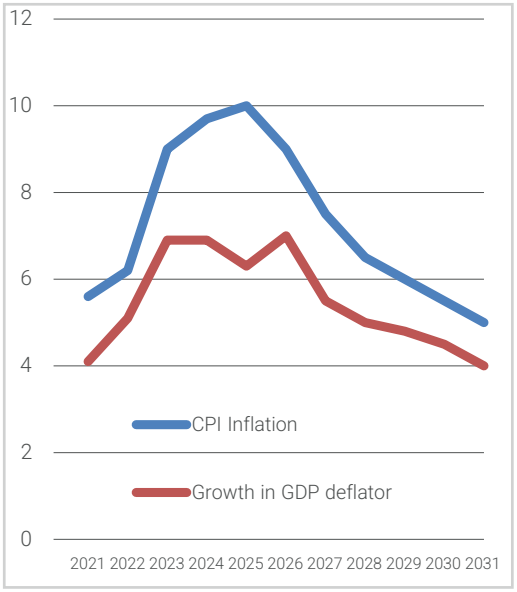



*Figure 1.7: Inflation (per cent)*




*Source: Ministry of Finance, GED modelling. Fiscal years.*

## 1.4 Critical Distinction between the Strategy and Past Plans

The current Strategy fundamentally differs from traditional five-year plans in its built-in, comprehensive implementation framework. Absent such a framework, previous plans had all to often been ignored by policymakers.

For example, annual average real GDP growth during the sixth Five Year Plan (2011-15) was 1 percentage point lower than projected, while it was 0.3 of a percentage point lower than projected during the seventh Five Year Plan (2015-20). Employment fell far short of the target set in the Seventh Five Year Plan. That plan aimed to achieve tax-to-GDP ratio of 14.1 per cent by 2020, which obviously did not come to pass.

While the Eighth Five Year Plan acknowledges all of these missed targets, it devotes barely a handful of pages (out of over 800) reconciling the variation between macroeconomic projections and outcomes, and their implications for the sectoral strategic priorities and interventions.

In contrast, the current Strategy acknowledges significant risks to the macroeconomic framework presented above. The Strategy also incorporates a structured monitoring, evaluation, and review process to track implementation progress, identify emerging risks, and facilitate timely policy adjustments where necessary. These are discussed at the end of this chapter.

## 1.5 Critical Interventions: Monetary, External and Financial Stabilisation

In the face of significant economic headwinds from the Iran war and other global shocks, and following past several years of political uncertainty as well a mismanaged banking sector, restoring and maintaining stability in the monetary, external and financial sectors is the immediate and urgent task before the government. Strategic actions and lead agencies are listed in Table 1.3 below. The proposed reforms seek to strengthen institutional effectiveness, enhance regulatory independence, and improve inter-agency coordination while ensuring continuity in the implementation of financial-sector reform initiatives and government oversight responsibilities.

**Table 1.3: Critical interventions and lead agencies for monetary, external and financial sector stabilisation**

| Reform | Strategic Actions | Lead agency |
|---|---|---|
| Institutional Effectiveness | • Ensure full operational independence of Bangladesh Bank in monetary policy, prudential regulation, banking supervision, financial stability, resolution, and deposit protection, supported by strong accountability and transparency.<br>• Strengthen and operationalise the Coordination Council under the Bangladesh Bank Order, 1972 as the principal platform for fiscal-monetary-esternal-financial sector coordination, financial stability oversight, crisis management, reform implementation, and inter-agency information sharing.<br>• Clearly delineate the responsibilities of Bangladesh Bank, FID, and other financial-sector regulators to eliminate overlap and strengthen accountability.<br>• Review the role of FID in government ownership oversight, governance, legal and policy reform, policy coordination relating to state-owned banks, financial institutions, insurance entities, and other government-owned financial assets.<br>• Establish effective coordination mechanisms among Bangladesh Bank, Finance Division, BSEC, IDRA, MRA, and other relevant agencies to ensure coherent policymaking, regulatory coordination, and timely crisis response for depositors, investors and other issues. | FD/FID/BB |
| Reduce inflation | Operationalise the Monetary Policy Committee of the Bangladesh Bank with clear mandates, forward calendar, and work program | FID/Bangladesh Bank |
| | Implement supply-side measures to reduce inflation, including:<br>- Ease imports of essentials and increase competition<br>- Establish a sustainable market monitoring mechanism<br>- Ensure accommodative monetary policy to price stabilisation and growth enhancement<br>- Periodic assessment of the effectiveness of Bangladesh Bank's Monetary Policy | Ministry of Commerce<br>Bangladesh Bank |
| Stabilise the financial sector | Bring discipline in the financial sector with cautious liquidity support to crisis-prone banks, subject to prudential measures in the sector | Bangladesh Bank |
| | • Strengthen supervision of both state owned and private banks<br>• Enhance stolen asset recovery | Bangladesh Bank |
| Strengthen capital market | Ensure independence and autonomy of the Security and Exchange Commission by restructuring it as a fully independent and autonomous institution | FID |
| | Form a Capital Market Commission to investigate market irregularities and fraud occurring under the previous regime | Prime Minister's Office |

## 1.6 Critical Interventions: Fiscal Sustainability

Ensuring fiscal sustainability is the crucial fulcrum on which the entire Strategy rests. Absent fiscal sustainability, the ability to implement manifold Programmes across various sectors come into question, and thus the credibility of the Strategy is diminished.

### 1.6.1 Strategies for Non-Development Expenditure

The fiscal projections outlined above, and the detailed sectoral interventions described below, are grounded on the government's philosophical commitment to human welfare across the life cycle, with support for maternal health, neonatal care, childcare, education (particular female education), healthcare throughout one's life (including preventative interventions such as nutrition support), and old age care. In addition, of course, the government must provide public goods, and subsidize activities with positive externalities. It is, therefore, imperative that there is a credible expenditure pathway to improve expenditure prioritisation, recalibration, and budget implementation. Greater emphasis will also be placed on improving the efficiency, effectiveness, and value for money of public expenditure through strengthened budget management, performance monitoring, and outcome-based resource allocation.

**Table 1.4: Critical interventions and lead agencies for non-development expenditure**

| Reform | Strategic Actions | Lead agency |
|---|---|---|
| Improve expenditure efficiency | Enforce mandatory cost-benefit analysis for all public expenditures | FD |
| | Improve the treasury, and cashflow management practices — including through lateral appointments of professional experts who can deploy international best practices | FD |
| | Improve development programme implementation through:<br>• Centralised programme selection that aligns with the current Strategy (instead of current practice of 'laundry list' from line ministries)<br>• Lateral appointment of Project Directors and staff, where appropriate<br>• Improved monitoring and evaluation<br>• Better land procurement process | Ministry of Planning |
| | Ensure timely expenditure review processes to identify areas of inefficiency in recurrent expenditure. | FD |
| | Reconstitute state-owned enterprises with professional and meritocratic appointments, ensuring that their mandates are fit-for-purpose and they are operated efficiently | Prime Minister's Office |
| | In tandem with the Family, Farmers' and other Cards, scrutinise, rationalise and streamline various subsidies and transfer payments to ensure targeted payments | FD |
| Recalibrate expenditure to support government priorities | Provide Family Card and Farmers' Card to marginalised families and farmers for easy access to government transfer payments | Prime Minister's Office |

### 1.6.2 Strategies for Efficient Implementation of ADP projects

To maintain a reasonable GDP growth as stipulated in the FYSF, bringing efficiency both in allocations and implementation of ADP projects is a priority agenda of the government. To maintain the growth momentum of the economy, there is no alternative other than to increase both public and private

investments. A careful selection of ADP projects and the continuation of mega projects with careful review might accelerate the pace of public investments that might reinvigorate economic activities.

However, challenges are there. Public investments as a percentage of GDP have been hovering around 7-8 per cent over the last decade, which has declined recently due to COVID-19 and subsequent macroeconomic instability. The major contribution of public investments comes from the Annual Development Programmes (ADPs) with higher allocation given to public infrastructures. Some short-to-medium terms and long-term reforms are needed to properly implement ADP and increase efficiency. Particular emphasis should be placed on improving project preparation, appraisal, and implementation readiness before inclusion in the ADP. Strengthening feasibility studies, land acquisition planning, procurement preparedness, and project monitoring systems will help reduce delays, cost overruns, and implementation bottlenecks. Greater use of digital project management tools, results-based monitoring, and accountability mechanisms for project performance can further enhance the efficiency and development impact of public investment.

**Table 1.5: Critical Interventions and Lead Agencies for Development Expenditure**

| Reforms/Priorities | Strategic Actions | Lead Agency |
|---|---|---|
| Public Investment Management Reform | • Introduce tiered project approval system;<br>• Strengthen pre-feasibility and readiness assessments;<br>• Comply strictly with the Project Readiness Framework*;<br>• Digitalise project appraisal and approval process;<br>• Delegate decision-making authority with clear accountability mechanisms. | • Bangladesh Planning Commission<br>• Line ministries and agencies |
| Address the delay in DPP (Development Project Proposal) approval | • Reduce project proposal (DPP) approval time<br>• The time required for project proposal submission to ECNEC approval in most cases took much longer than the required time (usually 64 days as per the Planning Ministry's directive) | • Sector/Divisions of the Planning Commission<br>• Planning Division |
| Reduce the time and cost overrun of ADP projects | • Reduce cost and time overruns occur in many projects;<br>• About 15-16% of projects' designs get changed, which needs to be reduced for the timely completion of the project<br>• Land acquisition issues will be handled carefully at the design stage of the projects | • Line Ministries<br>• IMED<br>• Sectors/Divisions of Planning Commission |
| Rationalise the number of projects under the ADP | • Prioritise high-impact and high return on investment and value for money while designing the projects<br>• Optimal allocation of resources and enhances project implementation efficiency is critical<br>• A manageable number of projects, say 400-500 projects may continue in a fiscal year | • Line Ministries<br>• Planning Commission/Division |

| Reforms/Priorities | Strategic Actions | Lead Agency |
|---|---|---|
| Improve development outcomes of ADP projects | Streamlining project selection, enhancing monitoring mechanisms, and fostering public-private partnerships are key to achieving sustainable growth.<br>• Rationalisation reduces fiscal strain, accelerates project delivery, and aligns national development goals with available resources, ensuring better outcomes for the population. | • Line Ministries<br>• Planning Commission/Division |
| Improve Necessary Capacities for Public Project Management | • Improve real-time monitoring of projects<br>• Improve capacity of IMED for monitoring purposes<br>• Improve capacity of Programming Division to align projects with national priorities<br>• Improve capacity of GED to align ADP projects with Startegic Framework and monitor their outcomes | • IMED<br>• Programming Division<br>• General Economics Division |
| Strengthen Feasibility Studies | • Feasibility studies for projects must be done by a strong and reputed organisations<br>• Feasibility study results should be scrutinised by GED | • Line ministries<br>• Sectors/Divisions of Planning Commission<br>• GED |
| Project Director Pool | • A fit list for project directors should be created<br>• Based on the fit list, a pool of competent project directors may be created<br>• Better incentive packages for PDs will be devised | • Ministry of Public Administration<br>• Line Ministries |
| Digital Monitoring of Project Implementation Status | • A digital dashboard needs to be implemented to check real-time project implementation status | • IMED<br>• Planning Division<br>• Respective Sectors/ Divisions of the Planning Commission |
| Programmatic approach to project implementation | • Group similar types of projects into different clusters of FYSF<br>• Scrutinise overlaps in project design and operations | Programming Division |

**Mandatory project readiness framework (PRF): ERD has already developed a Project Readiness Framework. Compliance with the PRF may be made mandatory for all implementing and executing agencies prior to seeking external financing. This would improve project preparedness and help reduce delays in project approval, commencement and implementation.*

### 1.6.3 Strategies for Revenue Mobilisation

Crucially, the government's ability to meet its expenditure commitments —whether based on public finance or political philosophy grounds —are constrained by the country's chronically low revenue mobilisation. While a number of technocratic measures to enhance revenue mobilisation (as well as improve expenditure efficiency) are provided below, raising the tax-to-GDP ratio to 15 per cent by 2035 will require more than technocratic steps.

To generate widespread public support for revenue mobilisation , the following political steps will be taken in Phase-1 (Year 1).

- A high-level Taskforce or Committee, with a Ministerial-ranked chair, will be appointed for Revenue Reform
- The above-mentioned Revenue Committee or Taskforce will hold a National Revenue Summit with various stakeholders and sectors of the society to generate political consensus for tax policy reform within

- The Summit will be followed by detailed proposals for systemic reform of tax policy and administration, which will be enacted by the second budget of the government

Strategic actions and lead agencies for fiscal sustainability are listed in Table 1.6 below.

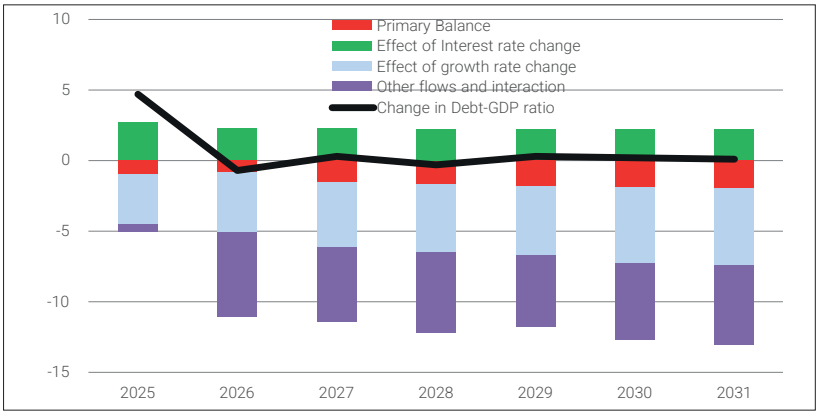
**Table 1.6: Critical Interventions and Lead Agencies for Revenue Mobilisation**

| Reform | Strategic Actions | Lead agency |
|---|---|---|
| Revenue Policy | Introduce a single rate for the Value Added Tax, with a broad base (and minimal exemptions) and fully functioning input tax credit mechanism. | National Board of Revenue |
| | Audit all tax expenditures and rebates, and eliminate any that do not demonstrably result in investment or employment. | National Board of Revenue |
| | Integrate property and asset value increases into the tax base and increase the equity of the tax structure through wealth taxes | National Board of Revenue |
| | • Bring the informal sector into the tax net through minimal presumptive taxation for small traders (which will also increase voluntary filing and compliance)<br>• Economic census data of BBS will be used to bring firms into tax net | • National Board of Revenue<br>• BBS |
| Revenue Administration | Reform the tax administration by separating the tax policy function from tax collection agency | Ministry of Finance |
| | • Modernise tax collection through digitisation of the whole ecosystem<br>• Strengthen taxpayer services, risk-based compliance management, and data integration across tax, customs, financial, business registration, and land administration systems to improve voluntary compliance and broaden the tax base. | National Board of Revenue |

### 1.6.4 Strategies for Debt Sustainability

The critical interventions to raise revenue notwithstanding, the government is projected to run primary deficits over the Strategy horizon. In addition, the government will have to service public debt that stood at 38.9 per cent of GDP as at 2024-25 fiscal year. Evolution of the debt-to-GDP ratio over time depends on: interest rates (which raises the ratio); economic growth (which reduces it); and primary deficit (which raises it); and other flows and interactions between interest rates, exchange rates, amortization, and other factors (that may raise or lower the ratio). The Strategy projects that this last factor, in conjunction with the acceleration in economic growth, will keep debt stable relative to GDP in over the forecast horizon. Figure 1.8 decomposes the change in the debt-to-GDP ratio over the Strategy horizon.

***Figure 1.8: Change in the debt-to-GDP ratio (percentage points)***




*Source: BBS, GED modelling. Fiscal years.*

The effective implementation of the projected scenario, however, will require a dedicated Debt Management Agency / Office / Wing / Bureau within the Ministry of Finance. The newly established Debt Management Agency will publish a medium-term debt strategy within the strategic parameters of the government's development vision and frameworks (this Strategy and complementary documents) and the medium-term fiscal framework, and then operationalise it with appropriate back-office steps such as bond and bill issuance, trading, rollover, risk assessment and so on.

**Table 1.7: Critical interventions and lead agencies for debt management**

| Reform | Strategic Actions | Lead agency |
|---|---|---|
| Debt Management | Set up a dedicated Debt Management Agency / Office / Wing within the Ministry of Finance explicitly tasked with debt management. The new agency, if necessary may hire professional experts, and capacity building / technical assistants from outside the public service. The agency will:<br>• Implement the aforementioned Debt Strategy with appropriate actions<br>• Manage day-to-day issuance and trading of bonds and bills<br>• Perform analytical and risk assessment tasks as needed<br>• Strengthen management of fiscal risks and contingent liabilities, including those arising from state-owned enterprises, government guarantees, public-private partnerships, and financial-sector support operations, while supporting the development of a deep and efficient domestic government securities market.<br>• ERD will perform responsibilities related to sovereign external debt management and support the debt management agency. | Finance Division, ERD and Bangladesh Bank |

## 1.7 Critical Interventions: Private Investment-Led Growth Acceleration

While macroeconomic stabilisation and fiscal sustainability are necessary conditions for acceleration of economic growth, they are not sufficient. The acceleration phase of the Strategy will, therefore, require a set of critical interventions to spur private investment, including foreign direct investment. These are listed in Table 1.8 below.

**Table 1.8: Critical interventions and lead agencies for private investment-led growth acceleration**

| Reform | Strategic Actions | Lead agency |
|---|---|---|
| Economic democratisation | Eliminating special economic privileges for specific groups, and focussing economic development on the individual productive power of citizens, through a culture of entrepreneurship and political leadership.<br>This will include, over time, establishing mechanisms for direct public participation in economic decision-making. | Prime Minister's Office |
| Creating investment friendly ecosystem | Implement broad deregulation policies across the economy by re-establishing the Regulatory Reform Commission, with an expressed view towards reducing the cost of doing business. | Ministry of Commerce |
| | Introduce Single-Window Clearance and One-Stop Service for foreign investors | Prime Minister's Office |
| | To attract foreign direct investment, aggressively promote Bangladesh as a 'high-yield' destination for foreign capital | Prime Minister's Office |

| Reform | Strategic Actions | Lead agency |
|---|---|---|
| | Also to support foreign direct investment, guarantee legal profit repatriation for foreign businesses within 30 days, and streamline the clearance processes for foreign earnings | Prime Minister's Office |
| | Simplify licensing processes through: a 'Common Application Platform' for all licence renewals standardised requirements to reduce bureaucratic complexity | Ministry of Commerce |
| | • Modernise the bankruptcy regime through appropriate legislative and institutional reforms.<br>• Strengthen commercial dispute resolution, contract enforcement, and alternative dispute resolution mechanisms to improve investor confidence and reduce the cost and uncertainty of doing business. | Ministry of Law/<br>Ministry of Commerce |
| | Co-ordinate tax reforms and trade policies to maximize investment, both foreign and domestic. | Ministry of Finance |

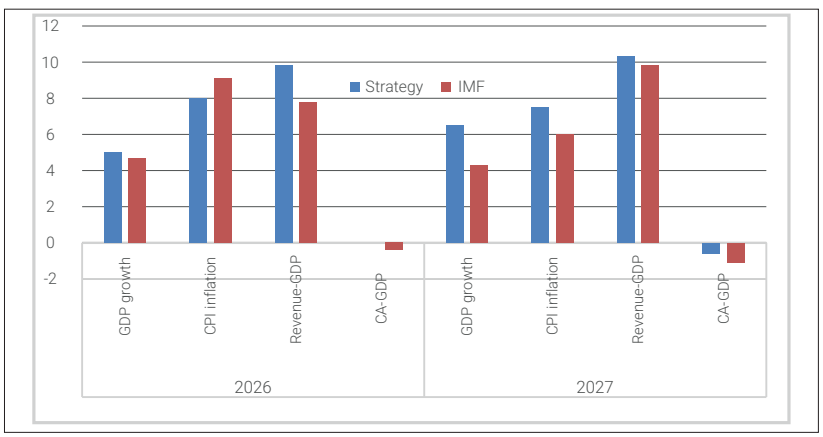
## 1.8 Risks to the Strategy Realisation

The economy faces significant headwinds, and risks weigh heavily to the downside to the macroeconomic framework underpinning the Strategy. Particularly, the Strategy is predicated on real GDP growth of 5 per cent in 2025-26 and 6.5 per cent in 2026-27. The ongoing conflict in the Middle East and resulting economic disruptions could well result in slower pace of growth, even if various stabilising and supportive measures are fully implemented.

In addition to external risks, delays in implementing financial-sector reforms, slower-than-expected resolution of non-performing loans, governance weaknesses in financial institutions, and fiscal pressures arising from contingent liabilities may also affect the pace of economic recovery and the achievement of the Strategy's objectives.

One way to visualize the risks to the macroeconomic framework is to compare the projected outlook with economic outlook that is projected by the International Monetary Fund in its latest World Economic Outlook. Figure 1.9 shows that compared with the IMF, the Strategy maybe projecting a stronger growth recovery in 2026-27, but a slower disinflation.

*Figure 1.9: Comparison of Forecasts —Strategy vs IMF (selected indicators, per cent)*




*Source: IMF, GED modelling. Fiscal years.*

The difference between the two sets of near-term forecasts notwithstanding, the IMF expects Bangladesh's GDP to reach 740 billion US dollars in 2031. To put that in perspective, the Strategy projects GDP of 811 billion US dollars in 2030-31. That is, successful implementation of the key interventions outlined in this Strategy should see Bangladesh well on its way to realising the trillion-dollar economy ambition by 2035.

# APPENDIX: MACROECONOMIC FRAMEWORK

| Fiscal Year | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Real Sector Indicators: | (Percentage Change(%) | | | ( As % of GDP or Otherwise indicated) | | | | | | | |
| Real GDP growth | 6.9 | 7.1 | 5.8 | 4.2 | 3.5 | 4.2 | 6.5 | 7.0 | 7.5 | 8.0 | 8.5 |
| Inflation( CPI Base, % Change) | 5.6 | 6.2 | 9.0 | 9.7 | 10.0 | 9.0 | 7.5 | 6.5 | 6.0 | 5.5 | 5.0 |
| ICOR | 4.5 | 4.5 | 5.4 | 7.3 | 8.5 | 6.4 | 5.3 | 5.1 | 4.9 | 4.7 | 4.7 |
| Population Growth | 1.0 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Nominal GDP (billion Tk) | 35302 | 39717 | 44908 | 50027 | 55150 | 60803 | 68303 | 76932 | 86863 | 98972 | 112754 |
| Nominal GDP (In billion USD) | 416.2 | 431.6 | 412.0 | 424.0 | 459.6 | 497.2 | 537.0 | 587.2 | 646.9 | 722.6 | 811.0 |
| | (As % of GDP) | | | ( As % of GDP or Otherwise indicated) | | | | | | | |
| Gross National Savings | 30.8 | 29.3 | 29.9 | 28.4 | 27.7 | 26.5 | 33.4 | 34.8 | 36.3 | 37.8 | 40.4 |
| Gross Investment | 31.0 | 32.0 | 31.0 | 30.7 | 29.6 | 26.9 | 34.5 | 35.6 | 36.8 | 37.6 | 40.0 |
| Public Investment (Including PPP) | 7.3 | 7.5 | 6.8 | 6.7 | 6.9 | 10.8 | 13.1 | 11.5 | 9.5 | 8.1 | 8.1 |
| Private Investment (Including PPP) | 23.7 | 24.5 | 24.2 | 24.0 | 22.6 | 16.1 | 21.4 | 24.1 | 27.3 | 29.5 | 31.9 |
| Foreign Direct Investment(FDI) | 0.8 | 1.1 | 1.1 | 0.3 | 0.5 | 0.5 | 1.0 | 1.5 | 2.0 | 2.5 | 2.7 |
| Domestic Investment | 22.9 | 23.4 | 23.1 | 23.6 | 22.2 | 15.6 | 20.4 | 22.6 | 25.3 | 27.0 | 29.2 |
| Consumption | 74.7 | 74.8 | 74.3 | 76.0 | 77.3 | 78.7 | 72.0 | 70.9 | 69.6 | 68.4 | 65.6 |
| GNI Per Capita USD | 2591 | 2793 | 2749 | 2738 | 2769 | 2958 | 3171 | 3437 | 3753 | 4142 | 4591 |
| Population in million | 169 | 171 | 171 | 172 | 174 | 179 | 182 | 184 | 186 | 188 | 190 |
| Population growth | 1.0 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Fiscal Indicators: | (As % of GDP) | | | ( As % of GDP or Otherwise indicated) | | | | | | | |
| Revenue and Grants | 9.1 | 8.5 | 8.2 | 8.6 | 8.0 | 9.5 | 10.3 | 10.5 | 10.8 | 11.0 | 11.1 |
| Total Revenue | 9.96 | 9.79 | 9.64 | 8.19 | 9.33 | 9 | 10 | 10 | 11 | 11 | 11 |
| Tax Revenue | 8.95 | 8.71 | 8.64 | 7.39 | 8.61 | 8.3 | 9.2 | 9.5 | 9.7 | 9.8 | 10.0 |
| NBR Tax Revenue | 8.53 | 8.31 | 8.24 | 7.23 | 8.35 | 8.0 | 8.8 | 9.1 | 9.3 | 9.4 | 9.5 |
| Non-NBR Tax Revenue | 0.42 | 0.40 | 0.40 | 0.17 | 0.26 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 |
| Non-Tax Revenue | 1.01 | 1.08 | 1.00 | 0.80 | 0.72 | 1.1 | 1.0 | 0.9 | 1.0 | 1.1 | 1.1 |
| Grants | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Expenditure | 12.8 | 13.1 | 12.8 | 12.2 | 11.4 | 12.7 | 13.7 | 14.0 | 14.4 | 14.8 | 14.9 |
| Non-Development Expenditure | 8.1 | 8.2 | 8.2 | 8.2 | 8.6 | 8.4 | 8.1 | 8.3 | 8.5 | 8.7 | 9.0 |
| Development Expenditure | 4.7 | 4.9 | 4.5 | 4.0 | 2.8 | 4.6 | 5.6 | 5.9 | 6.4 | 6.9 | 6.9 |
| Overall Balance (Incl. grants) | -3.7 | -4.6 | -4.6 | -3.6 | -3.4 | -3.2 | -3.4 | -3.5 | -3.6 | -3.8 | -3.8 |
| Financing | 3.7 | 4.6 | 4.6 | 3.6 | 3.4 | 3.2 | 3.4 | 3.5 | 3.6 | 3.8 | 3.8 |
| Net External Financing | 1.3 | 1.7 | 1.8 | 1.2 | 1.1 | 1.0 | 1.6 | 1.5 | 1.6 | 1.7 | 1.7 |
| Domestic financing | 2.4 | 2.9 | 2.8 | 2.4 | 2.3 | 2.2 | 1.8 | 2.0 | 2.0 | 2.1 | 2.1 |
| Debt Indicators | (As % of GDP) | | | ( As % of GDP or Otherwise indicated) | | | | | | | |
| Total Debt outstanding | 32.4 | 33.4 | 34.1 | 34.2 | 38.9 | 38.2 | 38.4 | 38.2 | 38.6 | 38.8 | 38.9 |

| Fiscal Year | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| External Debt | 11.9 | 12.3 | 12.6 | 12.5 | 17.2 | 16.0 | 16.6 | 16.7 | 17.2 | 17.8 | 18.2 |
| Domestic Debt | 20.5 | 21.1 | 21.5 | 21.7 | 21.7 | 22.2 | 21.9 | 21.5 | 21.3 | 21.0 | 20.6 |
| Total Debt Services (As % of GDP) | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 2.7 | 2.6 | 2.5 | 2.5 | 2.5 | 2.4 |
| External | 0.5 | 0.5 | 0.6 | 0.8 | 0.9 | 1.0 | 0.9 | 0.9 | 0.9 | 0.9 | 0.8 |
| Domestic | 1.9 | 1.8 | 1.8 | 2.0 | 2.1 | 1.8 | 1.7 | 1.6 | 1.6 | 1.6 | 1.5 |
| External debt as % export & remittance | 80.4 | 80.8 | 98.7 | 106.9 | 99.9 | 97.4 | 97.5 | 95.6 | 94.3 | 94.4 | 94.3 |
| External debt services as % export & remittance | 3.1 | 2.8 | 4.1 | 5.5 | 5.4 | 5.9 | 5.5 | 5.3 | 5.2 | 5.1 | 4.8 |
| External Indicators: | (Growth and Percentage of GDP) | | | | (Percentage Change(%) or Otherwise Indicated) | | | | | | |
| Export growth | 12.4 | 33.4 | -11.9 | -5.9 | 7.7 | 9.0 | 7.9 | 11.5 | 12.1 | 12.5 | 12.8 |
| Import growth | 19.7 | 35.9 | -14.2 | -10.6 | 1.7 | 8.7 | 15.0 | 10.8 | 10.3 | 10.0 | 10.2 |
| Remittance growth | 36.1 | -15.1 | 2.8 | 10.6 | 26.8 | 10.1 | 15.0 | 13.0 | 12.5 | 10.0 | 10.0 |
| Current Account Balance as (%) of GDP | -1.1 | -4.3 | -2.8 | -1.6 | 0.03 | 0.0 | -0.6 | -0.4 | 0.0 | 0.2 | 0.5 |
| | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 |
| Exchange Rate(Tk/USD) | 84.8 | 92.0 | 109.0 | 118.0 | 120.0 | 122.3 | 127.2 | 131.0 | 134.3 | 137.0 | 139.0 |
| Reserves , months of imports of goods and services without Loan | | 4.2 | 3.7 | 3.5 | 4.2 | 4.7 | 4.7 | 5.4 | 6.4 | 7.7 | 9.4 |
| Monetary Indicators: | ( Percentage Change(%) | | | | | (Percentage Change(%) or Otherwise Indicated) | | | | | |
| Broad Money | 13.6 | 9.4 | 10.5 | 7.7 | 7.0 | 11.5 | 12.8 | 13.0 | 13.2 | 13.9 | 13.9 |
| Net Foreign Assets | 26.8 | -4.8 | -13.0 | -8.1 | 8.7 | 22.0 | 13.8 | 31.5 | 34.1 | 35.5 | 36.3 |
| Net Domestic Assets | 9.9 | 14.0 | 16.9 | 10.9 | 8.7 | 7.6 | 12.6 | 9.4 | 8.4 | 7.8 | 5.9 |
| Private sector Credit | 8.3 | 13.7 | 10.6 | 9.8 | 6.5 | 8.0 | 9.4 | 10.1 | 10.4 | 14.5 | 15.0 |

## Sectoral Share (%)

| | Real GVA/GDP (Mill BDT) | Share (%) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| 1 | Crops & horticulture | 5.18 | 5.02 | 4.82 | 4.64 | 4.46 | 4.26 | 4.06 |
| 2 | Animal farming | 1.81 | 1.78 | 1.73 | 1.69 | 1.64 | 1.59 | 1.53 |
| 3 | Forest and related services | 1.73 | 1.72 | 1.70 | 1.69 | 1.67 | 1.65 | 1.62 |
| 4 | Fishing | 2.31 | 2.23 | 2.13 | 2.04 | 1.95 | 1.86 | 1.77 |
| 5 | Natural gas and crude petroleum | 0.26 | 0.23 | 0.21 | 0.20 | 0.19 | 0.17 | 0.16 |
| 6 | Other mining & quarrying | 1.47 | 1.41 | 1.36 | 1.30 | 1.25 | 1.19 | 1.14 |
| 7 | Large & medium scale | 12.85 | 13.12 | 13.41 | 13.67 | 13.92 | 14.16 | 14.40 |
| 8 | Small scale and Cottage | 12.23 | 12.55 | 12.86 | 13.15 | 13.42 | 13.69 | 13.95 |
| 9 | Electricity | 0.99 | 1.02 | 1.04 | 1.07 | 1.09 | 1.11 | 1.14 |
| 10 | Gas | 0.18 | 0.17 | 0.16 | 0.15 | 0.14 | 0.13 | 0.12 |
| 11 | Water | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.09 | 0.09 |

| | Real GVA/GDP (Mill BDT) | Share (%) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| 12 | Construction | 9.23 | 8.76 | 8.41 | 8.19 | 8.08 | 8.05 | 8.10 |
| 13 | Trade | 15.61 | 15.74 | 15.85 | 15.92 | 15.97 | 16.00 | 16.01 |
| 14 | Land Transport | 6.59 | 6.64 | 6.68 | 6.70 | 6.71 | 6.72 | 6.72 |
| 15 | Water transport | 0.41 | 0.39 | 0.38 | 0.36 | 0.34 | 0.33 | 0.31 |
| 16 | Air transport | 0.08 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 |
| 17 | Warehousing and support activities | 0.26 | 0.26 | 0.25 | 0.25 | 0.25 | 0.25 | 0.24 |
| 18 | Postal and courier activities | 0.04 | 0.04 | 0.04 | 0.03 | 0.03 | 0.03 | 0.03 |
| 19 | Accommodation and food service activities | 1.09 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.09 |
| 20 | Information and communication | 1.25 | 1.23 | 1.22 | 1.20 | 1.18 | 1.16 | 1.13 |
| 21 | Monetary intermediation (Banks) | 2.50 | 2.44 | 2.38 | 2.32 | 2.26 | 2.20 | 2.13 |
| 22 | Insurance | 0.23 | 0.23 | 0.22 | 0.21 | 0.20 | 0.20 | 0.19 |
| 23 | Other financial auxiliaries | 0.19 | 0.19 | 0.19 | 0.18 | 0.18 | 0.18 | 0.17 |
| 24 | Real estate activities | 7.81 | 7.75 | 7.69 | 7.60 | 7.51 | 7.41 | 7.30 |
| 25 | Professional, scientific and technical activities | 0.18 | 0.19 | 0.19 | 0.20 | 0.20 | 0.20 | 0.20 |
| 26 | Administrative and support service activities | 0.81 | 0.85 | 0.90 | 0.94 | 0.99 | 1.04 | 1.09 |
| 27 | Public administration and defence; compulsory social security | 3.58 | 3.64 | 3.70 | 3.75 | 3.79 | 3.84 | 3.87 |
| 28 | Education | 2.76 | 2.78 | 2.80 | 2.81 | 2.82 | 2.82 | 2.82 |
| 29 | Human health and social work activities | 3.69 | 3.78 | 3.87 | 3.96 | 4.04 | 4.12 | 4.19 |
| 30 | Arts, entertainment and recreation | 0.15 | 0.15 | 0.16 | 0.16 | 0.16 | 0.17 | 0.17 |
| 31 | Other service activities | 4.45 | 4.42 | 4.37 | 4.32 | 4.26 | 4.20 | 4.14 |
| | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Sectoral GDP Growth

| | Real GVA/GDP (Mill BDT) | Growth (%) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| 1 | Crops & horticulture | 1.84 | 1.78 | 2.21 | 3.03 | 3.25 | 3.32 | 3.38 |
| 2 | Animal farming | 3.08 | 3.02 | 3.45 | 4.28 | 4.51 | 4.58 | 4.64 |
| 3 | Forest and related services | 4.91 | 4.86 | 5.30 | 6.14 | 6.37 | 6.44 | 6.51 |
| 4 | Fishing | 1.41 | 1.36 | 1.78 | 2.60 | 2.82 | 2.89 | 2.95 |
| 5 | Natural gas and crude petroleum | -6.72 | -5.47 | -2.14 | 0.01 | 0.33 | 0.70 | 1.06 |
| 6 | Other mining & quarrying | 3.29 | 0.99 | 2.32 | 2.53 | 2.86 | 3.23 | 3.60 |
| 7 | Large & medium scale | 5.94 | 7.20 | 8.85 | 9.09 | 9.46 | 9.88 | 10.30 |

| | Real GVA/GDP (Mill BDT) | Growth (%) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| 8 | Small scale and Cottage | 5.70 | 7.74 | 9.16 | 9.39 | 9.74 | 10.14 | 10.53 |
| 9 | Electricity | 6.80 | 7.91 | 9.33 | 9.56 | 9.90 | 10.30 | 10.70 |
| 10 | Gas | -2.44 | -1.43 | -0.13 | 0.07 | 0.39 | 0.76 | 1.12 |
| 11 | Water | 3.33 | 4.40 | 5.78 | 6.00 | 6.34 | 6.72 | 7.11 |
| 12 | Construction | -1.45 | -0.31 | 2.25 | 4.25 | 6.04 | 7.59 | 9.16 |
| 13 | Trade | 4.77 | 5.85 | 7.25 | 7.47 | 7.81 | 8.21 | 8.60 |
| 14 | Land Transport | 4.66 | 5.74 | 7.14 | 7.36 | 7.70 | 8.09 | 8.48 |
| 15 | Water transport | -0.28 | 0.75 | 2.08 | 2.29 | 2.61 | 2.99 | 3.36 |
| 16 | Air transport | 6.67 | 7.78 | 9.20 | 9.43 | 9.77 | 10.17 | 10.57 |
| 17 | Warehousing and support activities | 3.31 | 4.38 | 5.76 | 5.98 | 6.31 | 6.70 | 7.09 |
| 18 | Postal and courier activities | 1.75 | 2.80 | 4.16 | 4.37 | 4.71 | 5.09 | 5.46 |
| 19 | Accommodation and food service activities | 4.38 | 5.46 | 6.86 | 7.07 | 7.42 | 7.81 | 8.19 |
| 20 | Information and communication | 2.69 | 3.75 | 5.12 | 5.34 | 5.67 | 6.06 | 6.44 |
| 21 | Monetary intermediation (Banks) | 1.64 | 2.69 | 4.05 | 4.26 | 4.59 | 4.97 | 5.35 |
| 22 | Insurance | 0.89 | 1.93 | 3.28 | 3.49 | 3.82 | 4.20 | 4.57 |
| 23 | Other financial auxiliaries | 2.63 | 3.69 | 5.06 | 5.27 | 5.61 | 5.99 | 6.37 |
| 24 | Real estate activities | 3.18 | 4.25 | 5.62 | 5.84 | 6.18 | 6.56 | 6.95 |
| 25 | Professional, scientific and technical activities | 6.10 | 7.20 | 8.62 | 8.84 | 9.19 | 9.58 | 9.98 |
| 26 | Administrative and support service activities | 9.67 | 10.80 | 12.27 | 12.49 | 12.85 | 13.26 | 13.67 |
| 27 | Public administration and defence; compulsory social security | 5.70 | 6.80 | 8.21 | 8.43 | 8.78 | 9.17 | 9.56 |
| 28 | Education | 4.75 | 5.84 | 7.24 | 7.46 | 7.80 | 8.19 | 8.58 |
| 29 | Human health and social work activities | 6.59 | 7.69 | 9.12 | 9.34 | 9.69 | 10.09 | 10.48 |
| 30 | Arts, entertainment and recreation | 6.55 | 7.66 | 9.08 | 9.30 | 9.65 | 10.05 | 10.44 |
| 31 | Other service activities | 3.07 | 4.14 | 5.51 | 5.73 | 6.06 | 6.45 | 6.83 |
| | | **3.89** | **5.00** | **6.50** | **7.00** | **7.50** | **8.00** | **8.50** |

# CHAPTER 2

## STRENGTHENING THE BANKING SECTOR AND CAPITAL MARKET

### 2.1 Introduction

At present, the banking sector faces significant and interrelated structural challenges, including weak capital buffers, elevated non-performing loans (NPLs), declining profitability, governance shortcomings, and emerging liquidity pressures. Capital adequacy remains critically weak, particularly in state-owned and specialised banks, with the Capital to Risk-Weighted Assets Ratio (CRAR) of specialised banks declining sharply from -38.88 per cent in March 2025 to -87.91 per cent by September 2025. The persistent rise in NPLs, driven by weak credit discipline and limited enforcement, has eroded asset quality and constrained credit flow to productive sectors. NPLs reached BDT 5.57 trillion, equivalent to 30.6 per cent of total loans, as of December 2025, significantly constraining credit to productive sectors. Profitability has also declined markedly, with return on equity (ROE) falling from 9.42 per cent in 2016 to -16.11 per cent in 2025. While liquidity conditions appear stable in aggregate, underlying vulnerabilities persist, with Islamic and specialised banks experiencing negative excess liquidity since the end of 2024.

Governance and operational deficiencies remain at the core of these challenges. Weak board oversight, instances of preferential lending, and limited accountability mechanisms have undermined prudent risk management. Operational inefficiencies, gaps in risk assessment frameworks, and delays in loan recovery processes further exacerbate sectoral fragility.

Overall, these trends reflect deep-rooted weaknesses across capital, asset quality, governance, profitability, and liquidity, suggesting a fragile and weak banking sector inherited by the current government.

Recognising these challenges, the government's reform agenda, guided by the Election Manifesto of the incumbent govt., sets out a forward-looking vision to restore discipline, strengthen institutions, and rebuild public trust in the financial system. A sound and resilient banking system is essential not only for safeguarding financial stability but also for mobilising savings, supporting private investment, facilitating trade and industrial development, and sustaining long-term economic growth. This section aims to translate that vision into actionable and sequenced policy pathways.

The key purpose of this Five Year Strategic Framework (FYSF) is to ensure the protection of depositors, strengthen regulatory independence and supervisory capacity, address the structural causes of non-performing loans, and enhance governance standards across all financial institutions. The framework also emphasises reducing systemic risks through improved capital and liquidity management, eliminating undue interference in banking operations, and modernising legal and institutional mechanisms for loan recovery and financial resolution over the period FY 2027–2031. Achievement of these objectives will require effective collaboration among Bangladesh Bank, the Financial Institutions Division (FID), and other relevant stakeholders to ensure coherent policy implementation, governance reforms, and institutional accountability across the financial sector. These policy objectives are aligned with the manifesto and will also help prepare Bangladesh's financial sector for LDC graduation, as their implementation is expected to enhance consumer confidence and facilitate credit for investment in productive sectors.

Therefore, through coordinated policy efforts, strengthened institutions, and enhanced accountability, the government aims to build a resilient, transparent, and efficient financial system capable of supporting Bangladesh's development aspirations. The plan reflects the government's commitment to realistic, sustained reforms.

### 2.1.1 Background and Country Context

The contribution of the financial sector to Bangladesh's Gross Domestic Product (GDP) has maintained relative stability over the past decade; however, recent indicators indicate a gradual decline due to macroeconomic mismanagement. The portion attributable to banks ranged between 2.7 and 2.8 per cent of GDP from Fiscal Year (FY) 2015–16 to FY 2019–20, subsequently decreasing steadily to approximately 2.5 per cent by FY 2024–25.

The banking sector in Bangladesh is facing a series of structural and interconnected challenges that pose substantial threats to financial stability and economic development. Foremost among these is the continued rise in NPLs, which has become a systemic issue. As of December 2025, the gross NPL ratio has risen to approximately 30.6 per cent, indicating a significant deterioration in asset quality. Elevated NPL levels heighten the risk of bank distress and impede credit flow to productive sectors, thereby slowing economic activity. Persistent weaknesses in the banking sector also discourage private investment, increase the cost of financial intermediation, and reduce the efficiency with which savings are channeled into productive economic activities.

The drivers of NPL accumulation are multifaceted and encompass institutional, regulatory, legal, and informational weaknesses. Institutional challenges include politically influenced lending decisions, weak internal controls, and repeated loan rescheduling, despite poor repayment performance. Regulatory constraints, such as limited operational independence of the central bank and preferential treatment of defaulters, further undermine credit discipline. Moreover, legal inefficiencies, including delays in loan recovery, weak enforcement mechanisms, and a backlog of financial cases, continue to hinder the prompt resolution of defaulted loans. Data limitations and inadequate transparency within credit information systems exacerbate risk assessment and decision-making processes. Collectively, these factors perpetuate a cycle of deteriorating asset quality and diminishing financial resilience, particularly in state-owned commercial banks, where governance deficiencies and connected lending practices are more prevalent.

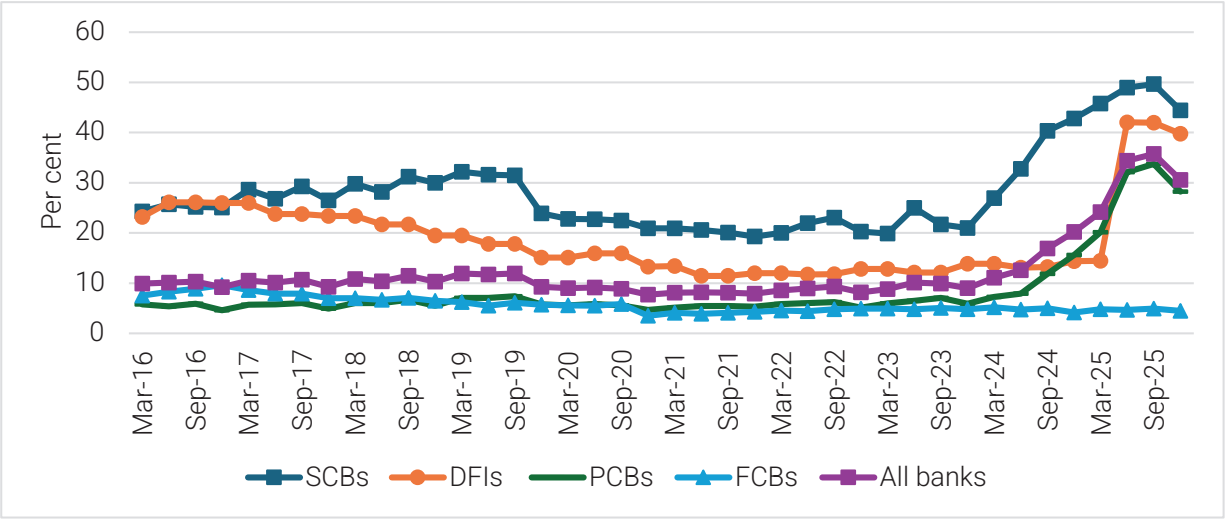
Addressing these challenges will require not only stronger regulatory and supervisory frameworks, but also improved governance, ownership oversight, and policy coordination among Bangladesh Bank, the Financial Institutions Division (FID), and other relevant institutions.

Liquidity pressures pose a significant vulnerability across the banking system. Weak asset quality, driven largely by high NPLs, has constrained banks' cash flows, limiting their ability to meet short-term obligations. Structural funding composition issues, such as reliance on short-term deposits, further amplify liquidity risk, particularly during periods of financial stress. Although regulatory frameworks, including statutory liquidity requirements and Basel III standards, aim to enhance resilience, there remain trade-offs between maintaining liquidity compliance and ensuring profitability. These pressures are also influenced by macroeconomic conditions, including inflation, exchange-rate volatility, and fluctuations in economic growth, all of which affect deposit stability and asset quality.

Figure 2.1 indicates a significant deterioration in asset quality across the banking sector, driven primarily by sharp increases in State Owned Commercial Banks (SCBs), Development Financial

Institutions (DFIs), Foreign Commercial Banks (FCBs) and Private Commercial Banks (PCBs) in recent periods, raising serious concerns about financial stability and the accumulation of credit risks.

*Figure 2.1: Gross NPL ratios by type of banks (In per cent)*




*Source: GED's illustration based on data from the Bangladesh Bank Quarterly Report (Bangladesh Bank, 2025a)*

Structural concentration in bank lending heightens systemic risk, with significant exposure to a small number of large borrowers and to sectors such as textiles and real estate. This lack of diversification increases vulnerability to sector-specific shocks and borrower defaults, with potential cascading effects across the system. Persistent underperformance across several banks also raises concerns about long-term viability.

Finally, operational inefficiencies constrain sectoral performance. Many banks in Bangladesh continue to rely on outdated systems and struggle to adopt advanced technologies due to capacity constraints, regulatory uncertainty, and high implementation costs. At the same time, increasing digitalisation, without adequate cybersecurity infrastructure, has introduced new operational risks. Overall, Bangladesh's banking sector plays a central role in supporting economic growth and financial intermediation within a predominantly bank-based financial system. However, structural weaknesses and evolving macroeconomic pressures highlight the need for sustained reforms to strengthen stability, efficiency, and resilience.

## 2.2. Strategic Framework — Vision, Mission and Architecture

### Vision

A stable, transparent, and inclusive banking sector by 2031 that ensures financial discipline, protects depositors, and supports sustainable economic growth.

### Mission

The Government will enact a comprehensive set of reforms that are aligned with national economic priorities and LDC graduation goals and preparedness, aiming to restore discipline and confidence in the banking sector. Institutions will be restructured to reduce inefficiencies, non-performing assets will be actively resolved, and credit discipline will be enforced across all financial institutions. The sector will be modernised through digital transformation and strengthened supervisory capacity to ensure long-term financial stability.

### Strategic Framework

The following table outlines the key strategic priorities under the Recovery, Restoration and Reconstruction (3R) framework, translating the broad vision into actionable and monitorable policy directions.

**Table 2.1: Strategic Priorities for Banking Sector Reform**

| Code | Strategic Priority |
|---|---|
| SP1 | Strengthening Regulatory Autonomy and Supervision |
| SP2 | Resolution of Non-Performing Loans (NPLs) |
| SP3 | Enhancing Governance and Reducing Political Interference |
| SP4 | Depositor Protection and Financial Stability Mechanisms |
| SP5 | Strengthening Financial Transparency and Accountability |
| SP6 | Institutional Reform and Regulatory Restructuring |

## 2.3 Policy Objective

### 2.3.1 Alignment with the Government's Election Manifesto (2026)

The implementation of comprehensive reforms in Bangladesh's banking and financial sectors requires a coordinated, future-oriented policy approach that addresses institutional shortcomings, regulatory deficiencies, and systemic vulnerabilities. In accordance with the government's Election Manifesto, several priority reform pathways have been identified to guide their implementation.

**Timely return of depositors' funds:** Ensuring the timely return from liquidated Islamic banks requires establishing a robust legal and operational framework. In the absence of a fully developed deposit protection framework, immediate repayment of depositors will rely on a combination of central bank liquidity support, utilisation of existing deposit insurance funds, asset recovery processes, and, where necessary, government-backed interventions. Additionally, the issue of NPLs will be accorded high priority. Appropriate measures will be undertaken to address the elevated level of NPLs. In this regard, financial institutions will be subject to a comprehensive review, and individuals found responsible for irregularities or misconduct will be held accountable in accordance with applicable laws and regulations.

Within the next year, the proposed Deposit Protection Ordinance will establish a structured funding mechanism for depositor protection. The adoption of a Pay-Box Plus model will facilitate timely reimbursement of insured deposits and strengthen the overall bank resolution framework. Under a standard Pay-Box model, the deposit insurance authority has a limited mandate: it collects premiums from banks and reimburses insured depositors up to a specified coverage limit in the event of a bank's failure. Its role is primarily confined to payout and does not extend to supervisory or resolution functions. The Pay-Box Plus model builds on this basic framework by granting the deposit insurer a more active role in resolution. In addition to reimbursing depositors, it may support selected resolution measures, such as assisting in the transfer of deposits to a healthy institution or financing cost-effective resolution options. This approach enables faster access to funds for depositors, minimises disruptions to banking services, and helps maintain financial stability. A credible depositor protection framework also reduces the risk of bank runs, strengthens public confidence in the financial system, and supports the orderly resolution of distressed financial institutions.

**Economic Reform Commission:** The establishment of an independent Economic Reform Commission is a key institutional reform measure pledged in the election manifesto of the government. The Commission will be formed through a legal framework to ensure its independence and credibility, with representation

from economists, banking professionals, corporate leaders, and experienced administrators. Strengthening Bangladesh Bank's autonomy and supervisory capacity is central to restoring discipline in the financial sector. This requires legal and institutional reforms to ensure operational independence, as well as the adoption of international regulatory standards. Therefore, enhancing transparency and reducing political interference by improving disclosure practices and strengthening surveillance mechanisms will be critical to improving accountability and reducing systemic risks. Equally important will be the establishment of clear implementation, monitoring, and accountability mechanisms to ensure that reform recommendations are translated into measurable outcomes within defined timelines.

## 2.4 Strategic Policy Matrix

The Five Year Strategic Framework (FYSF) FY 2027–2031 for the banking sector adopts a phased reform approach to address immediate vulnerabilities while enabling longer-term structural transformation. The strategy is organised across three overlapping time horizons: *Recovery and Stabilisation (1 year), Restoration (1-3 years), and Reconstruction and Growth Acceleration (3-5 years)*. Each phase sets out clearly defined policy priorities, targeted interventions, and institutional responsibilities to restore financial discipline and strengthen sector resilience. The overall framework is anchored by a unified Key Performance Indicator (KPI) and Monitoring and Evaluation (M&E) system, aligned with national development priorities and the intended outcomes for FY2031.

Implementation of the framework will require close coordination among Bangladesh Bank, the Financial Institutions Division (FID), Finance Division, and other relevant financial-sector regulators and stakeholders. While Bangladesh Bank will lead regulatory and supervisory reforms, FID will facilitate legal and policy coordination, government ownership oversight, and implementation support relating to state-owned banks, financial institutions, and other government-owned financial sector entities.

### 2.4.1 Phase I: Recovery and Stabilisation (1 year)

The initial phase of the FYSF for the banking sector focuses on addressing immediate vulnerabilities and restoring confidence at the outset of the reform period. The sector is entering this phase with elevated financial stress, characterised by high non-performing loans, weakened capital positions in several banks, governance deficiencies, and declining depositor confidence. These challenges have constrained credit flows, increased systemic risk, and weakened overall financial stability.

Accordingly, Phase I prioritises urgent measures to stabilise the banking system, strengthen regulatory oversight, and initiate corrective actions to restore discipline. The focus will be on enforcing regulatory compliance, addressing critical governance failures, initiating recovery of distressed assets, and ensuring immediate support mechanisms to protect depositors and maintain liquidity in the system.

**Table 2.2: Phase I Action Matrix: Recovery and Stabilisation (1 year)**

| Recovery and Stabilisation (Key Actions) | Activities | Lead Ministry / Agency |
|---|---|---|
| SP1: Regulatory Control and Immediate Supervision | Bangladesh Bank's autonomy will be enforced on an interim basis; high-risk banks will be placed under intensified supervision; urgent regulatory actions will be expedited | Bangladesh Bank |
| SP2: NPL Containment Measures | Wilful defaulters will be identified; legal proceedings will be initiated; stricter loan classification and provisioning standards will be enforced | Bangladesh Bank; Credit Information Bureau (CIB) |

| Recovery and Stabilisation (Key Actions) | Activities | Lead Ministry / Agency |
|---|---|---|
| SP3: Immediate Governance Reforms | Fit-and-proper criteria for boards and senior management will be enforced; non-compliant boards will be restructured | Bangladesh Bank |
| SP4: Depositor Protection and Confidence Restoration | Deposit Protection Fund will be operationalised; capital adequacy of merged banks will be strengthened; depositors will begin to be reimbursed; interim mechanisms for depositor repayment will be introduced for distressed banks | FID/Bangladesh Bank |

### 2.4.2 Phase II: Restoration (1-3 Years)

The second phase of the FYSF for the banking sector focuses on restoring institutional strength and addressing structural weaknesses that undermine financial stability and efficiency. Building on the immediate stabilisation measures undertaken in Phase I, this phase targets persistent challenges, including weak governance frameworks, inadequate risk management practices, limited regulatory enforcement capacity, and inefficiencies in loan recovery and financial intermediation. If left unaddressed, these structural constraints will continue to impede the sector's ability to support sustainable economic growth.

Accordingly, Phase II prioritises strengthening regulatory and institutional frameworks, improving asset quality through enhanced recovery mechanisms, reinforcing governance and accountability systems, and developing more robust financial safety nets. The focus will be on restoring confidence, improving operational efficiency, and ensuring that the banking sector functions in a disciplined, transparent, and resilient manner. These reforms are expected to improve the allocation of credit, strengthen market discipline, enhance public confidence, and increase the banking sector's contribution to investment and economic growth.

**Table 2.3: Phase II Action Matrix – Restoration (1-3 Years)**

| Restoration (Key Actions) | Activities | Lead Ministry / Agency |
|---|---|---|
| SP1: Strengthening Supervisory Frameworks | Full operational autonomy of Bangladesh Bank will be enforced; risk-based supervision and stress testing frameworks will be implemented | Bangladesh Bank |
| SP2: Minimise default risk and strengthen NPL Resolution Mechanisms | Legal frameworks for loan recovery will be operationalised; loan rescheduling practices will be restricted; monitoring of large borrowers will be strengthened; strengthen borrower compliance standard. | Bangladesh Bank |
| SP3: Structured Governance Reforms | Board appointment processes will be standardised; limits on tenure and family representation will be enforced; audit and risk committees will be strengthened | Bangladesh Bank; FID; Bangladesh Securities and Exchange Commission (BSEC); ICAB-registered firms |
| SP5: Financial Transparency and Reporting Systems | Mandatory disclosure of bank-level financial data will be enforced; Basel III-aligned reporting standards will be implemented; data systems will be integrated | Bangladesh Bank |
| SP6: Institutional Reform and Coordination | The Economic Reform Commission will be established and operationalised; priority reforms will be initiated based on its recommendations; institutional coordination mechanisms among Bangladesh Bank, FD, FID, and other financial-sector regulators will be strengthened. | Cabinet Division; Prime Minister's Office (PMO); FD & FID |

### 2.4.3 Phase III: Reconstruction and Growth Acceleration (3-5 Years)

Phase III outlines the long-term transformation agenda for the banking sector in line with the FYSF framework. Throughout this five-year duration, the emphasis will transition from immediate stabilisation and system restoration to the development of a resilient, efficient, and well-governed financial system capable of underpinning sustained economic growth. This phase will be propelled by comprehensive structural reforms, reinforced regulatory and institutional frameworks, elevated financial stability mechanisms, and enhanced efficiency in financial intermediation.

The emphasis shall be placed on embedding robust governance practices, ensuring sustained reductions in systemic risks, and enhancing financial transparency and data systems. These collective efforts will support the transition towards a stable, competitive, and development-oriented banking sector. The long-term sustainability of these reforms will require continued policy coordination among Bangladesh Bank, the Financial Institutions Division (FID), and other financial-sector stakeholders to ensure alignment between regulatory objectives, governance reforms, and broader financial-sector development priorities.

**Table 2.4: Phase III Action Matrix: Reconstruction and Growth Acceleration (3-5 Years)**

| Reconstruction and Growth (Key Actions) | Activities | Lead Ministry / Agency |
|---|---|---|
| SP1: Sustained Regulatory Independence and Advanced Supervision | Legal and institutional frameworks ensuring full central bank independence will be fully implemented; advanced supervisory tools will be adopted | Bangladesh Bank |
| SP2: Sustainable Reduction in NPLs and Credit Discipline | End-to-end loan lifecycle monitoring systems will be implemented; enforcement of strict credit discipline will be sustained | Bangladesh Bank |
| SP3: Institutionalised Governance and Accountability | Governance reforms will be fully embedded; independent and professional board structures will be sustained across all banks | Bangladesh Bank |
| SP4: Robust Depositor Protection and Financial Stability Systems | Full deposit insurance framework (Pay-Box Plus Model) will be implemented; financial safety nets will be strengthened | Bangladesh Bank |
| SP5: Integrated Financial Data and Transparency Systems | Fully integrated financial data infrastructure will be operational; real-time reporting and public disclosure systems will be established | Bangladesh Bank |
| SP6: Deep Institutional and Structural Reforms | Recommendations of the Economic Reform Commission will be fully implemented; institutional coordination mechanisms will be strengthened to support long-term financial sector reforms | FID and Bangladesh Bank |

### 2.4.4 Key Performance Indicators and M&E Framework

Progress under the FYSF banking sector strategy will be monitored through a structured set of Key Performance Indicators (KPIs) aligned with the strategic priorities outlined in this framework. Given the evolving nature of financial sector risks and data limitations, the Monitoring and Evaluation (M&E) framework focuses on tracking directional improvements in key indicators of financial stability, asset quality, governance, and institutional effectiveness, rather than relying solely on fixed annual targets.

The KPI framework is structured around the six Strategic Priorities and encompasses critical aspects of banking sector performance, including capital adequacy, asset quality, liquidity, governance, depositor

confidence, and transparency. Indicators are chosen based on their availability within administrative and supervisory data sources, chiefly from Bangladesh Bank, and are supplemented by data from the Bangladesh Bureau of Statistics (BBS), IMF Financial Soundness Indicators (FSIs), and World Bank databases, where applicable.

Monitoring shall be conducted periodically utilising supervisory data, with an emphasis on identifying trends, compliance levels, and improvements relative to baseline conditions. The Bangladesh Bank will undertake annual progress reviews. The Financial Institutions Division (FID) will support monitoring of governance, depositor protection, institutional reform, and state-owned bank reform initiatives under the Framework, in coordination with Bangladesh Bank and other relevant stakeholders. Additionally, a mid-term review will be scheduled for FY2028 to evaluate the implementation progress and to recalibrate policy actions as required.

The framework prioritises transparency and accountability, with a focus on progressively strengthening data systems to enable more robust, target-based monitoring in future planning cycles. Table 2.5 presents the KPI framework aligned with the strategic priorities.

**Table 2.5: Banking Sector KPI and Monitoring Framework**

| Indicator | Description of Indicator | Linked Strategic Priority |
|---|---|---|
| Gross NPL Ratio (%) | Measures the proportion of non-performing loans to total loans, indicating asset quality and credit risk | SP2 |
| Sector-wise NPL Ratios | Disaggregated NPL ratios across FCBs, SCBs, PCBs, and Islamic banks to capture the concentration of risk | SP2 |
| Capital Adequacy Ratio (CAR) | Measures banks' capital relative to risk-weighted assets, indicating solvency | SP1, SP4 |
| Reduction in Written-off Loan Stock (by Bank Type) | Measures the percentage decline in the total stock of written-off loans across different categories of banks (state-owned, private commercial, and foreign banks). | SP2 |
| Liquidity Ratios (SLR, LCR) | Measures banks' ability to meet short-term obligations | SP4 |
| Return on Assets (ROA) / Return on Equity (ROE) | Measures profitability and financial performance of banks | SP3 |
| Volume of Rescheduled Loans | Tracks extent of regulatory forbearance and credit discipline issues | SP2, SP3 |
| Number of Regulatory Actions | Includes fines, directives, and enforcement actions taken by Bangladesh Bank | SP3 |
| Timeliness of Financial Reporting (%) | Measures compliance with disclosure timelines for financial statements | SP5 |
| Basel III Compliance Indicators | Includes reporting on capital, liquidity, and leverage standards | SP1, SP5 |
| Depositor Growth Rate | Proxy for depositor confidence and financial system stability | SP4 |
| Time Taken for Depositor Reimbursement | Measures efficiency of depositor protection mechanisms | SP4 |
| Availability of Public Financial Data | Assesses transparency and accessibility of banking sector data | SP5 |
| Implementation Progress of Reforms (%) | Tracks adoption of policy recommendations and institutional reforms | SP6 |

*Note: Bangladesh Bank will prepare and monitor these indicators.*

## 2.5 Risks and Mitigation

The risk register presented below brings together six key implementation risks identified for the FYSF framework. Each risk has been assessed in terms of its likelihood of occurrence and potential impact on implementation outcomes, using a standard classification in which High, Medium , and Low indicate relative severity. This assessment is intended to support more proactive risk monitoring, prioritisation of mitigation measures, and timely policy responses throughout the implementation period.

### Table 2.6: Key Risks and Mitigation: FYSF Implementation

| Risk Description | Probability / Impact | Mitigation Measures |
|---|---|---|
| Fiscal constraints limiting reform financing, particularly for recapitalisation, depositor refunds, and modernisation of data infrastructure | High / High | Implementation will be phased; external financing (development partners) will be mobilised; industry-funded mechanisms (e.g., deposit insurance contributions) will be introduced |
| Political interference and resistance to governance reforms, especially in state-owned and weak banks | High / High | Legal provisions ensuring central bank autonomy are to be enacted; fit-and-proper criteria for boards are to be strengthened; and transparent appointment and removal processes are to be established. |
| Institutional fragmentation and weak interagency coordination among Ministry of Finance, central bank, and regulators | High / Medium | Formal coordination platforms (e.g., Economic Reform Commission) will be established; clear mandates will be established. |
| Limited technical and supervisory capacity within banks and financial regulatory institutions | Medium / High | Targeted training and technical assistance are to be expanded; specialised professionals are to be recruited; and data systems and risk-based supervision frameworks are to be strengthened. |
| Resistance from banking sector stakeholders, particularly regarding stricter regulation, enforcement, and transparency | Medium / Medium | Stakeholder consultation will be ensured; transition support mechanisms will be provided; and enforcement credibility will be strengthened to prevent violations. |
| Data gaps and weak information systems, limiting timely decision-making and monitoring | Medium / Medium | Regulatory reporting standards will be strengthened; integrated financial sector databases will be developed; real-time data submission will be mandated; and data transparency will be improved. |

## 2.6 Capital Market Development and Financial Sector Diversification

Bangladesh's financial system remains excessively bank-dependent, while the capital market continues to be shallow, volatile, and characterised by weak investor confidence, limited product diversification, inadequate institutional participation, and governance deficiencies. Excessive reliance on the banking system for long-term financing has increased pressure on banks, contributed to asset-liability mismatches, and constrained financing for productive investment. At the same time, weaknesses in regulatory oversight, poor disclosure standards, market manipulation, and limited transparency have undermined confidence in the stock market and reduced its effectiveness as a source of long-term capital mobilisation.

The government's Election Manifesto emphasise strengthening financial governance, improving regulatory independence, enhancing transparency, broadening investment opportunities, and mobilising private capital for productive sectors. In this context, developing a stable, transparent, and diversified capital market is essential to complement banking sector reforms, improve financial intermediation, support industrialisation, and facilitate long-term investment financing in preparation for Bangladesh's post-LDC transition. Development of domestic capital markets will also support mobilisation of long-term domestic savings for infrastructure and productive investment, thereby reducing excessive reliance on sovereign external borrowing while strengthening fiscal and debt sustainability.

**Objectives**

The key objectives of capital market development under the FYSF are to:

- Reduce excessive dependence on the banking sector for long-term financing.
- Restore investor confidence through stronger governance, transparency, and enforcement.
- Develop a diversified capital market ecosystem, including equity, bond, and Sukuk markets.
- Increase the participation of institutional investors and strengthen market stability.
- Promote participation of foreign institutional investors, sovereign wealth funds, pension funds, insurance funds and impact investors through improved market governance, regulatory reforms, transparency and internationally aligned disclosure standards.
- Promote the development of long-term institutional investors, including pension funds, insurance funds, mutual funds, and provident funds, to support sustainable capital market growth.
- Facilitate long-term financing for infrastructure, SMEs, green investment, and industrial diversification.
- Improve coordination among Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Ministry of Finance, and other financial regulators.

A deeper capital market will support Bangladesh's smooth and sustainable LDC graduation by mobilising long-term finance for infrastructure, climate resilience, productivity enhancement, export diversification and private sector development

**Strategic Priorities and Key Interventions**

### SP1: Strengthening Regulatory Governance and Market Integrity

**Rationale:** Weak regulatory enforcement, market manipulation, inadequate disclosure standards, and limited accountability have weakened investor confidence and undermined market development.

**Key Interventions**

- Strengthen the operational independence, technical capacity, and enforcement authority of the Bangladesh Securities and Exchange Commission (BSEC).
- Introduce stricter disclosure, auditing, and corporate governance requirements for listed companies in line with international standards.
- Strengthen surveillance systems to detect insider trading, price manipulation, and fraudulent transactions.
- Ensure fit-and-proper criteria for sponsors, directors, merchant banks, brokerage houses, and asset management companies.
- Enhance coordination between BSEC, Bangladesh Bank, and other regulators for consolidated financial sector supervision.
- Expand digital disclosure and real-time market information systems to improve transparency and investor access.

**Indicators**

- Reduction in cases of market manipulation and enforcement violations.
- Percentage of listed companies compliant with corporate governance and disclosure standards.
- Increase in timely publication of audited financial statements.
- Improvement in investor confidence and market participation.

### SP2: Deepening the Bond and Sukuk Markets

**Rationale:** Bangladesh lacks a well-functioning corporate bond market, resulting in excessive dependence on bank borrowing for long-term financing.

**Key Interventions**

- Develop a comprehensive government and corporate bond market framework.
- Promote a diversified sustainable finance ecosystem through green bonds, sustainability-linked bonds, blue bonds, social bonds, Islamic (Sukuk) bonds, climate resilience bonds, transition finance instruments and other internationally recognised sustainable finance products to mobilise domestic and international investment.
- Establish benchmark yield curves through regular issuance and secondary market trading of Treasury Bonds.
- Introduce credit enhancement and guarantee mechanisms to support private bond issuance.
- Encourage participation of pension funds, insurance companies, mutual funds, and foreign institutional investors.
- Facilitate the development of long-term domestic institutional investors and savings vehicles to provide a stable investor base for bond and Sukuk markets.
- Simplify issuance procedures and reduce transaction costs for corporate bond issuance.

**Indicators**

- Increase in corporate bond market capitalisation as a percentage of GDP.
- Growth in the number and value of bond and Sukuk issuances.
- Increase in secondary market trading volumes.
- Share of long-term financing mobilised through capital markets.

### SP3: Expanding Institutional Investors and Financial Inclusion

**Rationale:** Limited participation of institutional investors contributes to excessive market volatility and speculative trading.

**Key Interventions**

- Strengthen the mutual fund industry through improved governance, transparency, and professional asset management.
- Facilitate greater participation of pension funds, provident funds, insurance companies, and expatriate investors in the capital market.
- Promote financial literacy and investor education programmes to protect retail investors and encourage informed investment decisions.
- Expand digital trading platforms and mobile-based investment services to improve access.
- Develop SME and startup financing platforms through alternative investment boards and venture capital mechanisms.

**Indicators**

- Increase in institutional investor participation in market turnover.
- Growth in assets under management of mutual funds and pension-related investments.
- Increase in retail investor accounts and financial literacy coverage.
- Increase in SME and startup listings and financing.

Phased Reform Approach under the 3R Framework

**Recovery and Stabilisation (1 Year)**

- Strengthen market surveillance and enforcement against manipulation and insider trading.
- Conduct governance and compliance reviews of market intermediaries.
- Improve disclosure requirements for listed companies and financial institutions.
- Establish a coordination mechanism between BSEC, Bangladesh Bank, and the FID, FD and other relevant financial-sector regulators to support regulatory consistency and market stability.

**Restoration (Within 1-3 Years)**

- Introduce reforms to facilitate corporate bond and Sukuk issuance.
- Operationalise stronger corporate governance and fit-and-proper frameworks.
- Launch investor protection and financial literacy initiatives.
- Develop a regulatory framework for green bonds, infrastructure bonds, and alternative investment funds.

**Reconstruction and Growth Acceleration (3-5 Years)**

- Develop a diversified and resilient capital market ecosystem integrated with broader financial sector reforms.
- Increase the role of capital markets in long-term infrastructure and industrial financing.
- Establish deep and liquid bond markets to reduce excessive dependence on bank credit.
- Position Bangladesh's capital market to support sustainable investment, private sector growth, and post-LDC economic transformation.

**Expected Outcomes**

By 2031, the reforms are expected to create a more transparent, diversified, and resilient capital market capable of mobilising long-term finance for productive investment. A stronger capital market will complement banking sector reforms, reduce systemic vulnerabilities arising from excessive bank dependence, improve investor confidence, and support sustainable economic growth. The development of bond, Sukuk, and institutional investment markets will also strengthen financial stability and facilitate financing for infrastructure, industrial diversification, green transition, and private sector development. The expansion of pension, insurance, mutual fund, and other long-term institutional investor bases will further enhance market depth, liquidity, and resilience.

This approach aligns with the government's broader reform agenda to strengthen governance, enhance transparency, mobilise private capital, and modernise Bangladesh's financial architecture in preparation for LDC graduation and long-term economic transformation.

Relevant recommendations are consistent with the government's Election Manifesto and the Task Force recommendations on improving regulatory governance, strengthening financial sector oversight, mobilising private investment, enhancing transparency, and developing more competitive and efficient financial markets.

## 2.7 Conclusion

Bangladesh's banking sector enters the FYSF period at a critical point. The sector has recorded important institutional and developmental deficits over the past decade. The introduction of deposit protection reforms, progress toward resolution frameworks for distressed banks, and expanded financial inclusion through digital channels represent meaningful advances in financial sector governance.

Yet these gains now sit alongside deep and structural vulnerabilities that are more complex than those addressed in previous reform cycles. Elevated non-performing loans, recurring governance weaknesses in parts of the banking system, exposure to large borrower concentration, and uneven enforcement of classification and provisioning standards continue to undermine balance sheet integrity. The persistence of wilful default risk, coupled with delays in legal recovery and resolution processes, has constrained credit intermediation and weakened the transmission of monetary policy. At the same time, macro-financial pressures arising from exchange rate volatility, inflationary cycles, and external sector constraints have amplified liquidity and solvency risks across segments of the banking system.

The central challenge of the FYSF period is therefore no longer limited to expanding financial access; it is to restore and sustain systemic stability while ensuring that credit flows efficiently to productive sectors of the economy. Banking sector stability cannot be achieved without strengthening governance and enforcement discipline; governance reforms will have limited impact unless accompanied by credible resolution mechanisms for non-performing assets; and credit growth will remain constrained unless balance sheet stress is decisively reduced through sustained restructuring, write-off discipline, and legal recovery reforms.

Three strategic imperatives define the whole-of-system approach required over the FYSF period. The first is regulatory and institutional strengthening: this includes enhancing the operational independence and supervisory capacity of the central bank, tightening loan classification and provisioning standards. The second is resolution and accountability: accelerated recovery through specialised financial tribunals, and full implementation of a structured deposit protection system (including the planned Pay-Box model) are essential to restoring market discipline and depositor confidence. The third is financial deepening with stability: expanding access to credit for SMEs, agriculture, and productive manufacturing must proceed in parallel with risk containment, improved credit information systems, and strengthened digital financial infrastructure.

Effective implementation of these priorities will require sustained coordination among Bangladesh Bank, the Financial Institutions Division (FID), other financial-sector regulators, and relevant government agencies to ensure consistency in policy, supervision, governance, and crisis management.

At the same time, the transition toward tighter global financial conditions and Bangladesh's LDC graduation will gradually reduce access to concessional buffers and external liquidity support, increasing reliance on the domestic financial sector. This makes early-stage reforms during Phase I of the FYSF critical to avoid compounding fiscal and financial stress in later years.

The banking sector stands at a point where incremental adjustments will no longer be sufficient. The Capital Adequacy , Asset Quality, Management Capability, Earnings, Sensitivity to Market Risk (CAMELS) indicators highlight systemic fragilities that require decisive correction. The FYSF target is therefore not merely to improve key financial indicators, but to re-establish trust in the banking system as a stable intermediary of savings and investment. The integrated reform agenda outlined in this will enable Bangladesh to transition from a stress-prone banking system to a resilient, well-governed financial sector capable of supporting inclusive and sustainable growth through FY 2031 and beyond.

Bangladesh will seek to position itself as a regional destination for sustainable finance by developing internationally aligned financing instruments, and enhancing the policy and regulatory environment to attract global climate and sustainability-focused investment capital.

# APPENDIX

**Policy Matrix**

Aligned with the policy objectives outlined in the government's Election Manifesto, the following implementation matrices have been meticulously developed for the banking sector. These matrices are organised around four fundamental reform domains: addressing liquidity pressure, fortifying risk management, enhancing supervision and governance, and ensuring the effective enforcement of reforms. The measures within each domain are systematically structured within a three-phase 3R Framework, designed to facilitate a sequenced and pragmatic transition from crisis response to enduring sectoral transformation.

The framework is divided into the following phases:

**Phase 1 (1 year)** – Recovery and Stabilisation encompass the immediate short-term period of up to 1 year. This phase will prioritise urgent crisis management measures aimed at stabilising liquidity conditions, restoring depositor confidence, containing systemic vulnerabilities, and ensuring the continuity of core financial sector operations.

**Phase 2 (1-3 years)** – Restoration encompasses the medium-term horizon of approximately 1-3 years. During this phase, efforts will be directed towards rebuilding institutional capacity, fortifying risk management systems, enhancing regulatory compliance, and restoring normalised functions within the banking sector. Attention will be given to remedying balance sheet vulnerabilities, improving supervisory frameworks, and strengthening governance standards across financial institutions.

**Phase 3 (3-5 years) –** Reconstruction and Growth Acceleration span the medium to long-term period of up to five years. This stage will concentrate on implementing comprehensive structural reforms designed to enhance the resilience and efficiency of the banking sector. The primary objectives will encompass the sustainable development of the financial sector, the enhancement of credit intermediation, the reinforcement of governance frameworks, and the promotion of long-term growth facilitated by a stable and well-regulated financial system.

Together, these three phases offer a sequential reform pathway designed to transition the banking sector from immediate stabilisation to sustained structural transformation and long-term economic resilience.

## Addressing NPLs

| Recovery and Stabilisation (1 year) | Restoration Phase (1-3 years) | Reconstruction and Growth Acceleration (3- 5 years) |
|---|---|---|
| -Loans will be sanctioned in accordance with the Central Bank's "Guidelines on Internal Credit Risk Rating System for Banks." All large loans exceeding a specified threshold will require approval from senior management, the board of the commercial bank, and the Central Bank.<br>- Single borrower exposure limits will be strictly implemented and repeated rescheduling and write-offs will be discontinued.<br><br>-Legal action against wilful defaulters will be initiated, including asset freezing and account restrictions.<br><br>-Information on wilful defaulters shall be shared, where legally permissible, with relevant domestic and international financial institutions and authorities in accordance with applicable laws and international standards.<br><br>-Reduce Gross NPL ratio 5% each year to 25% in FY2027 | -Information on large wilful defaulters shall be disclosed in accordance with applicable laws and regulatory requirements to strengthen transparency, accountability, and market discipline.<br><br>-To enhance discipline, appropriate penalties for disobedience of court orders will be strengthened, including asset confiscation, and penalties for frivolous appeals, subject to due process and applicable laws.<br><br>-Legal efforts with the support of national and international partners and stakeholders will be made to recover and repatriate stolen assets.<br><br>- Operationalise specialized legal, insolvency, and asset recovery mechanisms to accelerate resolution of distressed assets and recovery of stolen assets.<br><br>-Reduce NPL ratio to 15% in FY2028 | -Ensure sustained credit discipline through institutional reforms.<br><br>-Judicial capacity will be increased to accelerate loan recovery.<br><br>- Legal loopholes, such as numerous adjournments, abuse of stay orders, or baseless counterclaims, that let defaulters prolong proceedings will be investigated and rectified.<br><br>- Establish and operationalise Asset Management Companies (AMCs) and/or other distressed asset resolution mechanisms to facilitate the recovery, restructuring, and disposal of non-performing assets.<br><br>-Reduce NPL ratio to 10% in FY2031 |

## Tackling Liquidity Pressure

| Recovery and Stabilisation (1 year) | Restoration Phase (1-3 years) | Reconstruction and Growth Acceleration (3- 5 years) |
|---|---|---|
| - An exit policy for troubled banks will be formulated to protect depositors.<br><br>-Operationalise the Deposit Protection framework and strengthen depositor confidence through timely reimbursement arrangements and resolution planning for distressed institutions.<br><br>-Recapitalisation of weak banks using public funds will be discontinued.<br><br>-Financial intelligence will be strengthened to prevent illicit financial flows.<br><br>- Following Basel III, all commercial banks will be obliged to make mandatory disclosures. | -Financial discipline and regulations will be improved according to international standards to reduce systemic vulnerabilities.<br><br>- The management and board of directors of poorly performing banks will be replaced by more competent professionals.<br><br>- Non-viable banks will be subject to orderly resolution | -Crisis management and liquidity support frameworks will be institutionalised.<br><br>-Sustainable capital and liquidity buffers will be mandatory for all financial institutions.<br><br>- Fully implement an integrated financial safety-net framework comprising prudential supervision, resolution mechanisms, lender-of-last-resort facilities, and deposit protection arrangements. |

## Strengthening Risk Management

| Recovery and Stabilisation (1 year) | Restoration Phase (1-3 years) | Reconstruction and Growth Acceleration (3- 5 years) |
|---|---|---|
| - All banks shall adopt IT- enabled banking services and a Management Information System (MIS) to strengthen monitoring and detect irregularities and malpractices.<br><br>-Strengthen internal control, compliance, and audit functions.<br><br>-Introduce systems to detect fraud, forgery, cyber risks, and other operational malpractices.<br><br>- A single individual or group of individuals will not be allowed to obtain majority ownership of more than one commercial bank. | -Expand internal audit effectiveness and monitoring systems.<br><br>-Begin modernisation of core banking infrastructure.<br><br>-Improve risk reporting and data systems.<br><br>--Implement risk-based supervision, stress-testing frameworks, and early warning systems across the banking sector. | -Achieve full modernisation of banking systems and digital integration.<br><br>-Integrate advanced technologies for risk assessment and monitoring.<br><br>- Institutionalise enterprise-wide risk management frameworks aligned with international standards and emerging financial-sector risks. |

## Enhancing Supervision and Governance

| Recovery and Stabilisation (1 year) | Restoration Phase (1-3 years) | Reconstruction and Growth Acceleration (3- 5 years) |
|---|---|---|
| - Strengthen the operational independence of Bangladesh Bank while clearly delineating the responsibilities of Bangladesh Bank, FID, and other financial-sector regulators.<br>-Following a merger, board members of weak banks will not be permitted to serve on the boards of stronger banks.<br>-Depoliticise board appointments and enforce merit-based governance.<br>- Strengthen fit-and-proper requirements and governance standards for boards, CEOs, and senior management positions in banks. | - Explore the use of emerging technologies, including distributed ledger technologies where appropriate, to enhance transparency, record-keeping, and monitoring of financial transactions.<br>- Strengthen ownership transparency, beneficial ownership disclosure, and related-party transaction oversight.<br>-Tenure and governance provisions for bank directors will be reviewed and strengthened through appropriate amendments to the Banking Companies Act<br>-Outstanding investigations relating to Bangladesh Bank reserve heist and major financial crimes and fraud cases will be completed and appropriate actions taken in accordance with applicable laws. | -Independent and transparent governance frameworks will be implemented.<br>-Accountability across financial institutions will be ensured.<br>-Institutionalise governance, ownership oversight, and accountability frameworks across state-owned and private financial institutions. |

## Ensuring Effective Enforcement of Reforms

| Recovery and Stabilisation (1 year) | Restoration Phase (1-3 years) | Reconstruction and Growth Acceleration (3- 5 years) |
|---|---|---|
| -Publish bank-level financial data and key prudential indicators regularly, consistent with applicable disclosure requirements and financial stability considerations.<br>-Appoint administrators or other appropriate supervisory authorities to oversee troubled banks where warranted under applicable laws | -Improve reporting standards and regulatory compliance mechanisms.<br>-Strengthen coordination among Bangladesh Bank, FD, FID, BSEC, IDRA, MRA, law enforcement agencies, and the judiciary for effective implementation of financial-sector reforms. | -Align enforcement practices with international standards.<br>-Long-term effectiveness of reform implementation will be ensured.<br>-Establish a structured monitoring and evaluation framework with periodic public reporting on reform implementation and outcomes.<br>-Institutionalise accountability, transparency, and performance-monitoring mechanisms across the financial sector. |

## Strengthening alternative financing mechanism

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Restore confidence and improve discipline in the capital market<br>• Strengthen regulatory oversight and enforcement by the securities regulator<br>• Monitor market manipulation, insider trading, and irregular trading practices more strictly<br>• Reinforce transparency and disclosure requirements for listed companies<br>• Enforce financial reporting standards, timely disclosure of price-sensitive information, and audit compliance<br>• Protect investor interests and stabilise the market through better coordination between Bangladesh Bank, the securities regulator, and financial institutions<br>• Prepare a time-bound capital-market development roadmap covering equity market deepening, corporate bond development, institutional investor participation, and investor protection | • Strengthen market structure and expand capital-market instruments<br>• Improve transparency, accountability, and investor protection through regulatory and institutional reforms<br>• Strengthen enforcement capacity of the securities regulator<br>• Increase quality listings by encouraging large and profitable state-owned and private enterprises to list<br>• Improve listing requirements, governance standards, due diligence, and approval processes<br>• Expand the role of institutional investors such as banks, insurance companies, pension-related funds, and asset managers<br>• Operationalise a corporate bond issuance framework with simplified approval, clearer guidelines, credit enhancement, and incentives<br>• Support equity-based and venture financing through frameworks for start-up investment, private equity, and alternative investment funds | • Develop a deeper, more stable, and diversified capital-market ecosystem<br>• Position capital markets as a major source of long-term financing for investment and industrial growth<br>• Strengthen regulatory credibility, transparency, and investor protection<br>• Deepen the equity market through participation of well-governed domestic firms and selected state-owned enterprises<br>• Develop a broader institutional investor base, including pension funds, insurance companies, and asset managers<br>• Build a functional corporate bond market with credit enhancement, diversified instruments, and active secondary trading<br>• Develop a regulated ecosystem for venture capital, private equity, and alternative investment funds<br>• Institutionalise coordination between monetary policy, banking-sector exposure, and capital-market development<br>• Reduce reliance on bank lending and support investment in diversified and export-oriented industries |

# CLUSTER 2
# POPULATION MANAGEMENT AND DEMOGRAPHIC DIVIDEND

# CHAPTER 3

# POPULATION DYNAMICS AND THE DEMOGRAPHIC DIVIDEND

## Harnessing Bangladesh's Time-Bound Demographic Opportunity

### 3.1 Introduction

Bangladesh stands at a decisive demographic inflection point. Decades of sustained fertility decline — the total fertility rate (TFR) has fallen to approximately 2.3, according to BDHS 2022 — and sharply reduced child mortality have produced a historically favourable age structure: 62% of the country's 169.8 million people are of working age (15–59 years), according to the Population and Housing Census 2022. This configuration generates the demographic dividend: an acceleration of per capita income growth driven by the rising ratio of productive workers to dependents. But this window is time-limited, and Bangladesh has already passed through over 80 per cent of its demographic window of opportunity.

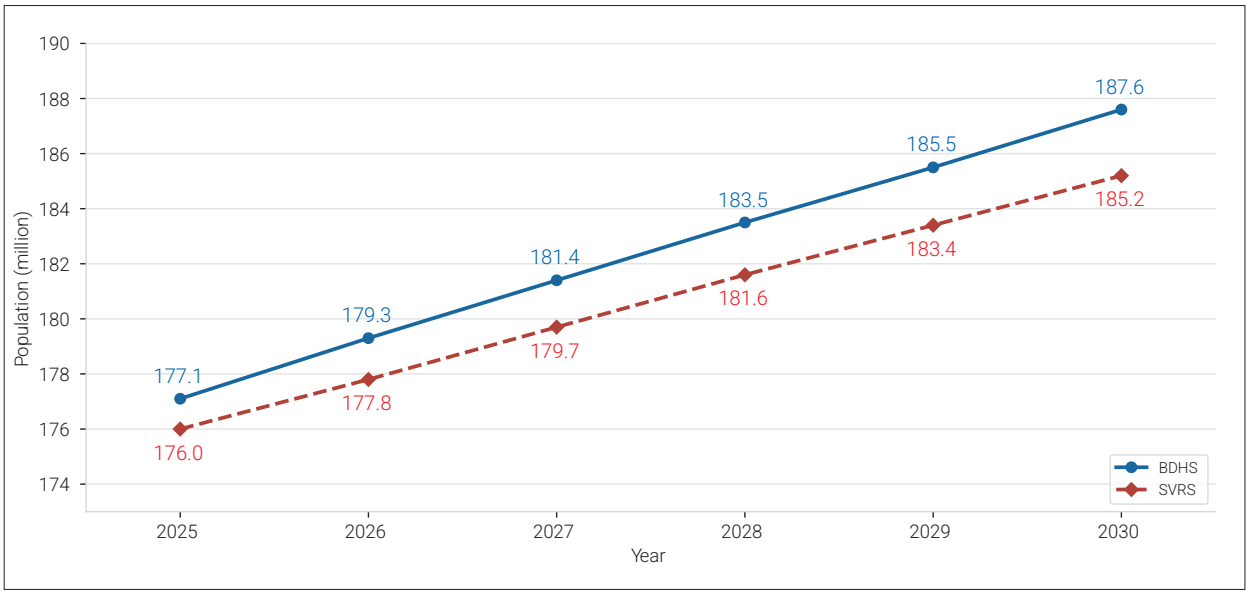
This chapter draws directly on Bangladesh's National Transfer Accounts (NTA)-- estimated for 2016 and 2022-- and National Time Transfer Accounts (NTTA, 2022), supplemented by Labour Force Survey (LFS) data for 2013, 2017, and 2022, the 2022 Population and Housing Census, and population projections data. NTA shows how income, consumption, savings, and public and private transfers vary by age, while NTTA captures unpaid care and domestic work, much of which is performed by women and is invisible in conventional economic statistics. Together, they are critical for understanding how Bangladesh can convert its favourable age structure into first, second, and gender dividends. The chapter also maps out the strategic priorities required to capture them during FY 2027–2031.

### 3.2 Bangladesh's Demographic Landscape

#### 3.2.1 Population Trends and the Closing Window

Bangladesh's population has grown rapidly over the past five decades, from 71.5 million in 1974 to 169.8 million in 2022, and an estimated 176 million in 2025. Projections indicate that the population will continue to grow in the near term, although at a gradually slowing pace. Under the BDHS TFR-based projection, the population is expected to rise from 177.1 million in 2025 to 187.6 million by 2030, adding approximately 10.4 million people over the six-year period. The SVRS-based projection is consistently lower, increasing from 176 million in 2025 to 185.2 million by 2030. Both projections confirm that Bangladesh will cross the 180 million mark before 2028, underscoring continued pressure on housing, employment, healthcare, education, and social protection systems even as population growth decelerates.

*Figure 3.1: Projected Population of Bangladesh: 2025-2030*




These trends reflect Bangladesh's movement through the later stages of demographic transition. The country has already passed through three stages of the classic demographic transition and is now in Stage 3, defined by declining fertility rates, low mortality rates, and slowing population growth. The population growth rate had fallen to 1.22% in 2021, and the country is expected to enter Stage 4, marked by a stable population growth, within the next decade.

The closing demographic window is most visible in the changing age structure between the 2011 and 2022 censuses. The share of children aged 0–14 declined sharply from 34.6% in 2011 to 28.6% in 2022, a fall of 6 percentage points, reflecting sustained fertility decline. At the same time, the working-age population aged 15–59 expanded from 57.9% to 62.1%, increasing from 83.4 million to 102.6 million. This expansion reflects the demographic dividend window in action, with a larger productive base relative to dependents.

However, this window is already beginning to narrow. The population aged 60 and above increased from 7.5% in 2011 to 9.3% in 2022. In absolute terms, the older population grew from 10.8 million to 15.4 million, a 42% increase in just eleven years. Within this planning period, Bangladesh will move further into an ageing society (7% and more population aged 65+), with the older population continuing to rise rapidly. Its ageing trajectory is expected to outpace many Asian peers, making preparation during this plan period urgent.

Taken together, these shifts show that Bangladesh is entering a decisive phase: continued population growth, fewer children, a still-large but time-bound working-age population, and a rapidly growing older population. The productive window remains open, but it is closing. The next decade will therefore be critical for translating this favourable age structure into employment, savings, productivity, and human capital gains before population ageing accelerates further. These trends also signal rising fiscal, health, and care pressures, particularly in relation to pensions, health financing, long-term care, and unpaid care work.

### 3.2.2 Bangladesh's Fertility Transition in a New Phase

Bangladesh's future population growth pattern should also be understood in the context of its ongoing fertility transition. The country's population transition has historically been supported by coordinated investments in family planning programmes, expansion of female education, declining child mortality, and structural economic transformation. Between the 1990s and early 2010s, fertility declined steadily alongside increases in contraceptive prevalence and improvements in women's social status. However, BDHS data indicate that fertility decline stalled after 2014. While total fertility remained at 2.3 per women, wanted fertility declined from 1.7 births per woman in 2017–18 to 1.3 in 2022 — producing an increase in unwanted fertility, defined as births occurring after a woman has reached her preferred family size.

The emergence of unwanted fertility as a growing component of total fertility marks a transition into a second-generation demographic phase, in which aggregate fertility indicators alone are insufficient to capture demographic progress. Instead, the alignment between reproductive preferences and realised fertility becomes the key policy metric: when fertility exceeds desired levels, it signals barriers related to access, quality of services, gender norms, educational inequality, or regional disadvantage.

BDHS 2022 shows that unwanted fertility exhibits strong geographic clustering across Bangladesh, highlighting the spatial dimension of demographic inequality. District-level analysis shows the highest levels concentrated in the eastern and northeastern regions — including Sunamganj, Habiganj, Sylhet, and Mymensingh — while lower levels are observed in western divisions such as Rajshahi and Khulna.

The spatial distribution aligns closely with patterns of unmet need for family planning and disparities in female educational attainment. Regions with higher unmet need simultaneously exhibit lower levels of higher secondary education among women, indicating that fertility misalignment is embedded within broader structural development disparities rather than isolated demographic behaviour. The persistence of this regional concentration suggests that national averages mask localised vulnerabilities, and that targeted policy responses are essential. Unless addressed through sustained investment in the health system, family planning services, and social awareness, this will have significant implications for Bangladesh's future population growth.

### 3.2.3 The Demographic Window: Opening, Peak, and Closure

The NTA-based analysis of Bangladesh's Support Ratio (SR) — the ratio of effective workers to effective consumers, weighted by age-specific productivity and consumption profiles — tells a precise story about the dividend window:

> **Dividend phase began:** 1982, as fertility decline reduced child dependency faster than productivity-weighted labour force declined.
>
> **Duration:** Approximately 60 years (1982–2042).
>
> **Peak Support Ratio:** Projected around 2042, followed by a long decline.
>
> **First dividend contribution to growth:** Up to +0.74 percentage points per year during the dividend phase; will depress growth by up to −0.53 percentage points per year after 2042.
>
> **Position in 2026:** Bangladesh has passed over 73 per cent of its window starting in 1967. The remaining ~16 years are the most critical for policy action.

For comparison, China's first dividend contributed up to 1.4 percentage points per year—nearly double Bangladesh's 0.74—reflecting Bangladesh's underperformance in converting demographic structure into productive employment. This gap is the defining policy challenge of the 2026–2030 plan period.

### 3.2.4 Age-Specific Poverty and the Intergenerational Stakes

NTA evidence highlights the intergenerational dimension of poverty. HIES 2022 data show that children (26.2%) and school-age populations (23.5%) face the highest poverty rates — above the national headcount of 18.7% — while the rate for working-age adults is18.5%. This pattern confirms that investing in the quality of the rising working-age cohort is both a poverty-reduction and a dividend-maximization strategy. Elderly poverty (18.3%) also sits close to the national rate, foreshadowing fiscal pressures as the population ages.

### 3.2.5 Labour Market: The Gap Between Potential and Realisation

The labour force grew from 49.5 million in 2005–06 to 73.1 million in 2022, with the overall Labour Force Participation Rate (LFPR) rising from 58.5 to 61.2 per cent, according to LFS 2022. However, structural gaps remain severe:

**Table 3.1: Structural gaps in labour market**

| Indicator | Male (2022) | Female (2022) | Gap / Note |
|---|---|---|---|
| LFPR (%) | 80.0% | 42.8% | 37.2 percentage point gender gap |
| Rural LFPR (%) | 80.3% | 51.0% | Rural women more active than urban |
| Urban LFPR (%) | 79.2% | 23.7% | Sharp urban female decline since 2016 |
| Youth NEET (15–29, %) | 16.2% | 27.1% | Alarming female share: 65.5% of all NEETs |
| Youth unemployment rate | 10.2% | 5.7% | Tertiary-educated youth: 27.8% unemployed |
| Employment-population ratio | ~58% | — | Below Cambodia (69%), Viet Nam (67%) |

*Source: LFS 2022; Khondker (2024); SVRS 2022.*

The urban female LFPR collapse-- from 34.5% in 2010 to 23.7% in 2022, according to LFS-- is a particular alarm signal, reflecting childcare barriers, safety concerns, and social norms that restrict women's mobility. The NEET crisis (22% of all youth aged 15–29, with 65.5% female) represents a systemic failure to convert favourable demographic structure into human capital.

## 3.3. The NTA and NTTA Framework for Estimating Bangladesh's Demographic Dividends

### 3.3.1 National Transfer Accounts (NTA)

National Transfer Accounts measure how resources flow across age groups through three channels: (1) the economic lifecycle (labour income minus consumption), (2) asset-based reallocations (savings and asset income), and (3) intergenerational transfers (public and private). The fundamental NTA identity is:

> **Lifecycle Deficit = Asset-based Reallocations + Net Transfers**
> [Consumption − Labour Income] = [Asset Income − Savings] + [Transfer Inflows − Transfer Outflows]

Children and the elderly run lifecycle deficits (consuming more than they produce); working-age adults generate surpluses that finance these deficits through families, governments, and markets. The Support Ratio (SR) — the ratio of effective producers to effective consumers, calculated using age-weighted NTA

profiles — is the central demographic dividend metric. As the SR rises (more workers per consumer), per capita income can grow without any productivity improvement. As it falls, the reverse occurs.

### 3.3.2 National Time Transfer Accounts (NTTA)

NTTA extends NTA by quantifying unpaid household production and care work. It adds a **household production satellite account** to the System of National Accounts (SNA), valuing activities-- cooking, cleaning, childcare, eldercare, fetching water, caregiving-- at imputed market wages. This makes visible the gender dividend: the economic gain achievable when unpaid care is redistributed equitably and women can participate more fully in paid employment.

### 3.3.3 The Three Dividends: A Framework for Bangladesh

| Dividend | NTA Mechanism | Bangladesh Evidence | Policy Lever |
|---|---|---|---|
| First Demographic Dividend (FDD) | Rising Share of working-age population; SR growth boosts per capita income without productivity change | SR peaked ~2024–2033; first dividend = +0.74 ppts/yr during window; underperforming vs China (+1.4 ppts) | Employment absorption, skills, female LFPR, export-led growth |
| Second Demographic Dividend (SDD) | Savings accumulation + human capital investment by aging population facing longer retirement; capital deepening raises productivity | LSR45 (ratio of anticipated years of labour to anticipated years of consumption for persons aged 45+) declining from currently 0.64 to projected 0.48 by 2100; pension wealth demand to exceed labour income from 2024; peak SDD = +1.75 ppts/yr around 2028 | Pension system, financial instruments/capital markets, health & education investment |
| Gender Dividend | Redistribution of unpaid care; increased female LFPR; closing wage and education gaps boosts GDP | Women's unpaid work = 18% of 2022 GDP; gender dividend from LFPR parity alone = 6.6–13.3% of GDP (2022) | Childcare services, equal pay, care economy infrastructure, digital markets for women |

*Source: Khondker (2024); NTA (2022); NTTA (2022); Lee and Mason (2006).*

### 3.3.4. Bangladesh's Demographic Dividends: Evidence and Estimates

**The First Demographic Dividend: Quantifying the Unrealised Gap**

The NTA-based Economic Support Ratio (ESR) analysis for Bangladesh (2016 and 2022) reveals a critical gap between the theoretical maximum dividend and the dividend being realised. The adjusted ESR — which reflects actual employment rates rather than 100 per cent absorption — lies below the ideal ESR for all working-age groups, with the largest gaps concentrated among prime-age workers (20–49 years).

This gap translates directly into unrealised labour income — output foregone because workers who could be productively employed are not:

### Table 3.2: Unrealised labour income by age group

| Age Group (Prime Working Age) | Unrealised Income 2016(BDT bn) | Unrealised Income 2022 (BDT bn) | % Change |
|---|---|---|---|
| 20–24 | 527 | 777 | +47.5 |
| 25–29 | 505 | 782 | +54.8 |
| 30–34 | 407 | 593 | +45.7 |
| 35–39 | 350 | 462 | +32.0 |
| 40–44 | 328 | 424 | +29.1 |
| 45–49 | 295 | 383 | +29.9 |

*Source: Khondker (2024) based on Bangladesh NTA 2016 and 2022.*

Total unrealised prime-age labour income grew by 42 per cent in just six years (2016–2022), from BDT 2,411 billion to BDT 3,421, a structural worsening that reflects the economy's failure to absorb the growing working-age cohort. Bangladesh's employment-to-population ratio barely moved (from ~56% in 2016 to ~58% in 2022), far behind Cambodia (69%) and Viet Nam (67%). This is the most urgent first-dividend policy failure.

**Policy Simulations: What Closing the Gap Would Deliver**

Using the Bangladesh Social Accounting Matrix (SAM 2023) linked to the Employment Matrix and NTA 2022, three policy scenarios were simulated:

### Table 3.3: Three policy scenarios using SAM 2023

| Policy Scenario | Description | Employment Growth | Realised Labour Income as % of Adjusted ESR |
|---|---|---|---|
| INV: Investment-led | Private investment raised from 23% to 30% of GDP by 2030 | +9.4% | 61.6% |
| EXP: Export-led | Export growth of 10% per annum (60% over medium term) | +16.5% | 47.0% |
| SS: Social Sector | Social sector spending raised from 3% to 6% of GDP by 2030 | +8.1% | 64.3% |

*Source: SAM 2023, Employment Matrix 2023, NTA 2022; Khondker (2024).*

Among the three scenarios, the export-led growth scenario generates the largest employment impact, with total employment increasing by 16.5%. Under this scenario, total unrealised prime-age labour income falls from BDT 3,421 billion to BDT 2,345 billion, a reduction of approximately 31%. By contrast, the social sector scenario produces the highest labour income realisation rate, at 64.3%, despite lower employment growth, reflecting the strong multiplier effects of human capital and social sector spending. A combined strategy, bringing together investment expansion, export growth, and increased social sector spending, could potentially close most of the unrealised labour income gap and significantly strengthen Bangladesh's demographic dividend outcomes.

**The Second Demographic Dividend, Ageing, and the Pension Challenge**

The second dividend is measured through the Longitudinal Support Ratio (LSR45): the ratio of anticipated years of labour to anticipated years of consumption for persons aged 45 and above. As this ratio declines-- because people are living longer and spending more years in retirement relative to productive work-- the demand for accumulated assets, particularly pension wealth, rises sharply. This demographic-driven asset demand, if channelled into productive investment, generates capital deepening and sustained productivity growth: the second demographic dividend.

Bangladesh's NTA-based second dividend estimates reveal both a growing opportunity and a rapidly tightening window for institutional action:

> **LSR45:** Currently ~0.64 (64 years of effective labour per 100 years of consumption for persons 45+), declining to 0.58 by 2035 and 0.48 by 2100 — meaning future elderly cohorts will rely progressively less on their own labour and more on accumulated assets and transfers.
>
> **Pension wealth demand crosses parity in 2024:** For the first time, the demand for pension wealth exceeds total labour income for persons 45+. By 2045 this ratio reaches 2.1; by 2074 it reaches 4; and by 2100 it reaches approximately 5 times labour income. Sustaining this requires pension wealth growth of ~3.2% per year for nearly 50 years.
>
> **Peak second dividend:** +1.75 percentage points per year around 2028, sustained at +0.7 ppts or more through 2070 (average SDD = +1.32 ppts over 2028–2070).
>
> **Combined first + second dividend:** Peak of +2.47 ppts/year for Bangladesh (year 38 of the dividend phase) — exceeding the Asian regional average of +2.35 ppts. The long-run second dividend average (0.99 ppts/year) dwarfs the first (0.004 ppts/year): virtually all of Bangladesh's long-run demographic dividend growth will come from the second dividend.

*Source: Khondker (2024); UNDESA (2017).*

Crucially, the second dividend more than offsets the post-2033 decline of the first dividend. But unlike the first dividend, which partly accrues automatically from age structure, the second dividend is entirely policy-dependent: it requires that the rising demand for pension wealth be met by functioning savings and pension institutions that channel accumulated assets into productive capital investment. Without these institutions, ageing simply increases consumption burdens on younger generations rather than generating growth

**The Ageing Challenge and the Pension Gap: Bangladesh's Narrowing Window**

Bangladesh's elderly population (60+), about 1 in 10, stood at 15.4 million in 2022 and is projected to reach 40 million by 2050, nearly three times in thirty years (UNDESA, 2024). According to the 2022 Census, about 6% of the population is already aged 65+, nearing the international threshold (7%) at which a society is classified as ageing. Bangladesh risks becoming what demographers call a country that grows old before it grows rich-- a trajectory already playing out in parts of East and South-East Asia

The fiscal arithmetic is stark. As the elderly population triples and the working-age share stabilises and then contracts post-2042, the intergenerational transfer burden on the shrinking workforce will escalate sharply. NTA analysis shows that without a functioning asset-accumulation system, this burden falls almost entirely on public transfers and intra-family support-- both of which are fiscally and socially unsustainable at the scale Bangladesh will need within two decades.

**Bangladesh's Pension Landscape: Where Things Stand**

Bangladesh's formal pension system remains fragmented, small in coverage, and overwhelmingly confined to the public sector. The vast majority of Bangladesh's population— particularly the 85 per cent employed in the informal economy — have no institutional mechanism to accumulate pension wealth during their working years. This is the defining vulnerability of Bangladesh's second dividend transition.

The government has taken a significant step with the launch of the Universal Pension Scheme (Sarbjanin Pension), introduced under the Universal Pension Management Act 2023. Four schemes are currently operational, targeting distinct population segments. Enrolment data as of December 2025 are presented below:

### Table 3.4: Universal Pension Scheme — Scheme-wise Enrolment (as of 2 December 2025)

| Scheme Name | Target Group | Enrolled | Amount Accumulated (BDT) |
|---|---|---|---|
| Probash | Bangladeshi workers living abroad (expatriates) | 1,048 | 89,591,000 |
| Progoti | Private sector employees and employers | 24,106 | 980,309,500 |
| Surokkha | Informal sector workers and self-employed | 64,712 | 641,999,000 |
| Somota | Low-income and vulnerable populations (incl. women) | 286,556 | 507,674,000 |

*Source: National Pension Authority, Government of Bangladesh (December 2025). Note: The Universal Pension Scheme was launched under the Universal Pension Management Act 2023. Figures reflect cumulative enrolment and contributions as of the reporting date.*

A total of 376,422 individuals has enrolled across the four schemes, with BDT 2.2 billion in accumulated contributions as of December 2025. While these are encouraging early figures, they represent a fraction of Bangladesh's working-age population of approximately 103 million. The Somota scheme for low-income and vulnerable groups has the highest enrolment (286,556), reflecting strong demand among those most exposed to old-age poverty. Progoti for private sector workers (24,106) and Surokkha for informal workers (64,712) — together covering the bulk of Bangladesh's non-government workforce — show enrolment far below their potential. Probash for expatriates (1,048) represents an almost entirely untapped remittance-linked savings channel.

**What NTA Evidence Tells Us About Pension Policy Priorities**

The NTA/NTTA framework provides a uniquely rigorous basis for pension system design, moving beyond demographic ratios to age-specific estimates of lifecycle deficits, consumption needs, and transfer flows. Specifically, the NTA evidence for Bangladesh points to the following pension policy priorities:

| NTA Evidence | Pension Policy Implication |
|---|---|
| LSR45 declining from 0.64 to 0.48 by 2100: older adults will increasingly rely on assets rather than labour | Pension wealth accumulation must begin early in the working life cycle; contribution periods must be long to build adequate asset stocks |
| Pension wealth demand exceeds labour income from 2024; reaches 5 times labour income by 2100 | The scale of required pension wealth is far beyond current system capacity; both mandatory and voluntary schemes must be dramatically scaled up |
| NTA lifecycle profiles show consumption needs remain high through ages 60–80+, particularly for health | Health-linked financial products (health insurance integrated with pension) are needed; elderly consumption support cannot rely on labour income alone |
| The gender dividend from achieving full female labour market parity (LFPR, inactivity, and wage equalisation) is estimated at 13.3–16.4% of GDP; separately, women's unpaid household and care work is valued at 14.7% of GDP (NTTA 2022) — together underscoring the dual scale of women's economic invisibility in both market and non-market accounts. | Pension system must explicitly credit unpaid care years; contribution-linked schemes disadvantage women with interrupted careers; non-contributory elements are essential for gender equity |
| Poverty rates among elderly (18.3%) close to national average | Social pension floor (non-contributory, means-tested) remains essential alongside contributory schemes for those who cannot accumulate sufficient pension wealth |
| Second dividend requires pension savings to flow into productive capital investment, not just consumption transfers | Pension fund governance and investment mandates must prioritise domestic productive investment; capital market development is a co-requisite |

*Source: Compiled by authors based on NTA ; Khondker (2024); HIES 2022; National Pension Authority (2025).*

Perhaps the most critical NTA insight for pension policy is the gender dimension: because women spend a disproportionate share of their productive years in unpaid care work (valued at 14.7% of 2022 GDP per NTTA estimates), contribution-based pension schemes that reward only formal employment years will systematically disadvantage women. Pure contribution-linked pension models will replicate labour market gender inequality in old-age income. Bangladesh's pension system must include care credits, non-contributory elements, and survivor provisions to avoid creating a new gender dividend deficit in retirement (ILO, 2018; World Bank, 2023).

The NTA second dividend analysis also clarifies the macroeconomic function of pension wealth: it is not merely a welfare instrument but a growth mechanism. The +1.75 percentage point second dividend peak around 2028 materialises only if accumulated pension savings flow into productive domestic capital investment. This requires pension fund governance frameworks, investment mandates, and capital market infrastructure to be developed in parallel with enrolment expansion. The experience of East Asia-- particularly Singapore's Central Provident Fund (CPF), South Korea's National Pension Service (NPS), and Malaysia's Employees Provident Fund (EPF) -- demonstrates that well-governed mandatory contributory systems can simultaneously provide retirement security and drive domestic capital formation (Mason and Lee, 2007; Holzmann and Hinz, 2005).

**The Gender Dividend: Quantifying the Invisible Economy**

Bangladesh's NTTA (2022), based on the 2019 Time Use Survey, reveals the massive scale of uncompensated female economic activity. Women devote 4.6 hours daily to household work versus 0.6 hour for men, and 1.2 to care activities versus 0.2 hour for men. The combined market value of this unpaid labour is extraordinary:

**Table 3.5: Uncompensated female economic activity**

| Category | Female (% of 2022 GDP) | Male (% of 2022 GDP) | Combined (% of 2022 GDP) |
|---|---|---|---|
| Unpaid care work | 3.32% | 0.68% | 4.0% |
| Unpaid household work | 11.42% | 3.28% | 14.70% |
| All | 14.74% | 3.96% | 18.70% |

*Source: NTTA 2022; Khondker (2024).*

Women's unpaid work was worth approximately 14.7 per cent of 2022 GDP — nearly four times the value of men's unpaid work (3.9%).

**Gender Dividend Microsimulation: What Parity Would Deliver**

Using LFS data for 2013, 2017, and 2022, a microsimulation model estimated the economic value of closing gender gaps in LFPR, inactivity rates, wages, education, and unpaid work. The 2022 estimates are:

**Table 3.6: Estimated the economic value of closing gender gaps**

| Scenario (2022) | BDT Billion | % of GDP | Description |
|---|---|---|---|
| GD1: LFPR parity | 2,629 | 6.6% | Women's LFPR raised to male level (42.8% → 80.0%) |
| GD2: GD1 + Inactivity parity | 5,286 | 13.3% | Also closes gap in workers outside labour force |
| GD3: GD2 + Wage parity | 6,518 | 16.4% | Also equalises male and female average wages |
| GD4: Education attainment parity | 814 | 2.1% | Closes male-female gap in years of schooling |
| GD5: GD4 + Wage parity | 1,004 | 2.5% | Education parity with equal wages |

| Scenario (2022) | BDT Billion | % of GDP | Description |
|---|---|---|---|
| GD6: Unpaid work valued (female) | 5,401 | 13.6% | Non-tradable production by working-age women |
| GD7: GD6 + Wage parity | 6,659 | 16.8% | Non-tradable production at male wage rates |

*Source: Khondker (2024) using LFS 2013, 2017, 2022; HIES 2022.*

**The headline finding:** achieving full labour market parity (LFPR, inactivity, and wages) would add 16.4 per cent of GDP to the economy. Including unpaid work at equal wages adds a further 16.8 per cent. These are not optimistic projections-- they are conservative microsimulation estimates based on current wage rates. The gender dividend is the largest single unrealised economic opportunity in Bangladesh, and the most policy-tractable within a five-year framework.

Trend analysis reveals that while some progress is occurring, key gaps are moving in the wrong direction: the labour force participation gap has been narrowing slowly (37 percentage points in 2022 versus 48 in 2013), but the gender wage gap is diverging rapidly (23% in 2022 versus 4% in 2013), and the household work burden gap is widening sharply (5.1 hours/day in 2019 versus 3.7 in 2012).

## 3.4 International Evidence: What Bangladesh Can Learn

### 3.4.1 East Asia: The Benchmark for Both Dividends

East Asia remains the most compelling evidence of managed demographic dividend. During the first dividend phase (1960s–1990s), demographic change contributed 1.4 percentage points annually to GDP growth in China, the figure most frequently cited as Bangladesh's benchmark. South Korea's per-capita GDP grew approximately 2,200 per cent between 1950 and 2008; Thailand's by 970 per cent. NTA analysis across 12 Asian economies confirms that countries where the crossing age from net consumer to net producer is lower-- and the productive window longer-- generate larger first dividends (Asian Development Review, 2021).

East Asia also demonstrates the second dividend in action: Japan, South Korea, and Taiwan all achieved large second dividends through high household savings rates, deep capital markets, and sustained human capital investment per child as fertility fell. NTA estimates for Taiwan show a three-fold increase in the capital-output ratio from these mechanisms alone (Mason and Lee, 2007). Bangladesh must replicate this institutional architecture now, while the first dividend is still partially active.

### 3.4.2 The Cautionary Tale: Growing Old Before Getting Rich

South Korea, Thailand, Japan, and increasingly China face severe post-dividend demographic stress: worker gaps of 100 per cent or more of projected working-age populations by 2050, driven by the world's lowest fertility rates (South Korea: 0.9 births per woman). Countries that failed to build pension systems, diversified capital markets, and productive older-worker programmes during their dividend phase now face acute fiscal pressure (CGD, 2021). Bangladesh, projecting 40 million elderly by 2050, cannot afford the same oversight.

### 3.4.3 The Gender Dividend: Regional Lessons

ILO (2018) estimates that unpaid care work accounts for 381 million paid care jobs globally when provision is formalized — two-thirds held by women. ADB (2015) projects that achieving gender equality in unpaid work could raise per capita income by 30 per cent within one generation across Asian countries. The Asia-Pacific region loses more than USD 40 billion per year from women's limited employment access and USD 16–30 billion from education gender gaps.

Bangladesh's own microsimulation estimates (Table 3.6) are fully consistent with this regional evidence. The Harvard Ministerial Leadership Programme (2026) identifies four common enablers across countries that successfully managed their dividend: near-universal primary education (Rwanda), quality technical-vocational expansion (Thailand), community health worker scale-up (Rwanda: 45,000 workers, 50 per cent women), and systematic female labour market inclusion (all comparators). Bangladesh has policy frameworks in place for each; the challenge is implementation pace and fiscal commitment.

## 3.5 Strategic Priorities for FY2027–2031

Grounded in Bangladesh's own NTA and NTTA evidence, the Advisory Council Framework's vision of inclusive investment-driven growth, and global lessons, six mutually reinforcing strategic priorities are proposed for FY 2027–2031. These are structured around the Framework's phased approach: Recovery and Stabilisation (1 Year), Restoration (1-3 years), and Reconstruction and Acceleration (3-5 years).

### Priority 1: Rights-Based Approaches in Bangladesh's Demographic Strategy

Bangladesh's demographic strategy should prioritise rights-based approaches that enable individuals and couples to realise their reproductive intentions. Policy responses should address structural determinants while strengthening equitable access to quality reproductive health and family planning services.

**Strategic Policy Matrix**

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Incorporate district-level fertility indicators into planning processes | Prioritise investments in divisions with greatest barriers to reproductive intentions, particularly Sylhet and Mymensingh | • Ministry of Health & Family Welfare<br>• Ministry of Planning<br>• General Economics Division (GED) |
| | Apply differentiated resource allocation based on district-level fertility indicators | • Ministry of Finance<br>• Ministry of Planning<br>• General Economics Division (GED) |
| | Strengthen monitoring frameworks for fertility alignment (desired and undesired TFR) at district level | • Bangladesh Bureau of Statistics (BBS)<br>• Directorate General of Family Planning (DGFP) |
| Prioritise service quality and continuity in family planning programmes | Expand method choice in family planning services | • Directorate General of Family Planning (DGFP)<br>• Ministry of Health & Family Welfare |
| | Improve counselling quality across family planning service delivery points | • Directorate General of Family Planning (DGFP)<br>• Directorate General of Health Services (DGHS) |
| | Reduce contraceptive discontinuation | • Directorate General of Family Planning (DGFP)<br>• Ministry of Health & Family Welfare |
| | Strengthen postpartum family planning integration into maternal health services with a strong focus to marginalised areas | • Directorate General of Family Planning (DGFP)<br>• Directorate General of Health Services (DGHS) |

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Intensify investments in female secondary and higher education in underserved districts | Target districts with lower female educational attainment and higher unmet need | • Ministry of Education<br>• Ministry of Primary and Mass Education<br>• Ministry of Planning |
| | Strengthen retention of girls through secondary and higher secondary schooling | • Ministry of Education<br>• Ministry of Women & Children Affairs |
| | Expand women's autonomy and informed reproductive decision-making through education | • Ministry of Education<br>• Ministry of Women & Children Affairs |
| Enforce minimum legal marriage age of 18, and delay first pregnancy birth for married adolescents | Strengthen enforcement of the minimum legal marriage age | • Ministry of Women & Children Affairs<br>• Ministry of Law, Justice and Parliamentary Affairs<br>• District Administration |
| | Launch community engagement initiatives to delay early marriage | • Ministry of Women & Children Affairs<br>• Ministry of Social Welfare<br>• Local Government Division |
| | Implement adolescent empowerment programmes to delay first birth | • Ministry of Health & Family Welfare<br>• Ministry of Women & Children Affairs<br>• Ministry of Social Welfare<br>• Ministry of Youth & Sports |
| Expand national monitoring frameworks beyond Total Fertility Rate | Collect data on wanted fertility and unwanted fertility as core development indicators | • Bangladesh Bureau of Statistics (BBS)<br>• Directorate General of Family Planning (DGFP) |
| | Monitor unmet need and contraceptive discontinuation as core indicators | • Directorate General of Family Planning (DGFP)<br>• Ministry of Health & Family Welfare |
| | Monitor the fertility preference-realisation gap as a core development indicator | • General Economics Division (GED)<br>• Bangladesh Bureau of Statistics (BBS) |

**Priority 2: Close the Employment Absorption Gap — Realise the First Dividend**

The NTA evidence is unambiguous: Bangladesh's unrealised prime-age labour income grew from BDT 2411 billion in 2016 to BDT 3,421 billion in 2022 — a structural deterioration. The SAM simulations show that a combined investment, export, and social sector push can reduce this gap by nearly half. The Framework's target of 10 million new jobs must be explicitly anchored to the NTA employment absorption target.

**Strategic Policy Matrix**

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Raise private investment from 23% to 30% of GDP by 2030 | Reform banking sector | • Ministry of Finance<br>• Bangladesh Bank |
| | Simplify regulations | • Cabinet Division<br>• Ministry of Commerce |
| | Strengthen BIDA | • Prime Minister's Office (PMO)<br>• BIDA |
| | enact investor protection laws. | • Ministry of Law, Justice and Parliamentary Affairs |
| Accelerate export growth at 10% per annum | Reform existing Trade Policies | • Ministry of Commerce |
| | Anti-export bias elimination | • Ministry of Commerce<br>• NBR |
| | Exchange rate realism | • Bangladesh Bank<br>• Ministry of Finance |
| | Diversification beyond RMG into pharmaceuticals, ICT, blue economy, and agro-processing | • Ministry of Commerce<br>• Ministry of Science and Information & Communication Technology<br>• Ministry of Fisheries & Livestock<br>• Ministry of Agriculture |
| Expand social sector spending from 3% to 6% of GDP | Prioritise education and health sector | • Ministry of Finance<br>• Ministry of Education<br>• Ministry of Health & Family Welfare |
| Target prime-age group absorption | Target people of especially 20–49 year-olds | • Ministry of Labour & Employment |
| | District-level employment exchanges | • Ministry of Labour & Employment<br>• District Administration |
| | Skills matching platforms | • Ministry of Labour & Employment<br>• a2i (PMO) |
| | Apprenticeship programmes linked to growing sectors. | • Ministry of Labour & Employment<br>• Ministry of Industries |
| Scale overseas employment to 2 million placements per year | Shift to higher-skilled roles for stronger remittances and second-dividend savings | • Ministry of Expatriates' Welfare & Overseas Employment<br>• Bureau of Manpower, Employment and Training (BMET) |

**Priority 3: Invest in Human Capital — Foundation of Both Dividends**

NTA evidence confirms the quality-quantity trade-off: as fertility falls, families and governments invest more per child, generating the human capital underpinning of the second dividend. Bangladesh's current spending — 2.0% of GDP on education, 0.7% on health — is far below the 5% target set in the

government's manifesto, respectively. The attainment of the target would require aggressive resource mobilisation: the tax-to-GDP ratio must rise from 8.6% (FY2024) to at least 10% by FY2031. Increased allocations should be accompanied by stronger efficiency, transparency, accountability and results-monitoring measures to ensure value for money and avoid undue financing pressure.

**Strategic Policy Matrix**

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Raise education spending progressively to 5% of GDP by FY2031 | Prioritise quality at primary level | • Ministry of Primary and Mass Education |
| | Ensure secondary completion, especially for girls | • Ministry of Education<br>• Ministry of Women & Children Affairs |
| | Expand technical-vocational enrolment (target: 30% of secondary enrolment) | • Ministry of Education<br>• Bangladesh Technical Education Board (BTEB) |
| | Widen STEM and tertiary access | • Ministry of Education<br>• University Grants Commission (UGC) |
| Raise health spending to 5% of GDP by FY2031 | Invest in primary healthcare | • Ministry of Health & Family Welfare<br>• Directorate General of Health Services (DGHS) |
| | Scale up non-communicable disease prevention | • Ministry of Health & Family Welfare<br>• DGHS |
| | Recruit 100,000 new health workers (80% women) at union level | • Ministry of Health & Family Welfare<br>• Ministry of Public Administration |
| Act on the NEET crisis: 22% of youth aged 15–29 are NEET, with 65.5% female | Launch targeted re-engagement programmes | • Ministry of Youth & Sports<br>• Ministry of Women & Children Affairs |
| | Provide bridging education | • Ministry of Education<br>• Ministry of Primary and Mass Education |
| | Introduce employer incentives for first-job placements | • Ministry of Labour & Employment<br>• Ministry of Finance (NBR) |
| Address educated youth unemployment: 23.8% (secondary), 27.8% (tertiary) — LFS 2022 | Implement curriculum reform aligned to labour market demand | • Ministry of Education<br>• UGC<br>• BTEB |

**Priority 4: Realise the Gender Dividend-- Care Economy and Labour Market Reform**

The NTTA evidence establishes that women's unpaid work alone is worth approximately 14.7% of 2022 GDP, and that closing labour market gender gaps would add 6.6–16.4 per cent of GDP (2022 prices). The gender wage gap is diverging rapidly (from 4% in 2013 to 23% in 2022) and the household work burden gap is widening. Without deliberate policy reversal, these trends will compound over the plan period.

**Strategic Policy Matrix**

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Establish national childcare infrastructure | Establish union-level childcare centres | • Ministry of Women & Children Affairs<br>• Local Government Division |
| | Reduce the 'motherhood penalty' driving urban female LFPR collapse to 23.7% | • Ministry of Women & Children Affairs<br>• Ministry of Labour & Employment |
| Implement and enforce equal pay | Enforce equal pay for equal work mechanisms | • Ministry of Labour & Employment |
| | Introduce pay transparency reporting | • Ministry of Labour & Employment<br>• Ministry of Finance |
| | Conduct sector-level wage audits | • Ministry of Labour & Employment<br>• Bangladesh Bureau of Statistics (BBS) |
| Recognise, redistribute, and reduce unpaid care | Commission a formal care economy strategy based on NTTA 2022 findings | • General Economics Division (GED)<br>• Bangladesh Bureau of Statistics (BBS) |
| | Introduce community-based eldercare models | • Ministry of Social Welfare<br>• Local Government Division |
| | Invest in time-saving rural infrastructure (piped water, clean fuel, sanitation) | • Ministry of Local Government<br>• Ministry of Energy<br>• Department of Public Health Engineering |
| Expand digital markets for women entrepreneurs across Bangladesh along remote areas | Expand remote work opportunities for women | • Ministry of ICT<br>• a2i (PMO) |
| | Develop e-commerce platforms for home-based women | • Ministry of Commerce<br>• Department of Information and Communication Technology |
| | Expand mobile financial services | • Bangladesh Bank<br>• Ministry of Finance |
| Deploy paid parental leave as the minimum legislative floor for care redistribution | Legislate 6 months paid maternity leave | • Ministry of Labour & Employment<br>• Ministry of Law, Justice and Parliamentary Affairs |
| | Legislate 1 month paid paternity leave | • Ministry of Labour & Employment<br>• Ministry of Law, Justice and Parliamentary Affairs |
| Set female LFPR target: raise by 8–10 percentage points (from 42.8% toward 50%+) | Disaggregate LFPR targets by urban/rural | • Ministry of Labour & Employment<br>• Bangladesh Bureau of Statistics (BBS) |
| | Monitor LFPR quarterly using LFS data | • Bangladesh Bureau of Statistics (BBS)<br>• Ministry of Planning |

**Priority 5: Build Second Dividend Institutions — Pensions, Savings, and Capital**

The NTA LSR analysis is unambiguous: Bangladesh's pension wealth demand has already exceeded labour income (from 2024), and will reach five times labour income by 2100. This requires pension wealth to grow at 3.2% per year for nearly five decades. The second dividend peak of +1.75 percentage points per year (around 2028) will only materialise if this demand is met by functioning institutions that channel accumulated savings into productive capital. The FY 2027–2031 plan period is the critical window for building these institutions.

The Universal Pension Scheme (launched 2023) has made a meaningful start: 376,422 enrollees and BDT 2.2 billion in contributions as of December 2025. But against a working-age population of 119 million — the vast majority in the informal economy and without any pension provision — this represents less than 0.32 per cent coverage. Scaling from 376,422 to tens of millions of covered workers within a decade is the defining second dividend challenge of this framework.

### Strategic Policy Matrix

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Scale universal pension enrolment aggressively | Target 5 million enrollees by 2028 and 15 million by 2030 with a particular emphesis on informal sector workers and adequate allocations. | • PMO<br>• Ministry of Finance |
| | Prioritise informal sector workers through the Surokkha scheme | • Ministry of Labour & Employment |
| | Prioritise private sector employees through the Progoti scheme | • Ministry of Labour & Employment |
| | Leverage mobile financial services for frictionless enrolment | • Bangladesh Bank |
| | Build employer partnerships for frictionless enrolment | • Ministry of Labour & Employment<br>• Ministry of Commerce |
| Introduce care credits for women | Introduce care credits for years spent in unpaid caregiving through Somota | • Ministry of Finance<br>• Ministry of Women & Children Affairs |
| | Ensure gender-equitable pension coverage beyond contribution-only models | • Ministry of Finance<br>• Ministry of Women & Children Affairs |
| Unlock the Probash remittance-pension channel | Link overseas remittance accounts to pension contributions under Probash | • Ministry of Expatriates' Welfare & Overseas Employment<br>• Bangladesh Bank |
| | Mobilise USD 21 billion remittance flow as a second dividend savings instrument | • Bangladesh Bank<br>• Ministry of Finance |
| Establish the private sector pension fund | Establish the private sector pension fund as committed in the Framework | • Ministry of Finance |
| | Set investment mandates channelling savings into infrastructure, manufacturing, and technology | • Ministry of Finance<br>• Ministry of Planning |

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Develop pension fund governance and capital market infrastructure | Build pension fund governance in parallel with enrolment expansion | • Ministry of Finance<br>• Bangladesh Bank |
| | Develop capital markets capable of intermediating pension fund assets | • Securities and Exchange Commission (SEC)<br>• Ministry of Finance |
| | Build investment mandate frameworks drawing on Singapore CPF, South Korea NPS, and Malaysia EPF lessons | • Ministry of Finance |
| Raise the domestic savings rate from 25% toward 32% of GDP by 2030 | Introduce savings-linked fiscal incentives | • Ministry of Finance<br>• National Board of Revenue (NBR) |
| | Strengthen National Savings Directorate instruments | • Ministry of Finance<br>• National Savings Directorate |
| | Launch financial literacy campaigns for peak-earning cohorts aged 35–55 | • Bangladesh Bank<br>• Ministry of Finance<br>• a2i (PMO) |
| Reform the financial sector | Reduce non-performing loans | • Bangladesh Bank<br>• Ministry of Finance |
| | Strengthen Bangladesh Bank autonomy | • Ministry of Finance<br>• Office of the President |
| | Develop capital markets for intermediating pension fund assets into productive investment | • Securities and Exchange Commission (SEC)<br>• Bangladesh Bank |
| Expand elderly care infrastructure alongside pension expansion | Develop health-linked financial products for the elderly | • Ministry of Finance<br>• Ministry of Health & Family Welfare |
| | Establish community-based long-term care models with financial protection | • Ministry of Social Welfare<br>• Local Government Division |
| | Develop geriatric health services ahead of 40 million elderly by 2050 | • Ministry of Health & Family Welfare<br>• Directorate General of Health Services (DGHS) |

**Priority 6: Institutionalise NTA/NTTA — Make Evidence Routine**

The current NTA/NTTA update by GED and UNFPA is a critical evidence investment. But a single update is not sufficient: demographic dividend policy requires regular, disaggregated data and institutionalised analytical capacity within GED and BBS.

### Strategic Policy Matrix

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Institutionalise NTA/NTTA production within GED | Synchronise NTA/NTTA production with the Population and Housing Census cycle | • General Economics Division (GED)<br>• Bangladesh Bureau of Statistics (BBS) |
| | Synchronise with major surveys — HIES, LFS, and TUS | • Bangladesh Bureau of Statistics (BBS)<br>• Ministry of Planning |
| | Engage UNFPA for technical support | • General Economics Division (GED)<br>• Ministry of Planning (ERD) |
| Integrate NTA evidence into the budget process | Use SR and lifecycle deficit profiles to inform budget allocations to education and health | • Ministry of Finance<br>• General Economics Division (GED) |
| | Use SR and lifecycle deficit profiles to inform budget allocations to social protection and pensions | • Ministry of Finance<br>• Ministry of Social Welfare |
| Develop a Demographic Dividend Dashboard | Build a publicly accessible tool tracking SR trends and gender dividend indicators | • General Economics Division (GED)<br>• Ministry of ICT<br>• a2i (PMO) |
| | Track LFPR by gender, age, and area; NEET rates; and savings ratios, updated annually | • Bangladesh Bureau of Statistics (BBS)<br>• Ministry of Planning |
| Conduct district-level demographic profiling | Use Census 2022 and SVRS data to identify spatial variation in dividend windows | • Bangladesh Bureau of Statistics (BBS)<br>• Ministry of Planning |
| | Calibrate regional investment priorities based on district-level dividend profiles | • General Economics Division (GED)<br>• Ministry of Planning |

**Priority 7: Manage Regional Disparities — No District Left Behind**

Internal migration data, provided by SVRS (2022) show that the highest migration rates are among prime working-age adults (25–39), predominantly flowing rural-to-urban. Without managed urbanisation and rural employment creation, migration exacerbates Dhaka's infrastructure overload while depleting rural labour supply.

## Strategic Policy Matrix

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| Align regional programmes with district-level demographic dividend evidence | Align northern agricultural zones, haor regions, and coastal areas | • Ministry of Planning<br>• Ministry of Agriculture |
| | Ensure youth in underserved regions have access to skills training | • Ministry of Education<br>• Ministry of Labour & Employment<br>• BTEB |
| | Ensure employment connectivity for youth in underserved regions | • Ministry of Labour & Employment<br>• Local Government Division |
| | Ensure digital access for youth in underserved regions | • Ministry of ICT<br>• a2i (PMO)<br>• Bangladesh Telecommunication Regulatory Commission (BTRC) |
| Develop satellite towns with planned employment zones | Develop satellite towns to distribute the working-age population more evenly | • Ministry of Housing & Public Works<br>• Rajdhani Unnayan Kartripakkha (RAJUK) |
| | Establish planned employment zones within satellite towns to reduce Dhaka primacy | • Ministry of Industries<br>• Bangladesh Economic Zones Authority (BEZA) |
| Invest in coastal region development | Promote salinity-tolerant agriculture in coastal regions | • Ministry of Agriculture<br>• Bangladesh Agricultural Research Institute (BARI) |
| | Develop blue economy jobs in coastal areas | • Ministry of Fisheries & Livestock<br>• Ministry of Shipping |
| | Build cyclone-resilient infrastructure for vulnerable coastal populations | • Ministry of Disaster Management & Relief<br>• Local Government Division |
| Expand overseas employment with regional pipelines | Identify districts with high youth unemployment for targeted pipeline development | • Ministry of Labour & Employment<br>• Bangladesh Bureau of Statistics (BBS) |
| | Train workers in language skills matching high-demand overseas occupations | • Ministry of Expatriates' Welfare & Overseas Employment<br>• BMET |
| | Train workers in technical skills matching high-demand overseas occupations | • Ministry of Expatriates' Welfare & Overseas Employment<br>• BTEB<br>• BMET |

| Activities | Strategic Actions | Lead Ministry / Division / Agency |
|---|---|---|
| A balanced regional development approach to be undertaken for CHT | Undertake a dedicated demographic and human capital profiling of the Chittagong Hill Tracts, considering ethnic diversity, geographical remoteness, migration patterns and service accessibility | • Ministry of Chittagong Hill Tracts Affairs (MoCHTA); CHTDB |

## 3.6 Implementation, Coordination, and Monitoring

### 3.6.1 Phased Action Plan

| Phase | Timeline | Key Demographic Dividend Actions |
|---|---|---|
| Recovery & Stabilisation | 1 Year | Constitute Demographic Dividend Steering Committee (GED-chaired); integrate NTA evidence into FY2026 budget; launch NEET rapid response programme; enact equal pay enforcement mechanism |
| Restoration | 1-3 years | Publish first NTA/NTTA 2022 preliminary findings; launch childcare pilot programme (100 union-level centres); pass private sector pension fund legislation; deploy digital skills platform with female outreach; report first Demographic Dividend Dashboard |
| Reconstruction & Acceleration | 3–5 years | Scale childcare to all unions; achieve female LFPR target (+8 ppts); operationalise pension fund; raise investment/GDP to 30%; scale technical-vocational enrollment to 30%; publish ageing preparedness roadmap for 2030–2050 |

### 3.6.2 Key Performance Indicators

| Indicator | Baseline | Source | Target (2030) |
|---|---|---|---|
| NTA Economic Support Ratio (SR) | ~1.14 (2024 est.) | NTA 2022 + WPP 2024 | Monitor trajectory; prevent early decline |
| Unrealised prime-age labour income (BDT bn) | ~3,421 (2022) | NTA 2022 | Reduce by ≥40% via INV+EXP+SS policies |
| Overall LFPR | 61.2% | LFS 2022 | 68% |
| Female LFPR | 42.8% | LFS 2022 | 55% |
| Urban female LFPR | 23.7% | LFS 2022 | 32% |
| Youth NEET rate (overall) | 22% | LFS 2022 | 15% |
| Female NEET rate (15–29) | 27.1% | LFS 2022 | 18% |
| Gender wage gap | 23% | LFS 2022 | 12% |
| Private investment (% GDP) | ~23% | National accounts | 30% |
| Education spending (% GDP) | ~2.0% | MoF 2024 | 4–5% |
| Health spending (% GDP) | ~0.7% | MoF 2024 | 3–5% |
| Domestic savings rate (% GDP) | ~25% | Bangladesh Bank | 32% |
| Old-age social protection coverage | ~30% | NSSS 2015 | 50% |
| NTA/NTTA update cycle | 2016/2022 | GED/UNFPA | 2022 published; 2027 cycle confirmed |

## 3.7 Conclusion

Bangladesh's demographic dividend is real, quantifiable, and running out. The NTA evidence is precise: the support ratio peaks around 2042; after that, demographic forces will subtract from per capita growth rather than adding to it. Bangladesh has already used over 80 per cent of its first dividend window — and has significantly underperformed relative to regional peers in converting favourable age structure into productive employment. The unrealised prime-age labour income grew by 42 per cent between 2016 and 2022 alone.

But the evidence also reveals enormous opportunity. The second dividend — driven by rising savings and human capital investment as the population ages — is projected to contribute more than 1.3 percentage points per year to growth from 2028 to 2070. The gender dividend — which could add 6.6 to 16.4 per cent of GDP through labour market parity alone — is the largest single unrealised economic opportunity in Bangladesh. Both require deliberate policy action starting now.

The Five-Year Strategic Framework FY 2027–2031 is perfectly positioned in time: the first dividend window is still open, the evidence base is being urgently updated (NTA and NTTA 2022), and the institutional architecture for the second dividend can be built before the window closes. The six strategic priorities in this chapter — employment absorption, human capital, gender dividend, second dividend institutions, NTA institutionalization, and regional balance — form a coherent, evidence-grounded response to Bangladesh's demographic moment.

# CHAPTER 4
# SKILLS DEVELOPMENT AND EMPLOYMENT GENERATION

## 4.1 Introduction

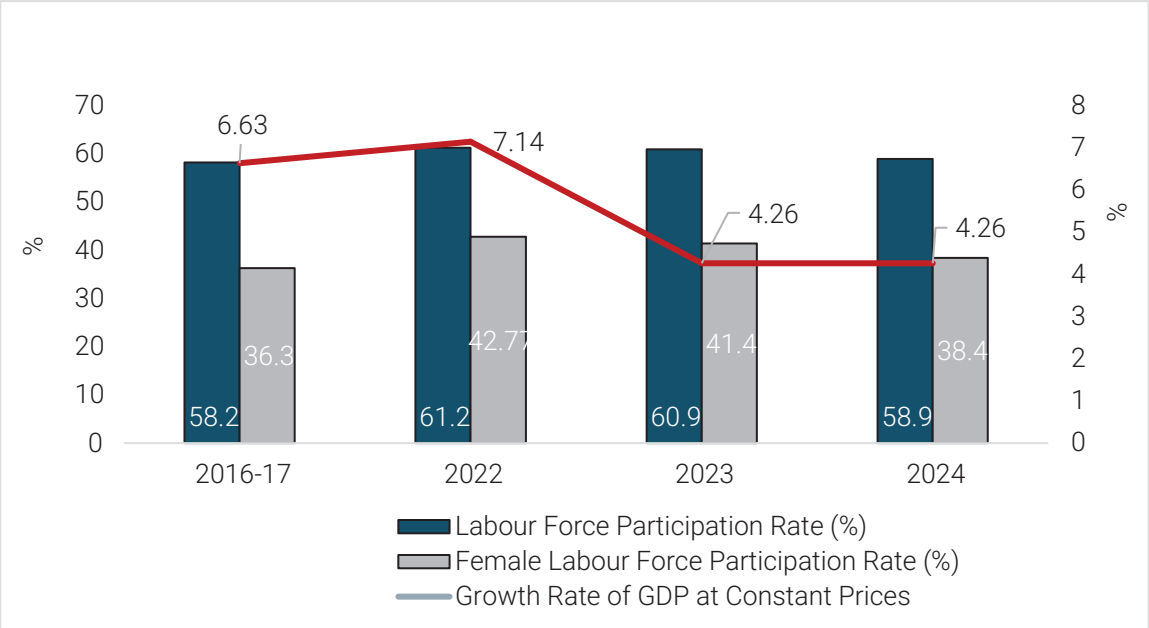
Employment lies at the heart of Bangladesh's development agenda. The capacity of the economy to generate sufficient, productive, remunerative, and protected employment for its large and growing working-age population is not merely an economic objective; it is the primary mechanism through which the benefits of growth are distributed, poverty is durably reduced, and social cohesion is sustained. Bangladesh's development story over the past three decades has been, by many measures, a story of remarkable achievement. Gross domestic product has expanded at an average rate exceeding 6 per cent per annum since the early 2000s, per capita income has risen from USD 421 in 2004 to USD 2,769 in FY 2024-2025, the poverty headcount ratio, using the upper poverty line has declined from 48.9 per cent in 2000 to an estimated 18.7 per cent in 2022 (BBS, HIES 2016, 2022). These achievements are real and have materially improved the lives of tens of millions of Bangladeshis.

Industrial output growth has been accompanied by capital-deepening and automation rather than large-scale labour absorption. The ready-made garment sector, which constitutes approximately 82 to 85 per cent of merchandise exports and employs an estimated 3.7 million workers, has been the primary engine of industrial employment but is simultaneously contracting its female workforce share through automation and facing heightened compliance and buyer-pressure risks. The share of agriculture in total employment, at 44.67 per cent as of Labour Force Survey (LFS) 2024, remains far above what GDP share would predict, reflecting the absorption of surplus labour into low-productivity agricultural activities rather than a transition toward higher-productivity sectors.

### 4.1.1 Jobless Growth and the Youth Employment Crisis

The paradox of Bangladesh's growth model is captured most sharply in the juxtaposition of macroeconomic performance and employment outcomes. GDP grew at an average annual rate of approximately 6.5 per cent between 2015 and 2023, with a drop in 2021 due to COVID-19, yet the industrial sector's share of employment actually declined from 20.4 per cent in LFS 2016–17 to 17.37 per cent in LFS 2024. In absolute terms, industrial employment declined over the years despite output growth. This decoupling of growth from employment, the defining feature of jobless growth, means that the macroeconomic gains of the past decade have been significantly less equitable in their distribution than the headline poverty reduction figures suggest.

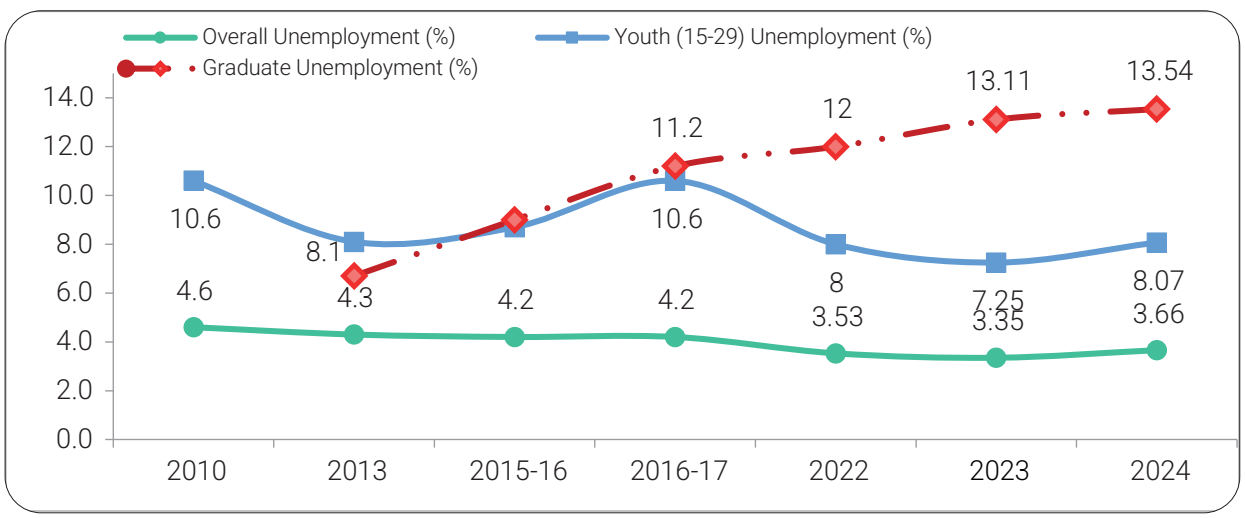
*Figure 4.1: GDP growth rate and Labour force Participation rate (%)*




*Sources: BBS, Labour Force Survey (various rounds)*

The most acute manifestation of the employment challenge is among young people. The ILO modelled youth unemployment rate for those aged 15 to 24 stood at 11.46 per cent in 2024, more than three times the overall national rate of 3.66 per cent (BBS, LFS 2024). The LFS 2024 final report records that approximately 29 per cent of unemployed youth between the ages of 15 and 29 are university graduates, a significant policy concern, as it demonstrates that educational attainment has become decoupled from labour market absorption.

*Figure 4.2: Bangladesh Unemployment Trends 2010–2024*




*Sources: BBS, Labour Force Survey (2010, 2017, 2022, 2024)*

### 4.1.2 Not in Education, Employment or Training (NEET) and the Inclusive Workforce Imperative

Beyond the unemployment rate, the NEET indicator, measuring young people aged 15 to 24 not in employment, education, or training, captures the full breadth of disengagement from productive activity.

The most recent LFS 2024 data placed the NEET rate at approximately 19.7 per cent for youth aged 15 to 24, a significant improvement from 26.8 per cent in LFS 2016–17, partly attributable to expanded secondary enrolment.

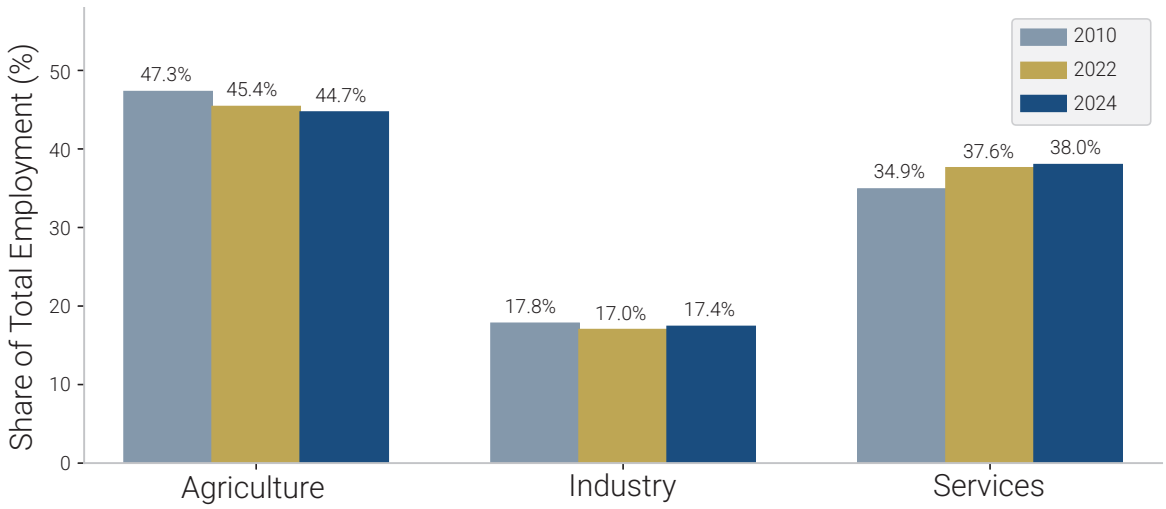
The gender dimension of NEET is critical and demands dedicated policy attention. Female youth NEET rates, which stood at approximately 43.9 per cent as of LFS 2016–17 and have improved to 26.3 per cent by LFS 2022, remain far above male rates, reflecting the persistence of social norms that restrict young women's participation in both formal education beyond secondary level and formal employment, the inadequacy of safe transport and childcare infrastructure, and the early marriage rates that curtail women's productive engagement at formative ages. An inclusive workforce, one in which women, youth, persons with disabilities, and workers in lagging regions are actively integrated into productive economic activity, is not merely a social equity objective; it is an economic efficiency imperative in the context of a closing demographic window.

## 4.2. Labour Supply, Demand and Structural Composition

### 4.2.1 Sectoral Composition and Structural Transformation

The sectoral composition of employment in Bangladesh reveals a pattern of structural transformation that has stalled and, in some respects, reversed in recent years. The LFS 2024 confirms that agriculture remains the dominant employer, absorbing 44.67 per cent of total employed persons. The services sector accounts for 37.96 per cent and the industrial sector for 17.37 per cent. When these figures are compared with data from the LFS 2022 and LFS 2010, a striking and counter-intuitive pattern emerges: the share of agriculture in total employment increased from 40.6 per cent in 2017 to 45.4 per cent in 2022, even as the share of industry in GDP expanded from around 22 per cent in 2018-19 to 24.89 per cent in 2022-23. In other words, industrial growth was not translating into proportionate industrial employment creation. The LFS 2024 figure of 44.67 per cent for agriculture suggests some modest normalisation from the peak of 2022, but agriculture remains far more dominant as an employer than its contribution to GDP would predict.

*Figure 4.3: Sectoral Employment Shares, 2010, 2022 and 2024 (%)*




*Source: BBS, Labour Force Survey 2010, 2022 and 2024. Industry includes manufacturing, construction, mining and utilities. Services include trade, transport, finance, public administration and other services.*

The productivity implications of this pattern are severe. Analysis of the LFS data series shows that average labour productivity growth (real value added per worker) decelerated from 5.8 per cent per

annum between 2010 and 2017 to 3.3 per cent between 2017 and 2022. A particularly troubling development was a 2.3 per cent compound annual decline in agricultural labour productivity during the latter period, even as agricultural employment expanded sharply.

Labour absorption constraints in the industrial sector warrant careful examination. Between 2017 and 2022, the level of industrial employment actually declined in absolute terms despite an average annual industrial output growth of nine per cent. This represents a pattern of capital-deepening within industry, driven by automation in the RMG sector and the capital-intensive character of recent investment in manufacturing. The services sector, while providing a cushion with nearly three million additional jobs between 2017 and 2022, recorded declining employment growth rates, from 2.6 per cent per annum in 2010–2017 to 2.4 per cent in 2017–2022. The share of urban employment in total employment also declined, from 27.9 per cent in 2017 to 25.0 per cent in 2022, indicating that the geography of employment creation has shifted toward rural areas even as economic output has remained concentrated in urban centres. This spatial disconnect between production and employment creation is a structural challenge that the FYSF endavours to address through regionally differentiated investment strategies. Decomposing the urban-share decline, BBS spatial-employment tabulations indicate that the dominant drivers are (i) net rural employment creation, particularly in agro-processing and rural services, and (ii) the residual effect of post-COVID return migration from cities to villages. The policy implication is that the FYSF's rural-non-farm and agro-processing investment lines should be sustained rather than treated as transitional.

**Table 4.1: Key Labour Market Indicators — Bangladesh, Selected Years**

| Indicator | LFS 2010 | LFS 2016–17 | LFS 2022 | LFS 2024 |
|---|---|---|---|---|
| Overall LFPR (%) | 57.1 | 58.2 | 61.2 | 60.45 |
| Male LFPR (%) | 82.0 | 81.7 | 80.1 | 80.58 |
| Female LFPR (%) | 35.6 | 36.3 | 42.7 | 40.89 |
| Total employed (million) | 54.1 | 60.8 | 70.47 | 69.09 |
| Unemployment rate (%) | 4.6 | 4.3 | 3.53 | 3.66 |
| Youth unemployment (15–24, %) | 8.1 | 10.6 | 11.0 | 11.46 |
| Agriculture share (%) | 47.3 | 40.6 | 45.4 | 44.67 |
| Industry share (%) | 17.8 | 20.4 | 17.0 | 17.37 |
| Services share (%) | 34.9 | 39.0 | 37.6 | 37.96 |
| Informal employment (%) | 88.5 | 86.9 | 84.9 | ~84.0 |

*Source: BBS, Labour Force Survey (2010, 2016–17, 2022, 2024). Youth unemployment from ILO modelled estimates (World Bank WDI, 2024).*

### 4.2.2 The Informal Economy: Scale and Vulnerabilities

Informality remains the defining structural characteristic of Bangladesh's labour market. The LFS 2022 established that approximately 84.9 per cent of the total employed population, or close to 60 million persons, were engaged in informal employment as at 2022. Preliminary findings from the LFS 2024 indicate that this share has moderated only marginally to approximately 84 per cent, confirming that no meaningful reduction in the informality rate has been achieved across the period of the 8th Five-Year Plan. Informal employment is particularly concentrated along gender and spatial lines: more than 92 per cent of employed women work informally, and approximately 92.66 per cent of employed youth aged 15 to 29 are in informal employment (BBS, LFS 2024). The informal sector simultaneously contributes

approximately 43 per cent of gross domestic product while absorbing 84 per cent of the workforce, pointing to a stark productivity gap that imposes systemic constraints on wage growth, social protection access, and intergenerational income mobility.

The consequences of pervasive informality are manifold and mutually reinforcing. Workers in informal employment are excluded from the protection of the Bangladesh Labour Act 2006 (as amended), which applies primarily to formal sector establishments. They receive no retirement benefits, no maternity protection, no access to workers' compensation for occupational injury, and no entitlement to minimum wage provisions in most sectors. The resulting vulnerability translates directly into poverty persistence: informal employment is correlated with low and volatile earnings, high consumption variability, and limited access to formal financial services. Informality also depresses the tax-to-GDP ratio and constrains government fiscal capacity to fund the social investments required to break the cycle. The FYSF identifies the progressive formalisation of employment as a strategic priority, to be achieved not through punitive regulatory enforcement but through a package of incentive-based formalisation support, simplified registration and compliance procedures, and expanded social protection coverage tied to contributory employment relationships.

**Table 4.2: Informal Employment by Gender and Location — Bangladesh, 2022**

| Category | Informal Share (%) | Employed (million) | Key Vulnerability |
|---|---|---|---|
| Overall | 84.9 | ~60.2 | No social protection or labour law coverage |
| Male workers | 81.2 | ~38.8 | Wage insecurity, no occupational safety cover |
| Female workers | 92.3 | ~21.4 | Unpaid family work, no contract or income security |
| Rural workers | 92.0+ | ~48.0 | Seasonal, agricultural, near-zero formal benefits |
| Urban workers | ~70.0 | ~12.2 | Gig/platform work, no minimum wage application |
| Youth (15–29) | 92.66 | ~22.8 | Precarious entry jobs, no skills progression pathway |

*Source: BBS, Labour Force Survey 2022; BBS, LFS 2024 (youth informality data); ILO (2024). Female informal employment share based on LFS 2016–17 gender-disaggregated data and LFS 2022 overall findings. Figures marked with ~ are estimates.*

### 4.2.3 Youth Employment and the NEET Challenge

The employment situation facing young Bangladeshis represents one of the most consequential dimensions of the country's labour market challenge. The youth unemployment rate (aged 15 to 29) stood at 8.07 per cent, up from 7.25 per cent in 2023, compared to an overall national unemployment rate of 3.66 per cent (BBS, LFS 2024). This means young people are more than three times as likely to be unemployed as the general working-age population. The LFS 2024 final report records that approximately 2.62 million persons are unemployed in Bangladesh, and youth (15 to 24 age cohort) share of the unemployment rate is 9.65 per cent in 2024, with Dhaka Division recording the largest concentration of unemployed individuals at approximately 699,000 persons.The relatively small absolute share of the 15–24 cohort in total unemployment, despite a youth unemployment rate more than three times the national rate, reflects the comparatively limited labour force participation of this age group: the majority of young Bangladeshis aged 15–24 remain in education or training, so the youth labour force is small in absolute terms. The graduate-unemployment statistic discussed in section 4.2.2 below spans a broader age range (predominantly 22–29) and is therefore not directly comparable with this 15–24 cohort share.

The NEET rate, capturing young people not in employment, education, or training, represents an even broader measure of youth disengagement from productive activity. World Bank data from the LFS 2022

indicate a NEET rate of 23.1 per cent for youth aged 15 to 24, a considerable improvement from 26.8 per cent recorded in the LFS 2016–17. This improvement is partly attributable to expanded secondary enrolment and partly to the inclusion of low-productivity informal work within the employment definition. Among young women, the NEET challenge is substantially more severe. LFS 2016–17 data recorded female youth NEET rates of approximately 49.4 per cent, reflecting the persistence of social norms that restrict young women's participation in both formal education and formal employment. The FYSF will place particular emphasis on female youth NEET reduction as a core gender equity and economic productivity objective.

A structural dimension of youth unemployment that the FYSF specifically addresses is, the paradox of educated unemployment. The LFS 2024 final report records a graduate unemployment rate of 13.5 per cent in 2024, the highest among all education levels, rising from 13.11 per cent in the previous year. This means that tertiary-educated individuals face a higher probability of unemployment than those with secondary or even primary education. The total number of unemployed graduates stood at approximately 885,000 as in 2024.

**Table 4.3: Youth Labour Market Indicators — Bangladesh, Selected Years**

| Indicator | 2010 | 2016–17 | 2022 | 2024 |
|---|---|---|---|---|
| Total Youth LFPR, 15–29 (%) | 53.24 | 31.6 | 36.7 | 34.62 |
| Youth (15-29) Unemployment (%) | 7.46 | 10.6 | 8.0 | 8.07 |
| Youth NEET rate[1], 15–24 (%) | 29.7 | 26.8 | 23.1 | 19.7 |
| Female NEET, 15–24 (%) | 45.6 | 43.9 | 26.3 | 23.0 |
| Graduate unemployment (%)[2] | 9.9% (degree +, youth) | 11.2 | 12.0 | 13.5 |
| Youth informal employment (%) | 86.7 | 89.2 | 92.7 | 92.66 |
| Youth labour force (million) | 20.9 | 20.1 | 26.8 | 24.82 |

*Source: BBS, Labour Force Survey (various rounds)*

### 4.2.4 Strategic Priorities for the FYSF Employment Strategy

The evidence assembled in this chapter points toward five overarching strategic priorities that will guide the design of the FYSF employment strategy. These imperatives flow directly from the structural realities of Bangladesh's labour supply and demand landscape.

| Strategic Priotiries | Key objective | Key interventions |
|---|---|---|
| SP1 Demographic dividend | Accelerate formal employment generation to absorb approximately two million new labour market entrants per year through 2042, preventing their absorption into the low-productivity informal economy | • Scale formal employment in agro-processing, light manufacturing, construction, and digital services<br>• Prioritise sectors capable of absorbing large worker volumes while sustaining productivity gains<br>• Time-bound and scaled investment aligned to the demographic window closing by 2042 |

1 LFS 2010 does not use the term "NEET" explicitly, so these are calculated from Table Y02 (unemployed + household work + others as share of total population 15–24)

2 LFS 2010 reports it by education level rather than as a single "graduate" rate. The combined rate for degree holders and above (youth 15–29) is 9.9%

| Strategic Priotiries | Key objective | Key interventions |
|---|---|---|
| SP2<br><br>Agriculture-to-industry transition | Actively facilitate the reallocation of labour from low-productivity agriculture to higher-productivity industry and services through deliberate policy instruments, rather than relying on market forces | • Invest in rural-urban connectivity infrastructure to enable labour mobility<br>• Expand export processing zones and establish rural economic zones<br>• Develop agro-value chains to generate productive non-farm employment<br>• Deploy the Farmer Card to integrate 2.75 crore smallholders into commercialised value chains<br>• Develop a Special Employment and Skills Development Programme for the Chittagong Hill Tracts (CHT), considering its geographical remoteness, ethnic diversity and unique economic potential |
| SP3<br><br>Female labour market quality | Upgrade the quality — not merely the quantity — of female labour market engagement, reversing the regressive shift of women from formal urban employment into informal rural work | • Design differentiated interventions expanding female access to formal, remunerated, and protected employment<br>• Broaden sectoral and geographic coverage of female employment opportunities beyond existing clusters<br>• Target structural barriers preventing women from accessing higher-quality employment categories |
| SP4<br><br>Reducing informality | Reduce the 84% informality rate as a prerequisite for sustainable wage growth and universalisation of social protection and labour standards | • Implement a phased formalisation strategy reducing barriers to formal economy entry<br>• Extend social protection to informal workers through the Family Card<br>• Create positive incentives for enterprises to formalise employment relationships<br>• Build toward universal reach of wage policy and labour standards instruments |
| SP5<br><br>Youth skills and employability | Address the youth skills and employability crisis — marked by 13.5% graduate unemployment, 92.66% youth informal employment, and persistent NEET rates among young women — through an integrated response spanning education, training, and demand creation | • Reform Technical and Vocational Education and Training (TVET) and strengthen university-industry linkages to resolve skills-market mismatch<br>• Establish a National Digital Skills Authority to drive digital skills development at scale<br>• Launch apprenticeship schemes and employment subsidies targeting youth first-job entry<br>• Design specific interventions to reduce NEET rates among young women<br>• Design targeted employment and entrepreneurship programmes for ethnic youth and women in the Chittagong Hill Tracts<br>• Establish a modern and real time Labour Market Information System (LMIS) which could integrate data from BBS, NSDA, BMET, educational institutions, TVET providers, and employers to identify labour market demand, skills shortages, and emerging employment trends. |

## 4.3 Human Capital, Skills and Employability

### 4.3.1 The Human Capital Imperative

Bangladesh's path to a trillion-dollar economy by 2034 will be determined as much by the quality of its workforce as by the quantity of its capital investment. The government has committed to creating ten million new jobs over the next five years (the employment projection for the framework period is provided in the appendix) and to achieve a sustained acceleration in labour productivity. Both objectives are contingent on a rapid and fundamental improvement in the human capital profile of the workforce. Yet the evidence assembled in this chapter presents a sobering diagnostic: despite impressive gains in access to education at the primary level, the national education and training system is producing graduates whose skills are systematically misaligned with the requirements of a diversifying and increasingly technology-intensive economy. The FYSF therefore treat human capital development not as a sector in isolation, but as the foundational prerequisite for all other employment, productivity, and income growth objectives.

**Table 4.4: Key Education Indicators — Bangladesh, Selected Years**

| Indicator | 2010 | 2016 | 2022 | 2023 |
|---|---|---|---|---|
| Literacy rate (%) | 51.8 | 72.9 | 74.66 | - |
| Primary GER (%) | 101.2 | 118.0 | 117.7 | 111.6 |
| Primary completion rate (%) | 71.6 | 98.1 | 107.7 | 108.2 |
| Secondary GER (%) | 48.3 | 66.0 | 71.8 | 71.5 |
| Secondary dropout rate (%) | ~37 | ~35 | 35.98 | 32.85 |
| Higher secondary GER (%) | ~28 | ~38 | ~47 | 47.7 |
| TVET enrolment (% of secondary-age cohort) | ~1.2 | ~1.6 | ~2.0 | ~2.5 |
| Tertiary GER (%) | 10.1 | 18.2 | 22.8 | 23.8 |
| Graduate unemployment rate (%) | n.a. | 11.2 | 12.0 | 13.11 |

*Source: World Bank, World Development Indicators (2023); BANBEIS, Bangladesh Education Statistics (2022, 2023); BBS, Population and Housing Census (2022); BBS, Labour Force Survey (2022, 2023). Figures preceded by ~ are estimated or interpolated. n.a. = data not available.*

### 4.3.2 The TVET System: Structurally Undersized and Under-Resourced

Technical and vocational education and training is the most direct institutional bridge between education and employment, and its performance is therefore central to the FYSF employment strategy. The diagnostic picture of the TVET system is one of structural undersizing, weak industry linkage, and a quality perception deficit that perpetuates low enrolment despite sustained government investment. According to BANBEIS data for 2022, technical institutions enrolled approximately 2.48 per cent of the secondary-level student cohort, a figure that has grown from around 1.2 per cent in 2010 but remains critically low relative to government targets, which envision a 30 per cent share by 2031 and 50 per cent by 2040. The gap between the current 2.5 per cent enrolment share and the 2030 target of 30 per cent is enormous, requiring more than a tenfold expansion in TVET enrolment within five years, and underscores the need for a fundamentally different approach to TVET promotion, financing, and delivery.

The quality of TVET provision is constrained by three persistent structural weaknesses. First, teacher quality and currency of technical knowledge are inadequate in the public TVET system. Second, equipment and labouratory infrastructure in public TVET institutions is frequently outdated relative to current industry practice, meaning that graduates are trained on technologies that employers no longer use. Third, industry linkage is weak. Industry Skills Councils (ISCs) were established in the course of the ILO-EU TVET Reform Project (2007–2015) for five sectors, including RMG and leather, but their functional engagement with curriculum development and practical training placement has not been sustained at adequate scale.

A further significant constraint is social perception. TVET continues to carry a social stigma relative to academic higher education pathways, rooted in the historical association of vocational training with manual work and lower socioeconomic status. Families with the means to do so preferentially invest in their children's academic credentials, even when those credentials provide lower employment returns. The government has committed under the National Skills Development Policy 2021 to addressing this transition, and the FYSF will operationalise this commitment through concrete institutional reforms and investment programmes.

### 4.3.3 Sector-Specific Skills Gaps and the 4IR Challenge

#### 4.3.3.1 Priority Sector Skills Gaps

The BIDS labour market and skills gap study conducted under the SEIP programme examined nine priority sectors for employment generation: RMG and textile, construction, agro-food processing, healthcare, ICT, tourism and hospitality, leather goods, light engineering, and shipbuilding. The findings documented skills gaps ranging from 55 per cent to above 70 per cent across these sectors, meaning that a large majority of workers in these sectors are classified as unskilled or under-skilled relative to the technical standards required for full productivity. For the RMG sector, the BIDS analysis estimated a skills gap of approximately 60 per cent, with machine operators identified as having the most acute deficit. For the ICT sector, skills gap estimates range as high as 72 per cent, reflecting the rapid evolution of technology relative to the pace of training curriculum development. Construction and healthcare both record skills gaps in the 58 to 68 per cent range, with specific shortfalls in civil engineering technical staff and allied health professionals respectively.

In the RMG sector specifically, automation pressure is transforming the skills demand profile. Projections by the ILO and the government's a2i programme suggest that a substantial share of the approximately 3.7 million RMG workers engaged in routine, semi-skilled production tasks could face displacement risk as automation progresses through the sector over the coming decade. The transition from labour-intensive sewing operations to computer-aided design, automated cutting, RFID-enabled inventory management, and quality control systems is underway in Bangladesh's more advanced factories. This transition is creating new demand for technicians with mechatronics, process monitoring, and digital systems skills, while reducing demand for the traditional skills profile of the semi-skilled machine operator. Addressing this transition within the RMG sector is simultaneously a social protection challenge, a skills development challenge, and an industrial policy challenge, requiring coordination between the Ministry of Labour and Employment, the Ministry of Commerce, and the Ministry of Education.

**Table 4.5: Priority Sector Skills Profile and Training Demand**

| Sector | Estimated Skills Gap (%) | Key Skills Deficit | 4IR/Automation Risk | FYSF Priority Action |
|---|---|---|---|---|
| RMG & Textile | ~60% | Machine ops, quality control, lean mfg. | High: automated cutting, AI quality inspection | TVET-industry apprenticeship; digital skills upskilling |
| ICT/BPO | ~72% | Software dev., AI/ML, cybersecurity, UX | Enabler: ICT creates new jobs but demands reskilling | National Digital Skills Authority; Hi-Tech Park Labs |
| Construction | ~58% | Civil technicians, project managers | Moderate: design tools, BIM adoption | NSDA-certified construction trades; safety standards |

| Sector | Estimated Skills Gap (%) | Key Skills Deficit | 4IR/Automation Risk | FYSF Priority Action |
|---|---|---|---|---|
| Healthcare | ~68% | Allied health, biomedical tech, nursing | Low-moderate: telemedicine adoption | Medical TVET expansion; overseas nursing pipeline Adequate fund mobilisation |
| Agro-Processing | ~55% | Food tech, cold chain, quality assurance | Moderate: precision agriculture tech | Agro-tech TVET linked to Farmer Card value chains |
| Light Engineering | ~65% | Mechatronics, precision tooling, CAD | High: CNC, robotics adoption in advanced plants | Engineering ISC activation; equipment upgrade |
| Leather & Footwear | ~63% | Design, chemical processing, QC | Moderate: CAD/CAM in design | Leather sector training centres; export compliance |

*Source: BIDS, Labour Market and Skills Gap Study (SEIP); ILO Bangladesh (2024); NSDA, National Action Plan 2022–2027. 4IR risk assessment is based on sector exposure to automation and digital transformation. Estimated skills gap reflects share of workers assessed as under-skilled relative to productivity standards.*

#### 4.3.3.2 Digital Skills and the 4IR Readiness Challenge

The 4th Industrial Revolution, encompassing robotics, artificial intelligence, the Internet of Things, big data analytics, blockchain, and advanced manufacturing, presents Bangladesh with a dual challenge: managing displacement risk in existing employment while building the digital capability to participate in new and emerging industries. The government's a2i programme identified that a significant number of jobs in Bangladesh face challenge from 4IR technologies, with the RMG sector most immediately exposed. The previous administration's Smart Bangladesh 2041 vision set targets for ICT employment expansion to three million persons by 2025 and ICT exports to USD five billion, indicating the scale of ambition in the digital economy. Approximately two million persons are estimated to be engaged in ICT-adjacent activities including IT freelancing, fintech, and e-commerce, and the Bangladesh Hi-Tech Park Authority has trained more than 37,800 youth for ICT professional roles.

Bangladesh has a significant freelancing economy, with the country consistently ranking among the top global suppliers of freelance labour on various platforms. Research indicates that a substantial proportion of freelancers earn below BDT 25,000 per month, a level that is precarious relative to urban living costs. The government will support the freelancing sector through a formalisation and scaling strategy that includes digital payment facilitation, social protection access for freelancers, skills quality improvement, and market diversification support, while also building the institutional infrastructure for large-scale formal digital sector employment.

The national digital skills infrastructure remains uneven. Access to quality digital training is concentrated in urban areas, particularly Dhaka and Chattogram, while rural areas, which account for approximately 80 per cent of the workforce, remain substantially underserved. The government's Establishment of Digital Labs in Educational Institutions (2nd Phase) Project provides digital skills training through BTEB-affiliated programmes, but audits have identified quality inconsistencies, with some contracted training providers delivering inadequate outputs relative to government-funded mandates. The FYSF will establish a National Digital Skills Authority with a mandate to set quality standards, accredit digital training providers, certify digital competencies against internationally recognised frameworks, and deploy training at scale through a hub-and-spoke model that reaches district and upazila levels. Emphasis will be placed on broadening digital skills access to women and rural youth with a strong focus on remote

and marginalised areas, i.e., haor, hill tracts, consistent with the government's commitment to female economic empowerment and inclusive growth along with prioritised digital connectivity

### 4.3.4 Private Sector, NGOs, and the Wider Skills Ecosystem

The skills ecosystem in Bangladesh extends well beyond the formal public TVET system. NGOs, including BRAC and UCEP Bangladesh, have played an important role in delivering non-formal skills training to marginalised populations, and their reach and community-level delivery capacity are assets that the FYSF intends to leverage systematically. The Skills for Employment Investment Programme (SEIP), a flagship government initiative supported by multi-lateral development partners, has demonstrated that demand-driven, employer-linked skills training delivered through a mix of public and private providers can achieve substantially higher employment outcomes than supply-driven institutional training alone. Evaluations of SEIP find that training programmes designed in close consultation with employers and incorporating on-the-job training components achieve placement rates that significantly exceed those of conventional TVET programmes.

Private sector investment in workforce training is also considerable but fragmented and unevenly distributed. Large export-oriented firms, particularly in the RMG sector, invest in in-house training programmes but these are largely focused on production-line skills rather than transferable capabilities. SMEs, which account for the large majority of private sector employment, typically lack both the resources and the organisational capacity for systematic workforce development. The FYSF will establish a Skills Development Fund mechanism that provides co-financing incentives for private sector training investment, particularly for SMEs, with allocation prioritised toward sectors aligned with export diversification targets and green economy objectives. Industry Skills Councils will be reactivated and expanded across the seven priority sectors, with a mandate to drive curriculum relevance, accredit training providers, and coordinate apprenticeship programmes.

International partnerships and overseas qualification recognition represent an underutilised dimension of Bangladesh's human capital strategy. An estimated 13 million Bangladeshi nationals work overseas, and their skills acquisition abroad represents a large stock of human capital that is not systematically reintegrated into the domestic economy upon return. The FYSF will invest in a returning migrant skills recognition and reintegration programme, linked to the Recognition of Prior Learning (RPL) framework already established within the NTVQF/NSQF architecture. This will enable returning migrants to obtain formal TVET qualifications based on their overseas work experience, improving their domestic labour market outcomes and creating a skills multiplier effect from the migration cycle.

**Table 4.6: Key Skills and Human Capital Institutions — Mandates and FYSF Roles**

| Institution | Current Mandate | FYSF Strengthening Direction |
|---|---|---|
| National Skills Development Authority (NSDA) | National skills qualifications and standards | Expand to cover digital skills; activate ISCs; link to LMIS |
| Bangladesh Technical Education Board (BTEB) | TVET accreditation, curriculum and assessment | Accelerate curriculum modernisation; increase STEM TVET |
| Directorate of Technical Education (DTE) | Manage public TVET institutions | Infrastructure upgrade; industry-linked practical training |

| Institution | Current Mandate | FYSF Strengthening Direction |
|---|---|---|
| Bureau of Manpower, Employment and Training (BMET) | Pre-departure training for overseas workers | Upgrade to skills-matching with destination country demand |
| Skills for Employment Investment Programme (SEIP) | Demand-driven skills training programme | Scale up; extend to green economy and digital sectors |
| Industry Skills Councils | Sector-level curriculum and standards | Operationalise inactive ISCs; mandate employer co-investment |
| National Digital Skills Authority (proposed) | Not yet established | Create and operationalise as the digital skills apex body |

*Source: NSDA, National Action Plan 2022–2027; Ministry of Education, NSDP 2021; ILO Bangladesh (2024). FYSF strengthening directions are indicative and will be operationalised through the Annual Development Programme and strategic plans of respective ministries.*

### 4.3.5 Strategic Directions: Building a Skills-First Economy

The diagnostic findings across education quality, TVET access, sector-specific skills gaps, and digital readiness converge on five strategic directions that will guide FYSF investments and institutional reforms in the human capital domain.

**1. A structural shift in secondary education toward applied and problem-based learning.**

- Introduce competency-based learning, practical project work, and digital literacy into standard secondary curriculum
- Reform examination-based model to reward applied capability over rote recall
- Invest in teacher training and professional development to support pedagogical transition

**2. A tenfold scaling of quality TVET by 2031.**

- Target 30% TVET enrolment among secondary-age cohort by 2031 (current baseline: ~2.5%)
- Direct capital expenditure toward TVET infrastructure, teacher quality, and equipment modernisation
- Introduce TVET stipend and social protection package to incentivise low-income enrolment
- Formalise and publicise pathways from TVET diplomas to tertiary engineering and technology programmes
- A detailed phase-wise financial plan for recurrent expenditures and capacity building will be formulated by the concerned ministry/division

**3. Reorientation of tertiary education toward STEM and applied fields**.

- Introduce enrolment incentives shifting graduate composition toward STEM, applied technology, healthcare, engineering, and management
- Establish industry advisory councils in each priority sector to influence curriculum and provide placements
- Introduce performance-linked university funding rewarding graduate employment outcomes

**4. Establishment of the National Digital Skills Authority as an apex digital skills body.**

- Create dedicated Authority under ICT Division to set standards, accredit providers, and certify digital competencies

- Deploy hub-and-spoke training model reaching district and upazila levels with emphasis on female and rural access
- Link with international technology companies to align curriculum with global industry standards

**5. Formalisation of the skills development financing architecture**.

- Establish a National Skills Development Fund consolidating fragmented public sector skills financing
- Create co-financing windows for private sector training investment and dedicated green economy skills financing
- Administer through NSDA with independent governance board including private sector, workers, and civil society
- Apply performance-based allocation criteria prioritising measurable employment and earnings outcomes

**Table 4.7: Human Capital and Skills Development — FYSF Strategic Response Matrix**

| Challenge | Baseline (2024) | FYSF Target (2031) | Primary Instrument |
|---|---|---|---|
| Low TVET enrolment (2.5% of secondary cohort) | ~2.5% (2023) | 30% by 2031 (NSDP 2021 target) | TVET infrastructure investment; stipend programme; social perception campaign |
| Graduate unemployment (13.5%) | ~885,000 unemployed graduates | Reduce graduate unemployment rate to below 9% | Curriculum reform; industry advisory councils; internship mandates |
| Skills gaps in priority sectors (55–72%) | ~89.6% workers without skills training | Halve skills gap in top 4 sectors by 2031 | SEIP scale-up; ISC activation; private co-financing fund |
| Digital skills deficit in rural areas | <10% of rural youth have digital skills training | Digital skills access in all 64 districts by 2028 | National Digital Skills Authority; district hub-and-spoke model |
| Secondary dropout (32.85%) | ~1m fewer students vs 2019 | Reduce secondary dropout to below 20% by 2031 | Stipend expansion; female retention incentives; curriculum relevance |
| Returning migrant skills not recognised | No systematic RPL system | RPL framework operational in 5 priority sectors by 2027 | BTEB-NSDA RPL scale-up; migrant reintegration centres |

*Source: BBS, LFS 2024; BANBEIS 2022–2023; BIDS SEIP Skills Gap Study; NSDA, National Skills Development Policy 2021; ILO Bangladesh (2024). FYSF targets are indicative and will be validated through annual review. Projections are based on sector growth rates, enrolment trends, and BBS baseline data.*

## 4.4 Wages, Labour Rights and Working Conditions

The conditions under which Bangladeshi workers are employed, the wages they receive, the rights they can exercise, the safety of the environments they inhabit, and the structural protections or vulnerabilities they face are fundamental determinants of the welfare gains that economic growth can deliver to the population. Bangladesh's remarkable macroeconomic record over the past two decades has not been matched by a commensurate improvement in the quality and equity of employment. Real wages have stagnated relative to productivity growth; statutory minimum wages remain far below living wage estimates; the legal framework for labour rights contains significant gaps and enforcement deficits; and structural patterns of occupational segregation, particularly along gender lines, continue to concentrate the most economically marginalised workers in the least protected employment. This chapter examines

these dimensions systematically across three sections: wage dynamics and income distribution; labour rights and industrial relations; and the gender dimensions of the labour market.

### 4.4.1 Assessment of Wage Dynamics and Income Distribution

The analysis of wage dynamics in Bangladesh must be situated within the broader context of the country's labour market structure, which is dominated by informality, characterised by low aggregate productivity, and shaped by a minimum wage system that covers only a fraction of the workforce on a sector-by-sector basis. The wage outcomes of Bangladeshi workers, whether measured in nominal, real, or comparative terms, reflect these structural features in ways that create sustained vulnerability for low-income households.

#### 4.4.1.1 Minimum Wage Adequacy: The Gap Between Statutory Rates and Living Wage Estimates

Bangladesh operates a sector-specific minimum wage system administered by the Minimum Wage Board, established in 1959. The Board sets wage floors for individual industries through tripartite deliberation, but revisions occur at multi-year intervals with no mandatory annual adjustment mechanism. The most prominent and most recently revised minimum wage applies to the ready-made garment sector, which employs approximately 3.7 million workers (LFS,2024), overwhelmingly women, and which accounts for the largest share of formal manufacturing employment in the country.

The currency dynamic further compounds this disadvantage: employers in the RMG sector are paid in US dollars by international buyers, while workers are paid in taka. The significant weakening of the taka against the dollar between 2022 and 2024 enabled employers to capture foreign exchange gains as additional profit without any corresponding benefit passing to workers, whose taka wages had not been adjusted for inflation.

**Table 4.8: Statutory Minimum Wages by Sector and Estimated Living Wage Gap, Bangladesh (Selected Sectors)**

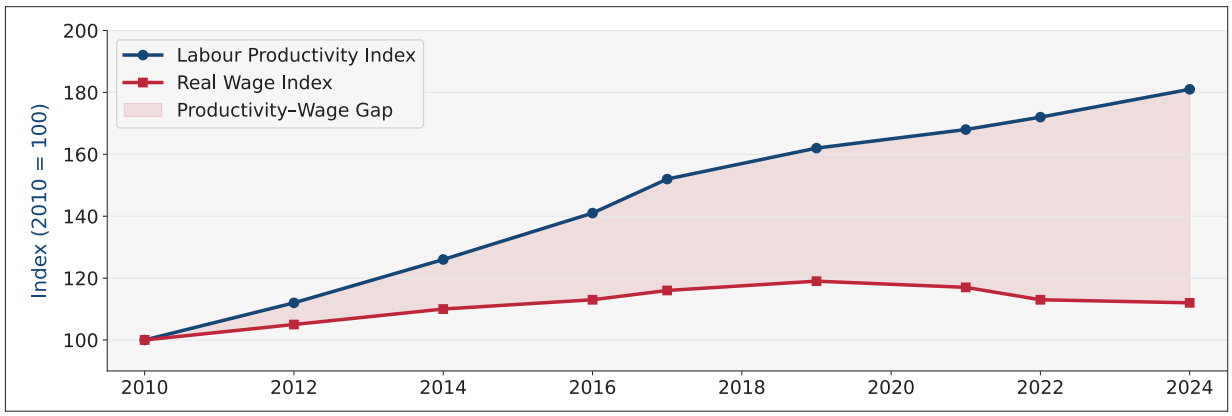
| Sector | Min Wage (BDT/month) | Year Set | Living Wage Estimate |
|---|---|---|---|
| Ready-Made Garments (RMG), Entry Level | 12,500 | 2023 | ~23,000 (union est.) |
| Cotton Textile Workers | 10,000 | 2024 | Not published |
| Leather Goods Workers | 7,100 | 2018 | Not published |
| Agriculture (daily labour) | ~6,000 | 2015 | Not published |
| Newspaper Workers | 21,000 | 2020 | Not published |

*Sources: Minimum Wage Board of Bangladesh (various years); IndustriALL Global Union (2024); Clean Clothes Campaign (2024); Cornell Global Labour Institute (2025). Living wage estimate for RMG based on trade union demand, corroborated by BILS (2023). ~ denotes approximate estimate.*

#### 4.4.1.2 Wage Growth Relative to Productivity Growth and Inflation: Real Wage Stagnation

A central concern of Bangladesh's labour market is the sustained decoupling of wage growth from productivity growth. The compound annual growth rate of labour productivity decelerated from 5.8 per cent between 2010 and 2017 to 3.3 per cent between 2017 and 2022 (BBS, LFS series), yet real wages in manufacturing showed only marginal growth over the same period and, for the period 2021 to 2024, effectively declined in real terms as annual inflation, which rose to 9.86 per cent in January 2024 and remained above 10 per cent through much of 2024, eroded nominal wage gains without triggering any compensatory revision to the statutory minimum.

*Figure 4.4: Real Wage Index vs Labour Productivity Index, Bangladesh (2010=100)*




*Sources: ILO Asian Garment Sector Report (2022); BBS, Labour Force Survey (various rounds); Cornell GLI (2025). 2023–24 values estimated from LFS 2024 preliminary data and BBS CPI series.*

#### 4.4.1.3 Wage Disparity: Formal vs Informal, Urban vs Rural, Male vs Female, Skilled vs Unskilled

The distribution of wages across Bangladesh's labour market is characterised by sharp and overlapping disparities. BBS Labour Force Survey 2024 data reveal that the average monthly income for male workers stands at approximately BDT 16,000, while female workers earn only BDT 12,600, a gap of approximately 21 per cent, reflecting both occupational segregation and direct wage discrimination. In the agricultural sector, the gender wage gap widens to 57.2 per cent; also, in overall employment men earning 35.8% more per hour than women on average (World Bank, 2024).

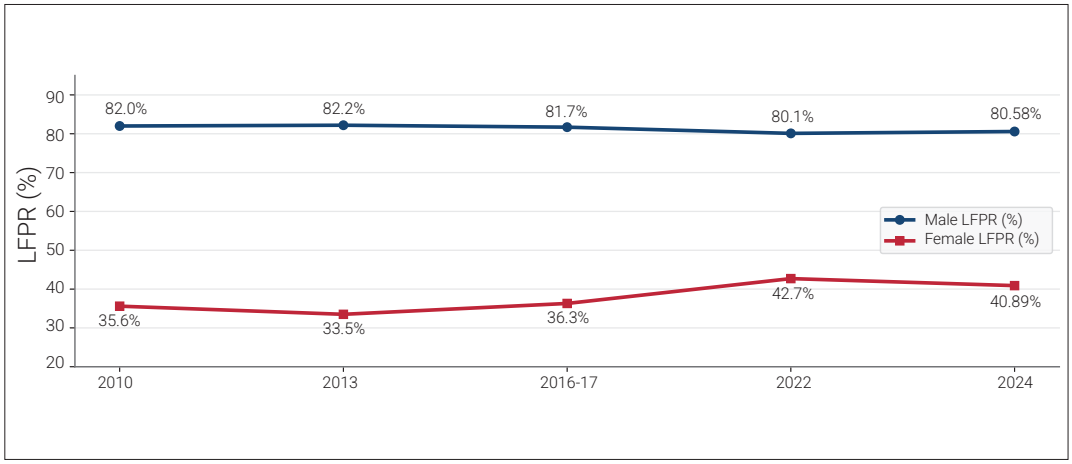
The formal, informal wage gap is equally consequential. Workers in formal employment earn substantially higher wages and access non-wage benefits, transport and food allowances, provident funds, maternity pay, and annual increments that informal workers do not receive. Only 4.6 per cent of female and 17.7 per cent of male workers are in formal sector employment (UN Women Bangladesh). The remaining workers, concentrated in agriculture, domestic service, street vending, construction day labour, and unregistered manufacturing, are governed by no minimum wage provision and cannot access the labour grievance mechanisms established under the Bangladesh Labour Act. The urban-rural wage divide reinforces this pattern: average wages in the manufacturing, dominant districts of Dhaka, Gazipur, and Narayanganj exceed wages in rural agrarian districts by a significant margin, but even urban informal service workers earn substantially below the statutory manufacturing minimum. The skilled-unskilled wage premium is pronounced and well documented: LFS 2024 data indicate that graduates earn two to three times the wages of primary-educated workers in comparable employment.

### 4.4.2 Female Labour Force Participation Rate: Determinants, Barriers, and Cross-Country Comparison

The female labour force participation rate (FLFPR) of 40.89 per cent recorded in the first quarter of 2024 (BBS, LFS 2024) represents a nominal improvement over the 36.3 per cent of LFS 2016–17, but conceals a qualitative deterioration. As documented in Chapter 3, the increase in aggregate FLFPR is concentrated in rural informal and agricultural work, and the urban FLFPR declined sharply from 31.0 per cent in 2016–17 to 23.6 per cent in 2022.

The structural determinants of low FLFPR are well established. Social norms restrict women's mobility, particularly in conservative rural communities, limiting access to distant employment. The absence of affordable childcare is among the most binding practical constraints: IFC (2019) documented that the scarcity of employer-supported childcare deters women from formal employment, particularly among those with children under five.

*Figure 4.5: Female and Male Labour Force Participation Rate, Bangladesh 2010-2024 (%)*




*Sources: BBS, Labour Force Survey (various rounds); ILO ILOSTAT (2024).*

Early marriage, Bangladesh's rate of child marriage remains among the highest globally, curtails educational attainment and labour market entry at formative ages. The share of women in RMG employment has been declining from 64 per cent of workers in 2015 to approximately 58 per cent by the early 2020s as automation displaces predominantly female cutting and sewing workers (BRAC University, 2023). Without deliberate substitution through alternative sectors, this trend will reverse hard-won gains in female formal employment.

### 4.4.3 Policy Directions and Commitments

The analysis in this chapter identifies five interconnected policy directions to which the Government is committed through the action plans in subsequent sections.

**On wage adequacy,** the Government commits to establishing a mandatory annual minimum wage review mechanism for all sectors, beginning with RMG, indexed to a combination of inflation and productivity growth. The Government will commission an independent living wage study to inform future Minimum Wage Board deliberations and will progressively extend minimum wage coverage to agriculture and domestic work.

**On labour law reform,** the Government commits to amending the BLA to lower the trade union registration threshold to a level consistent with ILO standards, to strengthen anti-union-busting provisions and enforcement, to extend BLA coverage to domestic and agricultural workers through targeted subsidiary legislation, and to develop a mandatory sectoral collective bargaining framework in the RMG industry linked to buyer purchasing practices.

**On occupational safety and health,** the Government commits to doubling DIFE's inspector-to-establishment ratio within the plan period, establishing a compulsory occupational accident and disease reporting system, expanding the hazardous occupation list to include garment production for minors, and progressively extending the OSH reform model to construction, shipbreaking, and other high-risk sectors beyond RMG.

**On child labour,** the Government commits to ensuring full implementation of the National Plan of Action to Eliminate Child Labour 2021–2025, publicly reporting enforcement data including investigations, prosecutions, and convictions, extending hazardous work prohibitions to cover garment production,

fish drying, and domestic service, and strengthening the social protection floor to reduce household reliance on child income.

**On gender equity,** the Government commits to piloting pay transparency and payroll equity audit requirements in the formal manufacturing sector, operationalising the BLA's daycare provision through enhanced inspection and subsidy incentives, developing an anti-harassment certification programme linked to buyer compliance standards in collabouration with BGMEA, and directing Family Card- linked social protection to address the childcare and maternity insurance gaps that drive female labour market exit.

## 4.5 Overseas Employment and Diaspora Labour

Overseas employment represents a cornerstone of Bangladesh's economic architecture, serving as one of the nation's most significant sources of foreign exchange earnings. With approximately 16.5 million Bangladeshis working as migrant workers globally (GED, 2025), this diaspora labour force contributes substantially to the national economy, accounting for around 6.57 per cent of Bangladesh's GDP through remittance flows. The wage earners' remittance inflow reached a historic peak of USD 30,328.81 million in 2025, marking the highest level recorded since the 1996–97 fiscal year (Bangladesh Bank, 2026).

Beyond direct foreign exchange generation, overseas employment catalyses multifaceted economic development through poverty alleviation, rural development, and employment generation across diverse sectors, including construction, housing, transport, trading, health, and education. Remittance flows simultaneously strengthen Bangladesh's balance of payments position while enhancing household consumption capacity and savings accumulation, creating positive ripple effects throughout the domestic economy.

### 4.5.1 Migration Flows and the Remittance Economy

Labour migration has been a defining feature of Bangladesh's development trajectory since the 1970s. From a modest base of fewer than 7,000 departures in 1976, the annual outflow of Bangladeshi workers has grown exponentially. The country dispatched a record 1,135,873 workers in 2023, and despite a brief normalization to 1,011,969 in 2024, the figures rebounded by 12 per cent to approximately 1,131,173 in 2025. These volumes showcase Bangladesh's growing position as a labour-exporting nation globally. The fiscal and social returns generated by this workforce are substantial; yet persistent structural weaknesses in the composition, cost, and governance of migration continue to limit the sector's full developmental potential.

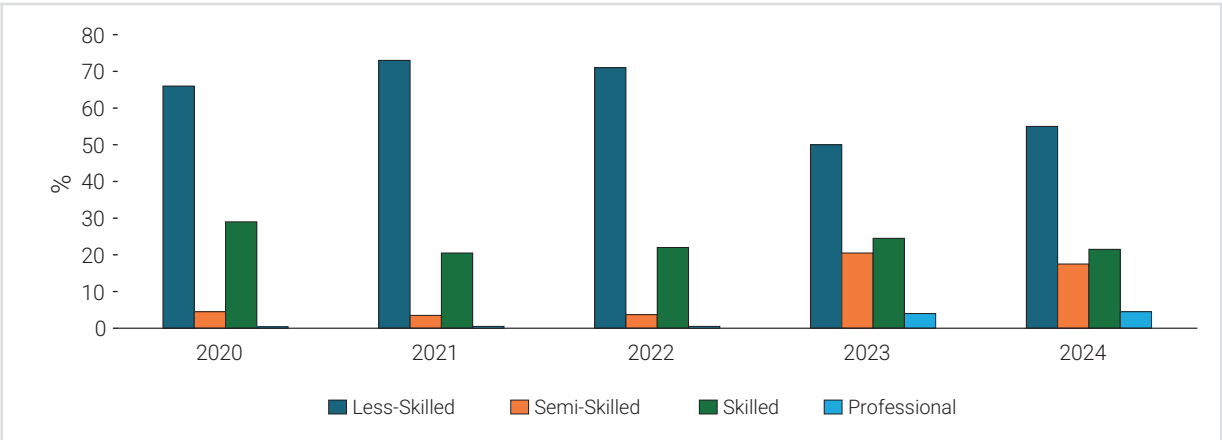
**Table 4.9: Overseas Employment and Remittance Inflow, 2016–2026**

| Fiscal Year | No. of Overseas Workers | Remittance Inflow (Million USD) |
|---|---|---|
| 2025 | 1,131,173 | 30328.81 |
| 2024 | 1,011,969 | 23912.22 |
| 2023 | 1,135,873 | 21610.73 |
| 2022 | 617,209 | 21031.68 |
| 2021 | 217,669 | 24777.71 |
| 2020 | 700,159 | 18205.01 |
| 2019 | 734,181 | 16419.63 |
| 2018 | 1,008,525 | 14981.69 |
| 2017 | 757,731 | 12769.45 |
| 2016 | 555,881 | 14931.18 |

*Source: Bureau of Manpower, Employment and Training (BMET), Bangladesh Bank 2026*

The skills profile of departing workers presents a concern that is both longstanding and deteriorating. BMET data for 2024 show that 55.12 per cent of deployed workers were classified as less-skilled and 17.79 per cent as semi-skilled, meaning that around 72 per cent of all departing workers fell below the skilled threshold. This proportion worsened slightly relative to 2023, when the combined less-skilled and semi-skilled share stood at approximately 71 per cent. The consequences are direct and measurable: unskilled and semi-skilled workers command lower wages, are more exposed to exploitation, have less recourse in disputes, and generate lower remittances per worker than their skilled counterparts. Despite deploying comparable or greater numbers of workers than the Philippines and Pakistan, Bangladesh ranks eighth globally in absolute remittance receipts. Both comparator countries, which have invested systematically in skills-based migration policy, rank considerably higher. The persistence of this performance gap is a structural policy problem that no volume of additional low-skilled deployments will resolve.

*Figure 4.6: Overseas employment by skill category*




*Source: BMET, Bangladesh Statistical Yearbook 2024*

### 5.1.1 Remittance Contribution to GDP, Household Income, and Poverty Reduction

Remittances remain a critical pillar of Bangladesh's economy. Inflows increased from USD 14.9 billion in 2016 to USD 30.3 billion in 2025, a 103.4 per cent rise, with 2025 recording the highest annual increase on record at 26.8 per cent. In FY2024–25, remittances reached 6.57 per cent of GDP, playing an important role in supporting foreign exchange reserves and external sector stability during a period of macroeconomic stress.

**Table 4.10: Remittance Inflows as a Percentage of GDP and Export Earnings, FY 2018–19 to FY 2024–25**

| Fiscal Year | Remittance as % of GDP | Remittance as % of Export Earnings |
|---|---|---|
| FY 2018–19 | 4.67 | 41.46 |
| FY 2019–20 | 4.87 | 56.68 |
| FY 2020–21 | 5.95 | 67.14 |
| FY 2021–22 | 4.57 | 42.71 |
| FY 2022–23 | 4.79 | 49.84 |
| FY 2023–24 | 5.21 | 58.59 |
| FY 2024–25 | 6.57 | – |

*Source: Bangladesh Bank, Monthly Economic Trends (January 2026); Bangladesh Bank, Workers' Remittance during the month of January 2026. (R) Revised. (P) Provisional. FY 2024–25 export earnings ratio not yet published at time of writing.*

At the household level, remittances contribute significantly to income diversification and poverty reduction, particularly in high-migration districts, while supporting expenditure on education, health, housing, and small businesses. However, most remittance inflows continue to finance consumption rather than productive investment, limiting their long-term developmental impact. The continued use of informal transfer channels (Hundi), despite the Government's 2 per cent cash incentive scheme, also remains a major challenge due to exchange rate gaps and weaknesses in formal banking services.

### 4.6 Policy Matrix for Employment and Decent Work

Bangladesh's employment policy architecture is scattered across multiple ministries and sectoral strategies with weak integration. The National Employment Policy 2022, National Skills Development Policy 2011, Bangladesh Labour Act 2006, and National Social Security Strategy (NSSS) 2015 represent the principal frameworks, yet their implementation remains uncoordinated and underfunded. The FYSF strategy operates within this inherited policy landscape while proposing specific reforms to strengthen integration, address identified gaps, and align employment objectives with food security and decent work targets.

**Alignment with the Manifesto and Policy Instruments for Employment and Decent Work**

| Manifesto Commitment (2026 Election Manifesto) | Operationalisation Pathway in This Framework | Relevant Policy Instrument(s) | Lead Ministry | FY2031 Endpoint / Target |
|---|---|---|---|---|
| 2 million new jobs abroad per year through 2031 | Skills upgrading; SME credit; export diversification; overseas employment corridor development | TVET Reform & Quality Assurance; National Digital Skills Authority; Career Portal & LMIS; SME Credit & Farmer Card Integration | Ministry of Education; ICT Division; Ministry of Labour & Employment; Ministry of Industries | 1.25M TVET students; 5M digitally certified workers; 2M LMIS users; BDT 10,000 Cr SME credit |
| Reduce poverty rate | Living wage reform; formalisation incentives; Family Card social protection bridge | Biennial Minimum Wage Review; Equal Pay Legislation; SME Credit & Farmer Card Integration | Ministry of Labour & Employment; Ministry of Industries, GED | BDT 21,500+ RMG wage; 2%+ annual real wage growth; gender wage gap reduced to 8% |
| Digital skills and innovation | TVET reform; ICT sector employment; university-industry linkage | TVET Reform & Quality Assurance; University-Industry Linkage; National Digital Skills Authority | Ministry of Education; UGC; ICT Division | 85% graduate employment rate; 5M digitally certified workers |
| Female economic empowerment | Female TVET; workplace childcare; Female Skilled Migration Strategy | Equal Pay Legislation; TVET Reform & Quality Assurance | Ministry of Labour & Employment; Ministry of Education | 40% female TVET participation; gender wage gap reduced by 50% |
| LDC graduation, investment climate improvement | FDI promotion; SEZ development; regulatory reform; export diversification | Agro-Food Investment Facilitation; SEZ & EPZ Expansion (Agro) | Ministry of Industries; BIDA | 500 enterprises; 250K jobs; 4 SEZs operational |

| Manifesto Commitment (2026 Election Manifesto) | Operationalisation Pathway in This Framework | Relevant Policy Instrument(s) | Lead Ministry | FY2031 Endpoint / Target |
|---|---|---|---|---|
| Rural development and agriculture modernisation | Farmer Card (launched 14 April 2026); agro-processing EPZs; rural value chains | SME Credit & Farmer Card Integration; Agro-Food Investment Facilitation; SEZ & EPZ Expansion (Agro) | Ministry of Industries; BIDA; Ministry of Agriculture | 100K enterprises financed; BDT 10,000 Cr credit; 200K SEZ workers |

*A detailed matrix and enforcement framework for each instrument has been provided in Appendix.*

## 4.7 Conclusion

Bangladesh stands at an inflection point. The closing demographic dividend window, the persistence of jobless growth, the graduation from LDC status, and the structural skills and investment deficits together define a moment of urgency that the FYSF is designed to meet. The good news is that the structural conditions for a more employment-intensive growth trajectory exist: a large and young labour force, a growing domestic market, an established export base in RMG, a massive and largely untapped remittance-linked investment potential, an increasingly educated female workforce, and a government that has demonstrated, through LDC graduation, poverty reduction, and economic management over difficult external conditions, that development ambitions can be converted into outcomes.

The challenge is governance: building the institutional capacity, policy coherence, and political commitment needed to convert aspiration into action at the scale and speed that the employment challenge demands. The FYSF is the Government's commitment to that governance challenge. Its success will be measured in the employment outcomes experienced by Bangladeshi workers, in the wages they receive, the rights they can exercise, the security they enjoy, and the prosperity they can share with their families and communities.

The evidence assembled in this Framework leaves little room for ambiguity about the scale of the task. The LFS 2024 final report records 71.72 million Bangladeshis in the labour force, of whom 2.62 million are unemployed and roughly half; 1.31 million are aged 15 to 24. Informality reaches 92.66 per cent of youth employment, the youth (15–29) labour force already stands at 24.83 million, and a further 8.56 million young Bangladeshis are not in employment, education or training.

Three converging deadlines convert this scale into urgency. First, the demographic dividend window closes by approximately 2042, after which the dependency ratio will rise and the costs of inaction compound rapidly. Second, LDC graduation in 2029 will end Everything-But-Arms tariff preferences and expose approximately 14 per cent of national exports to new tariff costs the majority of which would fall on the garment sector, unless productivity gains, export diversification, and demonstrable labour-rights compliance are in place. Third, the Fourth Industrial Revolution is reshaping the skills demanded by the RMG sector, Bangladesh's 3.7-million-worker formal-employment anchor, at a pace that requires the TVET, university, and lifelong-learning systems to adapt within this plan period, not the next.

The strategic imperative is therefore not whether to act but how decisively. Every quarter of delay narrows the demographic window, deepens the structural skills deficit, and compounds the cost of post-LDC adjustment. The FYSF translates this urgency into time-bound, costed, and institutionally owned commitments. Bangladesh has demonstrated, through the lifting of millions out of poverty and the disciplined navigation of LDC graduation, that ambition can be converted into outcomes. The same discipline, applied now to employment and decent work, will determine whether the next decade is remembered as the one in which Bangladesh harvested its demographic dividend or the one in which it allowed that opportunity to pass. The Government commits, through this Framework, to choosing the former.

# ANNEX

## Projected Employment during the FYSF Period (10 million workers)

### Five Year Strategic Framework (July 2026 - June 2031)

| Sector | FY2026 (Base) | FY2027 | FY2028 | FY2029 | FY2030 | FY2031 |
|---|---|---|---|---|---|---|
| **A. Domestic Employment (million workers)** | | | | | | |
| Agriculture | 30.85 | 30.96 | 31.07 | 31.20 | 31.32 | 31.44 |
| Industry | 12.00 | 12.52 | 13.13 | 13.80 | 14.53 | 15.32 |
| (Manufacturing) | 8.00 | 8.36 | 8.78 | 9.24 | 9.74 | 10.28 |
| (Construction etc.) | 4.00 | 4.16 | 4.35 | 4.56 | 4.79 | 5.04 |
| Services | 26.24 | 27.18 | 28.23 | 29.39 | 30.68 | 32.11 |
| **Total Domestic Employment** | **69.09** | **70.66** | **72.43** | **74.39** | **76.53** | **78.87** |
| **B. Overseas Employment (annual deployment, million workers)** | | | | | | |
| Overseas deployment | 1.12 | 1.18 | 1.25 | 1.33 | 1.44 | 1.58 |
| Women employment (in actual numbers) | 67200 | 117600 | 149587 | 200072 | 259294 | 316915 |
| **C. Total Employment** | **70.21** | **71.84** | **73.68** | **75.72** | **77.97** | **80.45** |

**Notes**

1. Domestic employment is projected to increase by approximately 9.78 million over the FYSF period, from 69.09 million (FY2026) to 78.87 million (FY2031).
2. Overseas annual deployment is projected to grow from 1.12 million (FY2026) to 1.58 million (FY2031) at approximately 7.5% per year, based on BMET trends (2022-2025). Cumulative overseas deployment over the FYSF period totals approximately 6.53 million workers. These figures represent gross annual deployment (excluding returnees) as reliable stock data on Bangladeshi workers currently abroad is unavailable. The share of women's overseas employment will reach 20% in FY2031.
3. Combining both domestic and overseas employment, the total employment is projected to increase by approximately 10.24 million workers over the FYSF period.
4. Methodology: Sectoral employment growth = sectoral GDP growth rate x sectoral employment elasticity, applied to the LFS 2024 baseline.
5. GDP growth path: 4.2% (FY2026), 6.5% (FY2027), 7.0% (FY2028), 7.5% (FY2029), 8.0% (FY2030), 8.5% (FY2031).
6. Employment elasticities: Agriculture 0.10; Manufacturing 0.45; Construction/mining 0.50; Services 0.55. Based on observed elasticities (2010-2017) with adjustments reflecting the formalisation agenda.
7. Baseline: LFS 2024 total employed 69.09 million (Agriculture 44.67%, Industry 17.37%, Services 37.96%).

**Source:** *Authors' projections based on BBS Labour Force Survey 2024, FYSF GDP growth targets, sectoral employment elasticities, and BMET overseas employment data. All parameters are open for revision.*

## Supply-Side Instruments (4) - Targets & Enforcement

| Supply-Side Instrument | Baseline (Fy2024) | Fy2031 Target | Enforcement Mechanism |
|---|---|---|---|
| 1. TVET Reform & Quality Assurance (2.5% -25% enrolment) | • 2.5% enrolment (~300K)<br>• Fragmented across multiple regulators<br>• <50% employer satisfaction | • 25% enrolment (1.25M)<br>• 40% female students<br>• 80%+ employer satisfaction | • Annual curriculum audit (BTEB)<br>• International certification (biennial)<br>• Employer satisfaction surveys<br>• Enrolment tracking by district |
| 2. University-Industry Linkage (90% - 85% graduate employment in 6 months) | • <10% universities with industry councils<br>• ~60% employment within 6 months | • 80% universities with councils by FY2028<br>• 100% STEM with internships<br>• 85% employment within 6 months | • Annual UGC monitoring<br>• Graduate employment tracking<br>• Employer feedback integration<br>• Performance-linked funding |
| 3. Digital Skills Authority (5M certified workers) | • Fragmented training, no unified standards,<br>• ~500K informal certificates | • 5M workers with international certifications (CompTIA, Microsoft, Google) | • Quarterly certification audits<br>• Provider accreditation reviews<br>• Annual district assessments |
| 4. Career Portal & LMIS (2M users, 40% placement) | • No integrated LMIS, manual job matching, opaque labour market | • 2M active users 50K monthly vacancies posted<br>• 40% job-seeker placement within 3 months | • Quarterly usage metrics<br>• User satisfaction surveys<br>• Placement rate tracking<br>• Mobile-first access (SMS/IVR) |

## Demand-Side Instruments (3) - Targets & Enforcement

| DEMAND-SIDE INSTRUMENT | BASELINE (FY2024) | FY2031 TARGET | ENFORCEMENT MECHANISM |
|---|---|---|---|
| 5. Agro-Food Investment Facilitation (Food-system adjacent jobs) | • Limited agro-processing infrastructure<br>• Scattered small enterprises <BDT 500 Cr annual credit | • 500 new food enterprises<br>• BDT 5,000 Cr investment<br>• 250,000 direct jobs<br>• USD 2B agro-processing exports | • Annual investment tracking by BIDA<br>• Enterprise profitability monitoring<br>• Job creation verification (wage bills)<br>• 6 district industrial estates |
| 6. SEZ & EPZ Expansion (4 agro-processing SEZs, 200K workers) | • RMG-focused EPZs only<br>• Minimal food-processing zones<br>• No agro-specialization | • 4 agro-processing SEZs operational by FY2029<br>• BDT 2,500 Cr infrastructure<br>• 200,000 workers in food-processing | • Quarterly occupancy tracking<br>• Annual investment reports<br>• Job creation verification<br>• Locations: Rajshahi, Mymensingh, Barisal, Khulna |
| 7. SME Credit & Farmer Card Integration (BDT 10,000 Cr credit) | • Limited agro-enterprise credit<br>• Farmer Card launched April 2026<br>• <BDT 1,000 Cr annual agro-credit | • BDT 10,000 Cr credit disbursed<br>• 100,000 new agro-enterprises<br>• 50 rural employment finance centres<br>• Women-targeted credit line | • Credit disbursement tracking<br>• Default rate cap (max 8%)<br>• 12-month viability assessment<br>• Farmer Card collateral integration |

## Protective Instruments (4) - Targets & Enforcement

| Protective Instrument | Baseline (Fy2024) | Fy2031 Target | Enforcement Mechanism (5+ Mechanisms Each) |
|---|---|---|---|
| 8. Biennial Minimum Wage Review (Food CPI Indexed)<br><br>Formula: Wage(N) = Wage(N-1) × [1 + (0.60×Food CPI) + (0.40×Productivity)] | • RMG: BDT 12,500<br>• Living wage: BDT 23,000<br>• 5-year review intervals<br>• No indexation<br>• Real wages declining | • FY2027: BDT 18,000 (44%↑)<br>• FY2029: BDT 21,500 (72%↑)<br>• FY2031: BDT 24,500+<br>• Real wage growth ≥2% annually<br>• Biennial review cycle Food CPI formula | • Statutory deadline: June 30 (Parliament oversight)<br>• Monthly DIFE audits (10%)<br>• Quarterly BBS wage tracking<br>• Annual real wage verification<br>• International wage comparison<br>• Focus on increasing the productivity of the labour so that they will have their buying capacity. |
| 9. Equal Pay Legislation & Gender Wage Gap Reduction<br><br>50% gap reduction target | • Adjusted gap: 15.9%<br>• Raw gap: 21%<br>• No enforcement mechanism<br>• <10% payroll audits<br>• No back-pay recovery | • 8% adjusted gap (50% reduction)<br>• Payroll audits: 500+ by FY2028<br>• Public dashboard: Quarterly<br>• Equal pay certification<br>• Buyer market premium: 2-3% | • Biennial payroll audits (DIFE spot-checks 10%)<br>• Back-pay enforcement (Labour court, 60-day, 24% interest)<br>• Public dashboard quarterly<br>• Buyer certification programme<br>• Market price premiums |
| 10. OSH Enforcement Expansion | • 1,000 DIFE inspectors<br>• 350,000+ establishments<br>• 1 inspection per 7 years<br>• Systematic underreporting | • 2,000 DIFE inspectors<br>• 1 inspection per 2 years<br>• Compulsory accident/disease reporting<br>• 500+ annual disease cases | • Inspector recruitment plan<br>• Compulsory reporting system<br>• Sector-specific standards<br>• OSH certification programme<br>• Monthly inspection scheduling |
| 11. Trade Union Rights & Collective Bargaining Framework | • 30% membership threshold<br>• Anti-union discrimination<br>• No sectoral bargaining<br>• <10% worker awareness | • Threshold: 10% (ILO standard)<br>• Sectoral bargaining: RMG by FY2028 Expanded to Food/ Construction/<br>• Agriculture 20% worker awareness | • BLA amendment (FY2027)<br>• Labour court enforcement<br>• DIFE discrimination investigation<br>• Sectoral wage councils<br>• Union capacity-building (ILO) |

## Inter-Ministry Coordination - 9 Coordinating Bodies

| No | Coordinating Body | Lead Ministry | Frequency | Core Responsibility |
|---|---|---|---|---|
| 1 | Employment Coordination Committee (ECC) | Ministry of Labour & Employment | Monthly | Overall employment strategy coordination<br>Inter-ministerial alignment<br>Master implementation dashboard |
| 2 | LMIS Steering Committee | Ministry of Labour & Employment (DES) | Quarterly | Labour market data integration<br>Quarterly LMIS bulletins<br>Supply-demand alignment |
| 3 | Food-Employment Value Chain Coordination Group | Ministry of Food (with MoLE) | Bi-monthly | Food-employment integration<br>Agro-value chain mapping<br>Annual agro-employment reports |
| 4 | Family Card Employment Integration Task Force | Ministry of Social Welfare | Monthly | Social protection + employment linkage<br>Family Card extension to workers<br>Monthly progress to Cabinet |
| 5 | Skills Development Coordination Council | National Skills Development Authority | Quarterly | Skills supply-demand alignment<br>Curriculum coordination<br>Annual skills gap reports |
| 6 | Migration Governance & Worker Protection Committee | Ministry of Expatriates' Welfare | Bi-monthly | Overseas employment pathway<br>Bilateral labour agreement compliance<br>Annual MOU compliance reports |
| 7 | Sectoral Wage Review Councils | Ministry of Labour & Employment (Minimum Wage Board) | Quarterly monitoring Biennial review | RMG, Food, Construction, Agriculture<br>Wage standards & collective bargaining<br>Quarterly wage monitoring |
| 8 | Gender Equity & Female LFPR Task Force | Ministry of Women's Affairs | Quarterly | Female employment targets enforcement<br>Gender wage gap monitoring<br>Workplace conditions improvement |
| 9 | FYSF Employment-Food Security Integration Committee | Planning Commission (GED) | Quarterly | Overall FYSF employment-food security integration<br>Annual FYSF implementation review<br>Cross-chapter coordination |

## Strategic Matrix for Employment and Decent Work- 3R Framework

### Phase I: Recovery- Employment Stabilisation and Emergency Response (1 Year)

| Activity | Lead Agency | Target Beneficiaries |
|---|---|---|
| Activate Emergency Employment Support Programme (EESP) | MoLE / WEWB | 150,000 retrenched workers |
| Establish rapid skills retraining modules (Food processing, Cold chain, Construction) | Ministry of Education (DTE) + BMET | 50,000 workers retrained |
| Scale Family Card to garment-sector-dense districts (Dhaka, Gazipur, Narayanganj, Jashore, Khulna) | Ministry of Social Welfare | 200,000 wage-dependent household heads (80% female) |
| Establish tri-partite employment stabilisation councils in garment, food, transport sectors | MoLE | Policy guidance for 3 major employment sectors |
| Gender Equity Task Force and female labour programme launch | Ministry of Women's Affairs + MoLE | 10,000 female workers in retrained Programmes; Childcare pilot in 5 garment factories |

### Phase II: Restoration- Employment Restoration and Institutional Reform (1-3 Years)

| Activity | Lead Agency | Target Output |
|---|---|---|
| Complete TVET curriculum revision for 50 occupations | Ministry of Education (DTE) + NSDA | 50 occupational curriculum frameworks aligned with labour demand |
| Establish National Labour Market Information System (NLMIS) - Full Operation | MoLE + BBS + ICT Division | Real-time LMIS with quarterly reports; 50+ employer data partnerships |
| Establish sectoral wage councils with data systems | Minimum Wage Board / MoLE | Quarterly wage reports for RMG, Food, Construction, Agriculture; wage database |
| National Digital Skills Authority establishment and accreditation | ICT Division / Prime Minister's Office | NDSA functional; 100 training providers accredited; Competency standards published |
| Career Portal launch with job-matching functionality | MoLE + ICT Division | Operational platform with 100k+ users and employer integration |
| Bilateral labour agreement compliance and domestic implementation | Ministry of Expatriates' Welfare + Foreign Ministry | Compliance baselines established; Enhanced MOUs with 3 destination countries |
| Female skilled migration pathway development | Ministry of Expatriates' Welfare + Ministry of Women's Affairs + Ministry of Chittagong Hill Tracts Affairs | Female skilled migration strategy document; 2,000 female workers in pathway; MOU with 2 destination countries |
| Food-Employment Value Chain Coordination establishment | Ministry of Food + MoLE + Ministry of Industries | Value chain mapping; Policy coordination mechanism operational |
| University-Industry Linkage strengthening | UGC + Ministry of Education + FBCCI | 40 universities with functional Industry Advisory Councils |

## Phase III: Reconstruction- Employment Growth Acceleration and Sectoral Transformation (3-5 Years)

| Activity | Lead Agency | FY2028 Target | FY2029 Target | FY2031 Target |
|---|---|---|---|---|
| Net new jobs in food-system-adjacent sectors (agro-processing, cold chain, fisheries, agri-services) | Ministry of Industries + Ministry of Food + Ministry of Agriculture | 200,000 jobs | 400,000 jobs | 600,000 jobs cumulative (1.2M over 3 years toward 1.85M target) |
| Agro-processing-focused SEZ establishment and operationalisation | BIDA + Ministry of Industries + Ministry of Food | Land acquisition and master planning (4 SEZs); 150 enterprises registered | Infrastructure 60% complete; 350 enterprises operational | 4 SEZs fully operational; 500+ enterprises; 200,000 workers employed |
| TVET enrolment scaling to 25% of secondary cohort | Ministry of Education (DTE) + NSDA | 10% enrolment (from 2.5% baseline); 500,000 students | 17% enrolment; 850,000 students | 25% enrolment; 1.25 million students |
| National Labour Market Information System (LMIS) expansion and integration | MoLE + BBS + Ministry of Education + BMET | Data from 1,000 employers; Quarterly LMIS reports disseminated to 500 training institutions | Data from 5,000 employers; Real-time vacancy posting (50,000 vacancies/month) | Fully integrated system; 10,000 employers; LMIS data feeds education and migration planning |
| Youth unemployment reduction (ages 15-24) | MoLE + Ministry of Education + Ministry of Expatriates' Welfare | Unemployment 4.8% (from 5.3%) | Unemployment 4.1% | Unemployment 3.5% (ILO standards) |
| Biennial minimum wage review implementation | Minimum Wage Board / MoLE | First biennial review (July 2027): RMG minimum BDT 18,000; Food processing BDT 15,000 | Second review (July 2029): RMG minimum BDT 21,500; Food BDT 18,000 | Real wage growth averaged 2%+ annually; Food CPI indexation mechanism operational |
| Gender wage gap reduction and female labour force participation improvement | Ministry of Women's Affairs + MoLE + BGMEA | Adjusted gender wage gap 12%; FLFPR 48% (from 40.9%) | Gender wage gap 11%; FLFPR 52% | Gender wage gap 8%; FLFPR 55% (target) |

| Activity | Lead Agency | FY2028 Target | FY2029 Target | FY2031 Target |
|---|---|---|---|---|
| Occupational Safety and Health (OSH) enforcement expansion | DIFE + Ministry of Labour & Employment | DIFE workforce 1,400 inspectors; Inspection frequency improves to 1 every 3 years | DIFE workforce 1,800 inspectors; Frequency improves to 1 every 2 years | DIFE workforce 2,000+ inspectors; 100% formal sector inspection coverage (1 every 2 years) |
| Trade union rights and sectoral collective bargaining | MoLE + ILO + ITUC | Union registration threshold reduced to 10%; Sectoral bargaining operational in RMG | Sectoral bargaining expanded to food processing and construction (100,000+ workers covered) | Sectoral bargaining covers 500,000+ workers across 4 sectors; Union awareness 20% of workforce |
| Female skilled migration and return worker reintegration | Ministry of Expatriates' Welfare + Ministry of Women's Affairs | 150,000 female workers in skilled migration pathways | 200,000 female workers in skilled migration; 30,000 returned migrants reintegrated | 317,000 female workers in skilled corridors; 60,000 return migrants reintegrated in productive employment |

## CLUSTER 3

# ECONOMIC DIVERSIFICATION AND BUILDING A COMPETITIVE AND RESILENT ECONOMY

# CHAPTER 5

# TRADE, INDUSTRY AND INFRASTRUCTURE

## 5.1 Background and Overview

### 5.1.1 Economic Concentration and the Current Growth Model

Bangladesh's economic growth record over the past decades has been characterised by sustained expansion in output and exports. However, this growth has been underpinned by a structurally narrow economic base that is now showing signs of stress. The prevailing development model, anchored in low-wage, labour-intensive production and supported by preferential market access for exports, enabled rapid industrial expansion, particularly through the ready-made garments (RMG) sector. At the current stage of development, this model is approaching its limits, with diminishing returns in productivity growth, export competitiveness, and employment absorption. It is therefore unlikely to deliver the next phase of structural transformation without a significant broadening of the productive base.

A defining feature of the economy is the high degree of concentration in production activities and exports. Manufacturing remains overwhelmingly dominated by the RMG industry, while other sectors, including pharmaceuticals, light engineering, agro-processing, and electronics, have yet to achieve scale, competitiveness, and sustained export presence. Agriculture continues to concentrate in traditional, low-value activities, with limited diversification into higher-value segments. The services sector, despite its increasing share in GDP, remains largely concentrated in low-productivity and informal activities. This reflects a pattern of incomplete structural transformation and limited expansion of a diversified production base.

Limited diversification constrains the development of productive capabilities; weak capabilities discourage investment in new sectors; and existing policy and incentive structures continue to favour established activities. This has resulted in a low diversification equilibrium, where growth remains dependent on a narrow base with diminishing returns. As Bangladesh progresses to the next stage of development, this structurally constrained model is increasingly inadequate to generate the required productivity gains, employment opportunities, and economic resilience. Breaking out of this low-value equilibrium will require a fundamental shift toward a more diversified, competitive, and outward-oriented economic structure. Without such a transition, the economy faces heightened vulnerability, slower structural transformation, and growing challenges in sustaining long-term growth in an increasingly competitive global environment.

### 5.1.2 Narrow Economic Base Intensifying LDC Graduation Challenges

Bangladesh's graduation from Least Developed Country (LDC) status represents a major transition in its development path., graduation-related adjustments are likely to intensify the challenges associated with a narrow and insufficiently diversified economic base. Bangladesh has benefited for many years from preferential market access, special and differential treatment, and access to relatively concessional external finance. As these advantages are forgone or reduced after graduation, underlying weaknesses

in the current growth model will become more binding. Graduation, therefore, should not be seen only as a change in international classification but also a test of whether Bangladesh's production, export and institutional systems are strong enough to compete under less favourable external conditions.

The most immediate challenge will arise from the erosion of preferential market access. Bangladesh's export performance has been closely linked to duty-free and quota-free access in key markets, particularly for RMG. The withdrawal of such preferences will affect price competitiveness, especially where tariff margins are significant. Because the export basket remains highly concentrated, any adverse shock affecting a single major sector could have disproportionate consequences for overall export earnings and the wider economy.

Graduation will also reduce certain forms of policy flexibility available to Bangladesh as an LDC. The loss of some special and differential treatment provisions, including flexibilities related to export support and intellectual property, may constrain the use of selected policy instruments. This will occur at a time when the economy needs stronger support for productive capability development, technology upgrading, standards compliance, and entry into higher-value activities. The challenge, therefore, is not simply that some policy space will narrow, but that this narrowing will coincide with a period when structural transformation needs to accelerate.

### 5.1.3 Alignment with the Government's Election Manifesto

The Government's election manifesto explicitly acknowledges the structural vulnerability of Bangladesh's economy, its high dependence on a narrow export base dominated by the ready-made garments (RMG) sector, and positions economic diversification as a central pillar of its reform agenda. In the context of impending LDC graduation, the manifesto recognises that the erosion of preferential market access will intensify existing competitiveness pressures, making diversification not just desirable but imperative. The proposed strategic response is therefore anchored in a long-term structural transformation toward a more resilient, diversified, and competitive economy capable of sustaining growth in a post-LDC environment.

| Manifesto actions | Details |
|---|---|
| A Trillion-dollar Economy | • Transform Bangladesh into a trillion-dollar economy by 2034<br>• Shift from debt-driven growth to private investment, productivity, and innovation-led growth<br>• Raise FDI from 0.45% to 2.5% of GDP<br>• Increase ICT sector contribution to 5–10% of GDP<br>• Expand the creative economy to 1.5% of GDP and generate substantial employment |
| Reduce export concentration and expand into higher-value sectors | • Develop new export industries such as pharmaceuticals, agro-processing, leather and footwear, light engineering, and jute-based products, handicraft, semiconductor and IT enable services.<br>• Address concentration within RMG exports<br>• Peruse bilateral and multilateral Trade Agreements with ASEAN, GCC, EU, and BIMSTEC and other trade platform.<br>• Integrate SMEs into global e-commerce platforms<br>• Improve investment climate through single-window clearance, digital regulatory processes, faster profit repatriation, and specialised commercial courts |

| Manifesto actions | Details |
|---|---|
| Emphasis on spatial transformation and regional balance | • Move away from Dhaka-centric growth<br>• Develop Chattogram as a commercial hub<br>• Establish agro-industrial zones in the northern region<br>• Introduce targeted development strategies for coastal and haor areas<br>• Support urban decentralisation through satellite towns, mass transit expansion, and improved urban planning |
| Infrastructure and logistics | • Invest in multimodal connectivity, including national expressways, modern rail, expanded ports, and logistics hubs<br>• Develop water highways and digital logistics platforms<br>• Upgrade airports to improve connectivity<br>• Reduce trade costs and improve supply chain efficiency<br>• Enable non-traditional sectors to scale and integrate into global value chains |
| Human capital development and sustainability | • Expand technical and vocational education<br>• Establish a National Digital Skills Authority<br>• Promote advanced skills in AI, data science, and cybersecurity<br>• Invest in renewable energy, green industrial policies, and environmental restoration<br>• Ensure diversification is inclusive, sustainable, resilient, and future-ready |

### 5.1.4 Strategic Imperative for Economic Diversification and Structural Transformation

The persistence of a structurally narrow economic base, combined with the additional pressures associated with LDC graduation, underscores the need for a clear shift in Bangladesh's development strategy. Despite regular emphasis, progress on economic diversification has been constrained by fragmented implementation, policy inconsistencies, and weak institutional coordination. At the current stage of development, incremental adjustments will not be sufficient. There is a need for a coordinated transformation that can move the economy towards a broader, more competitive, and more resilient productive structure. This direction is consistent with the Government's election manifesto, which places emphasis on export diversification, private sector development, investment, employment, and institutional reform as key elements of future development strategy. The Smooth Transition Strategy (STS) for LDC graduation also points in this direction by emphasising the need to move towards a high-road economic development path, combining productivity growth, competitiveness, export diversification, skills upgrading, technological capability, standards compliance, and deeper integration into regional and global markets.

Going ahead, economic diversification, particularly export and industrial diversification is to be regarded as the central pathway for building a more resilient, competitive, and inclusive economy. This strategic framework, therefore, focuses on operationalising this transition through sequenced reforms, clear institutional responsibilities, measurable outcomes, and sustained policy coordination.

## 5.2 Constraints to Diversification

### 5.2.1 Economic Concentration

Despite sustained economic growth over several decades, Bangladesh's narrow productive base continues to constrain deeper structural transformation. This concentration is evident across agriculture, manufacturing and services, although it takes different forms in each sector.

**Agriculture:** In agriculture, the share of the sector in GDP has declined sharply, from about 33 per cent in 1990 to less than 12 per cent in 2024. However, production remains concentrated in relatively low-value activities, particularly traditional crop production. Although fisheries, vegetables, spices and other higher-value segments have expanded, the sector continues to be dominated by smallholder farming, weak mechanisation, limited adoption of modern inputs, and insufficient integration with agro-processing and organised value chains. As a result, agricultural diversification has not yet generated productivity gains, income diversification, and rural transformation required for a more dynamic economic structure.

**Manufacturing:** Manufacturing has emerged as a key driver of growth, with its share in GDP rising to about 22% in 2025, yet the sector remains highly concentrated in a narrow set of low-technology industries. The ready-made garments (RMG) sector alone accounts for nearly 35% of total manufacturing value-added, and when combined with food processing (12.2%) and textiles (10.6%), these three subsectors represent almost 60% of the sector's output. In contrast, higher-value and technology-intensive industries—such as machinery, electronics, and transport equipment—each contribute less than 1–3% of value-added and have recorded only modest growth. This concentration reflects limited industrial upgrading and weak domestic supply-chain integration, with continued reliance on imported intermediate inputs. As a result, manufacturing has yet to evolve into a diversified and innovation-driven ecosystem capable of supporting productivity growth, export sophistication, and resilience.

**Service:** The services sector, while expanding in size, exhibits a similar pattern of structural concentration and low productivity. Wholesale and retail trade, transportation, and real estate together account for nearly two-thirds of total services value-added, with wholesale and retail trade alone contributing about 28.2% and real estate 15.5% as of FY2025. These activities are largely informal and non-tradable, offering limited scope for productivity gains or export diversification. Modern, high-value services, such as information and communication technology (1.9%), professional services (0.4%), and finance (6.2%), remain underdeveloped. Growth in services has therefore been driven more by expansion in scale rather than improvements in efficiency or technological sophistication. The limited integration of services into global value chains, coupled with weak digital adoption and infrastructure gaps, constrains their potential to support industrial competitiveness and broader economic transformation.

**Employment Pattern in Different Sectors:** Agriculture's share in output has fallen substantially, yet its share in employment remains high and has even risen in recent years, increasing from 40.6 per cent before the COVID-19 shock to 44.4 per cent in 2023. At the same time, industrial output, including manufacturing, has expanded, but its employment share has fallen. Manufacturing employment, despite strong growth, declined in absolute terms over the last decade. This points to a weakening of the traditional pathway through which labour moves from agriculture into more productive industrial employment.

The above trends suggest a pattern of shallow structural transformation. More productive sectors are not absorbing labour on a sufficient scale, while agriculture and services continue to hold a large share of workers in low-productivity and informal activities. With around 85 per cent of employment remaining informal, the economy has not generated the expected shift towards formal, higher-productivity jobs. In a more effective process of structural transformation, the share of formal employment would rise as workers moved into more productive firms and sectors. Bangladesh's current pattern of concentration has instead allowed informality to remain dominant, limiting productivity gains, weakening job quality, and constraining the broader transition towards a diversified economy.

### 5.2.2 Narrow Export Basket

Limited economic diversification is reflected in Bangladesh's export structure, which remains exceptionally concentrated in apparel, making the country's export basket one of the least diversified globally and about four times more concentrated than the average for developing countries. UNCTAD's export diversification index, which measures the extent to which a country's export structure differs from the world average and ranges from 0, indicating a structure close to the world average, to 1, indicating the highest level of concentration, places Bangladesh at 0.87 compared with the LDC average of 0.66. This gap is even more pronounced when Bangladesh is compared with more diversified Asian economies such as China, India, Indonesia and Viet Nam.

The role of new products in Bangladesh's export growth has been very limited. Export growth can take place through higher sales of existing products, known as the intensive margin, or through the introduction of new products, known as the extensive margin. Analysis using disaggregated HS8-digit data shows that new products account for less than 5 per cent of Bangladesh's export growth, while more than 99 per cent of growth comes from the intensive margin, that is, selling more of the same products (Taskforce Report, 2025). By contrast, new products contributed nearly 78 per cent of Malaysia's export growth, 42 per cent of Viet Nam's, and 32 per cent of China's, indicating a much stronger process of export diversification in these comparator economies.

Over 70 per cent of Bangladesh's garment exports are cotton-based, despite global demand shifting toward non-cotton and man-made fibre (MMF) products, which account for 57% of global apparel trade. This dual concentration – both across sectors and within its dominant sector – significantly heightens vulnerability to external demand shocks and evolving consumer preferences, limiting the sector's adaptability and long-term competitiveness.

Bangladesh's export concentration is also evident in its limited market reach. Around 70 per cent of Bangladesh's exports go to the top 10 destination markets, while overall market penetration is significantly lower than that of regional peers. This creates a critical vulnerability in the context of LDC graduation, as preference erosion will make competitiveness depend increasingly on diversification, product upgrading and market expansion, areas where progress has so far been limited.

### 5.2.3 Constraints to Economic Diversification

Bangladesh's diversification challenge is fundamentally systemic, rooted not in the underperformance of individual sectors but in a set of interlocking structural constraints that reinforce one another. Moving beyond a narrow production base requires a reconfiguration of the entire economic system, where production capabilities, institutional quality, and macro-structural conditions evolve in tandem. In Bangladesh, persistent dominance of low-complexity activities limits technological learning, while weak market access and shallow domestic demand reduce incentives for firms to explore new products and markets. These constraints are compounded by underdeveloped financial systems that discourage risk-taking, infrastructure gaps that raise costs and reduce competitiveness, and human capital limitations that hinder technology adoption. At the same time, limited fiscal space constrains public investment in critical areas such as education, logistics, and innovation, while governance weaknesses and policy incoherence distort incentives and favour incumbent sectors. These factors create a self-reinforcing "coordination failure" equilibrium, where firms, investors, and the state are unable to move collectively toward higher-value activities, thereby trapping the economy in a cycle of low diversification, weak productivity growth, and heightened vulnerability to shocks.

| Constraints | Details |
|---|---|
| Production-side constraints | • Limited accumulation of productive capabilities, including skills, technology, finance, standards compliance, and institutional support<br>• Productive capabilities remain unevenly distributed and concentrated in a narrow set of activities<br>• MSMEs face constraints in finance, technology, market access, and formal value-chain integration<br>• Manufacturing growth remains largely driven by RMG, with limited diversification into new industries or higher-value functions<br>• Weak innovation systems, limited industry-academia collabouration, low technology absorption, and fragmented firm networks hold back diversification<br>• Old fashioned technology and productivity |
| Infrastructural bottlenecks | • Infrastructure expansion has not fully translated into effective service delivery<br>• Economic activity remains concentrated in Dhaka–Gazipur–Narayanganj and Chattogram<br>• Peripheral and lagging regions have limited access to infrastructure, markets, and industrial services<br>• Logistics costs remain high, with weaknesses in customs, infrastructure, ports, and logistics services<br>• Energy reliability, gas shortages, utility service gaps, and weak multimodal connectivity raise production costs and limit diversification |
| Constraints in transport and communication systems | • Transport investments have not produced an efficient, integrated, and high-performing system<br>• Roads remain dominant but suffer from severe congestion, low truck speeds, weak road safety, and poor urban mobility<br>• Rail remains underdeveloped due to single-track bottlenecks, mixed gauge systems, low service frequency, and delayed priority projects<br>• Aviation and inland waterways remain underutilised or constrained by capacity, safety, navigability, and infrastructure gaps<br>• Weak integration across transport mode<br>• Digital infrastructure remains inadequate, with weak broadband access, limited fibre backbone, low redundancy, and fragmented public digital systems |
| Policy and business climate constraints | • Trade and industrial policy remain misaligned with export-led growth objectives<br>• High tariffs and para-tariffs create anti-export bias and favour domestic-market-oriented production<br>• RMG benefits from a distinct policy regime, while other sectors do not receive similar support<br>• Business climate weaknesses persist in contract enforcement, taxation, utility services, dispute resolution, automation, digital transformation, one stop service and trade facilitation<br>• Land administration, regulatory discretion, weak competition policy, and slow legal enforcement discourage diversification and investment |

| Constraints | Details |
|---|---|
| Financial and investment constraints | • Access to finance remains a binding constraint for private investment and diversification<br>• Private-sector credit has declined, while government borrowing contributes to crowding out<br>• High non-performing loans, governance weaknesses, and tighter monetary conditions increase credit costs<br>• MSMEs and new enterprises face collateral constraints, limited documentation, and weak access to formal finance<br>• Capital markets, corporate bonds, equity markets, and FDI remain underdeveloped and concentrated in limited sectors<br>• Low investment in research and innovation<br>• Weak financial inclusion |
| Human capital and labour market constraints | • Skills gaps limit productivity, innovation, and movement into higher-value activities<br>• Emerging sectors face shortages of technical, managerial, regulatory, and quality-assurance skills<br>• Education outcomes remain poorly aligned with industrial and labour market needs<br>• Graduate unemployment is high despite rising tertiary enrolment<br>• Low formal training, weak digital literacy, limited absorptive capacity, and gender disparities reduce the skilled workforce base |
| Institutional and governance constraints | • Weak regulatory quality, policy unpredictability, and administrative discretion raise transaction costs<br>• Governance indicators show weaknesses in corruption control, government effectiveness, and regulatory quality<br>• Firms face complex approval processes involving multiple agencies with overlapping mandates<br>• Institutions such as BIDA, BEPZA, BEZA, and BHTPA operate with limited integration<br>• Weak legal enforcement, corruption risks, fragmented coordination, and weak accountability create gaps between policy intent and outcomes<br>• Limited high value employment opportunities, shortage of skilled technicians, gender gaps, weak linkage with textile education system in textile sector |

## 5.3 Strategic Framework — Vision, Mission & Architecture

### Vision

To build a resilient, competitive and diversified economy in which production, exports, investment and employment are increasingly driven by higher productive capabilities, stronger firms, skilled human capital, efficient infrastructure, and effective institutions, enabling Bangladesh to move up value chains, reduce structural vulnerabilities, and manage the transition beyond LDC status from a position of greater strength.

### Mission

The mission of the Five-Year Strategic Framework FY 2027-2031 is to accelerate Bangladesh's structural transformation by expanding the productive base, diversifying exports and markets, strengthening

firm-level competitiveness, and improving the conditions for private investment across sectors and regions. It will support productivity enhancement, technology adoption, value-chain integration, export readiness and higher-quality investment by addressing binding constraints in infrastructure, finance, skills, standards, trade policy, regulatory governance and institutional coordination. The overarching objective is to convert LDC graduation from a source of adjustment risk into a catalyst for building a more diversified, inclusive, resilient and globally competitive economy.

## Strategic priorities and architecture

Guided by the above vision and mission, and aligned with the Government's development priorities, the Five-Year Strategic Framework FY 2027-2031(FYSF) is structured around the following six strategic priorities:

| Strategic priorities | Actions | Relevant ministry/ divisions/agency |
|---|---|---|
| SP1:<br>Correct distortions and realign policies for diversification | • Realign trade, industrial, investment, and fiscal policies to support export competitiveness and productivity growth<br>• Rationalise tariffs and para-tariffs<br>• Reduce policies that discourage export-oriented production and provide policies to encourage exports<br>• Ensure world-price access to inputs for exporters<br>• Improve coherence across policies<br>• Strengthen incentives for innovation, standards compliance, and technological upgrading | Ministry of Commerce; Ministry of Industries; Ministry of Finance; National Board of Revenue; Bangladesh Investment Development Authority; Bangladesh Tariff Commission; Export Promotion Bureau<br>Ministry of Jute and Textiles |
| SP2:<br>Build a dynamic and diversified production base | • Strengthen productive capabilities in priority sectors<br>• Support technology upgrading, firm scaling, skills alignment, and product development<br>• Develop stronger backward and forward linkages<br>• Integrate MSMEs and emerging non-RMG sectors into domestic, regional and global value chains<br>• Promote formalisation where feasible<br>• Enhance export readiness in the post-LDC graduation context<br>• Attract diversified, AI driven high technology oriented, and export oriented FDI as well as expanding supply chain. | Ministry of Industries; Ministry of Commerce; Bangladesh Small and Cottage Industries Corporation; Export Promotion Bureau; Bangladesh Economic Zones Authority; National Skills Development Authority<br>Ministry of Jute and Textiles BSCIC and SME Foundation |
| SP3:<br>Strengthening Transport and Communications Systems for Connectivity, Efficiency and Competitiveness | • Improve efficiency, reliability, and connectivity of physical and digital infrastructure systems<br>• Develop integrated multimodal transport systemsLower logistics costs<br>• Improve port and customs performance<br>• Ensure reliable energy and utility services<br>• Strengthen digital connectivity between production centres, economic zones, ports, border points, and lagging regions | Road Transport and Highways Division; Ministry of Railways; Ministry of Shipping; Civil Aviation Authority of Bangladesh; National Board of Revenue; ICT Division; Power Division; Bangladesh Economic Zones Authority |

| Strategic priorities | Actions | Relevant ministry/ divisions/agency |
|---|---|---|
| SP4: Improve the business environment and mobilise finance for diversification | • Reduce regulatory unpredictability and improve transparency<br>• Ease land and utility constraints<br>• Strengthen contract enforcement<br>• Improve public service delivery for investors and firms<br>• Expand access to finance for MSMEs, exporters, and emerging sectors<br>• Deepen capital-market and long-term financing instruments<br>• Attract diversified, technology-oriented, and export-oriented FDI | Bangladesh Investment Development Authority; Ministry of Finance; Bangladesh Bank; Bangladesh Securities and Exchange Commission; Ministry of Law, Justice and Parliamentary Affairs; Bangladesh Economic Zones Authority<br>Ministry of Jute and Textiles |
| SP5: Leverage LDC graduation as a catalyst for structural transformation | • Use LDC graduation to accelerate competitiveness reforms<br>• Secure favourable post-graduation market access<br>• Strengthen FTA and economic diplomacy capacity<br>• Upgrade standards and quality infrastructure<br>• Improve firm-level compliance with rules of origin, SPS, TBT, and sustainability requirements<br>• Prepare sectors for a more demanding global trading environment | Ministry of Commerce; Ministry of Foreign Affairs; Bangladesh Trade and Tariff Commission; Export Promotion Bureau; Bangladesh Standards and Testing Institution; National Board of Revenue |
| SP6: Strengthen institutions and coordination mechanisms for delivery | • Establish clearer coordination, implementation, and accountability mechanisms for diversification<br>• Strengthen inter-agency coordination<br>• Define lead and supporting agencies<br>• Set measurable targets and conduct regular monitoring<br>• Create problem-solving mechanisms for implementation bottlenecks<br>• Improve service delivery to firms, investors, and exporters<br>• Move from broad policy intent to disciplined execution | Prime Minister's Office; Cabinet Division; Ministry of Commerce; Ministry of Industries; Bangladesh Investment Development Authority; Export Promotion Bureau; Implementation Monitoring and Evaluation Division<br>Ministry of Jute and Textiles |

## 5.4 Strategic Priorities for a Diversified and Resilient Trade Structure

### SP1: Correcting Policy Distortions for Trade

Correcting policy distortions is the first strategic priority of the FYSF as the current incentive regime continues to discourage broad-based export competitiveness and productive diversification. The policy framework remains marked by high and uneven protection, fragmented incentives, weak coordination across trade, industrial and investment policies, and institutional arrangements that often make firms target the domestic market only over globally competitive production.

### SP1.1 Establishing a Coherent Trade–Industry–Investment Policy Framework

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Review the National Industrial Policy, Export Policy, Import Policy, tariff and para-tariff structures, and investment incentive frameworks<br>• Prepare a policy conflict matrix identifying cross cutting issues/ barriers, inconsistent provisions, overlapping/discriminatory incentives, implementation gaps, and areas requiring harmonisation<br>• Submit actionable recommendations with clear institutional responsibilities and timelines<br>• Review investment promotion architecture, including consolidation, stronger coordination under BIDA, or a phased move toward a unified Investment Development Authority<br>• Review BanglaBiz portal for service integration, processing timelines, inter-agency connectivity, and user experience<br>• Introduce a permanent Trade-Industry-Investment Coordination Committee chaired by MoC to ensure policy coherence and monitor implementation | • Prepare a unified Trade, Industry and Investment Policy framework<br>• Align export promotion, import policy, industrial incentives, investment facilitation, economic/ industrial zone development, and technology upgrading within one policy architecture<br>• Include measurable milestones with key performance indicators (KPIs), agency-specific responsibilities, and a monitoring framework<br>• Link monitoring to export diversification, private investment, FDI inflows, and firm-level competitiveness | • Fully operationalise the unified framework<br>• Revise, harmonise, or retire legacy policy instruments<br>• Direct fiscal incentives, land allocation, infrastructure support, and investment facilitation toward export-competitive and productivity-enhancing sectors<br>• Operate investment facilitation through an integrated digital platform<br>• Provide licences, approvals, registrations, and investor aftercare through a single service interface<br>• Monitor progress toward increasing FDI to 2.5% of GDP through annual performance reviews |

### SP1.2 Rationalise Tariffs and Reduce Policy-Induced Disincentives to Exporting

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Ministry of Finance will direct NBR to prepare a time-bound implementation plan for the National Tariff Policy 2023<br>• Include phased tariff rationalisation schedules, revenue impact estimates, and clear milestones<br>• Identify the most distortionary para-tariffs<br>• Prioritise intermediate goods, capital machinery, and raw materials used by emerging export sectors<br>• Undertake an independent assessment of revenue implications<br>• Prepare compensating domestic revenue measures, including VAT compliance strengthening, improved income-tax coverage, customs automation, and risk-based enforcement<br>• Review and expand sectoral coverage of tariff rationalisation measures where feasible<br>• Introduce a mechanism to regularly assess tariff impacts on export competitiveness, FTA commitments, and global value chain participation. | • NBR will begin the first phase of tariff rationalisation<br>• Focus on the most distortionary para-tariffs affecting export-oriented and potential export sectors<br>• Accelerate domestic tax administration reforms to reduce dependence on border taxes<br>• Prioritise automation, better taxpayer identification, improved audit systems, and expansion of the income-tax base | • Implement a comprehensive tariff rationalisation programme<br>• Reduce average nominal protection by at least 8 to 10 percentage points over the plan period, subject to revenue-sustainability assessment<br>• Streamline para-tariffs into a limited number of transparent and purpose-specific instruments<br>• Establish a permanent tariff review mechanism within NBR<br>• Assess all future tariff measures against export competitiveness, input-cost effects, consumer welfare, and revenue sustainability |

### SP1.3 Strengthen Standards, Testing and Certification for Export Competitiveness

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Conduct a gap assessment of Bangladesh's standards, testing, and certification systems against priority export market requirements<br>• Identify gaps in labouratory capacity, accreditation, certification procedures, enforcement, human resources, and sector-specific compliance needs<br>• Prepare a time-bound BSTI strengthening plan covering labouratory expansion, international accreditation, digital certification systems, and staffing<br>• Identify priority areas for Mutual Recognition Agreements, especially for sectors with immediate export potential<br>• Prepare a roadmap for stronger domestic standards enforcement to reduce the gap between domestic and export-quality production<br>• Develop a national programme to help exporters comply with emerging requirements. | • Begin implementing BSTI capacity upgrades<br>• Prioritise internationally accredited testing and certification services for selected export sectors<br>• Initiate negotiations on mutual recognition arrangements with key trading partners where feasible<br>• Strengthen domestic standards enforcement through risk-based inspection, digital tracking, and closer coordination among BSTI, customs, sector regulators, and export promotion agencies | • Establish a more credible and internationally aligned standards and certification system<br>• Enable BSTI and related institutions to provide recognised services for priority export sectors<br>• Reduce dependence on overseas testing and lower compliance costs for firms<br>• Expand mutual recognition arrangements with key markets<br>• Institutionalise domestic enforcement to support quality upgrading, consumer protection, and export competitiveness |

### SP1.4 Align Incentives with Productivity, Innovation and Export Diversification

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Conduct study to identify WTO-compatible export support instruments<br>• Prepare a transition plan for redesigning existing export incentives<br>• Identify which instruments should be phased out, converted, merged, or replaced<br>• Shift support toward productivity-enhancing measures<br>• Prioritise WTO-compatible support for new export sectors, women-led exporters entering non-traditional markets. | • Redesign the export support framework around WTO-compatible instruments<br>• Focus support on technology adoption, standards compliance, skills development, energy efficiency, market intelligence, product development, and export facilitation<br>• Link incentives to productivity and export-performance indicators<br>• Ensure access to finance for MSMEs, women-owned enterprises, and emerging exporters<br>• Integrate information on available support into the BanglaBiz portal | • Establish a fully operational productivity and innovation support ecosystem for export-oriented industries<br>• Create a dedicated Export Productivity and Innovation Fund, where feasible<br>• Provide targeted, competitive, and performance-based support for R&D, technology upgrading, standards compliance, product development, and market entry<br>• Apply periodic evaluation, sunset provisions, and clear performance discipline |

## SP 1.5 Navigate Geopolitical and Trade Policy Shifts Strategically

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Establish a dedicated analytical capability for geopolitical trade and investment assessment<br>• Locate the function within the Planning Commission or a specialised inter-ministerial unit<br>• Include participation from the Ministry of Foreign Affairs, BIDA, BEZA, BEPZA, NBR, relevant sector agencies, and policy institutes<br>• Monitor global trade and investment developments and assess implications for Bangladesh<br>• Complete exposure mapping covering export markets, priority sectors, rules-of-origin risks, carbon and sustainability requirements, tariff vulnerabilities, supply-chain relocation opportunities, and investor-source countries<br>• Accelerate the activities of MoC-led Early Warning Cell to monitor tariff changes, trade remedies, supply - chain shifts, and sustainability regulations in key markets. | • Prepare a geopolitical trade and investment strategy<br>• Define Bangladesh's approach to external risks, export market diversification, and global value-chain positioning<br>• Identify risks from global trade changes, international power dynamics, and emerging trade and investment arrangements<br>• Set mitigation measures including market diversification, economic diplomacy, supply-chain positioning, investment outreach, and trade negotiation capacity<br>• Operationalise engagement with global buyers, manufacturers, and lead firms | • Build a more diversified external economic profile<br>• Reduce dependence on a narrow set of export markets<br>• Strengthen participation in selected global value chains beyond traditional RMG<br>• Use investment inflows to support supply-chain diversification, technology transfer, and export-oriented production<br>• Link strategic economic zones more effectively with global production networks<br>• Support investors through targeted aftercare and stronger trade facilitation |
| • Initiate targeted investment outreach for firms considering supply-chain diversification<br>• Strengthen overseas commercial representation in priority markets such as China, Japan, Korea, the EU, the US, and ASEAN economies | • Establish an early warning and policy response system to track external shocks, regulatory changes, supply disruptions, and compliance requirements<br>• Generate timely policy intelligence and reduce government response delays | • Institutionalise geopolitical trade and investment analysis as a standing advisory mechanism for trade negotiations, investment promotion, economic diplomacy, and sectoral diversification strategies |

### SP2: Building Dynamic and Integrated Industrial Structure

Building a dynamic and integrated industrial structure is central to productivity growth, diversification and long-term competitiveness. Bangladesh's next phase of industrial development must move beyond sectoral expansion towards deeper capability-building, stronger inter-firm linkages, higher value addition and greater responsiveness to domestic and global market demand. This requires an industrial ecosystem in which large firms, MSMEs, suppliers, service providers, skills institutions and technology-support organisations are more closely connected.

The FYSF identifies ten priority sectors for productive upgrading and diversification: RMG and textiles, pharmaceuticals and APIs, agro-processing, fisheries, leather and leather goods, light engineering, jute and jute goods, handicrafts, shipbuilding, and ICT and digital services. These sectors combine existing capabilities with scope for value addition, employment generation, export diversification, regional production linkages and technology upgrading.

The Government's approach will be anchored in four mutually reinforcing priorities: strengthening productive capacity in selected sectors; integrating MSMEs into structured value chains; upgrading firm-level technology, quality and production processes; and aligning skills development with industrial needs. Together, these interventions aim to create an integrated industrial ecosystem that supports innovation, firm scaling, higher productivity and sustained export growth.

#### SP 2.1 Develop Sectoral Upgrading and Industrial Modernisation Program

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Review and consolidate recommendations from the Diagnostic Trade Integration Study (DTIS) and other sector-specific studies related to priority sectors<br>• Prepare an actionable roadmap with clearly assigned institutional responsibilities<br>• Set implementation timelines, priority interventions, and measurable outputs<br>• Move from diagnostic recognition to practical implementation<br>• Prepare sector-specific Export Development Roadmaps for pharmaceuticals, agro-processing, leather, light engineering, ICT and shipbuilding | • Launch targeted sector-upgrading programmes for selected priority sectors<br>• Focus on technology adoption and capital machinery support<br>• Support product development, quality improvement, and market linkages<br>• Revive viable closed or underutilised industrial units through public-private collabouration | • Fully implement sector-upgrading plans<br>• Rehabilitate underutilised industrial assets<br>• Expand serviced industrial zones and cluster infrastructure<br>• Provide targeted support for sectors with demonstrated export and employment potential<br>• Monitor progress using sector-specific indicators on investment, productivity, employment, export readiness, and value |

### SP 2.2 Integrate MSMEs into structured value chains through cluster development, product specialisation, and market linkage support

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Launch pilot implementation of the One District One Product (ODOP) initiative in selected districts Identify region-specific heritage, traditional, and commercially viable products<br>• Undertake a comprehensive assessment of MSME support requirements<br>• Assess finance, technology, standards, packaging, market access, skills, infrastructure, and regulatory constraints<br>• Create an Export Readiness Programme linking MSMEs with large exporters, e- commerce platforms, and foreign byers. | • Refine and expand the ODOP initiative to additional districts<br>• Provide targeted incentives and capacity-building interventions<br>• Train at least 1,000 MSME entrepreneurs on productivity improvement, quality upgrading, packaging, digital marketing, bookkeeping, and value-chain participation<br>• Provide targeted support to firms and clusters with clear potential for scaling and market integration | • Institutionalise ODOP as a nationally coordinated product-based industrial development programme covering all districts<br>• Establish district-level value-chain platforms linking MSMEs with large firms, exporters, logistics providers, financial institutions, and business development service providers<br>• Develop cluster-based infrastructure such as common facility centres, testing labouratories, packaging hubs, design centres, and shared machinery facilities<br>• Support quality upgrading, standardisation, and firm scaling |

### SP 2.3 Enhance firm-level competitiveness through adoption of modern technologies

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Issue policy guidance to facilitate duty-free or reduced-duty importation of selected modern, energy-efficient, and productivity-enhancing technologies for priority sectors<br>• Apply clear eligibility criteria for technology import support<br>• Establish a Technology Upgrading Fund with transparent allocation mechanisms<br>• Link support to performance conditions and a robust monitoring framework<br>• Pilot technology extension and advisory services offering firm-level diagnostics, process-improvement support, and guidance on technology adoption<br>• Promote adoption of digital trade tools, e-commerce, electronic certification, and Industry 4.0 technologies among export - oriented firms. | • Scale up technology-upgrading support through blended finance, low-cost loans, and matching grants<br>• Support machinery acquisition, process upgrading, digitalisation, energy efficiency, and quality improvement<br>• Expand the technology extension system beyond the pilot phase<br>• Provide structured support to firms in manufacturing, logistics, and selected modern services | • Establish a National Industrial Technology Programme to support technology adoption at scale<br>• Anchor the programme in existing and emerging technology parks, industrial technology centres, and facilities developed under initiatives such as EC4J<br>• Use these platforms as demonstration, advisory, and scaling centres<br>• Support technology adoption, process improvement, digital integration, and productivity |

### SP 2.4 Aligning Training Institutions with Industry Needs to Address Skills Gaps

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Establish a coordinated framework to align training provision with industry demand<br>• Conduct a rapid assessment of current training programmes against priority-sector skills requirements<br>• Initiate structured engagement among industry associations, training institutions, NSDA, and relevant ministries<br>• Review and update priority curricula in collabouration with industry<br>• Incorporate technical, digital, managerial, and quality-compliance skills | • Move towards operational alignment through demand-driven TVET and higher education programmes<br>• Operationalise public-private-academic partnerships for curriculum co-development, apprenticeship expansion, on-the-job training, and sector-specific skills certification<br>• Develop a labour-market information and skills-forecasting platform<br>• Introduce a structured Training of Trainers framework under NSDA<br>• Upgrade training institutions with modern equipment and blended-learning systems | • Institutionalise a more integrated and adaptive skills ecosystem<br>• Establish industry-led training centres in selected priority sectors<br>• Support accreditation systems, competency-based certification, and partnerships with international training institutions<br>• Provide advanced technical training and support technology adoption<br>• Ensure continuous skills upgrading based on labour-market intelligence, employer feedback, and sectoral competitiveness assessments |

### SP3: Transforming Infrastructure into a Competitiveness Enabler

An integrated, modern and efficient infrastructure system will be the key focus to ensure structural transformation. Over the past decade, substantial investments have been made in transport networks, ports, and energy systems; however, the binding constraint has shifted from infrastructure availability to service quality, efficiency, and reliability. Persistent inefficiencies in transport systems, port handling, logistics services, and utility provision continue to impose high costs on firms, weaken supply chain reliability, and constrain diversification into higher value-added and time-sensitive sectors. Recognising the problem, Government has place strong emphasis on modernising infrastructure systems and improving service delivery performance and committed to developing efficient transport networks, improving port capacity and management, ensuring uninterrupted and affordable energy supply, and strengthening logistics systems to support industrialisation and trade. This will accelerate implementation of the National Single Window (NSW) and paperless trade systems to reduce border clearance time and trade costs along with the faster implementation of OSS. The following activities will be undertaken to transform the structure as competitiveness enabler:

### SP 3.1 Enhancing logistics efficiency and reliability for becoming a regional hub

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Prepare a time-bound action plan to implement the National Logistics Policy 2025<br>• Include clear KPIs for monitoring policy implementation<br>• Assign the National Logistics Development and Coordination Committee (NLDCC) to lead coordination<br>• Translate the policy vision into operational priorities and measurable targets | • Prepare and approve Development Project Proposals (DPPs) for key infrastructure and digital systems<br>• Prioritise inland container depots, logistics hubs, warehousing systems, inland waterway facilities, and digital logistics platforms<br>• Ensure DPPs are based on needs assessments<br>• Coordinate among relevant ministries through NLDCC<br>• Establish institutional arrangements for proper implementation | • Progressively develop priority infrastructure based on approved DPPs<br>• Link new logistics infrastructure with existing transport networks<br>• Establish a fully integrated digital logistics platform connecting ports, customs, and transport systems<br>• Improve information exchange, transparency, and predictability<br>• NLDCC will oversee implementation, inter-agency coordination, and KPI-based monitoring<br>• Enhance efficiency, reduce logistics costs, improve cargo reliability, and strengthen private sector participation |

### SP 3.2 Strengthening Transport and Communications Systems for Connectivity, Efficiency and Competitiveness

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Restore operational efficiency, strengthen governance, and lay foundations for integrated system management<br>• Expand priority rail services, properly utilise land, and remove bottlenecks in ports, roads, and airports<br>• Initiate urban and regional transport improvements, including feasibility work for monorail and expansion of key rail links such as Dhaka–Cumilla<br>• Launch smart transport pilots such as GPS-based fleet monitoring, digital enforcement, and traffic management systems<br>• Start planning for a national expressway grid and priority corridors<br>• Accelerate port digitalisation through Port Single Window systems and initial automation<br>• Reopen selected airports and improve airport service delivery | • Integrate systems, enhance capacity, and scale up digital and operational reforms<br>• Implement priority mass transit and rail investments, including selected monorail systems and Dhaka–Cumilla cord line development<br>• Modernise rail through electrification routes, improved service frequency, asset utilisation, and operational efficiency<br>• Finalise and approve DPPs for the national expressway grid<br>• Scale up smart transport systems nationwide, including GPS monitoring, digital enforcement, route rationalisation, and traffic management<br>• Advance port modernisation through PSW expansion, terminal automation, real-time cargo tracking, and paperless operations | • Transform transport and communications into a fully integrated, high-capacity, digitally enabled network<br>• Complete and operationalise urban mass transit systems, monorail networks, and the Dhaka–Cumilla corridor rail line<br>• Modernise railway system through electrification, gauge unification, double tracking, expansion of railway, improved service frequency, asset utilisation, enhancement of operational efficiency and safety of rail transportation.<br>• Develop and operationalise the national expressway grid<br>• Transform ports into automated, high-capacity logistics hubs with full digital integration<br>• Modernise aviation infrastructure, reopen viable regional airports, and upgrade major airports as passenger and cargo hubs |

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Strengthen telecom quality monitoring, broadband coverage, and infrastructure sharing<br>• Strengthen inter-agency coordination for transport and communications reforms | • Improve airport capacity, new terminal operations, airport reopening preparation, and regulatory oversight<br>• Expand 5G, broadband access, and infrastructure sharing frameworks<br>• Introduce integrated digital platforms and performance monitoring systems<br>• Introduce sector-wide performance monitoring systems, with clear indicators to track progress in efficiency, service quality, and system integration | • Establish a fully integrated digital ecosystem for transport and logistics<br>• Ensure nationwide high-speed connectivity, near-universal broadband, and widespread 5G deployment<br>• Develop a robust DPI ecosystem for secure data exchange<br>• Promote sustainable and climate-resilient transport systems |

### SP 3.3 Ensuring Reliable, Efficient and Cost-Effective Industrial Utility Services.

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Form a National Utility Coordination Taskforce to coordinate power, gas, water, waste-management, and industrial-zone authorities<br>• Conduct a rapid assessment of utility gaps in priority industrial zones, economic zones, and clusters<br>• Assess supply reliability, connection delays, service quality, cost, and infrastructure constraints<br>• Introduce service-level benchmarks for reliability, connection time, and quality of service<br>• Provide fast-track utility connections for priority industrial investments<br>• Prepare a national renewable-energy roadmap targeting 20% of electricity generation from renewable sources by 2030 | • Develop an Integrated Industrial Utility Master Plan<br>• Align power, gas, water, and waste infrastructure with industrial zones, logistics hubs, ports, and economic corridors<br>• Strengthen electricity reliability through grid modernisation, dedicated industrial feeders, and improved distribution management<br>• Rationalise gas allocation to prioritise productive industrial use<br>• Upgrade water and waste-management systems in priority zones<br>• Promote energy-efficient technologies and renewable-energy facilities within industrial zones<br>• Review utility pricing structures to support cost competitiveness<br>• Integrate utility connections into One-Stop Service platforms with defined timelines and accountability | • Establish a resilient, sustainable, and competitive industrial utility ecosystem<br>• Develop dedicated utility infrastructure across major industrial zones and economic corridors<br>• Expand renewable and distributed energy systems<br>• Introduce water recycling, common effluent treatment, and industrial waste-management solutions<br>• Build climate-resilient utility networks<br>• Encourage private-sector participation through appropriate PPP models<br>• Monitor utility pricing and service performance to ensure predictability, affordability, and reliability<br>• Support long-term investment and export competitiveness |

### SP4: Strengthening the Business Environment and Expanding Financing for Diversification

A predictable business environment and an efficient financing system are central to private sector-led diversification. The next stage of Bangladesh's development will depend not only on investment expansion alone, but also on the quality of institutions, regulations and financial systems that shape firm entry, operation, upgrading, financing, expansion and exit. Regulatory clarity, timely service delivery, access to land and utilities, efficient dispute resolution, and transparent financing conditions are therefore not procedural issues. They are core determinants of investment, innovation, productivity and competitiveness.

The FYSF will focus on three mutually reinforcing areas: improving the predictability and transparency of business regulations; expanding access to finance for MSMEs, women entrepreneurs and emerging sectors; and developing alternative financing instruments to reduce excessive dependence on bank lending and support long-term investment. These reforms will help lower transaction costs, improve investor confidence, support firm scaling and channel finance towards productive and diversified economic activities. Establish regional export hubs and export facilitation centres in secondary cities and economic zones.

#### SP4.1 Enhancing predictability and transparency of business regulations

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Issue a formal policy directive to improve predictability in tariffs, taxes, and export incentives<br>• Provide forward guidance on major regulatory changes where feasible<br>• Further digitise key services such as business registration, trade permits, work permits, and selected licensing processes<br>• Standardise application, tracking, and approval functions through existing online platforms<br>• Undertake a rapid regulatory stocktake across the Ministry of Commerce, NBR, investment authorities, and land administration agencies | • Operationalise an enhanced One-Stop Service (OSS) as the central interface for investors<br>• Expand OSS coverage to land-related services, utility connections, environmental clearances, and core licensing processes<br>• Introduce time-bound service standards, digital processing, and application tracking<br>• Implement a comprehensive regulatory simplification programme<br>• Remove redundant approvals and standardise documentation<br>• Streamline inspection and compliance procedures<br>• Establish a formal regulatory review mechanism | • Institutionalise a predictable and transparent regulatory regime for business<br>• Require periodic regulatory reviews by all ministries and agencies dealing with business regulation<br>• Publish updated rules and ensure consistency across trade, investment, and industrial regulations<br>•<br>• Establish a centralised digital repository of business-related regulations, circulars, and procedures<br>• Make OSS the mandatory interface for all major business and investment approvals<br>• Deliver business registration, licensing, permits, customs clearances, and investment approvals through interconnected digital platforms |

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Identify overlapping, outdated, and discretionary regulations<br>• Introduce immediate simplification measures for import-export procedures, certification requirements, and industrial licensing<br>• Activate an inter-agency coordination mechanism under the PMO or Cabinet Division<br>• Conduct targeted diagnostics on land administration constraints and One-Stop Service gaps | • Advance land administration reforms, including digitisation of land records in priority industrial areas<br>• Simplify registration and mutation processes and clarify zoning and land-use conversion rules<br>• Consolidate digital trade, customs modernisation, and trade facilitation initiatives | • Introduce time-bound approvals, automatic escalation, and deemed approval provisions where appropriate<br>• Operationalise digital land records and cadastral systems in major industrial and economic zones<br>• Establish transparent rules for industrial land allocation<br>• Fully streamline trade-related regulatory processes through integrated customs and trade facilitation systems<br>• Formalise inter-agency coordination mechanisms to resolve regulatory conflicts |

### SP4.2 Improving credit allocation and expanding access to finance for MSMEs and emerging sectors

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Review interest-rate setting and lending practices to align credit conditions with inflation, investment demand, and employment objectives<br>• Strengthen monitoring of lending rates and credit flows<br>• Improve credit allocation efficiency and reduce excessive credit concentration<br>• Accelerate affordable finance programmes for MSMEs, small entrepreneurs, women entrepreneurs, youth, and underserved regions | • Operationalise policy framework for interest rates and lending practices<br>• Support predictable, transparent, and market-aligned credit conditions<br>• Strengthen monitoring to reduce credit concentration in low-productivity uses<br>• Scale up access-to-finance programmes with clear targets<br>• Disburse Tk 160 crore in loans to at least 120,000 women entrepreneurs and 800,000 MSME entrepreneurs | • Build a better governed, efficient, and inclusive financing system<br>• Channel credit toward productive, export-oriented, and high-growth sectors<br>• Support a rules-based credit allocation framework through stronger supervision and credit monitoring<br>• Enforce lending standards more consistently<br>• Expand access to finance for more than 2.5 million MSME and small entrepreneurs, including cottage and agro-based enterprises |

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Scale up concessional and microenterprise financing schemes linked to productive, export-oriented, and high-growth activities<br>• Strengthen financial-sector governance through closer loan-performance monitoring and stricter oversight of high-risk lending<br>• Take coordinated action to contain further accumulation of non-performing loans<br>• Improve transparency in lending practices and reduce administrative inefficiencies that raise borrowing costs | • Provide Tk 2,700 crore in loans to around 14,000 entrepreneurs in export-oriented, agro-processing, CMSME, and emerging sectors at 5–7% interest rates<br>• Improve competition, transparency, and efficiency in the banking sector<br>• Enforce lending standards and reduce administrative inefficiencies<br>• Develop long-term financing instruments, corporate bond market guidelines, credit guarantee schemes, and development finance mechanisms | • Expand concessional and refinancing schemes exceeding Tk 5,000–7,000 crore<br>• Direct significant financing toward CMSMEs, women entrepreneurs, and emerging sectors<br>• Strengthen credit support for agriculture, agro-processing, and rural enterprises<br>• Align financing programmes with export diversification, industrial upgrading, and value-chain development<br>• Improve banking-sector competition, transparency, allocation efficiency, and reduce the cost of credit |

### SP5 Leverage LDC Graduation as a Catalyst for Structural Transformation

Bangladesh's LDC graduation marks an important milestone which formally recognises decades of sustained progress across multiple development indicators: consistent income growth, improving human assets, and reduced structural vulnerability as measured by the standard graduation criteria.[1] Bangladesh's graduation carries special significance within the UN graduation process, given its scale as the largest LDC by population, GDP and merchandise exports, and its exceptional dependence on LDC-specific trade preferences and policy flexibilities for export competitiveness.[2]

However, this milestone arrives at a structurally inopportune moment. The five-year preparatory period, intended for strategic transition planning, was dominated instead by overlapping and mutually reinforcing crises: the COVID-19 pandemic, the Russia–Ukraine conflict's commodity price shocks, a protracted macroeconomic crisis featuring depleted foreign exchange, persistent inflation, and a major political upheaval culminating in the collapse of the previous Government in August 2024. Rather than a period of institutional strengthening and transition preparation, the years 2021–2026 were largely consumed by crisis management and economic stabilisation. Recognising these constraints, the present government immediately after their coming to power has formally requested a three-year extended time frame for LDC graduation. As a final decision is yet to be received, there is the need for a dual-track approach: continued diplomatic engagement for an extension, alongside accelerated implementation of priority preparedness measures in case graduation proceeds according to the current schedule.

1 Bangladesh has met all three LDC graduation thresholds — gross national income (GNI) per capita, the Human Assets Index (HAI), and the Economic and Environmental Vulnerability Index (EVI) — for consecutive triennial reviews. The most recent Committee for Development Policy (CDP) review in 2024 reaffirmed eligibility with significant margins above required thresholds.

2 Bangladesh accounts for approximately 15 per cent of the total LDC population, 26 per cent of combined LDC GDP, and 20 per cent of LDC merchandise exports. Around 73 per cent of Bangladesh's merchandise exports are estimated to depend on LDC-specific trade preferences.

| Recovery and stabilisation (1 Year) | Restoration (1-3 Years) | Reconstruction and acceleration (3-5 Years) |
|---|---|---|
| • Recalibrate the STS aligning with the government's policy priorities.<br>• Strengthen diplomatic mobilisation, contingency planning, and rapid prioritisation of the graduation-preparedness agenda<br>• Establish a Cabinet Division-led coordination mechanism with clear authority, agency responsibilities, and a monitoring dashboard<br>• Convert the Smooth Transition Strategy into a prioritised implementation matrix<br>• Identify immediate low-hanging actions, high-impact reforms, burning priorities, and medium-term structural measures<br>• Intensify high-level diplomatic engagement to secure the requested three-year extension of LDC graduation<br>• Prepare a contingency plan for an unfavourable outcome<br>• Identify exposed sectors, markets, products, and firms<br>• Initiate early engagement with the EU and India on continued or transitional preferential market access<br>• Review RTA policy and begin preparatory work for priority negotiations<br>• Deepen engagement with BIMSTEC, ASEAN, RCEP, and GCC<br>• Establish an inter-ministerial platform on ESG compliance, carbon-related trade requirements, and carbon-market opportunities<br>• Align development-partner financing and technical assistance with priority STS actions | • Fully operationalise the coordination mechanism with progress reporting, performance tracking, and review cycles<br>• Embed STS priorities in agency workplans with clear milestones and accountability<br>• Advance negotiations and technical engagement on post-graduation market access with the EU and other priority partners<br>• Take forward preparatory work for selected RTAs or FTAs<br>• Conduct technical studies, stakeholder consultations, rules-of-origin assessments, sectoral impact analysis, and negotiation mandate<br>• Initiate formal accession or negotiation discussions with at least two priority regional blocs or trade arrangements<br>• Develop a structured ESG compliance system for export-oriented sectors, especially non-RMG exporters<br>• Provide reporting guidance, certification support, regulatory coordination, advisory services, and sector-specific compliance roadmaps<br>• Operationalise initial carbon-market infrastructure, including registry systems, pilot projects, institutional responsibilities, and engagement with standards bodies<br>• Channel development-partner support toward trade negotiation capacity, standards and certification, compliance, customs and trade facilitation, export diversification, technology upgrading, and market intelligence<br>• Begin targeted support for sectors and firms exposed to preference erosion | • Integrate the LDC transition agenda into national planning, budgeting, and monitoring frameworks<br>• Fully incorporate STS priorities into the Government's development planning process<br>• Secure more stable and diversified market-access arrangements through trade partnerships and trade agreements<br>• Seek membership, observer status, or structured engagement in at least one major regional bloc or trade arrangement where justified<br>• Make ESG compliance systems operational across major export sectors<br>• Support firms to meet sustainability, labour, environmental, traceability, and reporting requirements in key markets<br>• Develop a functioning carbon-market ecosystem to mobilise climate finance and support industrial decarbonisation<br>• Institutionalise periodic reviews of graduation-related risks, market-access changes, trade-policy developments, compliance requirements, and sectoral adjustment needs<br>• Ensure LDC graduation is managed through stronger competitiveness, broader market integration, improved firm readiness, and a resilient export structure |

### SP6 Strengthening institutional coordination and governance mechanisms

| Recovery and stabilisation (1 Year) | Restoration (1-3 years) | Reconstruction and acceleration (3-5 years) |
|---|---|---|
| • Designate the Cabinet Division or Prime Minister's Office as the central coordination authority for cross-cutting reforms<br>• Establish a formal mandate, reporting structure, and authority to convene relevant ministries and agencies<br>• Create a high-level inter-ministerial coordination platform for trade, investment, industrial policy, LDC transition, and structural reform priorities<br>• Map overlapping mandates across investment promotion, trade policy, industrial development, and regulatory approval agencies<br>• Develop a central reform monitoring dashboard with responsibilities, timelines, and progress indicators<br>• Issue initial directives to harmonise investment incentives and regulatory processes<br>• Begin work on a shared data and information platform for inter-agency coordination<br>• Identify and assign lead agencies for priority reforms such as investment facilitation and trade-policy alignment | • Operationalise a permanent inter-ministerial coordination mechanism<br>• Hold regular review meetings with clear decision-making procedures and escalation channels<br>• Introduce a results-based monitoring framework linked to KPIs, timelines, and reform outcomes<br>• Implement harmonised investment and regulatory frameworks<br>• Reduce inconsistencies in incentives, approvals, licensing, and compliance requirements<br>• Enable real-time data sharing, progress tracking, and reporting through a digital coordination platform<br>• Strengthen central oversight through periodic progress reviews<br>• Formalise lead agency roles for trade, investment, industrial policy, ESG compliance, and LDC transition priorities<br>• Strengthen institutional capacity within ministries for coordinated implementation, monitoring, and compliance | • Consolidate reforms into a whole-of-government governance system<br>• Clarify institutional roles and reduce overlapping mandates<br>• Embed coordination mechanisms within national planning and budgeting frameworks<br>• Establish a unified investment and regulatory ecosystem<br>• Ensure more consistent policies, streamlined service delivery, and lower compliance burdens for firms and investors<br>• Institutionalise a central policy alignment and evaluation unit<br>• Assess coherence across trade, investment, industrial, infrastructure, and financing strategies<br>• Fully operationalise digital governance systems for data integration, performance tracking, and evidence-based decision-making<br>• Strengthen accountability through transparent reporting, benchmarking, and independent review<br>• Ensure continuity of coordination and delivery mechanisms across policy cycles |

## 5.5 Roadmap for Reviving Closed and Sick Factories

### 5.5.1 Policy context and rationale

Bangladesh faces a considerable accumulation of closed, sick, underutilised and financially distressed industrial enterprises across both state-owned and private sectors. The issue has become a serious policy concern because it affects employment, workers' unpaid wages, bank loan recovery, industrial land use, supply-chain continuity, local economic activity and investor confidence. In several industrial clusters, the closure or partial suspension of factories has weakened local labour markets and created

visible social distress. In some cases, large industrial assets remain idle while workers, creditors, suppliers and local economies continue to bear the costs of prolonged inactivity.

The problem reflects a combination of structural and immediate factors. State-owned enterprises in jute, sugar, chemicals and other sectors have faced persistent financial losses, outdated production systems, low-capacity utilisation, weak corporate governance and rising operational inefficiencies. Industrial estates managed by public agencies have also experienced underutilisation because of several factors including unresolved land issues, weak infrastructure, unreliable utility services, limited access to affordable finance, and inadequate enterprise support. In the private sector, export-oriented manufacturing firms in labour-intensive sectors have been affected by order volatility, delayed payments, energy shortages, compliance costs, ownership disputes, working-capital shortages and changes in global market conditions.

The challenges faced by the affected industrial units require a structured response. The objective is therefore to develop a roadmap to restore viable productive capacity, protect employment where feasible, settle worker dues, reduce avoidable loan losses, support enterprise restructuring, and redeploy idle industrial assets for productive use. The roadmap recognises that not every closed factory can or should be revived in its previous form. Some firms face temporary distress and can return to production with targeted support. Some assets remain viable but require new ownership, management or investment. Some cases require worker compensation, retraining and placement rather than reopening. Some enterprises may no longer be commercially viable and will need an orderly exit process.

The roadmap therefore adopts a differentiated approach based on revival, restructuring, repurposing and orderly exit. This approach will allow public support to be directed towards enterprises and assets with credible recovery prospects while avoiding indiscriminate assistance to firms that cannot become viable even after support.

### 5.5.2 The Tk 60,000 crore stimulus package as the policy anchor

Bangladesh Bank has established a Tk 60,000 crore Production and Employment Revival Stimulus Package to support the rehabilitation and restructuring of viable closed and sick industries, strengthen private-sector activity, restore employment and address weak credit growth. This is one of the largest industrial and employment-support initiatives undertaken since the Covid-19 period. It provides an important financing platform for implementing the roadmap.

The package has two main components. The first is a Tk 41,000 crore refinancing facility to be mobilised through banks with surplus liquidity. The second is a Tk 19,000 crore fund from Bangladesh Bank's own resources under government guarantee arrangements. The package is designed to support concessional lending through differentiated windows. Start-ups are expected to receive financing at 4 per cent, general borrowers at 6 per cent, and large industries at around 7 per cent, subject to detailed operational guidelines.

A major allocation of Tk 20,000 crore has been earmarked for reopening closed factories and supporting distressed industrial and service-sector enterprises. This is the single largest component of the package and directly supports the government's industrial revival objective. Another Tk 10,000 crore has been allocated for agriculture and rural economic activities, recognising the importance of rural production, food security, agro-processing and local employment. The CMSME sector will receive Tk 5,000 crore, reflecting its contribution to employment, domestic value addition and local enterprise development. Tk 3,000 crore each has been allocated for export diversification and the North Bengal Agricultural

Hub initiative. The package also includes targeted support for pre-shipment export financing, CMSME support, overseas employment financing, start-up funding, youth employment programmes and creative industries.

The choice of these sectors is important. Closed factories and sick industries require restructuring finance to resume production where viability exists. CMSMEs are labour-intensive and spread across the country, making them central to employment recovery. Agriculture, agro-processing and rural enterprises support food security and rural incomes. Export diversification is essential in the context of LDC graduation and the need to reduce excessive dependence on a narrow export basket. Start-ups, youth employment and creative industries can support new forms of entrepreneurship and skills-based employment. Overseas employment financing can help strengthen remittance-generating opportunities. Leather, shrimp, green products and other high-potential sectors can contribute to non-RMG export expansion, provided that compliance, quality and market-access constraints are addressed.

The stimulus package will therefore serve as a financing instrument within a broader industrial restructuring framework. Its impact will depend on disciplined implementation. Financing alone will not be sufficient if the underlying causes of sickness remain unresolved. The package will be linked to viability assessment, bank appraisal, worker-dues settlement, compliance improvement, operational restructuring, owner contribution, repayment capacity and regular monitoring. This will help ensure that concessional finance supports recovery rather than loan evergreening or inefficient capital allocation.

### 5.5.3 Classification and targeting framework

A credible revival programme requires a verified and updated information base. Existing data on closed and sick factories come from multiple sources, including public agencies, sector associations, industrial police, banks, local administrations and media reports. These sources provide useful signals of industrial distress, but they do not always distinguish between permanent closure, temporary suspension, partial operation, legal closure, owner disappearance, ownership transfer, factory relocation or reopening under a different name. Factory closures are often reported more visibly than factory reopenings, leasing arrangements or partial resumption of production.

The roadmap will therefore establish a National Industrial Distress Registry. The registry will provide a factory-level and estate-level information system covering operational status, ownership status, worker dues, bank exposure, utility access, legal disputes, production capacity, market prospects, environmental compliance and revival potential. It will be maintained through coordinated inputs from the Ministry of Industries, Ministry of Textiles and Jute, Ministry of Commerce, Bangladesh Bank, BIDA, BSCIC, BEZA, BEPZA, BBS, industrial police, relevant line agencies and sector associations.

The registry will classify enterprises and assets into distinct categories for differentiated policy treatment.

- First, viable but temporarily distressed firms will be identified. These firms have market access, assets, workers, production capacity and potential cash flow, but face temporary liquidity, energy, payment, compliance or banking constraints. These firms will be prioritised for working-capital support, refinancing, utility restoration, compliance financing and debt restructuring.
- Viable assets under failed ownership or weak management will be identified. These cases may not justify direct support to existing owners, but the underlying assets, land, machinery, workforce base or market linkages may remain valuable. The policy response will include leasing, sale, merger, management transfer, PPP, professional turnaround management or investor matchmaking.
- Strategic public-interest industries will be treated separately. These include industries linked to food security, essential inputs, export competitiveness, supply-chain resilience or regional employment

stability. Support for such industries will be linked to operational reform, performance targets and efficiency improvement.

- Identification of worker-distress cases is also important. In these cases, the main policy priority may be payment of wage arrears, severance, retraining, job placement, social protection and labour-market transition support. Factory revival will not be treated as the only policy response.
- A careful idle industrial assets assessment for repurposing will be undertaken. Some closed jute mills, sugar mills, textile mills, BSCIC plots or other industrial premises may be better used as industrial parks, logistics facilities, SME clusters, agro-processing zones, export-oriented production sites or economic zones.
- As part of the exercise, structurally unviable firms will be identified for orderly exit. Public support will not be used to preserve firms that have no credible market, no repayment capacity, obsolete technology, unresolved fraud, asset stripping, or no prospect of productive recovery. Orderly exit will focus on worker settlement, creditor recovery, asset redeployment and legal closure.

This classification will strengthen the credibility of the roadmap. It will ensure that support reaches the right firms, workers and assets. It will also reduce the risk of public resources being directed to non-viable enterprises.

### 5.5.4 Guiding principles for support

The revival programme will follow a set of guiding principles as outlined below:

**Support will be viability-based.** Closed or sick status alone will not be sufficient for eligibility. Enterprises will be assessed on market prospects, operational capacity, ownership status, bank exposure, compliance gaps, worker dues, utility needs and repayment potential.

**Policy assistance will be conditional.** Concessional refinancing, guarantees, restructuring or other assistance will be tied to clear obligations, including owner contribution, settlement of worker dues, compliance improvement, production resumption, repayment discipline and financial transparency.

**Any policy intervention or financial assistance provided will be time-bound**. Revival assistance will not become open-ended support. Facilities will include defined repayment terms, review points and exit conditions.

**Support will be differentiated as well.** The same instrument will not be applied to all cases. Working-capital support, debt restructuring, leasing, PPP, asset transfer, worker protection, technology upgrading and orderly exit will be used according to the nature of distress.

**There will be efforts so that support can avoid market distortion**. If a closed factory's market has already shifted to more efficient domestic producers, revival assistance will be assessed carefully to avoid excess capacity, unfair competition or support to inefficient production.

**Assistance provided will be linked to accountability.** Banks, enterprises and implementing agencies will be required to report regularly on disbursement, utilisation, arrears, employment, production, compliance and repayment.

**Finally, the support is being provided to will strengthen long-term competitiveness.** The roadmap will not only reopen factories. It will support productivity, technology, energy efficiency, environmental compliance, export diversification and better enterprise governance.

### 5.5.5 Roadmap matrix

The roadmap will be implemented in three phases: Recovery and Stabilisation, Restoration and Restructuring, and Reconstruction and Acceleration. The phases are sequenced but partially overlapping. Early actions will focus on verification, worker protection, liquidity support and prevention of further deterioration. Medium-term actions will focus on reopening viable units, restructuring assets, resolving infrastructure gaps and improving compliance. Longer-term actions will build a permanent industrial restructuring and competitiveness system.

| Strategic area | Recovery and Stabilisation | Restoration and Restructuring | Reconstruction and Acceleration | Lead agencies | Key indicators |
|---|---|---|---|---|---|
| Governance and coordination | Form High-Level Industrial Revival Taskforce. Approve implementation rules. Set agency responsibilities. | Establish sector implementation units. Review progress quarterly. Resolve coordination bottlenecks. | Convert taskforce into standing Industrial Restructuring Authority. | PMO, Ministry of Industries, Bangladesh Bank, BIDA | Taskforce operational. Sector units formed. Quarterly reviews completed. |
| Industrial Distress Registry | Create factory-level registry. Verify closed, sick and partially operating units. Record worker dues and bank exposure. | Update registry quarterly. Link registry with financing, labour and industrial estate data. | Maintain permanent registry for industrial distress and adjustment. | BBS, Ministry of Industries, BB, BIDA, BSCIC, associations | Registry launched. Factories classified. Data updated quarterly. |
| Viability assessment | Classify units as recoverable, recoverable under new ownership, strategic, worker-distress, repurposable or non-viable. | Conduct detailed diagnostics for priority sectors and large borrowers. | Institutionalise viability assessment for future support programmes. | Taskforce, BB, banks, sector ministries | Classification completed. Appraisal reports prepared. Non-viable cases identified. |
| Tk 60,000 crore stimulus implementation | Issue operational guidelines. Start disbursement to eligible firms. Prioritise Tk 20,000 crore closed-factory window. | Scale disbursement across viable cases. Track sector allocation, arrears and employment outcomes. | Gradually reduce concessionality as firms recover. Shift to market-based instruments. | Bangladesh Bank, scheduled banks, Finance Division | Disbursement by window. Arrears ratio. Jobs restored. Production resumed. |

| Strategic area | Recovery and Stabilisation | Restoration and Restructuring | Reconstruction and Acceleration | Lead agencies | Key indicators |
|---|---|---|---|---|---|
| Bank appraisal and credit discipline | Require bank-level due diligence. Use escrow accounts for selected cases. Exclude wilful defaulters without restructuring. | Conduct facility-level credit-use reviews. Suspend drawdown for weak performers. | Link future refinance to bank performance and borrower repayment. | Bangladesh Bank, banks | Appraisal quality. Escrow use. NPL trends. Drawdown suspensions. |
| Worker dues and labour transition | Identify unpaid wages and severance. Prioritise worker settlement in closed-factory cases. | Expand retraining and placement in RMG, jute, sugar and industrial estates. | Establish permanent industrial adjustment and worker transition system. | Ministry of Labour & Employment Finance Division, relevant ministries/ divisions | Worker dues mapped. Dues settled. Workers retrained and placed. |
| RMG and textiles | Support viable closed factories with orders, working capital, compliance finance and banking resolution. | Provide targeted rehabilitation loans and guarantees. Resolve delayed export proceeds and utility issues. | Link recovered firms with export diversification, technology and productivity upgrading. | Commerce Ministry, BB, BGMEA, BKMEA, banks | Factories reopened. Workers re-employed. Export orders restored. |
| Jute mills | Complete asset and lease-status review. Identify mills for reopening, leasing, repurposing or exit. | Lease viable mills to private operators. Promote diversified jute products and new investors. | Reposition jute around high-value private manufacturing and export markets. | Ministry of Textiles and Jute, BJMC, BIDA | Mills leased. Jobs created. Private investment mobilised. |
| Sugar mills | Diagnose mills by cane supply, machinery, land, losses and regional impact. Select pilot PPP cases. | Implement PPP or co-investment for viable mills. Support cane productivity and by-product diversification. | Divest or repurpose viable assets. Decommission non-viable units with community support. | Ministry of Industries, BSFIC, Agriculture Ministry, Finance Division | Mills classified. PPP contracts signed. Losses reduced. Cane supply improved. |
| BCIC and strategic inputs | Prioritise gas supply for viable fertiliser plants. Review loss-making non-fertiliser units. | Modernise selected plants. Improve energy efficiency and plant maintenance. | Retain strategic viable units. Restructure or exit chronically loss-making units. | Ministry of Industries, BCIC, Energy Division | Production restored. Gas allocation stabilised. Losses reduced. |

| Strategic area | Recovery and Stabilisation | Restoration and Restructuring | Reconstruction and Acceleration | Lead agencies | Key indicators |
|---|---|---|---|---|---|
| BSCIC estates and SMEs | Identify idle plots, closed units and infrastructure gaps. Launch pilot estate rehabilitation. | Reallocate idle plots. Upgrade roads, drainage, power, gas and water. Provide SME advisory services. | Transfer selected estate management to professional operators. Reach occupancy and productivity targets. | BSCIC, Ministry of Industries, local authorities | Idle plots reallocated. Estate occupancy. SME output and employment. |
| Leather and environmental compliance | Review CETP, tannery compliance and financing constraints. Identify firms eligible for compliance finance. | Achieve operational compliance in key facilities. Support certification and cleaner production. | Build globally compliant leather ecosystem linked to export markets. | Industries Ministry, BSCIC, DoE, leather associations | CETP compliance. Certified firms. Export recovery. |
| Technology and productivity | Assess machinery condition in viable units. Prepare modernisation plans. | Provide technology-upgrading finance. Support foreign technical partnerships. | Build productivity and innovation support system across priority sectors. | BIDA, BB, sector ministries, SME Foundation | Machinery upgraded. Productivity gains. Technical partnerships. |
| Infrastructure and utilities | Conduct emergency assessment of energy, gas, roads, drainage and logistics constraints. | Implement priority infrastructure rehabilitation in estates and SOE sites. | Integrate revived assets into modern industrial zones and logistics networks. | Energy Division, LGED, BSCIC, BEZA, line ministries | Utility reliability. Estate rehabilitation. Reduced downtime. |
| PPP, leasing and asset transfer | Prepare inventory of closed public assets. Standardise lease and PPP templates. | Complete PPP concessions, leasing and management-transfer deals for selected assets. | Establish asset-redeployment system for closed public industrial units. | PPP Authority, BIDA, sector ministries | Assets leased. Investment committed. Production restarted. |
| Orderly exit and NPL resolution | Identify non-viable firms and high-risk borrowers. Protect workers and creditors. | Develop restructuring, liquidation and asset-sale mechanisms. Establish AMC options for large distressed assets. | Institutionalise exit, debt-to-equity conversion and asset disposition frameworks. | Finance Division, BB, banks, Law & Justice Division, Legislative & Parliamentary Affairs Divisions | Non-viable cases resolved. NPL recovery. Assets redeployed. |

| Strategic area | Recovery and Stabilisation | Restoration and Restructuring | Reconstruction and Acceleration | Lead agencies | Key indicators |
|---|---|---|---|---|---|
| Monitoring and accountability | Publish baseline status and eligibility criteria. Begin quarterly reporting. | Track disbursement, production, employment, NPLs, compliance and PPP milestones. | Publish annual industrial restructuring and competitiveness report. | Taskforce, BB, IMED, Parliament committees | Reports published. Milestones met. Public accountability strengthened. |

The roadmap will prioritise sectors where revival can generate employment, restore productive capacity, strengthen supply chains, support exports or serve strategic public needs.

i. The RMG and textile sector will receive attention because it remains the country's largest industrial employer and export earner. Support will focus on factories that have credible orders, recoverable operations, compliance potential and repayment capacity. Assistance will be linked to worker settlement, buyer relationships, bank restructuring and utility restoration.

ii. CMSMEs will be prioritised because of their employment intensity and geographic spread. Support for small and medium enterprises will help restore local economies, rebuild supplier networks and promote domestic value addition. BSCIC estate rehabilitation will be linked to SME revival, plot reallocation and advisory support.

iii. Agriculture, agro-processing and rural industries will receive support because of their role in food security, rural employment and local value chains. The North Bengal Agricultural Hub initiative will contribute to regional development, agro-processing capacity and rural enterprise growth.

iv. Export diversification will receive dedicated financing because Bangladesh needs to widen its export basket in the context of LDC graduation. Support will focus on sectors with credible market potential, including leather, shrimp, agro-processing, light engineering, pharmaceuticals, jute products, green products and other emerging exports.

v. Jute and sugar will be addressed through restructuring rather than simple reopening. Some mills may be revived in their original activity. Some may be leased to private operators. Some may be repurposed for new industrial activity. The choice will be based on asset condition, market prospects, raw material availability, regional employment and financial viability.

vi. Leather will be supported where environmental compliance, common infrastructure and certification constraints can be resolved. Without compliance, the sector cannot fully access higher-value global markets. Financing will therefore be linked to environmental improvement and export readiness.

vii. Start-ups, youth employment and creative industries will be included because they can generate new employment in technology, design, digital services, cultural products and small-scale innovation. These sectors also help broaden the employment base beyond traditional manufacturing.

viii. Overseas employment financing will support migration-related employment opportunities and remittance generation. This will be aligned with skills development, ethical recruitment and worker protection.

### 5.5.6 Governance, safeguards, risk management and implementation arrangements

The implementation of the stimulus package and the industrial revival roadmap will require strong safeguards. The financing facility is large and concessional. It must therefore be protected from misuse, political allocation, concentration of benefits, loan evergreening and support to non-viable firms.

a. Eligibility criteria will be transparent. Large loans will require independent technical and financial appraisal. Borrowers will be required to disclose ownership, liabilities, worker dues, related-party exposure and current market status. Banks will remain responsible for credit appraisal and monitoring. Bangladesh Bank supervision teams will conduct facility-level reviews where needed.

b. Support will not be provided to enterprises involved in wilful default, fraud, fund diversion or asset stripping, except under legally supervised restructuring arrangements that protect workers and creditors. Firms receiving support will be required to contribute own resources or new equity where appropriate. This will help ensure owner commitment and reduce moral hazard.

c. Escrow arrangements will be used for selected large borrowers so that sales proceeds are routed through monitored accounts. This will improve loan recovery and reduce fund diversion. Banks with high arrears under the facility will face restrictions on further drawdown. Sectoral allocations and disbursement performance will be reviewed quarterly.

d. Macroeconomic risks will also be monitored. The stimulus package is being implemented at a time when inflation, weak credit quality and financial-sector stress remain important concerns. The programme will therefore prioritise productive capacity expansion rather than consumption support. Disbursement will be phased, targeted and linked to output, employment and repayment performance. This will help reduce the risk that concessional finance adds to inflationary pressure without increasing production.

e. The roadmap will be implemented through a coordinated institutional structure. A High-Level Industrial Revival Taskforce will guide policy direction, approve classification criteria, monitor implementation progress and resolve inter-agency bottlenecks. Sector implementation units will be established for priority sectors such as RMG and textiles, jute, sugar, leather, chemicals, fertiliser, BSCIC estates and CMSMEs.

f. Bangladesh Bank will issue detailed operational guidelines for the stimulus package, including eligibility, refinancing terms, bank participation, documentation requirements, monitoring rules, arrears reporting and safeguards. Scheduled banks will appraise borrowers, disburse loans, monitor utilisation and report performance. Sector ministries will provide technical inputs on asset condition, technology, market prospects, infrastructure and compliance needs.

g. BIDA will support investor matchmaking, PPP mobilisation and private-sector participation. BSCIC will lead industrial estate rehabilitation, idle plot management and SME support. BEZA and the PPP Authority will support repurposing of selected closed industrial assets into economic zones, industrial parks or other productive uses. The Ministry of Labour and Employment will coordinate worker-dues settlement, retraining and labour-market transition support. The Finance Division will support fiscal coordination, guarantees and budgetary provisions where necessary.

h. Monitoring will be integrated. Quarterly reporting will cover disbursement, borrower performance, employment restoration, production resumption, worker dues, NPL trends, infrastructure progress, PPP milestones, environmental compliance and sector outcomes. Independent evaluation will be conducted for pilot programmes before larger-scale rollout.

i Bangladesh's industrial revival agenda will therefore be pursued not simply as a factory reopening exercise, but as a broader programme for employment, competitiveness, financial discipline and efficient use of industrial assets. With careful targeting, transparent criteria, strong monitoring and coordinated implementation, the country can turn the current challenge of closed and sick industries into an opportunity for industrial restructuring and long-term productive transformation.

## 5.6 Monitoring & Evaluation Framework

### Correcting policy distortions

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Recovery and Stabilisation (1 year)** | | | |
| Establishing a Coherent Trade–Industry–Investment Policy Framework | -Government will establish a high-level inter-ministerial taskforce under the Prime Minister's Office to review Industrial, Export, Import, and investment incentive frameworks.<br>-A consolidated policy conflict matrix will be prepared with actionable recommendations for harmonisation.<br>-The legislative process will be initiated to establish a Bangladesh Investment Authority, with the draft Bangladesh Investment Authority Act, 2026 submitted for Cabinet approval. Alternatively, all the investment promotion agencies will be brought under BIDA.<br>-The BanglaBiz portal will be reviewed and upgraded to ensure inter-agency integration and service delivery functionality. | PMO | -Taskforce established and operational<br>-Policy conflict matrix completed<br>-Draft Investment Authority Act submitted to Cabinet/All agencies under BIDA<br>-% of core investment services integrated into BanglaBiz portal |
| Rationalising tariffs to reduce anti-export bias | -MoF will direct the NBR to prepare a time-bound implementation plan for the National Tariff Policy (2023), including phased tariff rationalisation schedules, revenue impact analysis, and prioritisation of high anti-export bias para-tariffs—particularly on intermediate goods and raw materials for export sectors.<br>-An independent revenue impact assessment will be conducted, alongside measures to strengthen domestic revenue mobilisation (income tax base expansion).<br>Sector coverage under NTP provisions will be expanded beyond the current limited set. | MoF/NBR | -NTP implementation plan approved<br>-Number of para-tariffs identified for rationalisation<br>-Revenue impact assessment completed<br>-Additional sectors brought under NTP coverage (number) |
| Strengthening Standards and Certification to Support Export Competitiveness | -MoI will conduct a gap assessment of national standards and certification systems against requirements in key export markets.<br>-A time-bound plan will be prepared to strengthen BSTI capacity, including labouratory expansion in all division and key district, accreditation, and service delivery improvements.<br>-Priority sectors and markets for MRAs will be identified, alongside a roadmap to strengthen domestic standards enforcement. | MoI | -Gap assessment completed (Yes/No)<br>-Number of sectors assessed against international standards<br>-BSTI capacity strengthening plan approved (Yes/No)<br>-Number of priority sectors identified for MRAs<br>-Roadmap for domestic standards enforcement adopted (Yes/No) |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Aligning incentives toward productivity, innovation, and export diversification | -MoC and MoF will utilise findings from the study commission by SSGP to identify WTO-compatible export support measures.<br>-Based on the findings, actions will be initiated to transition existing export incentive schemes toward WTO-compliant mechanisms, ensuring alignment with post-LDC requirements. | MoC & MoF | -SSGP assessment of export incentives completed<br>-Number of existing schemes reviewed for WTO compliance<br>-Number of incentive schemes initiated for reform |
| Navigating through geopolitical tension strategically | -A comprehensive exposure mapping will be conducted to identify vulnerabilities across key export markets, sectors, and investor sources.<br>-A targeted investment outreach programme will be launched focusing on firms engaged in global supply chain diversification, supported by strengthening overseas economic representation, including initial presence in China, and enhanced economic diplomacy with key partners. | MoFA & BIDA | -Exposure mapping completed<br>-Number of targeted investment outreach initiatives undertaken<br>-Number of new/ strengthened overseas economic representations<br>-Investment leads generated from supply chain relocation (number) |
| **Restoration (1-3 Years)** | | | |
| Establishing a Coherent Trade–Industry–Investment Policy Framework | -Government will prepare and approve a Unified Trade, Industry, and Investment Policy (TIIP) consolidating existing policies and aligning incentives toward export-oriented sectors.<br>-The TIIP will include a time-bound implementation roadmap, institutional responsibilities, and a monitoring framework anchored on increasing FDI inflows to 2.5% of GDP. | PMO/BIDA | -TIIP approved by Cabinet<br>-% of policies consolidated or aligned under TIIP<br>-Implementation roadmap published<br>-FDI inflows (% of GDP) – progress toward 2.5% target |
| Rationalising tariffs to reduce reducing anti-export bias | -NBR will initiate the first phase of tariff rationalisation, focusing on reducing distortionary para-tariffs on intermediate goods and raw materials used by export-oriented industries.<br>-In parallel, domestic tax administration will be strengthened through automation, compliance improvements, and income tax base expansion to offset revenue losses and sustain reform momentum. | NBR | -Reduction in average para-tariff rates on intermediate goods<br>-Share of tariff lines rationalised (%)<br>-Reduction in effective protection rate for export sectors (%)<br>-Growth in number of registered income taxpayers (%) |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Strengthening Standards and Certification to Support Export Competitiveness | -MoI will implement BSTI capacity upgrades, including expansion of internationally accredited testing and certification services in priority export sectors. Negotiations on MRAs with key trading partners will be initiated. Domestic standards enforcement will be strengthened and progressively aligned with international benchmarks, ensuring consistency between domestic and export market requirements. | MoI & MoC | -Number of internationally accredited BSTI labouratories<br>-Number of MRA negotiations initiated<br>-% of priority standards aligned with international benchmarks<br>-Increase in compliance rate with domestic standards (%) |
| Aligning incentives toward productivity, innovation, and export diversification | -Redesign the export support framework, shifting toward WTO-compliant instruments focused on technology adoption, standards compliance, skills development, and export facilitation.<br>-Incentives will be linked to productivity and export performance, incorporate gender-responsive criteria, and be integrated into the BanglaBiz portal to improve transparency and accessibility. | MoC, MoF & BIDA | -WTO compliant export incentive framework approved<br>-% of incentives linked to productivity/export performance<br>-Number of firms accessing redesigned support schemes<br>-% of schemes integrated into BanglaBiz portal |
| Navigating through geo-political tension strategically | -Develop and approve Geopolitical Trade Strategy outlining approaches to market diversification, risk management, and positioning within global value chains.<br>-A structured engagement platform with global buyers and manufacturers will be operationalised to position Bangladesh as an alternative production base.<br>-An early warning and response system for external trade shocks (tariffs, regulatory changes, supply disruptions) will be established, alongside mechanisms to strengthen coordination across trade, investment, and foreign policy institution | MoFA, MoC, BIDA | -Geopolitical Trade Strategy approved<br>-Number of new export markets entered<br>-Early warning system for trade shocks operational<br>-Reduction in policy response time to external shocks (days) |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Reconstruction and Acceleration (3-5 years)** | | | |
| Establishing a Coherent Trade–Industry–Investment Policy Framework | -Government will fully operationalise the TIIP framework, ensuring all legacy policies are revised or phased out.<br>-Industrial incentives, land allocation, and infrastructure support will be aligned with export-competitive sectors. -BanglaBiz portal will deliver all investment-related services through a single integrated platform.<br>-Coordinated implementation will support achievement of the FDI target of 2.5% of GDP. | PMO/BIDA | -% of investment services delivered through BanglaBiz portal<br>-Reduction in average investment approval time (days)<br>-FDI inflows reach 2.5% of GDP<br>-Share of FDI in export-oriented sectors (%) |
| Rationalising tariffs to reduce reducing anti-export bias | -Government will implement a comprehensive tariff rationalisation programme to reduce average nominal protection by 8–10 percentage points and streamline para-tariffs into a limited, transparent structure.<br>-A permanent tariff review mechanism will be institutionalised within the NBR to ensure all future tariff measures are aligned with export competitiveness and revenue sustainability objectives. | MoF/NBR | -Reduction in average nominal protection rate (percentage points)<br>-Reduction in total para-tariff incidence (%)<br>-Effective rate of protection gap between domestic and export sectors reduced (%)<br>-Trade tax revenue share reduced<br>-Tariff review mechanism operational |
| Strengthening Standards and Certification to Support Export Competitiveness | -MoI will establish a fully aligned national standards and certification system, with BSTI operating as an internationally recognised authority.<br>-MRAs will enable acceptance of Bangladeshi certification in major export markets.<br>-Domestic enforcement will be institutionalised to ensure uniform quality standards, supporting product upgrading, export competitiveness, and integration into global value chains. | MoI | -Number of MRAs concluded and operational<br>-Reduction in export rejection rates due to standards compliance (%)<br>-BSTI international accreditation status achieved |
| Aligning incentives toward productivity, innovation, and export diversification | -Establish a fully operational innovation and productivity support ecosystem, anchored by a fund to support R&D, technology upgrading, standards compliance, and market development.<br>-The incentive system will consistently channel support toward emerging and high-value export sectors, strengthening competitiveness and diversification. | MoC & MoFA | -R&D Fund operational<br>-Number of firms supported for R&D<br>-Growth in high-value export segments (%) |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Navigating through geo-political tension strategically | -Government will achieve a more diversified external economic structure, reducing reliance on a limited set of export markets and sectors.<br>-Strategic economic zones integrated with global value chains will be operational to attract investment and facilitate technology transfer.<br>-The geopolitical analysis capability will be fully institutionalised as a standing advisory mechanism, informing coordinated trade, investment, and foreign policy decisions. | MoFA, MoC, BIDA | -FDI inflows linked to supply chain diversification<br>-Number of operational GVC-linked economic zones<br>-Institutionalised geopolitical analysis system (Yes/No) |

## Building dynamic and integrated industrial structure

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Recovery and Stabilisation (1 year)** | | | |
| Develop targeted sectoral upgrading Programmes | -Form a task force for revisiting the recommendations proposed in the updated DTIS and prioritise actions based on the recommendations. | MoI | -Task force report on updated DTIS |
| Integrate MSMEs into value chains | -Piloting of One District One Product (ODOP) and One Village One Product (OVOP)<br>-Mapping support requirement for improving productive capacity (Financial, training, incentives, etc)<br>-Design training programmes for MSME entrepreneurs on branding, exporting and packaging and include the business in national and international online platforms. | SME Foundation, MoI, MoTJ | -Piloting report of ODOP<br>-Mapping Report of service requirement<br>-Training programme module |
| Strengthen firm level capacity through adopting modern technology | -Issue circular for duty-free import of modern, energy-efficient technologies<br>-Establish Technology Upgrading Fund with clear allocation and monitoring<br>-Pilot technology extension and advisory services (on-site diagnostics, process improvement) | MoI, BB, NBR | -Number of firms accessing duty-free machinery import<br>-Volume of machinery imports under facility (USD)<br>-Allocations for Technology Upgrading Fund operationalised<br>-Number of firms receiving advisory services |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Align skills development with industrial demand | -Rapid assessment of training vs industry needs<br>-Establish coordination platform (industry–training–NSDA)<br>-Update priority curricula with digital, technical, managerial skills | MoLE, NSDA & MoI | -Number of sector skill gap reports produced<br>-Number of industry associations engaged<br>-Number of priority curricula updated<br>-% of updated curricula incorporating digital/ technical skills |
| **Restoration (3-5 years)** | | | |
| Develop targeted sectoral upgrading Programmes | -Implement sector upgrading Programmes based on the previous reports<br>-Provide incentives and competitive financing for technological upgradation, import of capital machinery<br>-Reopen the closed factories through government support and private sector participation | MoI | -Amount of incentives and financial support provided to the sectors<br>-Private investment in machinery & equipment (% of total investment)<br>-Number of closed factories reopened<br>-Employment generated in reopened units (number of jobs) |
| Integrate MSMEs into value chains | -Based on the piloting report, undertake necessary adjustment and extend ODOP in other districts<br>-Provide incentives and necessary support based on the need for capacity building<br>-Provide training on capacity building to 1000 MSME entrepreneurs | SME Foundation, MoI | -Number of districts with operational ODOP<br>-Average sales/revenue growth of ODOP-supported MSMEs<br>-Share of incentives provided to MSME<br>-No of training workshops |
| Strengthen firm level capacity through adopting modern technology | -Scale up funding through blended finance: low-cost loans and grants.<br>-Expand nationwide technology extension services | MoI & BB | -Total disbursement under Technology Fund (USD)<br>-Number of firms receiving loans/grants for upgrading<br>-Share of MSMEs among beneficiary firms (%)<br>-Number of firms supported by extension services nationwide |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Align skills development with industrial demand | -Implement demand-driven TVET and higher education; operationalise PPAPs<br>-Expand apprenticeships and on-the-job training<br>-Launch labour market information and skills forecasting platform<br>-Expand ToT under NSDA | MoLE, NSDA & MoI | -Number of TVET Programmes redesigned as demand-driven<br>-Labour market information system operational<br>-Number of trainers certified under ToT framework<br>-Graduate employment rate within 6 months (%) |
| **Reconstruction and Acceleration ( 3-5 years)** | | | |
| Develop targeted sectoral upgrading Programmes | - Completion of all proposed upgradation plans<br>-Rehabilitate and modernise closed and underutilised industrial assets through PPP and private participation<br>-Expand serviced industrial land and cluster infrastructure through BSCIC | MoI | -Sectoral share of output in total manufacturing<br>-Sectoral share of export in total exports |
| Integrate MSMEs into value chains | -Scale ODOP into a nationally coordinated product-based industrial development program, covering all districts with clearly identified competitive products<br>-Establish district-level value chain platforms linking MSMEs with large firms, exporters, aggregators, and logistics providers<br>-Develop cluster-based infrastructure such as common facility centres, testing labs, packaging hubs | SME Foundation, MoI | -Number of commercially viable products under ODOP programme<br>-Number/percentage of MSMEs supplying to large firms or exporters<br>-Number of MSMEs using digital tools (payments, e-commerce, enterprise systems) (%) |
| Strengthen firm capabilities | Establish National Industrial Technology Programme anchored in existing technology parks and centres under EC4J to scale adoption system-wide | MoI | -National Industrial Technology Programme operational<br>-Number of firms supported annually under programme<br>-Share of manufacturing firms adopting advanced technologies (%)<br>-Increase in manufacturing value-added per worker (%) |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Align skills development with industrial demand | -Establish industry-led skills ecosystems (apprenticeships, continuous upskilling, innovation workforce) | MoLE, NSDA & MoI | -Number of industry-led training centres established<br><br>-National accreditation system operational<br>-% of training providers accredited<br><br>-Number of international training partnerships established<br><br>-Share of workforce receiving formal technical training (%) |

## Transforming infrastructure into a competitiveness enabler

| Activities | Actions | Lead Ministry/ Office | Outcome Indicator |
|---|---|---|---|
| **Recovery and Stabilisation (1 year)** | | | |
| Enhancing logistics efficiency and reliability | -Prepare time bound action plans to implement National Logistic Policy 2025 | PMO, NLDCC | -Action plan based logistic policy |
| Transport and Communications | -Introduce quick operational improvements (rail services expansion, bottleneck removal in ports, roads, airports)<br>-Undertake feasibility studies for introducing monorail systems in Dhaka, focusing on corridors not currently served by existing or planned mass transit networks, to complement the metro rail system and improve urban mobility.<br>-Conduct feasibility studies for monorail development in Chattogram Division, prioritising high-demand urban corridors to support congestion reduction and efficient intra-city connectivity.<br>-Complete feasibility studies and prepare DPPs for priority rail route investments, including the Dhaka–Cumilla cord line<br>-Initiate the phased transition of railway routes to electrified systems | NLDCC, BR, Railways, BRTA/ RHD, Port Authorities | -Initiate rail service in at least two route<br>-Revive demo rail for passenger carrying<br>-Feasibility study reports<br>-GPS tracking piloted in 2–3 major cities/corridors; 10% reduction in traffic violations (pilot areas)<br>-Share of trade related document processed electronically.<br>-QoS monitoring covering ≥80% of network operators<br>-monthly QoS reporting introduced |
| | -Initiate planning to develop expressway grid | NLDCC | |
| | -Launch smart transport pilots (GPS tracking, enforcement, traffic management) | BRTA, Bangladesh Police, ICT Division | |

| Activities | Actions | Lead Ministry/ Office | Outcome Indicator |
|---|---|---|---|
| | -Initiate Port Single Window (PSW) and initial automation | MoS, Port Authority | |
| | -Improve airport service delivery and governance | Civil Aviation & Tourism Authorities | |
| | -Introduce 5G in all division cities<br>-Strengthen telecommunication quality of service (QoS) monitoring and initiate measures for broadband expansion and infrastructure sharing. | BTRC | |
| Reliable & cost-effective industrial utilities | -Establish a National Coordination Taskforce to ensure continued utility supply in industrial zones with proper authority<br>-Service-level benchmarks for reliability, connection time, and quality | Cabinet Division | -Task force formation<br>-Bench mark report<br>-A roadmap on RE |
| | -Prepare roadmap on renewable energy (RE) targeting 20% of electricity from renewable source by 2030 | -Power Division | |
| **Restoration (1-3 years)** | | | |
| Enhancing logistics efficiency and reliability | -Needs assessment by relevant ministries to identify key infrastructure<br>-Prepare DPP for construction of infrastructure based on needs assessment | PMO, NLDCC | -Needs assessment report<br>-Final and approved DPP |
| Transport and Communications | -Initiate implementation phase for monorail in two division, Dhaka-Cumilla cord line and secure low-cost financing<br>-Identify priority rail route for electrification and initiate phased implementation works | NLDCC, BR | -2 priority monorail projects reach implementation stage (contract award/construction start)<br>-Dhaka–Cumilla cord line DPP approved and procurement initiated<br>-Priority electrification roadmap approved (covering ≥500–800 km of rail lines)<br>-DPPs prepared and approved for ≥3–5 priority expressway corridors<br>- public transport fleet under GPS tracking<br>Smart traffic management operational in major cities/ corridors<br>-documentation processed digitally in ports<br>-reduction in cargo clearance time<br>-List of priority airports finalised<br>-5G services launched in all division cities and key industrial zones<br>-Core platform architecture developed and operational<br>-Integration plan across major systems completed |

| Activities | Actions | Lead Ministry/ Office | Outcome Indicator |
|---|---|---|---|
| | -DPP preparation for expressway grid | NLDCC, BRTA | |
| | -Scale up smart transport systems nationwide, including GPS-based fleet monitoring, digital enforcement, and traffic management across major urban and inter-city corridors. | BRTA, Bangladesh Police, ICT Division | |
| | -Enhance PSW and expand automation, including cargo tracking, paperless documentation, and integration with customs and logistics systems. | MoS | |
| | -Full operationalisation of new terminal capacity, digital passenger processing, and improved regulatory oversight.<br>-Identify airports to reopen and assess infrastructure requirement needed in those airports | Civil Aviation and Tourism Ministry | |
| | -Expand high-speed connectivity, including 5G rollout in major urban and industrial centres and accelerated broadband expansion to underserved areas. | BTCL | |
| | -Initiate integrated digital platforms for transport and logistics, enabling data sharing across ports, customs, transport operators, and regulatory agencies. | MoS, Port Authority, ICT Division | |
| Northwest–Dhaka–Southeast Integrated Growth Network Development initiative | -Establish Development Authority with mandate for cross-sector coordination<br>-Prepare integrated corridor master plan<br>-Prepare DPPs for priority multimodal projects + logistics hubs + digital backbone<br>-Develop implementation monitoring system | PMO, Cabinet Division | -Number of ICD<br>-DPP for multimodal hub<br>-DPP for rail connectivity to ports |
| Reliable & cost-effective industrial utilities | -Developed Industrial Utility Master Plan | Cabinet Division | -Share of RE of total energy<br>-Investment is cost effective technology<br>-Cost of utility in industrial zone |
| | -Promote energy-efficient technologies<br>-Establish RE energy plants within the industrial zones<br>-Rationalise charges for industrial zones | Power Division | |
| **Reconstruction and Acceleration (3-5 years)** | | | |
| Enhancing logistics efficiency and reliability | -Create a national logistics performance dashboard showing dwell time, turnaround, reliability in order monitor and take immediate action to fix inefficiency<br>-Adopt predictive analytics and system-wide optimisation | MoS | -Improvement in on-time delivery/reliability<br>-Variance in transit time<br>-Share of logistics disruptions resolved within defined time<br>-Forecast accuracy of cargo flow<br>-Logistics cost as % of GDP<br>-Trade cost (USD per container) |

| Activities | Actions | Lead Ministry/ Office | Outcome Indicator |
|---|---|---|---|
| Transport and Communications | -Complete development and operationalisation of urban mass transit systems, including monorail networks in selected divisions and the Dhaka–Cumilla corridor rail line<br>-Introduce electric trains in atleast two key routes | NLDCC, BR, BRTA | -Atleast Dhaka city covered by mass transit systems (metro/monorail/BRT)<br>-1,500–3,000 km expressway/controlled-access highway network operational<br>-≥80% of public transport fleet under GPS monitoring<br>-Passenger handling capacity increased by ≥100% in major airports<br>-5G coverage in all major cities and industrial zones ≥50% increase in average internet speed<br>-100% integration of major transport, customs, and port platforms |
| | -Based on national expressway grid plan, major construction related work will be completed | NLDCC, BRTA | |
| | -Achieve full automation and digitalisation of port and logistics systems, including end-to-end paperless operations, real-time cargo tracking, and seamless integration with customs, shipping agents, and inland transport networks. | MoS, Port Authority ICT Division | |
| | -Based on assessment, reopen financing viable airports<br>-All airports will be transforming efficient regional passenger and cargo hubs, supported by advanced digital systems, improved cargo handling capacity, and high service standards. | Civil Aviation and Tourism Ministry | |
| | -Achieve full automation and digitalisation of port and logistics systems, including end-to-end paperless operations, real-time cargo tracking, and seamless integration with customs, shipping agents, and inland transport networks. | MoS, Port Authority, ICT Division | |
| | -Ensure nationwide high-speed digital connectivity, including near-universal broadband coverage and widespread 5G deployment across urban, industrial, and logistics corridors.<br>-Establish a fully integrated DPI ecosystem, enabling secure and interoperable data exchange across transport, logistics, customs, and regulatory systems, and supporting real-time coordination of supply chains. | BTCL | |
| Reliable & cost-effective industrial utilities | -Establish dedicated utility infrastructure in industrial zones<br>-Scale renewable and distributed energy<br>-Monitor pricing of utilities and prevent sudden hike pricing for industrial zones<br>-Expand PPP participation | MoI, Power Division & Energy Division | -Share of industrial zones with dedicated utility infrastructure<br>-Share of renewable energy in industrial zones (%)<br>-Power/gas outage duration<br>-Industrial electricity/gas cost<br>-Number of PPP utility projects |

## Strengthening the Business Environment and Financial Intermediation

| Area | Activities | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Recovery and Stabilisation (1 year)** | | | |
| Enhancing predictability and transparency of business regulations | -A policy directive will be issued ensuring stability and forward guidance on tariffs, taxes, and export incentives after the FY27 Budget.<br>-Key services (business registration, trade permits, work permits, licensing) will be digitised and standardised through existing platforms.<br>-A rapid regulatory stocktake will be conducted across agencies to identify overlapping and outdated regulations, followed by immediate simplification measures.<br>-An inter-agency coordination mechanism will be activated under PMO/Cabinet Division.<br>-Diagnostics will be undertaken to address bottlenecks in land administration and gaps in the OSS. | PMO/Cabinet Division | -Policy directive on regulatory stability issued<br>-Number of services digitised and standardised<br>-Regulatory stocktake completed<br>-Number of redundant regulations identified and removed<br>-Inter-agency coordination mechanism operational<br>-Baseline for time required for key approvals established |
| Improving credit allocation to private sector and expanding access to finance for MSMEs and new sectors | -A review of interest rate setting and lending practices, introducing a structured framework aligned with inflation, investment, and employment objectives will be initiated.<br>-Monitoring of lending rates and credit flows will be strengthened to improve allocation efficiency and reduce concentration.<br>-Targeted programmes will be accelerated to expand inclusive finance for MSMEs, women, youth, and underserved regions, linking finance to productive and export-oriented activities.<br>-Immediate measures will also strengthen financial sector governance, including enhanced monitoring of loan performance and stricter oversight of high-risk lending. | FID, BB, MoF | -Interest rate policy framework introduced<br>-Share of credit to private sector (% of total credit)<br>-Share of MSME credit in total lending (%)<br>-Number of beneficiaries under inclusive finance programmes<br>-Monitoring system for lending practices operational |
| Strengthening alternative financing mechanism | -Prioritise strengthening regulatory oversight and enforcement in the capital market, including stricter monitoring of market manipulation, insider trading, and irregular trading practices.<br>-Measures will be implemented to improve transparency and disclosure in listed companies, including enforcement of financial reporting standards and timely disclosure of price-sensitive information.<br>-Coordination between Bangladesh Bank, BSEC, and financial institutions will be strengthened to stabilise the market and protect investor interests.<br>-A time-bound capital market reform roadmap will be prepared, covering equity market deepening, corporate bond development, and institutional investor participation. | FID, BSEC, BB | -Capital market reform roadmap approved<br>-Number of enforcement actions taken by BSEC<br>-% of listed firms compliant with disclosure requirements<br>-Reduction in abnormal market volatility (%) |

| Area | Activities | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Restoration (1-3 years)** | | | |
| Enhancing predictability and transparency of business regulations | -OSS service will be expanded, covering land service, utility connection<br>-A comprehensive regulatory simplification programme will be implemented, eliminating redundant approvals and standardising processes.<br>-A formal regulatory review mechanism will be established.<br>-Land administration reforms will include digitisation of land records, simplified registration and mutation processes, and clearer zoning rules.<br>-Trade and customs processes will be further streamlined and digitised. | PMO, BIDA, MoL, MoC | -OSS fully operational with expanded services<br>-% of key approvals processed through OSS<br>-Reduction in average approval time (days)<br>-Number of regulations simplified or eliminated<br>-% of land records digitised in priority industrial zones |
| Improving credit allocation to private sector and expanding access to finance for MSMEs and new sectors | -Operationalise a transparent and market-aligned credit allocation framework, supported by improved monitoring and enforcement of lending standards.<br>-Access to finance programmes will be scaled up with clear targets, including expanded lending to MSMEs and women entrepreneurs.<br>-Measures will take to improve competition, transparency, and efficiency in the banking sector.<br>-Reforms will be initiated to develop long-term financing instruments, including corporate bond market guidelines, expanded credit guarantee schemes, and strengthened development finance mechanisms. | FID, BB, MoF & Scheduled Banks | -Loans disbursed to MSMEs and entrepreneurs (number and volume)<br>-Number of female entrepreneurs financed (target: 120,000+)<br>-Credit guarantee schemes operational and total guarantees issued (Tk)<br>-Corporate bond market guidelines issued<br>-Reduction in average lending rate (%)<br>-Increase in private sector credit growth (%) |
| Strengthening alternative financing mechanism | -Implement regulatory and institutional reforms to strengthen transparency, governance, and investor protection.<br>-Measures will promote quality listings, including listing of large state-owned and private enterprises, improved listing standards, and strengthened due diligence. Institutional investor participation (banks, insurance, pension funds) will be expanded.<br>-A corporate bond market framework will be operationalised, alongside initial policy measures to support venture capital, private equity, and alternative investment funds, including startup financing frameworks. | FID, BSEC, BB, MoF | -Number of new quality listings (including SOEs)<br>-Market capitalisation (% of GDP)<br>-Number and value of corporate bonds issued<br>-Share of institutional investors in market participation (%)<br>-Venture capital / private equity investments (USD)<br>-Reduction in cost of long-term financing (%) |

| Area | Activities | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Reconstruction and Acceleration (3-5 years)** | | | |
| Enhancing predictability and transparency of business regulations | -A formal regulatory governance framework requiring periodic review and publication of business regulations.<br>-OSS will become mandatory and fully integrated, with all approvals delivered through interconnected digital systems.<br>-Time-bound approvals with automatic escalation or deemed approval provisions will be implemented.<br>-Digital land systems will be fully operational across industrial zones, with transparent land allocation mechanisms.<br>-Trade facilitation systems will be fully integrated and aligned with international standards. | PMO, BIDA, MoL, MoC | -% of business regulations publicly available online<br>-% of approvals processed digitally end-to-end<br>-Average approval time (days)<br>-% of land records digitised nationwide<br>-Reduction in regulatory compliance cost for firms (%)<br>-Improvement in business environment index (BBX/B-READY score) |
| Improving credit allocation to private sector and expanding access to finance for MSMEs and new sectors | -Establish a rules-based and efficient financial system ensuring credit flows to productive, export-oriented, and high-growth sectors.<br>-Large-scale expansion of financing programmes will support MSMEs, women entrepreneurs, and emerging sectors.<br>-Structural reforms will strengthen banking sector competition, governance, and intermediation efficiency, reducing the cost of finance.<br>-Financing systems will be aligned with export diversification, industrial upgrading, and value chain development. | FID, BB, MoF & Scheduled Banks | -Total MSME and small entrepreneurs financed (target: 2.5 million+)<br>-Volume of concessional/ refinancing schemes (Tk 5,000–7,000 crore)<br>-Share of credit to productive/export-oriented sectors (%)<br>-Reduction in average cost of credit (%) |
| Strengthening alternative financing mechanism | -Stock market will operate with strong regulatory credibility, transparency, and investor protection.<br>-The equity market will be deepened through participation of large firms and strong institutional investors.<br>-A fully functional corporate bond market will provide long-term financing, supported by credit enhancement mechanisms and active secondary markets.<br>-A well-regulated ecosystem for venture capital, private equity, and alternative investment funds will support innovation-driven sectors.<br>-Regulatory coordination will be institutionalised to align capital markets with broader financial sector policies. | FID, BSEC, BB, MoF | -Market capitalisation (% of GDP)<br>-Corporate bond market size (% of GDP)<br>-Share of non-bank financing in total investment (%)<br>-Number of active venture capital / PE funds<br>-Volume of long-term financing mobilised through capital markets (USD)<br>-Reliance on bank credit (% of total financing) |

## LDC Graduation Issues

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Recovery and Stabilisation (1 year)** | | | |
| Securing Extension | -Maximum diplomatic efforts need to mobilse to secure three-year extension | PMO, MoFA | -Three-year extension secured |
| STS Implementation and recalibration | -Cabinet Division-led coordination mechanism will be established.<br>-STS will be consolidated into a prioritised time-bound implementation matrix | Cabinet Division | -STS coordination mechanism operational<br>-STS implementation matrix finalised |
| Securing existing preferential market access | -High-level diplomatic engagement will be continued to secure continued preferential market access with the EU<br>-Diplomatic engagement with India to continue existing preference after graduation under SAFTA | MoFA, MoC | -Number of high-level engagements on EU market access<br>-Number of diplomat level meeting with India |
| Trade and regional agreement | -The RTA policy will be revised to identify priority partners and initiate preparatory negotiations.<br>-Identify at least regional bloc to join | MoC | -Revised RTA policy approved<br>-Regional blocs identified |
| ESG and carbon market | -An inter-ministerial platform for ESG compliance and carbon market development will be established. | Cabinet Division | -ESG/carbon platform established |
| Engaging with DPs | ERD will align development partner support with priority STS actions | ERD | -Number of meetings with DPs |
| **Restoration (1-3 years)** | | | |
| STS Implementation | Government will operationalise the coordination mechanism with regular progress monitoring and review cycles. | Cabinet Division | -Regular STS progress reporting system operational |
| Securing existing preferential market access | Make progress in securing market access and relaxation of safeguard measures | MoC | -Number of meetings with EU delegation |
| Trade and regional agreement | Initiate Secretary-level meetings with key partners.<br>-Accession processes of at least two priority regional bloc will be initiated | MoC, MoFA | -Number of FTAs/RTA negotiations advanced<br>-Secretary level meeting initiated |
| ESG and carbon market | -A structured ESG compliance system will be implemented for export sectors, including reporting standards and certification support.<br>-Initial carbon market infrastructure (registry systems, pilot projects) will be operationalised. | Cabinet Division | -Carbon registry system operational<br>-Number of pilot carbon market projects initiated |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Engaging with DPs | ERD will consolidate DP's financing into a structured STS support framework, with individual partner contributions mapped against specific STS priority actions, disbursement conditions aligned with implementation milestones, and a joint annual review mechanism established to assess progress and reallocate resources where implementation has stalled. | ERD | -Share of development partner support aligned with STS priorities (%) |
| **Reconstruction and Acceleration (3-5 years)** | | | |
| STS Implementation | All the STS priorities will be integrated into national planning and monitoring framework. | Cabinet Division | -Number of actions implemented |
| Securing existing preferential market access | Favourable market access with EU and India will be secured. | MoFA, MoC | |
| Trade and regional agreement | Trade agreement with key partners will be secured.<br>Accession of at least one regional block will be secured. | MoC | -Number of trade agreement with signed<br>-Number of regional bloc joined |
| ESG and carbon market | ESG compliance systems will be embedded across major export sectors, and a functioning carbon market ecosystem will support climate finance and decarbonisation. | Cabinet Division | -Volume of carbon credits generated and traded (USD/year)<br>-Amount of climate finance mobilised through carbon markets and ESG-linked instruments (USD) |
| Engaging with DPs | Development partner support will be fully harmonised with Bangladesh's post-LDC structural transformation agenda. ERD will maintain a standing development finance coordination platform ensuring that external resource flows remain aligned with evolving national priorities beyond the graduation transition period. | ERD | -Alignment of DP financing with STS priorities (%) |

## Strengthening institutional coordination and governance mechanisms

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| **Recovery and stabilisation (1 year)** | | | |
| Institutional Coordination | -Government will designate the Cabinet Division/ PMO as the central coordination authority for cross-cutting economic reforms.<br>-A high-level inter-ministerial coordination platform will be established.<br>-Overlapping mandates across key agencies will be mapped, and priority reforms will be identified with designated lead agencies.<br>-Initial directives will be issued to harmonise investment incentives and regulatory processes. | Cabinet Division/PMO | -Central coordination authority designated<br>-Inter-ministerial coordination platform operational<br>-Mapping of overlapping mandates completed |

| Activities | Actions | Lead Ministry | Outcome Indicator |
|---|---|---|---|
| Governance and Accountability Mechanisms | -Government will develop a centralised reform monitoring dashboard to track priority actions across ministries with defined timelines.<br>-A shared data and information platform will be initiated to improve transparency and coordination. Initial steps will be taken to standardise reporting and monitoring practices. | Cabinet Division/PMO | - % of priority reforms tracked digitally<br>-Shared data platform initiated<br>-Baseline for reform implementation timelines established |
| **Restoration (1-3 years)** | | | |
| Institutional Coordination | -Government will operationalise a permanent coordination mechanism with decision-making authority and regular review cycles.<br>-Lead agency roles for cross-cutting areas (trade, investment, ESG, industrial policy) will be formalised.<br>-A digital coordination platform will be operationalised for real-time data sharing. | Cabinet Division/PMO | -Permanent coordination mechanism operational<br>-% of ministries connected to coordination platform<br>-% reduction in overlapping mandates<br>-Number of coordination meetings held annually |
| Governance and Accountability Mechanisms | -Government will introduce a results-based monitoring framework, linking ministry performance to KPIs, timelines, and reform outcomes.<br>-Periodic progress reviews will be conducted under central oversight.<br>-Capacity building will be undertaken to strengthen implementation and compliance. | Cabinet Division/PMO | -Results-based monitoring system operational<br>-% of reforms linked to KPIs and timelines<br>-Number of progress review cycles conducted annually<br>-Reduction in implementation delays (%) |
| **Reconstruction and Growth Acceleration (3-5 years)** | | | |
| Institutional Coordination | -Government will establish a fully integrated whole-of-government coordination framework, with streamlined mandates and minimal overlap.<br>-Coordination systems will be embedded into national planning and budgeting processes.<br>-A central policy alignment unit will ensure coherence across trade, investment, and industrial strategies. | Cabinet Division/PMO | -% of major policies aligned across ministries<br>-Coordination framework embedded in planning system (Yes/No) |
| Governance and Accountability Mechanisms | -Government will institutionalise a transparent, rules-based governance framework with periodic regulatory reviews and independent evaluation mechanisms.<br>-A fully integrated digital governance system will enable end-to-end service delivery, real-time monitoring, and evidence-based decision-making.<br>-Accountability will be strengthened through public reporting and performance benchmarking. | Cabinet Division/PMO | -% of government services delivered digitally end-to-end<br>-Reduction in regulatory compliance cost (%) |

## 5.7 Implementation Arrangements, Risks and Governance

### 5.7.1 Implementation Framework

The implementation of the Five-Year Strategic Framework will require a whole-of-government delivery architecture, with clear political oversight, designated institutional responsibilities and a disciplined monitoring system. Given the cross-cutting nature of the diversification agenda, implementation cannot be left to individual ministries acting separately. It will require coordinated action across trade policy, industrial development, investment promotion, infrastructure, finance, skills, standards, LDC transition and institutional reform.

The Prime Minister's Office and the Cabinet Division will serve as the central coordinating authorities for cross-cutting economic reforms. Their role will be to provide strategic oversight, resolve inter-ministerial bottlenecks, ensure policy coherence and monitor delivery against agreed milestones. Line ministries will retain responsibility for sector-specific implementation. The Ministry of Commerce will lead trade, export diversification, market access and LDC graduation-related actions; the Ministry of Finance and the Financial Institutions Division will lead tariff, revenue, banking and financing reforms; the Ministry of Industries will lead industrial upgrading, standards and certification; the Ministry of Foreign Affairs will support economic diplomacy and trade negotiations; and the Planning Commission will ensure integration of reform priorities into national plans, ADP allocations and monitoring systems.

Specialised agencies, including BIDA, BEZA, BEPZA, NBR, Bangladesh Bank, BSEC, BSTI, NSDA, EPB and relevant utility and logistics agencies, will be aligned within this framework to deliver operational outcomes. Their mandates and functions will be reviewed where necessary to reduce overlap, improve service delivery and ensure consistency across investment, industrial, trade and regulatory regimes. Integration with the national planning and budgeting framework will be essential so that priority reforms are reflected in resource allocation, project selection, development-partner engagement and annual performance reviews.

### 5.7.2 Coordination Mechanisms

Coordination will be organised through a multi-tiered mechanism combining strategic oversight, thematic delivery and results-based monitoring. At the apex, a high-level inter-ministerial platform, chaired by the PMO or Cabinet Division, will provide strategic direction, resolve policy conflicts and oversee implementation of priority reforms. This platform should meet regularly and have authority to require progress reporting from ministries and agencies.

The apex platform will be supported by thematic coordination groups covering key reform areas, including trade and investment policy, LDC graduation and market access, industrial upgrading and MSME development, infrastructure and logistics, financial-sector and capital-market reform, skills and human capital, standards and ESG compliance, and institutional governance. Each thematic group will be led by a designated ministry or agency and supported by a small technical secretariat. This will help move coordination from general consultation to delivery-focused problem solving.

A results-based monitoring framework will be introduced to track implementation against agreed timelines, KPIs and agency responsibilities. A digital reform dashboard will be developed to monitor progress on strategic actions, identify delayed reforms and support course correction. The dashboard should be linked to the Planning Commission's monitoring systems and, where appropriate, to the national budgeting process so that implementation performance can inform resource allocation.

Coordination with development partners will be led by the Economic Relations Division through a standing development-finance coordination platform. This platform will align external financing, technical assistance and policy support with FYSF priorities, particularly LDC transition, trade negotiation capacity, infrastructure and logistics, standards and certification, ESG compliance, financial-sector reform, industrial upgrading and climate-related competitiveness. Development-partner support should be guided by a unified results framework to reduce fragmentation, avoid duplication and encourage programmatic and blended-finance approaches.

### 5.7.3 Key Risks and Mitigation

| Risk | Impact level | Mitigation strategy |
|---|---|---|
| Overlapping mandates and fragmented responsibilities across ministries and agencies | High | Designate clear lead and supporting agencies for each strategic priority; strengthen central coordination under the PMO or Cabinet Division; issue formal coordination protocols; map and rationalise overlapping mandates in investment promotion, trade policy, industrial development and regulatory approvals. |
| Weak inter-agency coordination and slow decision-making | High | Operationalise thematic coordination groups with defined workplans; introduce regular progress-review meetings chaired by the central authority; use a digital reform dashboard for real-time tracking; establish escalation mechanisms for unresolved inter-agency issues. |
| Policy inconsistency and reform slippage | High | Prepare time-bound reform implementation matrices for each priority; introduce results-based monitoring with KPIs; require quarterly progress reporting; conduct periodic policy consistency reviews across trade, tariff, industrial, investment and fiscal measures. |
| Resistance from protected interests to tariff, incentive and regulatory reforms | High | Phase reforms carefully; conduct stakeholder consultations with business associations and affected sectors; provide transitional support linked to productivity upgrading; publish clear reform schedules to reduce uncertainty; combine tariff rationalisation with domestic revenue mobilisation and export-readiness support. |
| Fiscal constraints and dependence on trade-related taxes | High | Undertake revenue-impact assessments before tariff rationalisation; strengthen VAT compliance, income-tax coverage and customs automation; sequence tariff reforms with domestic revenue mobilisation; align Ministry of Finance, NBR and Planning Commission actions with the diversification agenda. |

| Risk | Impact level | Mitigation strategy |
|---|---|---|
| Limited institutional and technical capacity for complex reforms | Medium to high | Mobilise targeted technical assistance through ERD; establish technical units within lead ministries; use policy institutes and universities for analytical support; strengthen capacity in trade negotiation, standards, ESG compliance, carbon markets, project preparation and regulatory review. |
| Weak private-sector response and low investor confidence | Medium to high | Improve regulatory predictability; strengthen OSS and BanglaBiz functionality; provide forward guidance on major policy changes; institutionalise structured consultation with chambers, sector associations, exporters, MSMEs and foreign investors; ensure consistent communication of reform priorities. |
| Delays in infrastructure, logistics, utility and corridor implementation | High | Prioritise high-readiness projects; strengthen project preparation and feasibility assessment; use the Planning Commission and IMED for rigorous monitoring; align DPPs with the National Logistics Policy and corridor development priorities; expand PPP and blended-finance options where commercially viable. |
| Insufficient finance for MSMEs, emerging sectors and industrial upgrading | High | Expand targeted refinancing, credit guarantee and concessional financing windows; strengthen Bangladesh Bank monitoring of credit allocation; improve loan products for women entrepreneurs, CMSMEs and export-oriented firms; develop corporate bond, venture capital and alternative financing instruments. |
| Banking-sector weaknesses affecting productive credit allocation | High | Strengthen supervision and lending discipline; improve NPL monitoring and recovery; enforce governance standards in banks; reduce credit concentration in low-productivity activities; align financial-sector reforms with productive investment, export diversification and SME financing priorities. |
| Limited firm readiness for standards, ESG, carbon and post-LDC compliance requirements | High | Strengthen BSTI and sector-level certification systems; establish ESG compliance support for non-RMG sectors; develop firm advisory services; operationalise carbon-market infrastructure; link export incentives and support programmes to standards, traceability, sustainability and productivity upgrading. |
| Unfavourable LDC graduation outcome, including failure to secure extension or insufficient transition arrangements | High | Intensify diplomatic engagement for extension and transitional support; prepare contingency plans for exposed sectors and markets; prioritise STS low-hanging actions; strengthen market-access negotiations with the EU, India and other partners; mobilise development-partner support for transition preparedness. |
| External shocks, geopolitical risks and changing trade-policy measures by partner countries | High | Establish a geopolitical trade and investment monitoring function; create an early warning and response system under the Planning Commission in collabouration with policy institutes; diversify markets and trade partnerships; strengthen economic diplomacy and trade negotiation capacity. |

| Risk | Impact level | Mitigation strategy |
|---|---|---|
| Fragmented development-partner support | Medium | Use ERD's development-finance coordination platform to align external support with FYSF priorities; adopt a unified results framework; encourage pooled, programmatic and blended financing; avoid parallel project structures that weaken government ownership. |
| Weak data systems and monitoring gaps | Medium | Develop interoperable digital platforms for reform tracking, trade and investment data, skills forecasting and logistics monitoring; strengthen BBS, Planning Commission and IMED roles in performance monitoring; use independent evaluations for major reform areas. |
| Discontinuity across political or policy cycles | Medium to high | Embed FYSF priorities into national planning, budgeting and monitoring systems; formalise coordination mechanisms through government orders or Cabinet decisions; require annual progress reporting; build broad political, private-sector and development-partner ownership around core reform priorities. |

# CHAPTER 6

# STRATEGIES FOR THE DEVELOPMENT OF THRIVING INDUSTRIES AND MSMEs

## 6.1 Background

Micro, small, and medium enterprises (MSMEs), which account for more than 95% of all businesses in Bangladesh, are seen as engines of growth due to their significant contributions to employment and an estimated 25 per cent share of GDP (ADB, 2015), though Bangladesh Bank estimated the contribution of SME sector to GDP growth is 30.4 per cent (BB, 2022). However, the government aims to boost the SME contribution to 32 per cent by 2031 in their (draft) National SME Policy 2026. The government, in its Election Manifesto, has given a high priority to the development of MSMEs to achieve faster and equitable growth.

The MSME sector has seen a substantial transition as nonfarm economic activities, particularly in rural regions, continue to expand. Despite substantial expansion in the MSME sector, numerous obstacles faced by small businesses continue to hinder the industry's full potential. The MSME Strategy focuses on critical strategic issues, including enhancing the business environment, increasing access to global market and facilitating access to formal financing. It acknowledges that no single ministry, agency, or organisation can address issues in isolation and that effective collabouration among all key stakeholders is essential for success.

## 6.2 Connecting MSMEs with Four Thriving Industries

The government aims to transform Bangladesh into a diversified, technology-driven, and globally competitive production and export economy by accelerating the development of high-potential sectors such as ICT, pharmaceuticals, agro-processing, and leather and leather goods. The government will emphasis on export diversification, industrial modernisation, employment generation, and digital transformation, these sectors are expected to play a critical role in expanding productive capacity of the country, increasing domestic value addition, strengthening technological capabilities, and integrating Bangladesh more deeply into regional and global value chains. At the same time, these sectors continue to face a range of structural constraints. These include weak backward linkages, limited access to finance and technology, inadequate logistics and infrastructure, compliance and quality challenges, skills shortages, and insufficient innovation and research capacity. Addressing these constraints and unlocking the full potential of these sectors will be critical for achieving sustained industrial upgrading, export competitiveness, and long-term economic transformation. MSMEs of these four sectors should be given priority in policy supports to act as a catalyst for industrial growth.

### 6.2.1 ICT sector

The ICT sector represents one of the most important strategic pathways for economic diversification and export expansion, given its relatively low dependence on physical logistics and its strong linkage with high-skilled employment, innovation, and productivity growth. Domestically, the ICT market reached USD 8.88 billion in 2025 and is projected to expand to USD 12.07 billion by 2030, with the IT services segment alone growing at a compound annual rate of 11.8 per cent to reach USD 3.29 billion by 2029. This trajectory is anchored by enterprise digitalisation and rising consumer demand, supported by deep digital penetration with 131.42 million internet users, 187.07 million mobile subscribers, and 110 million mobile financial services accounts. A young population with a median age of 27, more than 22,000 electrical and computer engineering graduates produced annually, and an ecosystem of over 4,500 software and ITES firms employing more than 300,000 professionals provide the talent base needed to sustain this expansion.

The export potential is substantial when viewed against global market dynamics. Global digital trade exports grew from USD 4.59 trillion in 2020 to USD 7.23 trillion in 2024, with digitally delivered services expanding at 9.7 per cent annually and global technology spending projected at USD 5.43 trillion in 2025. Bangladesh's computer services exports have grown at 20.3 per cent annually over the past two decades, nearly double the global average of 10.5 per cent, yet the country still accounts for only 0.041 per cent of world computer services exports, indicating considerable headroom for expansion. The acceleration is already visible in business process outsourcing, where exports of USD 900 million in the first half of 2025 surpassed the USD 850 million earned in all of 2024, while a labour cost advantage, combined with a pool of over 650,000 freelancers and rapid AI adoption, positions Bangladesh to capture a meaningfully larger share of the global ITES market provided the binding constraints around investment, skills, branding, and ecosystem scale are addressed.

However, despite growing global demand for software, IT-enabled services, artificial intelligence (AI), cloud computing, cybersecurity, and digital business solutions, the sector continues to face significant structural constraints that limit its international competitiveness and export growth. Weak integration into global digital value chains, limited access to international buyers, insufficient international visibility, and the absence of sustained business-to-business engagement platforms continue to constrain export expansion and long-term client acquisition. At the same time, gaps in specialized technical skills, business communication capabilities, project management, internationally recognised certification systems, and cybersecurity and compliance standards reduce the sector's ability to compete in higher-value market segments. Institutional fragmentation, weak coordination between industry and academia, limited participation in global technology networks, inadequate diaspora engagement, and regulatory bottlenecks related to cross-border payments, digital trade, and data governance further constrain sector development and investor confidence. Addressing these constraints will require a coordinated ecosystem-based approach focused on strengthening international market linkages, expanding specialized digital skills, improving compliance and quality assurance systems, modernising digital trade infrastructure, promoting internationally recognised standards and certifications, and establishing a coherent international branding and promotion strategy to position the country as a competitive and reliable destination for digital services exports. A detailed discussion on the ICT sectors is made in chapter7. The following action regarding ICT industry will be undertaken:

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 1. Conduct national digital services capability and market assessment: Map firm capabilities, export readiness, certification gaps, infrastructure bottlenecks, emerging technology strengths, and international market opportunities to establish baseline priorities. | 1. Institutionalise recurring international market engagement platforms: Establish annual digital services forums, sector-specific buyer communities, and year-round digital B2B matchmaking systems connecting domestic firms with international clients. | 1. Deepen integration into global digital value chains: Establish long-term strategic partnerships with multinational technology firms, international platforms, research institutions, and global enterprise networks. |
| 2. Launch structured international market access and diaspora engagement Programmes: Organise curated trade missions, virtual buyer–seller engagement platforms, and diaspora business ambassador networks to facilitate client acquisition, mentorship, and overseas business development. | 2. Expand diaspora-led business development and international partnership initiatives: Facilitate diaspora-led representative offices, consulting partnerships, joint ventures, and investment channels supporting export expansion and technology transfer. | 2. Position Bangladesh as a globally connected digital innovation hub: Build internationally recognised networks linking Bangladeshi firms and professionals with frontier technology ecosystems and international innovation partnerships. |
| 3. Launch specialized skills, certification, and university–industry collabouration Programmes: Begin targeted training in AI, cybersecurity, cloud engineering, DevOps, digital marketing technologies, and data analytics while establishing curriculum advisory groups, internships, and apprenticeship frameworks linking universities with industry. | 3. Scale advanced digital skills and innovation ecosystem: Establish centres of excellence, structured apprenticeship and international exchange Programmes, and industry-led advanced technology training systems aligned with global market demand. | 3. Build a globally competitive digital talent and innovation ecosystem: Position Bangladesh as a leading source of high-skilled digital professionals and advanced technology expertise in AI, cybersecurity, fintech, cloud services, and enterprise solutions. |
| 4. Establish international certification and compliance support framework: Support firms in obtaining internationally recognised certifications (ISO 27001, SOC 2, CMMI, ISO 9001) while initiating compliance support services covering data protection, cybersecurity, and cross-border regulatory requirements. | 4. Expand advanced compliance and regulatory support systems: Develop dedicated compliance support services covering GDPR, international cybersecurity standards, fintech regulations, cross-border data governance, and sector-specific regulatory requirements. | 4. Establish a globally trusted digital compliance and quality ecosystem: Position Bangladesh as a secure, compliant, and internationally trusted destination for high-value digital and IT-enabled services exports. |
| 5. Launch coordinated global branding and promotion strategy: Develop and launch "Brand Bangladesh Digital Services" initiative highlighting technical capabilities, emerging technology strengths, export success stories, and competitive advantages in international markets. | 5. Implement sustained international branding and visibility campaigns: Expand participation in global technology conferences, trade expos, research publications, and thought leadership platforms to strengthen Bangladesh's international market presence. | 5. Establish international reputation in high-value digital sectors: Build global recognition in niche areas such as AI applications, fintech, cybersecurity, cloud engineering, QA/testing, and enterprise digital solutions. |

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 6. Improve cross-border digital trade and transaction systems: Simplify foreign payment procedures, improve access to international payment gateways, streamline foreign exchange processes, and initiate reforms supporting digital trade facilitation. | 6. Modernise digital trade infrastructure and business support ecosystem: Expand low-cost digital payment systems, strengthen fintech and legal support services, and develop technology parks, innovation hubs, co-working spaces, and remote work infrastructure. | 6. Establish globally competitive digital trade and innovation infrastructure: Achieve seamless cross-border digital transaction systems, advanced innovation clusters, and internationally competitive digital business infrastructure aligned with global best practices. |
| 7. Establish sector performance monitoring and evaluation framework: Develop baseline indicators and monitoring systems covering exports, certifications, skills, infrastructure, international engagement, and firm competitiveness. | 7. Operationalise integrated monitoring and strategic review systems: Publish annual digital services competitiveness reports, performance dashboards, and strategic assessments to guide policy adaptation and implementation. | 7. Institutionalise continuous strategic evaluation and global benchmarking mechanisms: Ensure long-term policy responsiveness through data-driven monitoring, competitiveness benchmarking, and adaptive strategic planning. |

### 6.2.2 Agro - processing sector

The agro-processing sector represents one of the most important strategic avenues for export diversification, rural industrialisation, and value-added agricultural transformation. On the domestic side, agriculture contributes 11.7 per cent to GDP and employs 44.7 per cent of the workforce, while the processing segment accounts for only 1.7 per cent of GDP and 2.2 per cent of employment, with more than 75 per cent of agricultural produce still leaving farms without any processing. This gap defines the scale of unrealised potential. The number of food processing firms has expanded from 637 to over 1,000 by 2023, with around 250 active exporters concentrated in the Gazipur–Narsingdi corridor and secondary clusters across Narayanganj, Chattogram, Bogura, and Khulna, reflecting proximity to consumer markets, agricultural supply zones, and Chattogram Port. Rising urbanisation, growing female Labour force participation, and shifting retail formats are simultaneously driving sustained domestic demand for convenience-oriented products, ready-to-eat meals, frozen foods, and packaged snacks, providing a strong consumption base on which to scale.

On the export side, the global context is favourable, with world food trade valued at USD 1.7 trillion in 2023. Bangladesh's agro-processed food exports rose from around USD 330 million in FY12 to only about USD 750 million in FY25, peaking above USD 1 billion in FY22, and reaching 128 countries in FY24. Yet the country's share in the world market remains much below 1 per cent.

The sector continues to face a range of interrelated structural constraints that limit overall quality output, compromise export competitiveness and integration into higher-value international markets. Weak compliance infrastructure, inadequate cold chain and logistics systems, inconsistent raw material quality, limited traceability mechanisms, insufficient internationally recognised certification systems, and fragmented institutional coordination continue to constrain access to quality-sensitive and regulation-intensive export markets. In particular, the absence of irradiation facilities, internationally accredited labouratories, and enforceable food safety and traceability standards significantly undermines export competitiveness and limits the sector's ability to enter premium retail and processed food segments. These constraints are further compounded by gaps in productivity, packaging, storage, technology adoption, and market linkage systems, particularly for small and medium-scale producers

and processors. Addressing these challenges will require a coordinated ecosystem-based development strategy focused on strengthening compliance and certification infrastructure, improving cold chain and logistics systems, upgrading processing technologies and quality assurance mechanisms, expanding farmer-level traceability and food safety systems, strengthening market access and export branding initiatives, and aligning regulatory, investment, and trade facilitation systems with evolving international standards and competitiveness requirements.

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 1. Strengthen international compliance, certification, and food safety ecosystem: Expand irradiation facilities, initiate ILAC accreditation for testing labouratories, expand Halal accreditation roadmap, operationalise organic certification systems, and begin harmonisation with Codex Alimentarius and international traceability standards. | 1. Expand internationally accredited compliance and quality infrastructure: Operationalise accredited labouratories, irradiation facilities, traceability systems, Halal and organic certification systems, and internationally recognised quality assurance mechanisms. | 1. Bangladesh as a globally trusted source of compliant and premium agro-products: Position Bangladesh as an internationally recognised supplier of certified, traceable, sustainable, and high-quality agro-processed products in premium global markets. |
| 2. Launch farm-to-export quality and traceability program: Roll out nationwide GAP, IPM, food safety, and cooperative certification Programmes in major production zones to improve raw material quality, reduce contamination, and strengthen export readiness. | 2. Scale integrated farmer-level compliance and traceability systems: Expand traceability frameworks, quality assurance systems, and producer–exporter linkages supporting international certification and buyer requirements. | 2. Develop integrated export-oriented agricultural supply chains: Establish fully traceable, standards-compliant, and high-productivity agricultural ecosystems supporting premium, branded, and high-value agro-processing exports. |
| 3. Accelerate industrial upgrading and product innovation: Launch LEAN manufacturing, sanitation, waste reduction, and process optimization Programmes while initiating feasibility studies for dehydrated foods, organic products, specialty foods, and other high-value agro-processing segments. | 3. Expand technology modernisation and product diversification: Support adoption of modern processing, packaging, dehydration, cold storage, automation, and resource-efficient technologies through concessional financing and technical assistance mechanisms. | 3. Develop advanced technology-driven agro-industrial clusters: Establish globally competitive agro-processing industries with modern production systems, automation, innovation capabilities, and diversified high-value product portfolios. |
| 4. Develop integrated cold chain and export logistics infrastructure: Identify priority locations and initiate implementation planning for cold storage hubs, refrigerated transport systems, airport cold cargo facilities, and integrated export logistics networks. | 4. Operationalise modern cold chain and logistics ecosystem: Expand regional cold storage hubs, refrigerated logistics systems, export cargo handling facilities, and integrated transport networks supporting perishable and processed food exports. | 4. Establish nationally integrated cold chain and agro-logistics network: Develop a seamless nationwide logistics ecosystem connecting farms, processors, industrial zones, ports, airports, and international markets. |

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 5. Strengthen export market access, branding, and buyer linkage systems: Organise participation in international food fairs, buyer–seller matchmaking Programmes, inbound buyer missions, diaspora engagement initiatives, and export branding campaigns targeting priority markets. | 5. Expand international market development and premium product positioning: Strengthen targeted export development Programmes for Japan, China, India, the Middle East, and premium EU retail markets while scaling internationally certified, branded, and GI-protected agro-products. | 5. Position Bangladesh as a premium agro-food export brand: Build sustained international recognition for Bangladeshi organic, specialty, certified, GI-protected, and branded agro-processing products across diversified export markets. |

### 6.2.3 Leather Sector

The leather sector represents one of the most important non-garment export diversification opportunities, given the country's large livestock base, substantial domestic value-addition potential, and labour-intensive production structure. Currently, Bangladesh accounts for around 3.5 per cent of global rawhide production, and the local market for leather goods and footwear is valued at approximately Tk 24,000 crore annually, with overall domestic footwear demand estimated at 350 million pairs per year. The sector employs about 850,000 workers across roughly 220 tanneries, 3,500 leather footwear firms, 6,000+ non-leather footwear firms, and 2,000 leather goods manufacturers, organised in established clusters across Savar, Gazipur, Narayanganj, Chattogram, Bhairab, and the EPZs. Rising disposable incomes, urbanisation, fashion awareness, and the expansion of local brands continue to deepen this consumer base, providing scale, retail networks, and production experience on which firms can build before entering more demanding export markets.

Global demand for leather products, footwear, and fashion accessories continues to expand, creating significant opportunities for integration into higher-value manufacturing and export markets. Total exports of leather, leather goods and footwear rose from USD 765 million in FY11 to about USD 1.7 billion in FY25, growing at an average annual rate of 7.3 per cent, with the composition shifting decisively toward higher-value downstream products. Leather goods (excluding footwear) expanded at 13.5 per cent annually, leather footwear at around 10 per cent to USD 672 million in FY25. The world markets stood at USD 101.7 billion for leather goods, USD 62.8 billion for leather footwear, and USD 15.2 billion for raw and finished leather in 2025, with Bangladesh's strongest relative position in leather footwear at only 1.5 per cent of world exports, and below 1 per cent in the other categories, signalling considerable room for exports.

However, despite the structural advantages, the sector has remained constrained by a set of deeply interconnected bottlenecks that continue to limit export competitiveness, product upgrading, and international market integration. The most critical constraint remains the absence of fully functional environmental compliance infrastructure, particularly the inadequate operation of effluent treatment and waste management systems, which continues to prevent internationally recognised certifications such as Leather Working Group (LWG) accreditation and restricts access to major global buyers and premium export markets. At the same time, weak backward linkages, inefficient raw hide preservation and traceability systems, dependence on imported accessories and intermediate inputs, limited design and product development capabilities, and inadequate adoption of modern manufacturing technologies continue to constrain domestic value addition and industrial upgrading. The sector also faces persistent shortages of skilled technical and supervisory labour, limited industry–academia collabouration, and weak technology transfer systems, reducing its ability to compete in higher-value and design-

intensive product segments. In addition, the absence of dedicated industrial infrastructure for MSMEs, fragmented logistics and customs systems, policy asymmetries relative to dominant export sectors, weaken competitiveness and investment incentives. Following actions will be undertaken to address the challenges:

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 1. Establish leather sector governance and implementation framework: Establish a high-level Leather Sector Coordination Committee to oversee CETP establishment progress, compliance reforms, industrial infrastructure, export promotion, and implementation monitoring across ministries and industry stakeholders. | 1. Institutionalise coordinated leather sector governance and implementation systems: Operationalise technical working groups on compliance, industrial upgrading, skills and infrastructure, to ensure coordinated implementation and policy alignment. | 1. Establish a globally competitive leather sector governance ecosystem: Develop a permanent institutional architecture capable of continuously aligning environmental compliance, industrial upgrading, technology adoption, trade policy, and export market strategies with evolving global market requirements. |
| 2. Enforce environmental compliance and certification ecosystem: Operationalise and modernise CETP facilities and solid waste and chromium recovery systems, initiate tannery-level compliance upgrading, operationalise environmental monitoring systems, and launch fast-track LWG certification support Programmes for export-oriented tanneries. | 2. Expand internationally accredited compliance and quality infrastructure: Operationalise internationally compliant waste management systems, expand LWG-certified tannery capacity, strengthen traceability and environmental compliance systems, and establish internationally recognised testing and certification facilities | 2. Establish Bangladesh as a globally trusted source of compliant and sustainable leather products: Position Bangladesh as an internationally recognised supplier of environmentally compliant, traceable, certified, and sustainable leather and footwear products in premium global markets. |
| 3. Strengthen domestic value chains and industrial upgrading: Improve raw hide preservation systems, introduce grading and traceability mechanisms, strengthen supplier development Programmes, establish Common Facility Centres (CFCs), and initiate technology upgrading, process modernisation, CAD/CAM adoption, and design capability development for MSMEs. | 3. Expand advanced manufacturing, technology, and supplier ecosystems: Support adoption of automation, AI-assisted manufacturing, modern processing technologies, domestic accessories production, and integrated supply chain systems through concessional finance, technical support, and internationally managed technology centres. | 3. Develop globally competitive and innovation-driven leather industries: Establish advanced leather and footwear industries with integrated domestic supply chains, high-value product capabilities, modern manufacturing systems, and strong innovation and design ecosystems. |
| 4. Develop advanced skills and innovation ecosystem: Launch machinery-based technical training Programmes, international training partnerships, apprenticeship systems, overseas placement Programmes, and Leather Technology Institute reforms aligned with export-oriented industry demand. | 4. Scale internationally competitive technical and innovation capabilities: Expand advanced technical training, industry-led curriculum systems, automation and engineering skills, international certification Programmes, and industry–university collabouration frameworks supporting higher-value production. | 4. Build a globally competitive leather sector workforce and innovation base: Position Bangladesh as a leading source of skilled technical, engineering, compliance, and design professionals supporting globally competitive leather and footwear industries. |

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 5. Develop integrated industrial infrastructure and competitiveness-oriented business environment: Initiate development planning for dedicated leather goods and footwear industrial zones with shared compliance facilities, logistics systems, testing labouratories, warehousing, and tenure-secure industrial plots while introducing bonded warehouse facilities, customs simplification, and policy parity reforms. | 5. Operationalise modern leather industrial zones and trade facilitation systems: Expand cluster-based industrial infrastructure, shared compliance facilities, customs automation, export logistics systems, and business support services supporting SME competitiveness and export readiness. | 5. Establish a transparent and globally competitive leather sector business ecosystem: Develop internationally competitive leather industrial clusters supported by efficient infrastructure, integrated logistics, streamlined regulations, and predictable competitiveness-oriented business policies. |

### 6.2.4 Pharmaceuticals and API sector

The pharmaceutical sector occupies a uniquely strategic position in the economy, serving simultaneously as a major industrial sector with strong export potential and as a critical pillar of national public health and affordable medicine access. The sector has developed significant manufacturing capabilities over the past decades and remains one of the country's most promising high-value industries for export diversification in the post-LDC period. The gross output is estimated to have reached around BDT 425 billion (USD 3.5 billion) in FY24, up from BDT 268.6 billion in 2019, with the country's 284 registered pharmaceutical companies now meeting approximately 98 per cent of domestic demand, a dramatic reversal from the early 1980s when multinationals manufactured three-quarters of all drugs. The industry is concentrated, with the top ten firms commanding around 71 per cent of total market share, and production largely composed of off-patent generics (with patented drugs accounting for only 5–10 per cent), which, combined with TRIPS flexibilities under LDC status, has enabled Bangladesh to produce drugs at substantially lower cost than most competitors. The sector also ranks among the largest white-collar intensive employers in the country, and rising FDI inflows, reaching an all-time high of USD 117 million in 2023, with annual growth of around 27 per cent since 2018, reflect strong investor confidence in continued domestic expansion.

The export potential is similarly substantial, though still vastly under-realised when measured against global market size. The world pharmaceutical export market is currently valued at around USD 983 billion, yet Bangladesh's pharmaceutical exports stood at only USD 213 million in FY25, translating to a global market share of just 0.02 per cent. Exports have nonetheless grown more than fourfold from under USD 50 million in FY12, with an average annual growth rate of around 13 per cent, and now reach approximately 156 countries, led by Myanmar (15 per cent), Sri Lanka (12.5 per cent), and the United States (8.7 per cent).

The LDC graduation presents a major structural transition for the industry, as the sector will have to comply with international patent obligations under the TRIPS agreement, the phasing out of WTO-inconsistent export support measures, and intensified competition from multinational pharmaceutical firms with stronger technological and intellectual property advantages. These changes could significantly increase production costs, reduce export competitiveness, and create upward pressure on the prices of essential medicines, particularly if domestic capabilities in active pharmaceutical ingredient (API) production, regulatory compliance, and pharmaceutical innovation remain underdeveloped. At the same time, the sector continues to face structural weaknesses related to dependence on imported APIs,

limited bioequivalence testing infrastructure, inadequate pharmaceutical research and development capacity, gaps in patent administration and TRIPS flexibility utilisation, and the absence of internationally accredited regulatory and quality assurance systems necessary for entry into highly regulated global markets. Addressing these constraints will require a comprehensive sector development strategy focused on strengthening domestic API manufacturing and backward linkages, expanding bioequivalence and advanced testing infrastructure, modernising regulatory and patent administration systems, operationalising TRIPS-compliant public health safeguards, promoting pharmaceutical research and innovation, and developing WTO-consistent competitiveness support measures. Over the medium term, these reforms can support the transition of the sector toward higher-value regulated markets, strengthen medicine security and affordability, attract investment and technology transfer, and position the pharmaceutical industry as a globally competitive and innovation-driven export sector.

| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 1. Strengthen pharmaceutical regulatory and compliance ecosystem: Strengthen DPDT and DGDA capacity for pharmaceutical patent examination, implementation, anti-evergreening safeguards, GMP enforcement, and internationally aligned labouratory and bioequivalence testing systems. | 1. Expand internationally accredited pharmaceutical regulatory, testing, and quality assurance infrastructure: Operationalise internationally recognised bioequivalence testing facilities, strengthen WHO-aligned labouratory standards, expand compliance systems, and enhance regulatory coordination and pharmaceutical quality assurance capabilities supporting regulated market access and affordable medicine access. | 1. Establish an internationally trusted pharmaceutical compliance and intellectual property ecosystem: Position Bangladesh as a globally recognised producer of safe, compliant, high-quality pharmaceutical products supported by internationally accredited regulatory, testing, patent administration, and public health safeguard systems. |
| 2. Accelerate API manufacturing, domestic value chain development, and industrial upgrading: Full operationalisation of the API Industrial Park through utility connectivity, CETP completion, customs facilitation, concessional financing, and domestic API capability development | 2. Expand advanced pharmaceutical manufacturing, technology transfer, and innovation ecosystems: Strengthen synthetic chemistry capabilities, domestic API production, biosimilar development, CRMO services, contract manufacturing systems, industry–university collabouration, and internationally compliant production infrastructure supporting reduced import dependence and higher-value pharmaceutical production. | 2. Develop globally competitive and innovation-driven pharmaceutical industries: Establish advanced pharmaceutical manufacturing ecosystems with integrated domestic value chains, DMF-grade API capabilities, biosimilar development, internationally competitive R&D systems, and high-value pharmaceutical innovation capacity. |

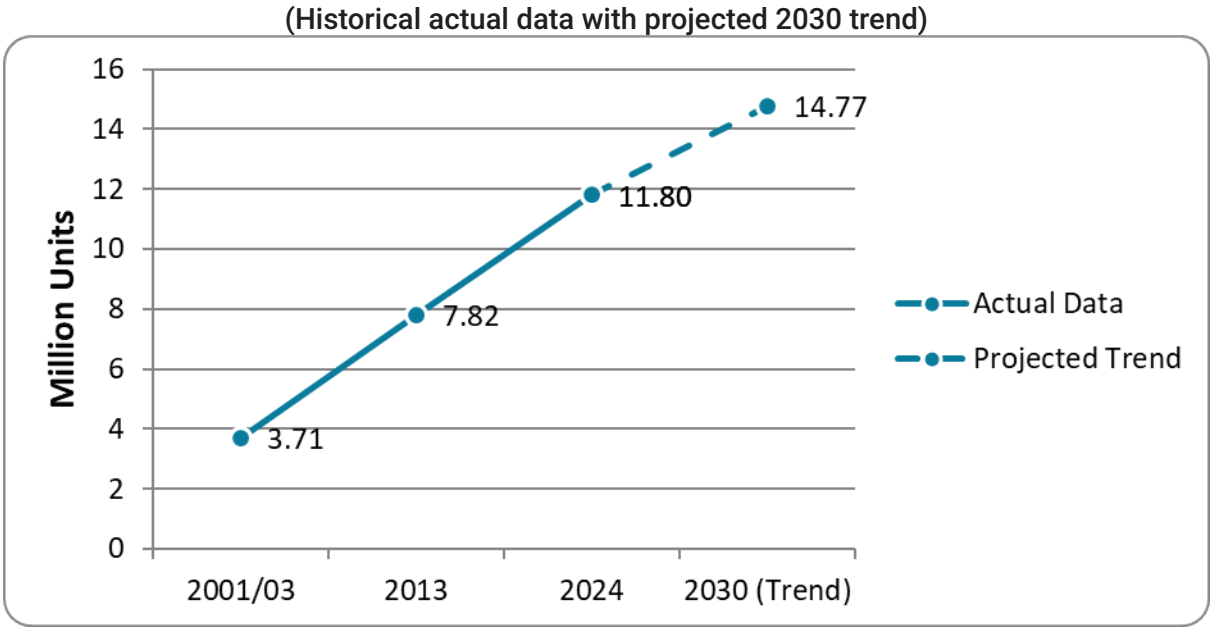
| Recovery and stabilisation | Restoration | Reconstruction and acceleration |
|---|---|---|
| 3. Develop advanced pharmaceutical skills, research, and technical capability systems: Launch synthetic chemistry, regulatory affairs, GMP compliance, and advanced manufacturing training Programmes while strengthening international university and industry partnerships, technical workforce development, and pharmaceutical research capabilities. | 3. Scale internationally competitive pharmaceutical workforce and research capabilities: Expand advanced technical training, clinical research infrastructure, regulatory science expertise, automation capabilities, and industry-led pharmaceutical innovation and research systems aligned with global market requirements. | 3. Build a globally competitive pharmaceutical knowledge and innovation base: Position Bangladesh as a regional hub for medicine and API producer, regulatory science, advanced formulation development, biosimilars, and knowledge-intensive pharmaceutical services. |
| 4. Strengthen medicine affordability, public health safeguards, and sustainable financing systems: Establish medicine price monitoring systems, operationalise compulsory licensing preparedness, strengthen strategic procurement and parallel import systems, and introduce concessional financing. | 4. Expand sustainable pharmaceutical financing and public health protection systems: Strengthen public health financing, affordable medicine access Programmes, innovation financing mechanisms, strategic procurement systems, and long-term industrial financing supporting both pharmaceutical competitiveness and healthcare accessibility objectives. | 4. Establish resilient pharmaceutical financing and public health ecosystem: Develop a sustainable pharmaceutical financing architecture balancing industrial competitiveness, innovation, affordable medicine access, and long-term public health resilience. |

### 6.3 Growth trend of MSMEs

The temporal growth trend of MSMEs reveals notable characteristics of MSME development in Bangladesh. In 2024, the nation had 11.70 million non-agricultural economic units, compared to 7.82 million in 2013, 3.71 million in 2001/03, and 2.17 million in 1986. The growth of economic units was 3.4% from 1986 to 2001/03, increasing significantly to 7.2% from 2001/03 to 2013, but slowing to around 3.7% from 2013 to 2024. In 2024, the number of manufacturing units was 1.119 million, compared to 868 thousand in 2013, reflecting continued expansion of manufacturing activity, though at a slower pace than total economic units. The 2024 Economic Census also shows that cottage and micro enterprises dominated the enterprise structure, with 4.53 million cottage units and 6.63 million micro units, while small and medium enterprises stood at 492 thousand and 36 thousand, respectively. Employment in economic units increased from 24.50 million in 2013 to 30.63 million in 2024, indicating that enterprise growth has remained strong, although employment growth has been comparatively slower.

However, in 2024, the number of women-owned units was 7,60,176 compared to 5,63,368 in 2013, reflecting continued expansion of women entrepreneurs, though the percentage to the total has been reduced from 7.21 per cent in 2013 to 6.50 per cent in 2024.

*Figure 6.1 : Growth Trend of SME Nonfarm Economic Units in Bangladesh*




*Note: The figure for 2030 is estimated from the 2013-2024 CAGR of 3.81%, using 2024 as the base year.*
*Source: BBS (Economic Census, various years)*

Notwithstanding the recent rise in overall credit growth to MSMEs, access to finance remains a primary constraint for 68.6 per cent of small entrepreneurs and 44.7 per cent of medium entrepreneurs (GED Taskforce Report, 2025). This signifies a persistent scarcity of credit, disproportionately affecting small entrepreneurs. To address the credit requirements of MSMEs, this strategy establishes guidelines to be implemented in the coming years.

## 6.4 Existing Institutional and Policy Support Structure for MSMEs and Challenges

Under the Ministry of Industry's (MoI) umbrella, various organisations are involved in MSME development in Bangladesh. With the establishment of the SME foundation, the overall support structure for SME development in Bangladesh becomes a multi-institutional approach. Bangladesh Small and Cottage Industries Corporation (BSCIC), established in 1957, a corporation under the MoI mandated to work mainly for the development of district and sub-district based industrial estates for small and cottage industries. BSCIC activities also facilitate the development of micro and small industries in the country. Each of them works in specific areas, though with some overlap. Bangladesh Bank has been facilitating access to finance for MSMEs through various policy initiatives; however, there exists little or no coordination with other agencies.

However, the Foundation has yet to make a meaningful impact on the development of MSMEs for a number of reasons. These include inadequate financial resources, insufficient legal backing, insufficient logistical support, and governance problems. The total financial resources available to the foundation are inadequate and volatile. The foundation received an endowment fund of Tk. 200 core during its establishment but since then no additional fund was provided. Interest earned on this fund is the sole source of funding, subject to interest rate volatility. The earnings from this endowment, as per the

Foundation's views, are inadequate to undertake the activities mandated by the government gazette. This makes the overall planning difficult for the foundation.

Although the SME foundation was envisioned as a 'one-stop service' provider in the original planning, it has not been able to make any imprint yet. The foundation has the mandate and is better placed to undertake certain activities; these are taken up by other organisations without involving the foundation. Coordination problems with other relevant organisations, such as the BSCIC, prevent it from delivering its due services to the MSMEs. The foundation is better informed about the SME clusters, their composition, and their need for credit. However, it is not involved in designing credit Programmes administered by the Bangladesh Bank.

**SME Policy**

The initial SME Policy was developed in 2005 by the Ministry of Industries, followed by a subsequent policy in 2019, which was intended to be developed in 2015. The 2026 Policy is underway. Nonetheless, the policy's accomplishments and execution remain unassessed. To ensure the effective development of MSMEs, it is essential to implement periodic monitoring and evaluation of policies; hence, a monitoring and evaluation framework must be established, which is currently lacking.

The progress in the MSME sector thus far must be nurtured and advanced to ensure that MSMEs contribute significantly to Bangladesh's growth and socio-economic development. The advancement of MSMEs could be pivotal for Bangladesh to pursue elevated economic trajectories as outlined in the current government's election manifesto. Bangladesh benefits from fostering MSMEs due to its abundant human capital with inherent aptitude and intellectual capability; nevertheless, it lacks a supportive and cohesive governmental framework to enhance the sector. Although the fundamental direction of the SME development policy has received broad support, it lacks a comprehensive implementation plan, rendering it ineffective as an SME policy. Additionally, the lack of harmonisation among other cross-sectoral policies under the National SME Policy, 2005, poses challenges to their effective implementation. Consequently, the government initiated the development of a comprehensive national SME Development Strategy by consolidating all pertinent policies and developing appropriate action plans.

## 6.5 Strategic Framework: Vision, Mission, and Architecture

### Vision:

To build a strong, inclusive, and competitive MSME sector that contributes significantly to employment generation, urban-rural balanced industrial growth, innovation, and sustainable economic development in Bangladesh.

### Mission:

To promote the growth of MSMEs by creating enabling environment and eco-system through ensuring easier access to finance, appropriate technology, skill and capacity development, domestic and global market opportunities, and supportive policies, along with strengthening the institutional capacity and coordination; so that MSMEs can become more productive, competitive, and capable of creating more employment through connecting to the global value chain.

## Strategic Priorities for SME Development

| Strategic Priorities | Details / Key Actions | Relevant Ministries / Agencies |
|---|---|---|
| SP1:<br>Improve Institutional Support Structure for MSMEs | • Strengthen institutions that are working on MSME development by enhancing their capacity in terms of human resources, finances, technology and innovation.<br>• Establish a full-pledged digitalised one-stop service centre at SME Foundation for trade license, tax/VAT, training support, business promotion, and 24/7 mobile/SMS-based services.<br>• Improve coordination among SMEF, BSCIC, and Bangladesh Bank for designing the SME credit programme and its implementation. | • Ministry of Industries (MoI)<br>• SME Foundation (SMEF)<br>• BSCIC<br>• Bangladesh Bank<br>• National Board of Revenue (NBR)<br>• Local Government Division |
| SP2:<br>Improve Regulatory Framework for CMSMEs | • Simplify and rationalise business registration, licensing, taxation, public procurement and MSME registration processes.<br>• Adopt an SME Act to guide MSME promotion, development, and future policy implementation.<br>• Introduce fiscal incentives for export-oriented MSMEs, including turnover tax, differentiated AIT/VAT treatment, tax exemptions, and compliance-linked incentives. | • Ministry of Industries (MoI)<br>• Ministry of Commerce<br>• Ministry of Finance / NBR<br>• Ministry of Law, Justice and Parliamentary Affairs<br>• BIDA<br>• BPPA / IMED |
| SP3:<br>Improve Access to Institutional Finance | • Assess legal and regulatory requirements for streamlining the existing banks towards SME lending.<br>• Review and strengthen the Credit Guarantee Scheme (CGS) under a separate and independent credit guarantee agency (not with/ under Bangladesh Bank)<br>• Expand the SMEF Credit Wholesale Scheme (CWS) to cluster and non-cluster MSMEs including women, rural and marginalised entrepreneurs like ethnic, physically challenged, third gender etc.<br>• Strengthening SME Foundation as the dedicated SME Wholesale Lending Agency (like PKSF)<br>• Reform the Entrepreneurship Support Fund-ESF and evaluate ICB operations to improve efficiency and reduce misuse.<br>• Promote and policy supports to venture capital finance, factoring finance, business angel options/ finance, crowd finance, blended finance etc. as alternative financing channels for MSMEs. | • Ministry of Finance<br>• Financial Institutions Division<br>• Bangladesh Bank<br>• Ministry of Industries (MoI)<br>• SME Foundation (SMEF)<br>• Palli Sanchay Bank<br>• Investment Corporation of Bangladesh (ICB) |

| Strategic Priorities | Details / Key Actions | Relevant Ministries / Agencies |
|---|---|---|
| | • Strengthen refinancing schemes through donor fund mobilisation and government budgetary allocation.<br>• Separate financing policy for Cottage and Micro Enterprises (CME) from Small and Medium Enterprise (SME) financing policies as both groups differ greatly from their size, operations and financing requirements.<br>• Strengthen Dhaka and Chattogram stock markets with policy support for ensuring MSMEs access to capital market. | |
| SP4:<br>Improve MSMEs Competitiveness and Facilitate Access to the Market | • Develop Dhaka HAAT (to showcase MSMEs products round the year and accommodate sectors and geographies alternately), establish products display and sales centres in Airports, Five Star Hotels, Metrorail etc. and also establish district-level sales centre to improve year-round market access.<br>• Arrange products fairs in national, regional and international level and also facilitate the MSMEs to participate into international trade fairs and exhibitions. Export oriented MSME products-based fairs, exhibitions and showcasing may also be organised.<br>• Strengthen linkages between large and small enterprises, marketing agencies, bulk provision systems, compliance support, and government procurement access.<br>• Provide SME training on quality control, ISO certification, productivity, pricing, market segmentation, accounting, ICT, branding, HRM, tax, trade, IPR and FOREX rules.<br>• Create a dedicated SME website with sector updates, e-commerce facilities and an updated SME database.<br>• Facilitate cheaper and faster start-ups through online registration, easier regulation, finance, technical support, training and incubators.<br>• Promote SME clusters and business networks with better utilities, roads, broadband, common facility centres, and design centres.<br>• Take initiatives to connect MSMEs with regional production networks to work as backward linkage supply chain (SAARC countries and ASEAN countries)<br>• Establish a national-cum-international online market platform for MSME products (like GeM of India). However, connect the MSMEs with international market platform like Alibaba, Amazon etc. | • Ministry of Industries (MoI)<br>• SME Foundation (SMEF)<br>• BSCIC<br>• Ministry of Commerce<br>• ICT Division<br>• Ministry of Finance / NBR<br>• Local Government Division<br>• Power Division and relevant infrastructure agencies |

| Strategic Priorities | Details / Key Actions | Relevant Ministries / Agencies |
|---|---|---|
| SP5:<br>Promote ICT Applications, E-commerce, Online Support, Outsourcing Facilities and Other Technologies to MSMEs | • Equip MSMEs with ICT training on business solutions, software, website development, e-commerce, outsourcing and freelancing.<br>• Build linkages between MSMEs, TVET institutions, R&D institutions, innovation funds, technology providers and joint venture partners.<br>• Help MSMEs obtain BSTI, ISO and international certifications through technical and financial assistance.<br>• Support technology incubation centres and university-based R&D labs for SME development.<br>• Improve the capacity of training and academic institutes such as SMEF, SCITI, BIM, TVET, BFTI, ICT institutes, skill development institutes, and trade bodies.<br>• Develop online and distance-learning training content through the dedicated SME website. | • Ministry of Industries (MoI)<br>• ICT Division<br>• Ministry of Education<br>• Ministry of Labour and Employment<br>• Ministry of Women and Children Affairs<br>• Ministry of Science and Technology<br>• BSTI, SMEF, SCITI, BIM, BFTI, TVET and a2i |
| SP6:<br>Promote Women's Entrepreneurship Development | • Promote women entrepreneurship through targeted training Programmes, awards, scholarships.<br>• Establish a Women Entrepreneur Development Fund managed by SMEF, with an initial target of Tk. 100 crore.<br>• Use the fund to support training, employment creation and subsidized loans for women entrepreneurs. | • Ministry of Industries (MoI)<br>• SME Foundation (SMEF)<br>• Ministry of Finance<br>• Bangladesh Bank<br>• Ministry of Women and Children Affairs<br>• Ministry of Education |
| SP7:<br>Implement the 'One Village One Product' Initiative | • Encourage each village or local area to identify one unique product, such as handicrafts, agro-processed items, textiles, pottery, bamboo products, handloom, medical plants or traditional food items.<br>• Improve product quality, design, branding and market access for local products.<br>• Revive local heritage, support women-led handicrafts and strengthen cottage, small and medium industries.<br>• Create rural employment and connect traditional products with national and international markets. | • Ministry of Industries (MoI)<br>• Ministry of Commerce<br>• Ministry of Local Government, Rural Development and Co-operatives<br>• Ministry of Agriculture<br>• Ministry of Cultural Affairs<br>• Ministry of Women and Children Affairs<br>• Ministry of Chittagong Hill Tracts Affairs<br>• SMEF and BSCIC<br>• Bangladesh Bank & ABB |

| Strategic Priorities | Details / Key Actions | Relevant Ministries / Agencies |
|---|---|---|
| SP8:<br>Create SME Database, Facilitate R&D for MSMEs and Improve SME Statistics | • Streamline SMI, AEIS and other industry surveys using standard tools and formats.<br>• Conduct regular SMI every two years.<br>• Make the next Economic Census comprehensive for well-documented SME statistics.<br>• Create an SME Data Warehouse and publish regular statistics on important SME indicators. | • Bangladesh Bureau of Statistics (BBS)<br>• Ministry of Planning<br>• Ministry of Industries (MoI)<br>• SME Foundation (SMEF)<br>• ICT Division<br>• Ministry of Science and Technology |
| SP9:<br>Sustainable Development of MSMEs | • Identify MSMEs as a priority sector for pollution reduction, especially informal micro and small enterprises operating outside regulatory oversight.<br>• Scale up ESG-based support Programmes based on lessons from PKSF's Sustainable Enterprise Program, which supported around 65,000 microenterprises during 2018–2023.<br>• Expand ESG interventions in agribusiness, as evidence shows that the agribusiness sector benefited most from ESG investments.<br>• Promote Common Service Centres (CSCs) to improve the productivity and performance of manufacturing MSMEs.<br>• Provide affordable ESG investment packages for microenterprises focusing on waste management, organic fertiliser use, biosecurity nets, worker resting spaces, safe drinking water facilities and cleaner and safer production practices.<br>• Design targeted projects for MSMEs to reduce pollution and support greener manufacturing and agricultural production in Bangladesh.<br>• Introduce ESG financing mechanisms through PKSF, SME Foundation, and BSCIC.<br>• Use NGO MFIs to assess borrowers' credit risk and channel ESG financing to eligible micro and small enterprises.<br>• Mainstream sustainability in MSME financing to improve productivity, reduce environmental damage, and strengthen business resilience.<br>• Improve working conditions in MSMEs by linking finance with basic social and environmental compliance standards. | • Ministry of Industries<br>• Ministry of Agriculture<br>• Ministry of Environment, Forest and Climate Change<br>• Ministry of Local Government, Rural Development and Co-operatives<br>• PKSF<br>• SME Foundation<br>• BSCIC |

### Outcome Monitoring Indicators:

| Outcome indicators | Responsible agencies | Type |
|---|---|---|
| Contribution of MSMEs to GDP | SME Foundation; Ministry of Industries; BBS | Annual |
| Employment generated by MSMEs | SMEF; Ministry of Labour and Employment | Quarterly/Annually |
| Number of CMSMs receives formal finance/ Amount financed (gender disaggregated) | SMEF; BB; BSCIC | Monthly |
| Amount of exports by MSMEs | EPB; BBS; SMEF, BB | Monthly |
| Formalization of informal MSMEs (trade licensing) | MoC; LGD, SMEF; | Monthly |
| Number of MSMEs participated in national, regional and local fairs | SMEF; MoI; MOC (EPB), BSCIC | Monthly |
| One Village One Product: Number of MSMEs involved | SMEF; MoI; MoC; BB, ABB | Monthly |
| Women MSMEs indicators (finance/ employment/exports etc.) | SMEF; BSCIC; MoI; MoC; Ministry of Women Affairs. | Monthly/Quarterly/ Annually |
| Number of MSME fairs organised and number of participants (gender disaggregated) | SMEF; BSCIC; MoI | Monthly |
| Research and innovation in MSMEs | SMEF; BSCIC; MoI; ICTD; MoST | Monthly |
| Number of MSMEs shuts their business/ production (cluster-wise) | SMEF; BSCIC; MoI | Quarterly/Annually |
| Contribution of MSMEs in Blue Economy (employment; GDP; etc.) | SMEF; MoI; GED; MoFA | Quarterly/Annually |
| Environment pollution created by MSMEs | SMEF; MoI: DoE | Quarterly/Annually |
| ESG Investments in MSMEs | SMEF; PKSF; MoI; BB | Quarterly/Annually |

## 6.6 Phase-wise Strategic Priorities

### SP1: Improve Institutional Support Structure for MSMEs

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Strengthening institutional coordination and ensuring stakeholder engagement | • Ensure facility-sharing arrangements between BSCIC and SMEF at divisional and district levels for implementing MSME policy strategies. | • Expand and strengthen SMEF activities by establishing SMEF offices at divisional and district levels. Allocate necessary funds for establishing SMEF regional offices. | • Establish MSME Coordination Committees in every district to ensure data management, training, loan Programmes, legal support, and market linkages. | SMEF, BSCIC, Ministry of Industries |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 2 | Strengthening SME Foundation as the lead MSME development institution | • Reconstitute the SMEF governing body by including representatives from key MSME sectoral associations and private sector stakeholders. Prepare an institutional strengthening plan. | • Expand SMEF Programmes through partnerships with public and private training institutions. Increase operational capacity and gradually enhance the endowment fund. | • Increase the SMEF endowment fund in phases and transform SMEF into a nationally recognised centre of excellence for MSME development, innovation, and capacity building. | SMEF, Ministry of Industries, Finance Division |
| 3 | Establishing One-Stop Service Centres (OSC) for MSMEs | • Design the OSC framework and integrate key services (trade license, VAT, tax, training, business advisory, and market information) under SMEF. Pilot digital service platforms. | • Establish fully operational OSCs at SMEF headquarters and selected regional offices with participation from relevant government agencies and stakeholders. | • Expand OSC services nationwide through regional offices and deploy integrated 24/7 digital platforms, mobile applications, and SMS-based service delivery systems. | SMEF, BSCIC, Ministry of Industries, Local Government Division |
| 4 | Enhancing coordination among SMEF, BSCIC, Bangladesh Bank, and other stakeholders | • Establish a formal coordination mechanism among SMEF, BSCIC, Bangladesh Bank, and relevant ministries for MSME financing and support Programmes. | • Jointly design and implement innovative MSME credit and financial inclusion Programmes based on SMEF guidelines. Strengthen information sharing and monitoring systems. | • Develop an integrated MSME support ecosystem with coordinated financing, business development services, technology support, and market access Programmes across all institutions. | • Bangladesh Bank, SMEF, BSCIC, Ministry of Industries, Local |

### SP2: Improve Regulatory Framework for CMSMEs

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Simplification and digitalisation of legal and administrative procedures for MSME business operations | • Develop a roadmap for regulatory simplification and digital service delivery. Review existing regulatory requirements affecting MSMEs and identify compliance bottlenecks. | • Extend the validity of trade licenses for MSMEs to 5 years at a comparatively lower fee and make the process fully online to ensure transparency and save time. | • Simplify and make more flexible the legal and administrative requirements for MSMEs, including business registration, licensing procedures, and clearance requirements | Ministry of Industries Ministry of Commerce, Local Government Division, ICT Division, BIDA, RJSC, SMEF, BSCIC |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 2 | Introduction of a preferential tax regime for MSMEs | • Formulate separate VAT, income tax, and customs-related regulations for MSME entrepreneurs to support the growth of the sector | • Incorporate the definitions of cottage, micro, small, and medium enterprises mentioned in the National Industrial Policy into the principal laws relating to VAT, income tax, and customs duties.<br>• Establish mechanisms to easily identify MSMEs and extend tax-related benefits accordingly. | • Continue prioritising financial and non-financial incentives for export-oriented MSMEs and formulate new incentive structures where necessary. Introduce an MSME certification system to provide rational tariff 23546tyand tax exemption facilities for export-potential MSMEs and integrate such certification with NBR's National Single Window platform. | NBR, Finance Division, Ministry of Industries, SMEF, BSCIC |
| 3 | Enactment and implementation of a comprehensive SME Act | • Draft the SME Act through consultations with relevant ministries, private sector organisations, MSME associations, and development partners. | • Enact the SME Act and develop the necessary rules, regulations, and implementation guidelines to operationalise its provisions. | • Fully implement the SME Act and establish a periodic review mechanism to ensure MSME-related laws and regulations remain responsive to business needs and international best practices. | Ministry of Industries and SMEF |

### SP3: Improve Access of MSMEs to Institutional Finance

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Strengthen MSME financing policies and financial readiness | • Review SME financing policies and develop separate financing frameworks for CMEs and MSMEs. Simplify lending procedures and launch financial literacy initiatives. | • Implement finance-readiness Programmes, banker-entrepreneur matchmaking, and business Wadvisory services. | • Establish a nationwide MSME financial readiness and business development support ecosystem. | Bangladesh Bank, SMEF, BSCIC, Ministry of Industries, Banks & NBFIs |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 2 | Strengthen credit guarantee, refinancing, and wholesale lending mechanisms | • Review CGS and refinance schemes and expand SMEF Credit Wholesale Programme (CWP). | • Strengthen and digitize CGS, expand refinancing schemes, and scale up CWP for women, green, cluster, and marginalised entrepreneurs. | • Establish an integrated risk-sharing financing ecosystem for MSMEs. | Bangladesh Bank, Ministry of Finance, Financial Institutions Division, SMEF, BSCIC, Development Partners |
| 3 | Promote innovative and alternative financing mechanisms | • Develop policies for venture capital, angel investment, factoring, crowdfunding, fintech, and blended finance. | • Operationalise alternative financing instruments and movable asset financing. | • Mainstream alternative financing as a significant source of MSME finance. | Bangladesh Bank, BSEC, Financial Institutions Division, SMEF, BSCIC, IDRA, ICT Division |
| 4 | Enhance access to capital markets and entrepreneurship finance | • Reform ESF and prepare a roadmap for SME capital market financing. | • Strengthen SME platforms in capital markets and expand green, venture, and equity financing. | • Establish a vibrant MSME capital market ecosystem. | BSEC, ICB, Bangladesh Bank, Ministry of Finance, DSE, CSE, SMEF |
| 5 | Strengthen MSME financing infrastructure and institutions | • Develop integrated credit information systems, and prepare a roadmap for transforming SMEF into a wholesale lending agency. | • Introduce MSME credit scoring, cluster financing, and institutional reforms of SMEF. | • Transform SMEF into a national MSME Wholesale Lending Agency. | Ministry of Industries, Bangladesh Bank, SMEF, Financial Institutions Division, Ministry of Finance, MRA |

### SP 4: Improve MSMEs Competitiveness and Facilitate Access to the Market

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Establish permanent MSME market access and sales infrastructure | • Identify and allocate venues (Purbachal ITF site) and design operational model for Dhaka Haat and district-level sales centres. | • Launch Dhaka Haat and district sales centres on rotational basis; introduce SME stalls in airports, metro stations, and selected hotels. | • Establish a nationwide permanent MSME market infrastructure network ensuring year-round domestic market access. | MoI, SMEF, BSCIC, LGD, MoC |
| 2 | Expand domestic and international market exposure through fairs and exhibitions | • Prepare annual fair calendar and strengthen participation framework for MSMEs in national and international exhibitions. | • Organise regular national, regional, and international SME fairs and ensure structured participation in global trade exhibitions. | • Position Bangladeshi MSMEs as regular exporters through sustained global branding, fairs, and export promotion platforms. | MoC, SMEF, MoI, EPB |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 3 | Strengthen MSME-large enterprise and public procurement linkages | • Develop guidelines for SME participation in supply chains and government procurement systems. | • Establish structured linkage Programmes between MSMEs and large firms, marketing agencies, and bulk procurement systems. | • Integrate MSMEs into national procurement and corporate supply chains through digital procurement platforms and compliance support systems. | MoF, NBR, MoC, SMEF, BSCIC |
| 4 | Enhance MSME skills, productivity, and compliance capacity | • Develop standardised SME training modules on quality, ISO, accounting, ICT, branding, taxation, trade, and IPR. | • Implement nationwide SME training Programmes through SMEF, BSCIC, and private partners including digital training platforms. | • Establish a continuous SME skills development ecosystem aligned with global standards and export competitiveness. | SMEF, BSCIC, MoI, ICT Division |
| 5 | Develop integrated SME digital platform and database | • Design a national SME portal with database framework and e-commerce integration plan. | • Launch SME website with sectoral updates, e-commerce facilities, and real-time SME database. | • Establish a fully integrated national and global SME digital marketplace linked with platforms like Alibaba and Amazon. | ICT Division, SMEF, MoC |
| 6 | Promote SME clusters, infrastructure development, and regional value chains | • Conduct cluster infrastructure needs assessment and identify priority sectors and locations. | • Develop cluster-based infrastructure including roads, utilities, broadband, and common facility centres (CFCs) under PPP models. | • Integrate SME clusters into regional and global value chains (SAARC, ASEAN) with strong backward linkage systems. | MoI, BSCIC, LGD, Power Division, MoC |
| 7 | Promote sustainable and green MSMEs (ESG integration) | • Design ESG financing framework for MSMEs and pilot sustainability Programmes in selected clusters. | • Expand ESG-based financing, including waste management, green production, and worker welfare improvements. | • Mainstream sustainable MSME production systems ensuring green, inclusive, and climate-resilient industrial growth. | SMEF, PKSF, BSCIC, BB, MoI |

### SP 5: Promote ICT applications, E-commerce, Online support, Outsourcing facilities and other technologies to MSMEs

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Strengthen digital literacy, ICT skills, and digital inclusion of MSMEs with special focus on rural entrepreneurs, women, youth, and persons with disabilities. | • Design and implement training Programmes on ICT applications, business software, website development, e-commerce, freelancing, outsourcing, cybersecurity, and digital financial services. | • Expand nationwide digital skills development through online and offline platforms and strengthen collabouration among TVET, ICT, and MSME training institutions. | • Establish a digitally skilled MSME workforce capable of participating in the digital economy and global outsourcing market. | ICT Division, SMEF, BSCIC, NSDA, TVET Institutions, a2i |
| 2 | Promote e-commerce, digital business expansion, and online service delivery | • Develop and strengthen SME digital platforms, e-learning facilities, e-advisory services, and online business support systems. Facilitate website development and access to digital payment gateways and marketplaces. | • Expand MSME participation in e-commerce, virtual trade fairs, digital marketing, and online business networks. Strengthen One-Stop Service (OSS) platforms and digital registration systems. | • Integrate MSMEs into national and global digital value chains through advanced e-commerce, digital trade, and online business ecosystems. | MoI, SMEF, BSCIC, ICT Division, a2i, Ministry of Commerce |
| 3 | Promote technology adoption, innovation, and international standards compliance | • Assess technology needs of MSMEs and establish linkages with R&D institutions, technology providers, and universities. Facilitate access to BSTI and ISO certification support. | • Promote technology upgrading, product innovation, technology transfer, joint ventures, and adoption of industry-specific solutions through innovation grants and technical assistance. | • Foster a technology-driven MSME sector with increased productivity, innovation capacity, and international competitiveness. | MoI, SMEF, BSCIC, BSTI, BITAC, BCSIR |
| 4 | Strengthen innovation, incubation, startup, and entrepreneurship ecosystems | • Map existing incubators and innovation facilities and strengthen Startup Bangladesh and innovation support Programmes. | • Establish and expand technology incubators, university-based innovation labs, startup support Programmes, and mentorship networks. | • Develop a vibrant startup and innovation ecosystem supporting technology-based MSMEs and high-growth enterprises. | Startup Bangladesh, ICT Division, SMEF, BSCIC, Universities |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 5 | Strengthen institutional capacity and coordination for digital transformation | • Develop unified digital training curricula and strengthen the capacity of SMEF, SCITI, BIM, TVET, BFTI, ICT institutes, and trade bodies. | • Establish effective coordination among training, research, and innovation institutions and expand online learning content through dedicated MSME platforms. | • Create an integrated national MSME digital capability development system aligned with future workforce and industry needs. | MoI, SMEF, SCITI, BIM, TVET, Ministry of Education, Ministry of Labour |
| 6 | Promote emerging technologies, cybersecurity, and smart manufacturing | • Develop awareness and training Programmes on cybersecurity, data protection, AI, automation, robotics, and digital business security. | • Support adoption of AI-based tools, automation technologies, and smart production systems through technical assistance and pilot projects. | • Accelerate Industry 4.0 adoption and establish a secure, technology-enabled MSME sector capable of competing in regional and global markets. | ICT Division, National Cyber Security Agency, BITAC, SMEF, BSCIC |

## SP 6: Promote Women's Entrepreneurship Development

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Strengthen entrepreneurial skills, leadership, and business development capacity of women entrepreneurs | • Design need-based training Programmes on digital skills, e-commerce, accounting, branding, packaging, and business management. Introduce mentorship Programmes, entrepreneurship awards, scholarships, and special foreign scholarship opportunities for women entrepreneurs | • Implement nationwide training, mentoring, networking, exchange visits, and Training-of-Trainers (ToT) Programmes through public and private institutions. | • Develop a sustainable women entrepreneurship ecosystem with continuous skills upgrading, leadership development, and international exposure opportunities. | Department of Women Affairs, SMEF, BSCIC, Joyeeta Foundation, National Women Organisation |
| 2 | Expand access to finance and strengthen women-focused financing mechanisms | • Simplify loan procedures and expand collateral-free and low-interest financing facilities for women entrepreneurs. Organise banker-women entrepreneur matchmaking Programmes and financial literacy initiatives. | • Establish and operationalise the Women Entrepreneur Development Fund (WEDF) under SMEF with an initial allocation target of Tk. 100 crore to support training, enterprise creation, employment generation, startup grants, and concessional financing. | • Expand women-focused financing through credit guarantees, blended finance, venture funding, and export-oriented financing schemes. | Bangladesh Bank, Finance Division, SMEF, BSCIC, Joyeeta Foundation |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 3 | Strengthen business support services, market access, and digital commerciali-zation | • Establish dedicated women entrepreneur support desks and online service platforms providing legal, advisory, product development, and market information services. | • Support participation in trade fairs, exhibitions, e-commerce platforms, supplier development Programmes, and public-private procurement opportunities. Develop a dedicated digital marketplace for women entrepreneurs. | • Integrate women-led enterprises into domestic and international value chains and export markets through sustainable market linkage mechanisms. | SMEF, BSCIC, Ministry of Commerce, Joyeeta Foundation |
| 4 | Strengthen institutional support, policy advocacy, and economic inclusion of women entrepreneurs | • Assess capacity gaps of women chambers and associations and review barriers to women's participation in business and procurement systems. | • Strengthen women business associations, expand participation in e-GP and public procurement, and implement entrepreneurship promotion and awareness Programmes. | • Institutionalise women-friendly policies, procurement mechanisms, and representation in business decision-making processes to ensure inclusive and sustainable entrepreneurship development. | Ministry of Industries, BPPA, SMEF, BSCIC, Women Chambers and Associations |

## SP 7: Implement the 'One Village One Product' Initiative

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Identification, development, and promotion of One Village One Product (OVOP) enterprises | • Identify and map potential OVOP products and enterprises based on local resources, skills, heritage, and market demand. Launch awareness campaigns on the OVOP concept and local product branding. | • Implement the OVOP programme nationwide through product selection, enterprise development, and cluster formation. Support production capacity enhancement, digital marketing, and business formalization. | • Establish a sustainable OVOP ecosystem contributing to rural industrialisation, employment generation, and local economic development.<br>• Establish marketing channels with global supply chain actors such as Alibaba, Daraz etc. | SMEF, EPB, BSCIC, DAE, Local Government Division, Ministry of Commerce |
| 2 | Product quality improvement, technology upgrading, and capacity development | • Assess production constraints, technology gaps, and training needs of OVOP enterprises. | • Provide technical assistance for quality improvement, standardisation, packaging, design development, skills upgrading, and technology adoption. | • Promote innovation, productivity enhancement, value addition, and modern production systems to improve competitiveness in domestic and export markets. | SMEF, BSCIC, BSTI, BITAC, Ministry of Industries, Ministry of Commerce |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 3 | Branding, intellectual property protection, and product certification | • Develop branding guidelines and identify priority products for trademark, GI, and certification support. | • Provide support for trademark registration, product certification, packaging improvement, logo development, and branding initiatives. | • Establish nationally and internationally recognised OVOP brands with strong market identity and intellectual property protection. | DPDT, BSTI, SMEF, BSCIC, Ministry of Industries |
| 4 | Market access and value chain integration for OVOP products | • Conduct market assessments and identify domestic and export market opportunities for OVOP products. | • Facilitate participation in trade fairs, e-commerce platforms, retail chains, and government procurement systems. Strengthen linkages with buyers, exporters, and tourism-related businesses. | • Integrate OVOP products into national and global value chains and establish sustainable market linkages for long-term growth. | Ministry of Commerce, SMEF, BSCIC, EPB |
| 5 | Development of OVOP support infrastructure and institutional mechanisms | • Develop implementation guidelines, monitoring framework, and coordination mechanisms among relevant agencies. | • Establish common facility centres, processing facilities, testing services, and business support services in selected OVOP clusters. | • Institutionalise the OVOP programme as a flagship rural enterprise development model with regular monitoring, evaluation, and policy support. | Ministry of Industries, SMEF, BSCIC, Local Government Division |

## SP 8: Create MSME Database, Facilitate R&D for MSMEs and Improve SME Statistics

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1 | Develop and operationalise the National MSME e-Database and Certification System | • Launch the National MSME e-Database portal and mobile application and develop registration guidelines. | • Issue digital MSME certificates, establish registration support desks, and integrate certification with government support services. | • Institutionalise periodic database updates and utilise the database for policy support, financing, training, and market access services. | MoI, SMEF, BBS, ICT Division |
| 2 | Strengthen MSME registration, formalization, and data integration | • Conduct nationwide awareness campaigns on MSME registration and certification. | Integrate the National MSME e-Database with the Statistical Business Register (SBR) and other government databases. | • Establish MSME registration as the primary gateway for accessing public support, finance, training, and incentive Programmes. | SMEF, BBS, NBR, Bangladesh Bank, BSCIC |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 3 | Develop an integrated MSME statistics, analytics, and reporting system | • Launch an MSME Statistics Dashboard by integrating data from BBS, Bangladesh Bank, EPB, NBR, and other relevant agencies. | • Conduct regular MSME surveys and publish analytical reports on employment, exports, productivity, and sector performance. Publish the annual National MSME Statistical Review. | • Establish a comprehensive MSME statistical system with regular reporting on MSME contribution to GDP, employment, exports, industrial output, and SDG indicators. | BBS, SMEF, BSCIC, EPB, Bangladesh Bank |
| 4 | Strengthen research and innovation financing for MSME development | • Establish an MSME Research Fund and introduce competitive research grants and fellowships. | • Support research on digitalisation, green technology, renewable energy, import substitution, and productivity enhancement. | • Develop a sustainable innovation financing mechanism supporting commercialization and scaling of MSME innovations. | MoI, Finance Division, SMEF, BSCIC |

## SP 9: Sustainable Development of MSMEs

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 1. | Identify MSMEs as a priority sector for pollution reduction | Map high-polluting MSME clusters, especially informal enterprises; identify sectors with weak regulatory oversight. | Develop sector-specific pollution reduction guidelines for agribusiness, manufacturing, and service-based MSMEs. | Establish a national MSME green compliance framework with regular monitoring and reporting. | Ministry of Industries, Ministry of Environment, Forest and Climate Change, BSCIC, SME Foundation |
| 2. | Scale up ESG-based support Programmes for microenterprises | Review lessons from PKSF's Sustainable Enterprise Programme and identify successful ESG interventions. | Expand ESG support to more microenterprises through targeted financing and technical assistance. | Institutionalise ESG support as a regular component of MSME development Programmes. | Ministry of Finance, Ministry of Industries, PKSF, SME Foundation, BSCIC |
| | Expand ESG interventions in agribusiness MSMEs | Promote low-cost ESG investments such as organic fertiliser, waste management, biosecurity nets, safe drinking water, and worker rest areas. | Provide training and small grants/loans to agribusiness microenterprises for sustainable production practices. | Scale sustainable agribusiness models nationwide to improve productivity and reduce environmental damage. | Ministry of Agriculture, PKSF, SME Foundation, NGO-MFIs |
| 3. | Promote Common Service Centres for manufacturing MSMEs | Identify manufacturing clusters where Common Service Centres can improve productivity and reduce costs. | Establish pilot CSCs offering shared machinery, testing, training, waste treatment, and cleaner production services. | Expand CSC networks across major MSME clusters to support green manufacturing and competitiveness. | Ministry of Industries, Bangladesh Bank, Local Government Division, BSCIC, SME Foundation |

| SL | Key Actions | Recovery Phase (1 year) | Restoration Phase (1-3 years) | Reconstruction & Acceleration Phase (3-5 years) | Responsible Agencies |
|---|---|---|---|---|---|
| 4. | Introduce ESG financing mechanisms for MSMEs | Design affordable ESG loan packages for micro, small, and medium enterprises. | Channel ESG financing through NGO-MFIs using borrower credit-risk information. | Mainstream ESG financing into national MSME credit Programmes and green finance policies. | Ministry of Finance, Bangladesh Bank, BSCIC PKSF, SME Foundation, NGO-MFIs |
| 5. | Mainstream sustainability in MSME financing and policy | Include sustainability criteria in MSME project selection and financing guidelines. | Link MSME loans with basic environmental and social compliance requirements. | Create a long-term national framework for sustainable MSME financing that supports green growth. | Ministry of Finance, Ministry of Industries, Bangladesh Bank, SME Foundation, PKSF |
| 6. | Improve working conditions in MSMEs | Encourage basic workplace improvements such as safe drinking water, rest areas, sanitation, and occupational safety measures. | Integrate worker welfare requirements into ESG financing packages and business development services. | Establish regular social compliance monitoring for MSMEs receiving public or concessional support. | Ministry of Labour and Employment, SME Foundation, PKSF, BSCIC, NGO-MFIs |
| 7. | Reduce pollution and promote greener production | Support MSMEs in adopting simple pollution-control measures, waste reduction, and cleaner inputs. | Provide technical assistance for cleaner technology, energy efficiency, recycling, and sustainable production. | Build a nationwide green MSME transformation programme aligned with Bangladesh's climate and industrial policies. | Ministry of Environment, Forest and Climate Change, Ministry of Industries, BSCIC, SME Foundation |

## 6.7 Conclusion

A primary target of the strategy for MSMEs is to bolster the domestic and international competitiveness of MSMEs, improve export capacities, and provide job opportunities to transform them into a growth engine. The MSME Strategy emphasises the necessity of advancing medium and high-level technological enhancements in production processes, quality, innovation, management, and skills. The aim is to transcend basic manufacturing by enhancing and optimizing value addition along the whole value chain, both nationally and globally. Domestic firms aim to establish connections with global value chains; however, significant investment in skills, quality, new product development, and technology is required beforehand. An additional critical factor for the success of MSMEs is the marketing network. A marketing network serves a crucial function in a firm's sustainability. Numerous MSMEs are encountering marketing challenges stemming from substandard product quality, inadequate packaging, insufficient marketing expertise, and intense rivalry. Insufficient support services have hindered MSMEs from achieving competitiveness in both local and international markets. The strategy identifies certain areas that could enhance the competitiveness of MSMEs and their role in the international value chain. The FYSF also emphasises gender responsive and environment friendly MSME development for inclusive and sustainable development.

# CHAPTER 7

# HARNESSING THE POTENTIALS OF DIGITAL TRANSFORMATION AND ICT INDUSTRY DEVELOPMENT

## 7.1 Introduction

Information and Communication Technology (ICT) has emerged as the defining force of 21st century economic transformation. Across Asia and beyond, countries that invested early in digital public infrastructure, cybersecurity, artificial intelligence, and a skilled digital workforce have achieved extraordinary gains in productivity, public service quality, and export competitiveness. Bangladesh now faces a comparable opportunity. With a population exceeding 170 million, a rapidly growing youth demographic, a resilient industrial base, and a government deeply committed to inclusive digital transformation, the country is positioned to harness ICT as the primary engine of its transition to upper-middle income status by 2031.

Bangladesh's ICT journey has produced genuine achievements. A nationwide network of over 9,000 Union Digital Centres brings government services to rural citizens. A payments ecosystem reaching over 130 million mobile financial service users has laid the foundation for financial inclusion. A national fiber backbone spanning over 34,000 kilometres connects districts and upazilas. The country ranks as the sixth largest internet user base in the world. These investments reflect decades of commitment by successive governments and development partners to building a technologically empowered Bangladesh.

According to the Boston Consulting Group (BCG), Bangladesh will become the world's 9th largest consumer economy by 2030. The ICT sector has the potential to become one of the key driving forces of Bangladesh's economy, with its GDP contribution elevated to 3% within the next five years. To develop this sector as a Thrust Sector (Priority Sector), the government is fully committed to providing all necessary support, including constructing required infrastructure, expanding wireless and wireline connectivity, developing skilled human resources, introducing the 'One Citizen-One ID-One Digital Wallet' system, formulating investor-friendly policies, and fostering the growth of a digital economy.

This chapter presents a comprehensive, action-oriented plan organised around six Strategic Priorities. Each roadmap is structured in three phases spanning July 2026 to June 2031, with measurable indicators at six months, two years, and five years.

### 7.1.1 Purpose and Alignment

The purpose of this part of the FYSF is to systematically guide Bangladesh's transformation into a technologically empowered, innovative, safe and inclusive society by FY 2031. It provides a comprehensive strategic framework for the ICT sector that aligns with the Election Manifesto 2026 and the UN Sustainable Development Goals.

This chapter absorbs the ICT Strategic Roadmap's strengths, including its benchmarking of global exemplars, its stakeholder-validated initiative landscape, and its near-term sequencing, into a five-year strategic framework. It is organised around six Strategic Priorities (SPs), with six detailed implementation roadmaps.

### 7.1.2 Country ICT Profile at a Glance

- Household internet access: 54.8% (2025); urban–rural gap severe (68% urban vs. 38% rural)
- A later BBS survey in 2026 reported internet usage rising to 53.4–58.4% of the population, equivalent to roughly 99 million people
- Smartphone penetration at the household level: 73%(2025), up from 63% in 2023; rapid but unequal growth. Minimum smartphone price ranges from BDT 9,500 to BDT 10,000; government target to increase smartphone usage from below 50% to 100% within five years
- Digital workforce: ~0.75 million ICT professionals (2024); target 1.5–2 million by FY2031
- E-Government: ranked 100th out of 193 countries (UN eGDI 2024); Global Innovation Index rank: 106th out of 139 (2025)
- Digital infrastructure: 2 government data centres (NDC and BDCCL); BDCCL capacity ~40–50% utilised; 34,000+ km fiber network (Info-Sarker III); 5G trials conducted but no nationwide rollout
- Gender disparity: Women 62% less likely to use internet than men; only 35% of internet users can complete a basic digital task
- Internet users with basic digital skill (copy-paste ability): 84.4% of internet users
- Average mobile data traffic in Bangladesh is approximately 5 GB per connection per month, significantly below global averages of over 20 GB per smartphone user per month, indicating relatively low levels of broadband utilisation and digital engagement. Startup ecosystem: ~$80 million+ in annual capital deployment; 5 fragmented OSS platforms for business services
- Financial inclusion: Government moving toward 'One Citizen One ID', 'One Digital Wallet' system to bring all citizens under the banking network; formal digital wallet target for every individual from FY2026–27
- ICT sector potential: BCG (Boston Consultant Group) projects Bangladesh will become the world's 9th largest consumer economy by 2030; government targets ICT contribution to GDP to reach 10% within five years

### 7. 1.3 Policy and Legal Foundation

**Making the Legal and Regulatory Architecture Effective**

The three landmark Acts enacted in 2026, the National Data Governance Act 2026, the Cyber Security Act 2026, and the Personal Data Protection Act 2026, represent the most significant legislative advance in Bangladesh's ICT history. However, enacted legislation without implementing rules, enforcement institutions with authority but without resources, and sector policies last revised in 2018 create a governance gap that undermines every other strategic priority. SP1 addresses this gap by treating the legal and regulatory architecture as a strategic asset that must be actively managed, regularly updated, and enforced with institutional seriousness. No amount of infrastructure investment will deliver returns if the rules governing data, cyber-security, spectrum, and investment remain incomplete, ambiguous, or unenforced. Moreover, we need to redefine and revisit few other existing acts related to ICT and Telecom.

### 7.1.4 Policy and Legal Gaps: Priority Actions

- The existing provisions of the ICT Act 2006 do not adequately reflect the legal, regulatory, and institutional requirements arising from rapid technological advancements and the expanding scope of digital transformation initiatives.

- Absence of a unified **Digital ID** and **Digital Wallet** framework to support seamless digital identity and service delivery.
- Absence of comprehensive national policies governing emerging technologies, including Artificial Intelligence (AI), Blockchain, and Source Code management.
- The **National ICT Policy 2018** does not adequately address current digital transformation priorities, emerging technologies, and evolving governance requirements.
- The **One Stop Service (OSS) Act 2018** and **OSS (BHTPA) Rules 2019** do not fully support integrated, digital-first service delivery models and evolving inter-agency coordination needs.
- The **National Digital Commerce Policy 2018** lacks provisions addressing mobile commerce, social commerce, digital identity-linked payment ecosystems, and protections for gig economy workers.
- The **Government E-mail Policy 2018** does not sufficiently address cloud-based service environments, multi-factor authentication requirements, phishing and cyber-threat mitigation, or data retention obligations under the National Data Governance Act 2026.
- The current **National Data Centre User Policy** does not adequately cover GPU and High-Performance Computing (HPC) resource sharing, AI workload security, hybrid cloud operations, and governance arrangements for GSOC-enabled service delivery.
- Interventions on media literacy, fact-checking, misinformation management, and responsible digital communication will be undertaken.

## 7.2 ICT Sector Situation Analysis

### 7.2.1 Digital Public Infrastructure (DPI) and Connectivity

- National ID system covers >70% of population with 150+ API integrations, but no universal digital ID exists for full population
- No single digital ID and Digital Wallet have been introduced yet
- Multiple payment platforms exist with limited interoperability and low merchant adoption
- National e-Service Bus (data exchange) has only ~30 services on-boarded; no institutional mandate for adoption
- 4G population coverage at 98% but individual internet access is ~54%; last-mile connectivity gaps severe in rural areas
- 5G trials completed in Dhaka and Chattogram but nationwide spectrum allocation and rollout strategy yet to start

### 7.2.2 Digital Service Delivery & e-Government

- More than 400 government services digitized through MyGov portal across 71 government offices, but most offer only partial digitisation (online form tracking, not end-to-end service fulfillment)
- Major public services remain incompletely digitized; manual verification and in-person follow-ups persist
- 82% of users encountered difficulties accessing government services: complex processes (35%), technical problems (33%), lack of support (24%)
- Digital signature and Visible Digital Seal (VDS) technology introduced at pilot educational institutions; e-Sign Guidelines 2020 and Digital Signature Certificate Interoperability Guideline 2025 yet to be updated
- Public sector AI utilisation is limited

- Bangladesh ranked 100th in UN eGovernment Development Index 2024, below the regional average
- ICT application in transport sector is limited; such as D-Toll System deployed at Jamuna Bridge, Dhaka Elevated Expressway, Muktarpur Bridge, and Karnaphuli Tunnel only, serving as an early proof-of-concept for digital payment integration in public infrastructure
- Absence of a government-wide ICT procurement standard.

### 7.2.3 Cyber security & Digital Trust

Bangladesh's rapid digitalisation has significantly increased its exposure to cyber risks. The expansion of digital government services, digital identity systems, mobile financial services, cloud adoption, and critical digital infrastructure has created new vulnerabilities to cyberattacks, data breaches, ransomware, and service disruptions. While Bangladesh has strengthened its cybersecurity framework through the Cyber Security Act 2026, national incident response capabilities, and critical information infrastructure protection measures, important gaps remain in governance, capacity, resilience, and workforce readiness.

**Key gaps and challenges include:**

- Fragmented cybersecurity governance and limited coordination across public institutions.
- Uneven cybersecurity maturity across ministries, agencies, local governments, and state-owned enterprises, with many lacking dedicated security operations and incident response capabilities.
- Growing cyber risks to Critical Information Infrastructure (CII), including telecommunications, finance, energy, transport, healthcare, and government systems.
- Shortages of skilled cybersecurity professionals, including National Security Operation Centre (NSOC) professional, security analysts, incident responders, digital forensic experts, and cloud security specialists. AdHoc arrangements cannot serve the purpose currently as required.
- Low cybersecurity awareness among citizens, SMEs, and public-sector employees, increasing vulnerability to phishing, fraud, and social engineering attacks.
- Weak cybersecurity and data governance practices across some digital platforms and databases, increasing the risk of data breaches and privacy violations.
- Limited adoption of international cybersecurity standards, secure-by-design principles, and cybersecurity compliance frameworks.
- Emerging challenges associated with cloud computing, AI, IoT, cross-border data flows, and third-party service providers.
- Insufficient cyber resilience capabilities, including security operations centres (SOCs), threat intelligence sharing, disaster recovery, and business continuity arrangements.
- Identifying misinformation, disinformation

Strengthening cybersecurity and digital trust will require enhanced governance, stronger protection of critical infrastructure, expanded cybersecurity workforce development, improved cyber resilience, and greater public-private collabouration. These investments will be essential to support secure digital government, trusted digital services, and Bangladesh's broader digital transformation agenda.

- benchmarking against the ITU Global Cybersecurity Index (GCI) and NCSI.

### 7.2.4 AI & Emerging Technologies

- AI adoption nascent and concentrated in isolated pilots within fintech, e-commerce, and academic research
- Bangla language AI tools under development: Bangla Long Audio Transcription System, Bangla Handwriting OCR, Bangla Screen Reader for visually impaired, and Bangla Sign Language digitisation (crowdsourcing initiative), all launched or in pilot; 42 minority languages preservation platform (Multiling.cloud) launched. However, none of these have been deployed fully. Bangla LLM has yet to be started which is the basic for adoption of AI nationally.
- Regarding AI: centralised policy, institutional framework, or national coordination mechanism for AI are yet to formulate.
- Deepfake-driven disinformation, and AI-generated cyberattacks emerging as cross-sectoral risks
- Over 30 countries globally have launched AI strategies committing >$24 billion in investment; Bangladesh risks falling behind
- Bangla language AI models absent at scale; dependence on foreign AI products raises sovereignty and data privacy concerns
- Limited GPU (Graphics Processing Unit) and HPC (High Performance Computing) infrastructure;

### 7.2.5 ICT Industry, Exports & Startup Ecosystem

- ICT sector contributes ~1% of GDP; target under Manifesto: 5–10% by FY2031
- Semiconductor industry is yet to flourish in Bangladesh; ICT graduates need VLSI training;
- Software export income is still around 1 billion
- BPO (Business Process Outsourcing) industry generated ~$500 million in 2023 and employs 70,0000+ professionals; at risk from AI-driven automation of routine tasks
- Bangladesh has the 2nd largest gig economy globally; freelancers face banking complications in receiving foreign income
- 5 separate OSS platforms for businesses create fragmentation; no unified investor single window
- Startup ecosystem received ~$80 million+ in annual capital; Fund of Funds and structured accelerator Programmes absent
- BHTPA operating 3 Hi-Tech Parks and several software technology parks; limited infrastructure enablement and policy support for FDI attraction
- To achieve the national target of increasing ICT sector contribution from approximately 1% to 5–10% of GDP by FY2031, Bangladesh's innovation strategy must expand beyond conventional startups and include SMEs, cottage industries, informal manufacturing clusters, and grassroots entrepreneurs as core participants in the digital economy transformation.
- Bangladesh's economic strength is deeply rooted in its large network of small manufacturers, repair-based industries, light engineering workshops, cottage enterprises, and informal industrial clusters. Few industrial areas represent highly adaptive local manufacturing ecosystems with significant untapped potential for modernisation, export competitiveness, and technology-driven productivity growth. However, these sectors continue to face major structural barriers, including:
  - limited access to modern tooling and machinery,
  - low digital adoption,

- lack of design and prototyping capabilities,
- insufficient access to financing,
- weak supply-chain digitisation,
- low exposure to AI-enabled manufacturing systems,
- absence of structured technical upskilling pathways.

As global manufacturing increasingly shifts toward AI-assisted production, smart supply chains, automation, digital fabrication, and data-driven operations, Bangladesh's SMEs and cottage industries risk losing competitiveness unless they are rapidly integrated into the national digital transformation agenda.

### 7.2.6 Digital Skills & Workforce

- 0.75 million ICT professionals as of 2024; target of 1.5–2 million by FY2031 requires recruiting 750,000–1.25 million workers
- Only ~35% of internet users can complete a basic digital task; foundational digital literacy severely lacking
- Women 62% less likely to use the internet; ICT female Labour participation far below national average of 40%
- TVET (Technical and Vocational Education and Training) enrollment in digital and ICT streams very low; industry-academia collabouration weak
- ICT capacities of government employees is limited; ICT training not mandatory for career progression;
- Youth (15–24): 40% demonstrate online skills, double the rate of older groups, presenting an untapped opportunity for digital economy

## 7.3 Key Challenges Facing the ICT Sector

Despite more than a decade of sustained investment in digital infrastructure and services, Bangladesh's ICT sector continues to face a set of deep structural, institutional, and capability challenges that prevent it from reaching its full potential. These challenges have become increasingly consequential as the country transitions from a low-income economy to an industrialising, middle-income economy where citizens, businesses, and government all depend on reliable, secure, and inclusive digital systems. They are also more urgent because the global pace of ICT and AI advancement is accelerating, narrowing the window for Bangladesh to position itself competitively.

The earlier phase of ICT reform delivered real achievements: Union Digital Centres reached rural communities, broadband infrastructure was extended, and hundreds of services were nominally placed online. However, partial digitisation is not the same as transformation. Citizens still must visit government offices to complete many services. Government systems do not share data. Cybersecurity threats are escalating while institutional defences remain fragmented. AI adoption is uncoordinated. The freelancer community, one of Bangladesh's great digital assets, cannot receive payments through international platforms. These are not minor operational shortcomings. They are structural gaps that, if left unaddressed, will widen as the economy and society grow more dependent on digital systems.

The following challenges have been identified as the most significant barriers to achieving the goals set out in this Five Year Strategic Framework. They span governance, infrastructure, human capital, industry competitiveness, and digital safety. Addressing them requires simultaneous action on all six strategic priorities rather than sequential reform.

### 7. 3.1 Major Challenges

- **Service digitisation gap:** Over 400 services are nominally online but fewer than 50 are fully end-to-end digitized; citizens encounter manual steps, in-person verification requirements, and disconnected payment systems in nearly every service journey
- **Cybersecurity deficit:** The National Cyber Security Agency lacks full operational capacity; National Security Operations Centre does not exist yet; most ministries have no designated cyber security officer and separate budget on cyber security; ~630 cyberattack attempts on financial institutions occur daily; the NID database breach exposed millions of citizens' personal data
- **Data fragmentation and interoperability failure:** Government databases do not communicate with each other; no master citizen index exists at scale; the National Data Exchange has fewer than 40 use-cases on boarded; vertical Programmes maintain standalone systems; evidence-based policymaking is hampered by the absence of reliable, interoperable data
- **AI and technology gap:** Bangladesh remains a consumer of foreign AI products with no national language model, no shared compute infrastructure, and no institutional framework for AI governance; the country risks permanent dependency if it does not build sovereign AI capability within this decade
- **ICT sector underperformance:** The sector contributes only approximately 1% of GDP despite a significant talent base; the BPO and IT services industry lacks international branding and investment certainty; five fragmented investment promotion agencies confuse foreign investors; Hi-Tech Parks offer infrastructure without the policy and connectivity ecosystem that global technology companies require
- **Digital finance barriers:** Freelancers cannot access international banking gateway or equivalent platforms for receiving international income; gig workers lack formal identity and social protection; the digital financial ecosystem is fragmented across multiple non-interoperable platforms
- **Skills and workforce deficit:** Bangladesh has approximately 750,000 ICT professionals against a target of 1.5 to 2 million by FY2031; only 35% of internet users can complete a basic digital task; civil servants lack mandatory ICT competency requirements; industry-academia collabouration remains weak
- **Gender and equity gap**: Women are 62% less likely to use the internet than men; female ICT Labour participation is far below the national average; rural populations, persons with disabilities, and linguistic minorities face compounded barriers to digital inclusion
- **Weak governance and accountability:** ICT policies were last comprehensively revised in 2018; no unified ICT budget line exists across ministries; performance contracts linking ICT investment to measurable outcomes are absent; political transitions have historically disrupted programme continuity
- **Proper requirement analysis:** Many software systems and projects are undertaken without conducting proper requirement analysis, which often results in solutions that remain effective only for a shorter period of time.

### 7.3.2 Connectivity and Infrastructure Challenges

#### A. Connectivity and Broadband Gaps

Bangladesh has achieved near-universal mobile broadband coverage, with 4G reaching 99% of the population and limited 5G services available in Dhaka, Chattogram, and Sylhet. Despite this progress and relatively low mobile data prices by regional standards, only 58.5% of the population (above 5 years of age) actively uses mobile internet, while average monthly consumption remains modest at approximately 5 GB per connection. This suggests that barriers to meaningful connectivity extend beyond network availability and include affordability, digital skills, device ownership, and access to relevant digital services.

The country's fixed broadband ecosystem has not kept pace with growing demand for high-capacity and reliable connectivity. As digital government, artificial intelligence, cloud computing, and data-intensive applications become increasingly important, widespread access to affordable fiber infrastructure will be essential for supporting economic competitiveness and digital inclusion. Regional disparities remain pronounced, with broadband infrastructure in northern Bangladesh significantly less developed than in the south, limiting investment attractiveness and widening the digital divide.

**Key connectivity challenges include:**

- Fixed broadband penetration remains low, reaching only 11% based on BTRC subscriber data and 37% of households according to ITU estimates.
- Historical policy, regulatory, and investment constraints have slowed fiber deployment and network expansion.
- Although 98% of rural areas have population densities above 300 people per square kilometre—making them commercially attractive for fiber deployment—large connectivity gaps remain.
- Between 41.4% and 50.4% of households in higher-density areas (≥300 people per sq. km) still lack fiber access.
- In lower-density areas, 84.9% of households lack access to 4G services capable of delivering speeds above 20 Mbps.
- Eliminating these gaps would require an estimated investment of USD 12.7–14.8 billion for fiber access infrastructure and USD 47.2–57.7 million for fixed wireless access solutions.

The quality and reach of digital infrastructure serving community anchor institutions also remain inadequate. Bangladesh's fiber-to-the-home penetration and fiber density remain below those of comparable developing economies, while only around one-quarter of mobile towers are connected through fiber backhaul. These infrastructure constraints contribute to Bangladesh's classification within the "Limited" broadband adoption cluster.

#### B. Data Centre and Cloud Infrastructure

As Bangladesh's digital economy expands, demand for computing power, data storage, and cloud services is expected to increase rapidly. Growth in digital public services, online transactions, enterprise digitalisation, artificial intelligence applications, and hyperscale cloud operations will require a substantial expansion of the country's digital infrastructure backbone. The Government's planned Bangladesh National Digital Architecture (BNDA), including the National Data Exchange, is expected to further accelerate data generation, sharing, and processing requirements.

**Key data centre and cloud infrastructure challenges include:**

- Existing data centre capacity of approximately 204 MW falls significantly short of projected future demand.
- It is estimated that Bangladesh will require an additional 823 MW of capacity to achieve minimum international benchmarks of approximately 24 watts per household, implying investment needs of USD 4.6–5.6 billion.
- Bangladesh continues to rank behind many peer economies in MIT's Global Cloud Ecosystem Index, reflecting gaps in cloud readiness, infrastructure depth, and ecosystem maturity.
- The public cloud market is projected to grow by approximately 25% annually through 2030, driven by economic growth, digital transformation, and supportive government policies.
- Rising demand from hyperscale cloud providers, enterprises, and digital government platforms will place increasing pressure on wholesale and retail colocation infrastructure.
- Industrial and logistics hubs are expected to account for roughly 10% of future national data centre demand, representing corridor-specific investment requirements of USD 460–560 million.
- Insufficient edge computing and regional data centre infrastructure could limit the performance of mission-critical applications such as intelligent transport systems, customs automation, port community systems, industrial IoT platforms, and multimodal logistics management.
- Additional regional data infrastructure will be required to reduce latency, strengthen disaster resilience, support business continuity for coastal assets, and enable advanced analytics, predictive maintenance, and AI-enabled decision-making.

Without adequate investments in cloud and data centre infrastructure, Bangladesh may face growing constraints on digital service delivery, enterprise innovation, industrial competitiveness, and the adoption of emerging technologies. Strengthening this foundational layer will therefore be essential to achieving the country's long-term digital transformation objectives.

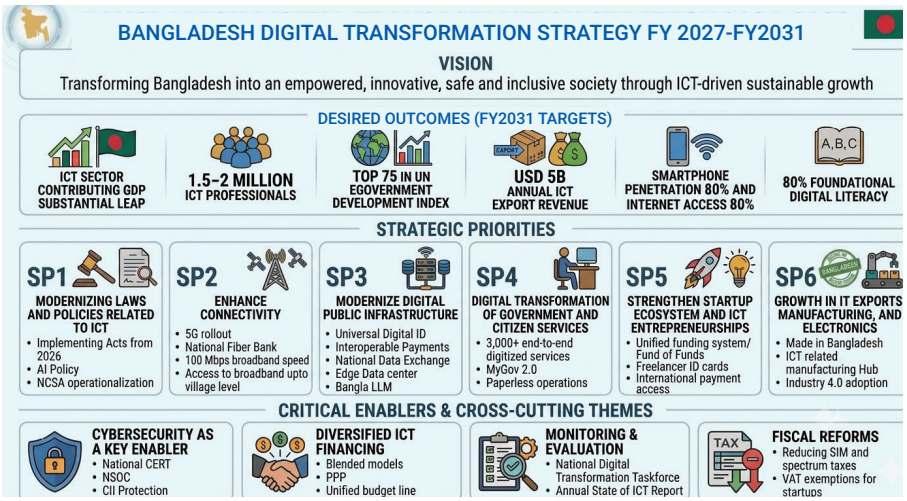
## 7.4 Strategic Framework

### Vision

Transforming Bangladesh into an empowered, innovative, safe and inclusive society through ICT-driven sustainable growth.

### Mission

Drive inclusive, sustainable growth and innovation in Bangladesh by empowering citizens, businesses and government, and building a strong foundation leveraging robust physical and digital infrastructure, supported by future-ready policies and a skilled workforce.



### Architecture: Six Strategic Priorities

The plan is organised around six Strategic Priorities (SPs). Each SP addresses a distinct structural gap in Bangladesh's ICT ecosystem, and together they constitute the minimum necessary and sufficient conditions for achieving the 2030 vision.

### SP1: Modernising Laws and Policies Related to ICT

Make the ICT legal and regulatory architecture effective, current, and internationally aligned; operationalise cybersecurity governance institutions; implement the National AI Policy, Source Code Policy; and enforce the three landmark Acts enacted in 2026.

### SP2: Enhance Connectivity

Achieve 80%+ internet coverage through nationwide 5G rollout, last-mile broadband deployment, island connectivity, National Fiber Bank, and universal affordable access; target 5G to 90% of population and broadband speed of 100 Mbps.

### SP3: Modernise Digital Public Infrastructure

Build a complete, interoperable, and inclusive DPI stack comprising Universal Digital ID, Interoperable Payments, National Data Exchange, government workflow engine, and sovereign AI computing infrastructure; implement 'One Citizen, One ID, One Digital Wallet' for every citizen.

### SP4: Digital Transformation of Government and Citizen Services

Deliver 3,000+ end-to-end digitized government services by 2030 through a unified citizen service portal; achieve paperless government operations across all 15,000+ offices; integrate AI across government departments for more efficient, transparent, and timely service delivery; and reach Top 75 in the UN eGovernment Development Index.

### SP5: Strengthen Startup Ecosystem and ICT Entrepreneurship

Deploy BDT 15,500+ crore across a unified, integrated startup funding system; create 1 million ICT jobs; scale the ICT professional workforce to 1.5–2 million; achieve 80% foundational digital literacy; and grow ICT to 5–10% of GDP. Harness the power of youth to build world-class tech hubs in Bangladesh.

### SP6: Growth in IT Exports, Manufacturing, Software Export and Electronics

Grow ICT exports from USD 600M to USD 2B+ by 2030; establish Bangladesh as a top global electronics manufacturing hub; increase smartphone penetration from around 50% to 100% within five years; promote IT and software service exports; and develop pharmaceutical and agro-processing sectors through ICT-enabled transformation.

**Cybersecurity as a Cross-Cutting Enabler:** Cybersecurity is fundamental to the success of all six Strategic Priorities and must be integrated across every initiative. As Bangladesh expands digital connectivity, modernises public infrastructure, digitizes government services, strengthens the startup ecosystem, and grows ICT exports and manufacturing, robust cybersecurity measures are essential to protect data, ensure privacy, build trust, safeguard critical infrastructure, and enhance national resilience. Cybersecurity should therefore be embedded in the design, implementation, and governance of all ICT Programmes to support secure and sustainable digital transformation.

## 7.5 Strategic Priorities and Key Interventions

### 7.5.1 SP1: Laws and Policies Related to ICT

- Promulgate implementing rules under all three 2026 Acts (CSA,2026, NDGA,2026, PDPA,2026): data classification procedures, NRDEX protocols, NSOC and CII guidelines, consent management, Algorithmic Impact Assessment (AIA) requirements, and data breach notification timelines etc.
- Revise the National ICT Policy 2018 to align with the three enacted 2026 Acts, and the Six Strategic Priorities; establish a five-year rolling policy cycle with mandatory annual monitoring and mid-term review
- Revise the Telecommunication Network and Licensing Policy 2025: increase NTTN competition, reduce spectrum costs and SIM taxes, open VoIP and IIG markets progressively, and create enabling conditions for 5G commercial rollout
- Finalise and publish the National 5G Spectrum Allocation Strategy with binding operator licensing timelines, infrastructure sharing obligations, and universal service coverage requirements
- Enact the National Startup Policy establishing institutional roles, funding mandates, and regulatory sandboxes for the startup ecosystem
- Enact comprehensive AI Policy by 2027:
- Implement rules to address AI-generated evidence, encrypted communications, Social Sentiment Analysis, Fact checking, countering misinformation and disinformation and cloud-based forensics; align with NCSA and N-CERT institutional mandates
- Amend the One Stop Service Act 2018 to incorporate UBID and extend coverage to digital-native startups and platform-economy businesses
- Develop and gazette a National Postal Digital Transformation Policy enabling Bangladesh Post Office to serve as last-mile channel for digital wallet enrollment, digital literacy Programmes, and assisted digital service delivery
- Fully operationalise the National Cyber security Agency (NCSA) with gazetted authority, adequate staffing, and budget; establish N-CERT; establish NSOC for real-time CII monitoring; deploy AI-integrated CIRS
- Implement the cybersecurity strategic pillars such as Critical Infrastructure Protection; Resilient Cyber Ecosystem; Cybersecurity Workforce and Industry; Citizen Protection and Digital Trust; Emerging Technology Security; and International Cooperation and Diplomacy. These pillers will be detailed out in Cyber Security Strategy to be prepared by NCSA.
- Establish National Threat Intelligence Sharing Platform (TISP); mandate all CII institutions to connect; enable real-time cross-sector threat intelligence sharing
- Accredit Digital Forensic Labs; establish standalone Digital Forensic Lab at NCSA; develop SOPs for digital evidence handling
- Develop National Cyber Crisis Management Plan; enact sector-specific Incident Response Guidelines; launch National ICT and Cyber Security Rating System; conduct bi-annual IT audits across all ministries
- Establish National Cyber Security Centre to coordinate security across government and private sectors; provide citizens a clear complaint mechanism for cyberbullying and digital harassment (Manifesto commitment)

- Develop a National AI Policy 2026–2030; establish Independent AI Oversight Committee and AI Project Implementation Cell within ICT Division; designate NDGA as central AI governance regulator
- Mandate Algorithmic Impact Assessments (AIA) for all significant public-sector AI systems; establish regulatory sandbox for AI and emerging technology experimentation
- Ratify the Council of Europe AI Framework Convention; engage with ASEAN AI Governance Framework; participate in UN AI governance processes

### 7.5.2 SP2: Connectivity

Reliable, affordable, and high-speed digital connectivity is a prerequisite for economic competitiveness, digital government, innovation, and inclusive growth. While Bangladesh has achieved near-universal mobile broadband coverage, significant gaps remain in fixed broadband penetration, fiber infrastructure, connectivity for public institutions, affordability, and digital inclusion. To build a digitally connected nation and support future demand from AI, cloud services, digital trade, and industrial transformation, the following strategic actions are proposed:

**Expand Broadband Infrastructure and Network Capacity**

- Establish a National Fiber Bank to accelerate nationwide deployment of fiber backbone, middle-mile, and last-mile infrastructure.
- Expand fiber connectivity to underserved and rural areas, prioritising regions with the largest broadband availability gaps.
- Increase fiberization of mobile towers to improve network performance, support future 5G expansion, and strengthen backhaul capacity.
- Promote infrastructure sharing and open-access models to improve investment efficiency and reduce deployment costs.
- Prepare a national broadband and digital access gap map identifying unserved and underserved villages, unions, haor, coastal, char and hill-tract areas, and use it to prioritise fibre backhaul, mobile access coverage and digital access-point rollout.
- Treat transport, communications and digital connectivity infrastructure as mutually reinforcing: strengthen the national fibre/transmission backbone with route redundancy and resilient last-mile/mobile broadband, recognising affordable broadband, resilient fibre backbone, transmission infrastructure and IMT/5G readiness as essential foundations of regional and economic development and public-service delivery.
- Develop a single-window mechanism — coordinated by the telecom regulator with power, road and local-government authorities — for fibre right-of-way, tower/pole access, duct attachment, site and power-connection permissions, to remove infrastructure-sharing and deployment bottlenecks among mobile operators, ISPs, transmission-infrastructure operators and tower companies.

**Accelerate Next-Generation Mobile Connectivity**

- Develop and implement a nationwide 5G roadmap covering spectrum allocation, infrastructure investment, and industry partnerships.
- Extend 5G services to cover at least 90% of the population while eliminating remaining 4G coverage gaps in underserved areas.
- Improve network quality, reliability, and resilience to support growing demand for digital services and emerging technologies.

- Prepare a long-term, technology-neutral spectrum roadmap for mobile broadband, IMT/5G, FWA, IoT and private-network use cases, prioritising industrial zones, smart cities, high-demand campuses, ports, logistics hubs and airports for advanced connectivity where commercially and technically feasible.
- Operate a single-window, technology-neutral process for spectrum and related infrastructure approvals, with standardised fees, timelines and an escalation mechanism, to accelerate rollout and reduce duplication.

**Connect Public Institutions and Economic Infrastructure**

- Provide high-speed broadband connectivity to schools, healthcare facilities, government offices, courts, and other public institutions.
- Strengthen connectivity for ports, land ports, customs facilities, logistics centres, industrial parks, special economic zones, and transport hubs to support digital trade and economic activity.
- Expand resilient broadband and backhaul infrastructure to support real-time logistics, trade facilitation, and smart transport systems.
- Ensure resilient, redundant broadband and mobile connectivity for ports, airports, railway terminals, land ports, bus terminals, logistics hubs and transport/economic-growth corridors, with connectivity for transport modernisation, digital services, e-commerce and logistics treated as essential infrastructure for emergency response and the wider digital economy.

**Promote Affordable and Inclusive Connectivity**

- Strengthen and reform the Universal Service Obligation (USO) Fund to accelerate connectivity investments in underserved and hard-to-reach communities.
- Improve broadband affordability through policy and regulatory measures that encourage competition and reduce the cost of access.
- Increase smartphone adoption through fiscal incentives, domestic manufacturing support, affordable financing mechanisms, and targeted inclusion Programmes.
- Address digital literacy barriers and promote equitable access for women, youth, SMEs, rural communities, and vulnerable groups.
- Enhance the resilience and security of telecommunications networks and critical digital infrastructure.
- Map connectivity gaps in schools, madrasahs, health facilities, post offices, public service points, railway stations, bus terminals, airports, logistics hubs, markets and growth centres in hill-tract, border and low-income urban areas; expand affordable mobile and village/growth-centre-level broadband using an appropriate technology mix (fibre, wireless broadband/FWA, 4G/5G, satellite or other suitable technologies), prioritising haor, coastal, char, island, border and disaster-prone areas, and link expansion to education, health, agriculture and local enterprise development.
- Promote affordable data packages for students, low-income users, women, rural communities, and persons with disabilities and small entrepreneurs; encourage affordable smart-device access through tax/duty review, instalment-based financing and public–private device-support partnerships.
- Establish sustainably operated and maintained managed public and community Wi-Fi at selected rural service points, bus terminals, airports, railway stations, libraries, growth centres, education institutions and post offices, with access control, safe-use content filtering, and relying-only-on-consent maintenance models instead of free unmanaged access.

- Ensure accessible digital services, websites, apps and public access terminals — with assistive technology support — for persons with disabilities, and review tax, duty and regulatory barriers affecting affordable smart-device access, as part of the inclusive-connectivity agenda.
- Recognise the postal network as an additional rural digital-access and assisted-service delivery channel: use post offices as rural digital-access and assisted-service points, and integrate selected post offices with digital public services, e-commerce, digital payments support and parcel/citizen service delivery, reducing last-mile digital exclusion in areas with limited telecom/ICT coverage.

**Expected Outcomes**

- Universal access to affordable, high-speed broadband services.
- 5G coverage reaching at least 90% of the population.
- Increased fiber penetration and mobile tower fiberization.
- Improved connectivity for public institutions and economic infrastructure.
- Reduced rural-urban digital divide and enhanced digital inclusion.
- Stronger foundations for digital government, AI adoption, digital trade, and private sector innovation.
- Enhanced cybersecurity, resilience, and trust in digital services across whole connectivity infrastructure.
- Public-facing QoS/QoE dashboards for mobile, broadband and fixed internet services, strengthened through crowdsourced drive-test data, complaint-resolution analytics, and monitoring of coverage, speed, latency and call-drop indicators.
- Disaster-resilient and emergency digital connectivity, including route redundancy, mobile emergency power, satellite backup and priority restoration protocols for hospitals, shelters, disaster administration, ports and critical public services during cyclones, floods, earthquakes and other disasters.
- Strengthened submarine cable capacity, international bandwidth resilience, terrestrial backup/emergency restoration arrangements and improved domestic internet exchange (IXP) capacity, aligned with efficient, transparent spectrum assignment, to support digital trade, e-commerce and digital-services export.
- Strengthened national domain/DNS infrastructure, DNSSEC readiness and Anycast capacity, ensuring resilient internet-related resource management as part of digital-economy and e-commerce infrastructure.
- Energy-efficient, climate-resilient telecom network design at telecom sites and data centres, including backup power, renewable-energy use and resilient siting to withstand climate-related disruption.

### 7.5.3 SP3: Digital Public Infrastructure

To build an integrated digital state system and a digital economy, the government has undertaken initiatives to implement the vision of 'One Citizen One ID', 'One Digital Wallet'. Through this initiative, every citizen will be able to access various public and private services under a single digital identity. The digital wallet system will enable safe and seamless financial transactions, allowances, fees, and other payment processing. This initiative will eliminate existing complexities regarding data verification and interconnection caused by multiple identification systems, while further strengthening data sharing and interoperability, and making service delivery easier and faster for citizens.

- Develop a Universal Digital ID integrating NID, BDRIS, CRVS, passport, and driving license into one secure, interoperable identity platform with Single Sign-On (SSO) across all government services

- Build or scale the Interoperable Payments Platform enabling real-time digital transactions among citizens, businesses, and government
- Establish a National Data Exchange (scaling e-Service Bus) with decentralised architecture, consent-based data sharing, and 150+ use-cases by 2030, governed under the National Data Governance Act 2026
- Implement National Data Exchange Framework/Ecosystem Platform; Unified Digital ID Service Ecosystem with Consent Management; expand data centre and cloud infrastructure; strengthen AI-based data centre and cybersecurity
- Launch 'One Citizen-One ID, One Digital Wallet' system: ensure every citizen has a bank account and personal digital wallet linked to their Digital ID; bring all citizens under the banking network starting FY2026–27
- Deploy a Government Services Workflow Engine to digitize all G2C service workflows with SSO and full integration with the unified service delivery platform
- Build AI-driven Data Centre Campus: Phase 1 (Years 2–3): minimum 70 AI-capable racks (40 government, 30 private); Phase 2 (Years 4–5): full 154-rack hall; 90 government racks; 64 private racks; establish GSOC
- Establish Edge Data Centre: Phase 1 minimum 10 edge/cache racks; Phase 2 minimum 30 CDN racks; deliver at least 40% of local content traffic domestically
- Establish National AI Computing Infrastructure: GPU Server, HPC and Cloud Infrastructure; AI Training Environment in Government Data Centre; Shared Computing Resource for Researchers and Startups
- Launch national Bangla Large Language Model (LLM) as a government-led initiative under BCC; scale Bangla language AI ecosystem (Audio Transcription, OCR, Screen Reader, Sign Language, Multiling.cloud); expose all as standardised B2B APIs
- Establish Institute of Frontier Technology through triple-helix (industry-BUET-government) collabouration focused on AI, semiconductor design, and cutting-edge ICT
- Develop Semiconductor industry hub: train 2,000 ICT graduates in VLSI design; establish semiconductor hub at National Data Centre; allocate land in Gazipur, Sylhet, and Rajshahi Hi-Tech Parks for hardware manufacturing companies
- Scale National Dashboard to all ministries and divisions; scale digital ICT labs (DSET centres) to every zila and upazila
- Define and regulate the telecom sector's role in SIM/eKYC-based telecom verification and authentication interfaces for citizen services; ensure lawful, secure and auditable data exchange between telecom operators and authorised identity systems, while protecting minors, vulnerable groups and sensitive personal data, and avoiding treating telecom regulators or operators as general DPI implementers beyond their statutory functions.
- Integrate mobile financial services (MFS) and telecom-linked payment channels into the interoperable digital-payment and financial-inclusion architecture, enabling consent-based data sharing for credit assessment, SME finance, insurance and public-benefits delivery, with fraud prevention, consumer protection and grievance redress.
- Ensure telecom-sector participation in the National API and Interoperability Exchange Layer through secure, auditable data-exchange protocols and common data and API standards for regulated private-sector service providers and telecom-sector registries.

- Develop a digital postal addressing and postcode framework, linked to the National Data Exchange, to support e-commerce, logistics, emergency response and public-service delivery through modernised postal addressing, digital address information and parcel track-and-trace.
- Where telecom-sector or postal DPI systems are hosted, apply secure, resilient, compliant data-centre/cloud hosting standards with redundant connectivity, backup, cybersecurity monitoring and business-continuity arrangements consistent with national DPI hosting requirements, using domestic cloud/data-centre capacity where feasible.
- Extend DPI governance, audit and grievance-redress arrangements to telecom- and postal-sector participating entities, covering accountability, auditability, access logs, service standards and user grievance redress for telecom/postal-linked DPI services.
- Prioritise quick-win, telecom- and postal-enabled DPI use cases — common digital identity, consent and data sharing, utility payments, tax services, transport, agriculture, social protection and health — deliverable within 2–3 years, ensuring interoperability and audit for major DPI systems and giving citizens a means to challenge misuse, incorrect data or denial of service.

### 7.5.4 SP4: Government Services and Citizen Services

- Launch a Unified Citizen Service Delivery Platform as single interface for all government services, replacing multiple fragmented portals; integrate with National Data Exchange
- Digitize priority services end-to-end with minimal manual touchpoints: transport (license, registration, toll/fine), land records, digital tax filing, passport, immigration, disaster warning, women empowerment portal, and police control systems
- Strengthen and scale D-Nothi to achieve 100% paperless operations within ICT Division and 4 frontier ministries by 2027; all 15,000+ government offices by 2030
- Establish centralised Government Software Repository to prevent duplication; mandate cross-ministerial reuse of applications
- Expand e-Procurement marketplace with integrated vendor catalog, price benchmarks, and ICT-specific procurement modules
- Deploy real-time Executive Project Monitoring Dashboard for ministry KPIs and ADP project performance
- Introduce AI-powered chatbots in Bangla for citizen service navigation, query resolution, and form assistance
- Create a Government Open Source Software (OSS) Repository from upazila to ministry level
- Implement National ICT Asset Management System across all government offices
- Implement National AI Compute Strategy and GPU Resource Allocation Policy, defining how government, universities, and startups access the shared GPU cluster, on what commercial or non-commercial terms, and with what data security and usage monitoring
- Deploy Jiggasa.AI (Virtual Government Services Assistant) nationwide; expand to all major service categories with voice interface and multilingual support for Bangladesh's 42 languages
- Scale D-Toll System to all national highways, bridges, and expressways; integrate with Digital Payments Platform for seamless automated toll collection
- Expand digital signature and Visible Digital Seal (VDS) adoption: all government documents, licenses, certificates, and contracts; extend to higher education and school boards for tamper-proof academic credentials

- Operationalise QuickPass mobile application as central Digital ID platform with Single Sign-On (SSO) authentication across all 5+ digital systems; expand to all government services
- Implement digital participation platform for citizen feedback, grievance submission, and policy consultations integrated with all e-services
- Establish a digital single window for all service establishment approvals, licenses, tax certificates, and permits (Manifesto commitment)
- Deploy National Job Platform integrating all existing job portals into a unified digital employment ecosystem
- Launch Green and Intelligent Office initiative: e-filing, digital document management, smart energy management, cloud-based office platforms, virtual meeting systems, and IoT-based office management in all government offices; achieve fully paperless administration
- Deploy AI applications in public service delivery: fraud detection, procurement anomaly monitoring, predictive analytics for planning, and automated administrative workflows; build Smart Cities using AI to make civic services more people-friendly
- Achieve Top 50 ranking in UN eGovernment Development Index by 2030 (from current 100th)

### 7.5.5 SP5: Startup and Entrepreneurship Ecosystem

The present government considers the immensely talented youth of Bangladesh as the country's greatest asset and the prime driver of development. Special emphasis is being placed on leveraging their skills and innovative capabilities to create startups, freelancing opportunities, and digital entrepreneurs. Through technology-based training and skill development Programmes, youth are being prepared for the global job market. Steps have been taken to formulate a timely Startup Policy. Initiatives have been undertaken to consolidate various existing startup funds into a unified and integrated startup funding system. The government firmly believes that with proper support, the talented and creative youth of Bangladesh will succeed in establishing world-class tech hubs in Bangladesh, mirroring Silicon Valley in the USA, Shenzhen in China, Singapore, or Dubai.

- Establish a Unified Business Portal integrating all Investment Promotion Agency (IPA) services; develop Unique Business ID (UBID) for interoperability across business lifecycle services
- Launch Investor Single Window, Maritime Single Window, and National Single Window as priority single-window platforms for investment, trade, and customs processing
- Build comprehensive startup funding ecosystem: (a) Fund of Funds BDT 6,000 crore over 5 years; (b) ICT-iDEA Innovation Fund should be significantly increased; (c) ICT-SME Innovation Fund BDT 1,000 crore; (d) Startup Growth Fund BDT 1,000 crore; (e) VC Co-investment Fund BDT 1,500 crore; (f) Impact Fund BDT 1,000 crore; (g) Mentvestor Programme BDT 1,000 crore; (h) Catalytic Capital Fund BDT 1,000 crore
- Establish structured startup accelerators and incubation Programmes under BHTPA, iDEA, and Startup Bangladesh; harmonise and rationalise overlapping Programmes
- Sign Long-term Framework Agreements with ICT investors guaranteeing 10-year tax benefits, uninterrupted power supply, high-speed internet, and logistical support (Manifesto commitment)
- Create 200,000 direct jobs in cybersecurity, BPO, AI/data, semiconductors, and Industry 4.0, and 800,000 indirect jobs through freelancing and content creation (Manifesto commitment)

- Introduce International gateway payment system and a national e-wallet for freelancers and ICT entrepreneurs to receive foreign income and make digital payments without banking complications (Manifesto commitment)
- Launch a National Crowdfunding Platform for ICT startups as a citizen-investment mechanism; expand Startup Fund for financially disadvantaged entrepreneurs (Manifesto commitment)
- Assist BSEC in establishing Startup Board and Digital IPO mechanism to provide exit pathways for 100+ startups
- Launch a National Digital Literacy Mission targeting 100% foundational digital skills for all citizens; prioritise women, rural communities, elderly, and lower-income groups
- Execute Her Power Project Phase 2: train 29,200 women in digital marketing and graphics design for freelancing
- Execute LEAD (Learning, Earning and Entrepreneurship Development) Project: train 107,320 people in freelancing across multiple digital categories
- Execute SEED (Self-Employment and Entrepreneurship Development) Project: provide training, coaching, mentoring, funding, and incubation in Hi-Tech Parks and Software Technology Parks
- Execute DIVE (Digital Inclusion of Vulnerable Exceptions) Project: bring marginalised groups into the digital economy through targeted skilling and entrepreneurship (BDT 590 crore)
- Register and issue official ID cards to 200,000 freelancers through freelancers.gov.bd platform
- Introduce ITEE (Information Technology Engineers Examination) training programme in 20 university batches across Dhaka, Rajshahi, Chattogram, Khulna, and Sylhet; create pathways to Japan IT market and global employment
- Women in ICT Frontier Initiative (WIFI): provide specialized ICT training to 700+ women entrepreneurs annually through BCC regional offices
- Integrate AI, data science, cybersecurity, and digital ethics into national school curriculum from Grade 8; mandate competency-based digital literacy at secondary level
- Develop AI and ICT-focused university curriculum standards through UGC; establish computing clusters at public universities; establish 5 AI Centres of Excellence
- Embed ICT training as mandatory component of BPATC Foundation Training Course; introduce certification-based specialist tracks for cybersecurity and AI
- Recruit 100,000 new ICT sector workers in the first year; target 30% increase in female ICT Labour participation by 2030 (Manifesto commitment)

### 7.5.6 SP6: IT Exports, Manufacturing, Software Export and Electronics

After Ready-Made Garments (RMG), the electronics sector is currently the fastest-growing and most promising sector in Bangladesh. The government is determined to increase smartphone usage from below 50% to 100% within the next five years. By incentivising domestic manufacturing, it will be possible to deliver digital devices to citizens at affordable prices, while also opening avenues for export abroad. Through the formulation of appropriate policies and significant reductions in VAT, taxes, and customs duties in this sector, Bangladesh will be transformed into a top global electronics manufacturing hub within the next five years.

- Implement ICT industry promotion strategy targeting IT/ITeS and Hi-Tech sectors; support branding, export marketing, and international certification for Bangladeshi ICT firms

- Develop 13 IT Training and Incubation Centres and 12 district-level Hi-Tech Parks and software technology parks by 2028; allocate land in Gazipur, Sylhet, and Rajshahi Hi-Tech Parks to 8 hardware manufacturing companies
- Promote FDI in Hi-Tech Parks; develop infrastructure and policy incentives at BHTPA-operated parks; attract multinationals to establish regional headquarters or research centres
- Develop 'Made in Bangladesh / Assembled in Bangladesh / Serviced in Bangladesh' initiative for the software, hardware, and BPO industries to compete at the international market (Manifesto commitment)
- Open VoIP, NTTN, ISP, and IIG markets progressively in accordance with international standards; review and amend Telecommunication Network and Licensing Policy 2025
- Introduce duty-free/reduced-duty import of critical AI hardware (GPUs, servers, accelerators); R&D tax credits for qualified AI investments by universities and enterprises
- Software Technology Parks in Dhaka urban fringe areas (Purbachal, Diabari, Basila-Mohammadpur, Mirpur, Badda) as decent job hubs for freelancers, BPO, KPO, and startup entrepreneurs at affordable office space
- Link local telecom and digital-equipment manufacturing/assembly (routers, switches, smart devices, IoT devices, telecom accessories and CPE) with export-readiness, testing, certification and technology transfer, encouraging participation of universities, private manufacturers and Bangladesh Cable Shilpa Sangstha alongside BEZA/BHTPA and BIDA, and developing a specialised telecom-equipment testing and certification framework aligned with export-oriented conformance standards.
- Develop telecom-specific skilled human resources — fibre, IP/MPLS, RF planning, IMT/5G, cloud, NOC/SOC operations, cybersecurity, AI/data services and telecom conformance/testing — through industry-academia partnerships and certification programmes coordinated with NSDA, universities and training institutions.
- Establish a regulatory sandbox for emerging telecom-linked technologies (IoT, AI, satellite connectivity, digital identity, telecom APIs, fintech and smart logistics), enabling safe testing of new digital services while protecting consumers, privacy and cybersecurity, and encouraging start-up and local-firm participation.
- Strengthen the linkage between postal digital services and the rural digital economy — SME and one-district-one-product (ODOP) producer access to digital markets through postal logistics, digital addressing, e-commerce fulfilment and rural digital-payment/parcel-tracking support — leveraging the postal network's rural presence to reduce last-mile digital-economy exclusion.

**IT and Electronics Manufacturing: Key Interventions**

- Develop dedicated Electronics Manufacturing Zones within BHTPA Hi-Tech Parks in Gazipur, Sylhet, and Rajshahi: guaranteed 24-hour power, pre-built factory shells, bonded warehouses, and single-window import-export clearance; target mobile handsets, laptops, IoT devices, smart home products, and printed circuit boards
- Establish the Semiconductor Design Hub at the National Data Centre; train 2,000 ICT graduates in VLSI design through the Institute of Frontier Technology; position Bangladesh as a regional centre for chip design services in automotive, IoT, and consumer electronics
- Promote domestic manufacturing of ICT consumer products: smartphones, routers, set-top boxes, digital meters, and solar-powered computing devices; provide OEM licensing facilitation, import duty relief, and export market access support

- Introduce Industry 4.0 adoption incentives for electronics manufacturers: subsidised GPU access, Impact Fund financing for automation equipment, and ICT Division technical advisory on AI quality control, digital twins, and predictive maintenance
- Target 30% domestic supply of ICT consumer hardware by 2030, reducing import dependency and generating high-value manufacturing employment in Hi-Tech Parks

**Other manufacturing endeavor:**

- Modernise pharmaceutical manufacturing through AI-driven drug discovery, digital quality management, and smart factory technologies to boost exports and global competitiveness.
- Transform agro-processing with precision agriculture, digital cold chains, traceability systems, and smart processing technologies to increase productivity and reduce losses.
- Promote advanced manufacturing in electronics, semiconductors, and textiles through Industry 4.0 adoption, automation, and digital supply chains.
- Strengthen healthcare through digital health platforms, AI-assisted diagnostics, and interoperable health information systems.
- Enhance logistics, finance, and energy sectors with smart infrastructure, digital payments, intelligent supply chains, and data-driven operations.

## 7.6 Roadmaps for Six Priority Areas

These six roadmaps are not standalone Programmes; they are the structural preconditions without which the ICT Strategic Priorities' targets cannot be achieved. Effective laws and policies create the regulatory conditions without which no investment in connectivity, infrastructure, or industry can deliver sustainable returns. Connectivity and Digital Public Infrastructure provide the physical and logical foundations on which all government services and citizen services operate. Government services digitisation demonstrates public value and builds citizen trust in digital systems. The startup ecosystem converts the platform into economic activity and employment. IT exports and manufacturing generate the economic returns that justify the investment and position Bangladesh as a producer of digital-era goods and services.

### 7.6.1 Roadmap I: Laws, Policies, and Cybersecurity Governance (SP1)

**The Challenge**

Three landmark Acts have been enacted in 2026. The cyber security legal and institutional architecture remains critically underprepared. BGD e-Gov CIRT operates as an interim CERT because the NCSA lacks staffing and mandate. Financial institutions face ~630 cyberattack attempts daily with 52% classified as high-risk. The NID database leak exposed millions of citizens' data. Enacted legislation without implementing rules and enforcement institutions without resources create a governance gap that undermines every other strategic priority.

#### Phase 1 (Recovery): Foundation (1 Year)

**Legal Reform and Cybersecurity Foundation (BUILD Phase)**

- Constitute ICT Legal Reform Task Force with NDGA, NCSA, Ministry of Law, BTRC, and NBR; mandate all implementing rules drafts within 90 days
- Gazette implementing rules under the National Data Governance Act 2026: data classification, NRDEX protocols, NDGA enforcement authority

- Gazette sector-specific Incident Response Guidelines and National Cyber Crisis Management Plan under the Cyber Security Act 2026
- Fully operationalise NCSA: gazette organisational structure, staffing norms, and budget; launch N-CERT absorbing BGD e-Gov CIRT; establish NSOC; deploy CIRS
- Mandate all ministries to designate a CISO and cybersecurity focal team; connect to N-CERT; commence cybersecurity audit of 50 government IT systems
- Activate NDGA with gazetted authority; issue data classification standards; launch National AI Oversight Committee; publish AI risk classification framework
- Launch National ICT and Cyber Security Rating System: enroll 35+ organisations; publish public dashboards
- Publish the National 5G Spectrum Allocation Strategy for public consultation
- Commission independent review of the National ICT Policy 2018; mandate revised draft within six months
- Launch Digital Safety Bangladesh campaign: community workshops in 10 districts; establish 24/7 Cybercrime Reporting Portal and Helpline

***Measurable Indicators:***

*ICT Legal Reform Task Force constituted; implementing rules for all three 2026 Acts gazetted; NCSA gazetted with authority; N-CERT functional; NSOC live for CII monitoring; NDGA gazetted; 50 ministry CISOs designated; cybersecurity audit of 50 government systems; AI risk framework published; 5G Strategy published for consultation*

### Phase 2 (Restoration): Structural Scale-up (1-3 Years)

**Legal, Regulatory, and Cybersecurity GROW Phase**

- Gazette all implementing rules under the three 2026 Acts; publish compliance guidance for public and private sector entities
- Revise and gazette the National ICT Policy as the 2026-2031 framework replacing the 2018 policy
- Revise and gazette the Telecommunication Network and Licensing Policy 2025 with NTTN competition and SIM tax provisions
- Gazette the National 5G Spectrum Allocation Strategy with binding operator licensing timelines
- Pass the National Startup Policy through Cabinet; gazette regulatory sandbox framework
- Table Finance Act amendments to implement ICT sector tax reforms
- Deploy sectoral CERTs in banking, health, energy, and telecommunications; enforce minimum cybersecurity standards
- Establish National Threat Intelligence Sharing Platform (TISP); mandate all CII institutions to connect
- Launch AI-based Cyber Range Platform; train 2,475 cybersecurity teachers; conduct first National Cyber Drill
- Enforce PDPA across all public and private actors; audit top 100 data-processing organisations; publish compliance ratings

- Scale Digital Safety Bangladesh campaign to reach 30 million citizens; workshops in all 64 districts
- Scale to 20,000 certified cybersecurity professionals; commence Post-Quantum Cryptography transition assessment

***Measurable Indicators:***

*All three 2026 Acts fully implemented; National ICT Policy 2026-31 gazetted; Telecom Licensing Policy revised; 5G Strategy gazetted; National Startup Policy enacted; sectoral CERTs in 4 sectors; TISP live; 100 organisations PDPA-audited; 30M citizens reached by cybersecurity awareness campaign; 20,000 certified professionals*

### Phase 3 (Reconstruction): National Completion (3-5 years)

**LEAD Phase: Full Compliance and Sovereignty**

- Enact AI Liability Act by 2028; develop insurance and apportionment of liability framework for high-risk AI systems
- Establish five-year rolling ICT Policy cycle: first mandatory review in 2028
- Advance DGDA to WHO Global Benchmarking Tool maturity level 3 by 2028
- Ratify Council of Europe AI Framework Convention; achieve Top 20 National Cyber Security Index (NCSI) ranking
- Achieve 50,000 certified cybersecurity professionals with 35% women participation
- Build USD 400M domestic cyber industry; launch AI-powered NSOC; establish Bangladesh Cyber Forum
- 100% CII compliance with ISO 27001/NIST CSF baselines; 500+ organisations in TISP; 15 bilateral cybersecurity MoUs
- Complete Post-Quantum Cryptography transition across all critical government systems

***Measurable Indicators:***

*AI Liability Act enacted; rolling ICT Policy cycle established; Top 20 NCSI ranking; 50,000 certified cybersecurity professionals; USD 400M domestic cyber industry; CoE AI Framework Convention ratified; 500+ organisations in TISP; Annual Cybersecurity Report published*

## 7.6.2 Roadmap II: Connectivity (SP2)

### The Challenge

Bangladesh has 4G population coverage of 98% but individual internet access of only approximately 70%, with rural access below 38%. The gap reflects unaffordable handset and data costs, insufficient last-mile fiber infrastructure, and the absence of community-level access points. 5G trials have been completed but no nationwide spectrum strategy or National Fiber Bank exists. Bay of Bengal island communities remain entirely unconnected. The government targets 5G to 90% of the population and broadband speeds of 100 Mbps, with affordable internet for all citizens including those in remote areas.

### Phase 1 (Recovery): Foundation (1 Year)

**Connectivity Foundation**

- Publish National 5G Spectrum Allocation Strategy and open operator consultations on spectrum pricing and infrastructure sharing obligations

- Gazette establishment of National Fiber Bank: governance structure, financing mechanism, and procurement framework for rural and remote area fiber deployment
- Conduct milestone audit of EDC Project: review 57,000 delivered connections; publish completion timeline for remaining 52,244
- Launch iLand Project procurement: issue tender for submarine cable installation and island WiFi hotspot deployment
- Commission independent review of SIM card tax structure with regional benchmarking; gazette removal of BDT 300 SIM card supplementary tax
- Gazette USO Fund reforms: simplified disbursement procedures, increased annual corpus, rural connectivity mandate
- Begin Connectivity Masterplan PPP consultations: engage telecom operators on 5G infrastructure sharing terms

***Measurable Indicators:***

*National 5G Spectrum Allocation Strategy published; National Fiber Bank established; EDC Project completion timeline published; iLand Project tender issued; BDT 300 SIM card tax removed (BDT 1,200 crore revenue reduction); USO Fund reforms gazetted; PPP consultations commenced*

### Phase 2 (Restoration): Structural Scale-up (1-3 Years)

**Connectivity Build-out Year 1**

- 5G commercial rollout commences in Dhaka, Chattogram, Sylhet, and Rajshahi following spectrum allocation
- National Fiber Bank operational: first 1,000 km of fiber deployed to underserved areas
- EDC Project Phase 2: complete remaining 52,244 connections by June 2027; all 109,244 institutional connections active
- iLand submarine cable construction commences; first island WiFi hotspots operational
- Finance Act amendment progressively reduces SIM and spectrum fees; targets 5G coverage to 90% of population by 2030
- At least one new NTTN operator licensed; ISP licensing simplified through One Stop Service portal
- Free internet installed at 5,000 public schools and 500 government hospitals (first tranche, Manifesto commitment)
- USO Fund deploys BDT 300 crore to 50 lowest-connectivity upazilas

***Measurable Indicators:***

*5G commercial in 4 divisional cities; National Fiber Bank deploying; EDC Project complete (109,244 connections); iLand construction commenced; SIM and spectrum fee reduction in Finance Act; 5,000 schools with free internet; USO Fund BDT 300 crore deployed; 1 new NTTN operator licensed*

### Phase 3 (Reconstruction): National Completion (3-5 years)

**Universal Connectivity: 5G to 90% and 100 Mbps Broadband**

- 5G commercial services available to 90% of population by 2030; target of 100 Mbps broadband speed nationwide

- Individual internet access reaches 80%+ of population; rural access above 60%
- iLand Project complete: 62 km submarine cable and 701 island hotspots operational
- National Fiber Bank fully operational: high-speed internet at affordable prices in all remote areas
- Free internet at all public schools, colleges, hospitals, railway stations, and airports (Manifesto commitment)
- USO Fund cumulatively deploys BDT 2,000 crore to underserved areas over five years
- 99.999% network reliability target achieved in urban areas; 99.9% in rural areas
- Smartphone penetration increases from below 50% toward 100% through domestic manufacturing and affordability measures
- UDCs scaled to 12,000; 11–12 million citizens served monthly

***Measurable Indicators:***

*5G coverage 90%+ population; broadband 100 Mbps target; individual internet access 80%+; rural access 60%+; iLand complete (701 hotspots); National Fiber Bank covering all remote upazilas; free internet at all public institutions; smartphone penetration increasing toward 100%; 12,000 UDCs*

### 7.6.3 Roadmap III: Digital Public Infrastructure (SP3)

**The Challenge: A Fragmented Foundation**

Bangladesh's digital public infrastructure exists in silos. The National ID covers 70%+ of the population but has no interoperability with BDRIS, CRVS, or the passport system. The payment ecosystem has five competing platforms with limited interoperability. The National e-Service Bus has only 30 services onboarded. The National Data Exchange lacks an institutional mandate. This fragmentation means that citizens must authenticate separately on every platform, payments cannot flow seamlessly, data cannot be shared across ministries, and end-to-end service digitisation is structurally impossible. Every new digital service built on this foundation inherits the same fragmentation.

#### Phase 1 (Recovery): Foundation (1 Year)

**DPI Foundation**

- Establish National DPI Governance Board under ICT Division; mandate authority over interoperability standards and data exchange protocols
- Launch D-STAR Project: mobilise World Bank financing; establish project management unit within BCC; develop National Data Exchange Framework and Unified Digital ID Service Ecosystem
- Issue National Digital Architecture (BNDA) v2.0: mandatory HL7 FHIR-based interoperability standard; no new government IT system procured without conformity
- Launch Universal Digital ID design: integrate NID, BDRIS, CRVS, passport, and driving license; pilot SSO for 2–3 services
- Launch 'One Citizen, One ID, One Digital Wallet' pilot in 3 districts: define technical specifications; issue digital wallets linked to bank accounts
- Commence national Bangla LLM: digitize and curate NCTB textbooks, government archives, and legal texts as training data
- Procure shared GPU cluster at National Data Centre: centralised resources for government agencies, universities, and qualified startups
- Scale National Dashboard to all ministries and divisions

***Measurable Indicators:***

*DPI Governance Board constituted with gazetted authority; BNDA v2.0 published; D-STAR Project launched; Universal Digital ID architecture finalized; 3 pilot districts with One Citizen One ID One Digital Wallet live; Bangla LLM data curation commenced; GPU cluster procured; National Dashboard to all ministries*

### Phase 2 (Restoration): Structural Scale-up (1-3 Years)

**DPI Build-out**

- Launch Universal Digital ID system: target 5 million+ citizen registrations; expand SSO to 50+ government services
- Scale 'One Citizen, One ID, One Digital Wallet' to all 35 scale-up districts; 10 million+ enrolled digital wallets; link to social safety net payments
- Launch Interoperable Payments Platform: BanglaQR-NPSB integration live; 50,000+ merchant touchpoints onboarded
- National Data Exchange: 30+ live use-cases; 20 ministries onboarded
- Deploy Bangla LLM v1.0: integrate into civil service document processing, public service chatbots, and digital literacy platforms
- Build AI-driven Data Centre Campus Phase 1: activate minimum 70 AI-capable racks; launch national AI compute services; establish GSOC
- Deploy Edge Data Centre pilot: minimum 10 edge/cache racks; test CDN capability
- Scale semiconductor hub: enroll first 200 VLSI graduates; allocate land in 3 Hi-Tech Parks

***Measurable Indicators:***

*Universal Digital ID 5M+ registrations; Interoperable Payments live with 50,000+ merchants; NDE 30+ use-cases; 10M+ digital wallets enrolled; Bangla LLM v1.0 deployed in civil service; AI Data Centre Phase 1 commenced; semiconductor hub VLSI training commenced; 10,000 UDCs operational*

### Phase 3 (Reconstruction): National Completion (3-5 years)

**Universal DPI Coverage and Digital Sovereignty**

- Universal Digital ID: 80%+ population registered; SSO access to all 3,000+ government services
- National Data Exchange: 150+ use-cases; all ministries and key private sector entities onboarded
- AI-driven Data Centre Campus Phase 2 complete: full 154-rack hall; 100% government workload under domestic control (digital sovereignty)
- Bangla LLM v2.0 with multilingual support; accessible to all citizens, civil servants, and private sector through open API
- Edge Data Centre: minimum 30 CDN racks; 40%+ local content traffic delivered domestically
- Semiconductor design industry established; Institute of Frontier Technology graduates first full cohort
- Master Patient Index: 30 million+ patient records linked to Digital ID

***Measurable Indicators:***

*Digital ID 80%+ population; NDE 150+ use-cases; AI Data Centre 154 racks complete; 100% government workload domestic (digital sovereignty); Bangla LLM v2.0 open API; Edge DC 30 CDN racks; IFT first cohort graduated; Master Patient Index 30M+ records*

### 7.6.4 Roadmap IV: Government Services and Citizen Services (SP4)

**The Challenge: Partial Digitisation Without Transformation**

Bangladesh has nominally placed over 300 government services online through the MyGov portal, yet the vast majority offer only partial digitisation: a citizen can submit a form or track a status update online, but must still visit a government office for verification, payment, or document collection. The D-Nothi e-office platform has been deployed but lacks whole-of-government adoption, backup systems, and anti-ransomware protection. Social safety net payments remain 80% manual. As a result, Bangladesh ranks 100th in the UN eGovernment Development Index despite significant investment. The DPI foundation being built under Roadmap III has no value to citizens unless the services sitting on top of it are genuinely end-to-end digitized. Connectivity without service completion is infrastructure without purpose.

#### Phase 1 (Recovery): Foundation (1 Year)

**Service Inventory and Platform Launch**

- Complete national service inventory: map all 3,000+ government services by ministry, categorize by digitisation readiness, and prioritise 500 services with binding completion deadlines
- Launch MyGov 2.0 as enhanced unified citizen service platform with integrated SSO, Digital ID authentication, cross-ministry service bundles, and Bangla-language interface
- Begin mandatory e-Office (D-Nothi) adoption in ICT Division and 4 priority ministries; strengthen with backup systems, anti-ransomware protection, and audit trails
- Deploy Jiggasa.AI nationwide with voice interface and support for 10 major service categories
- Scale D-Toll System to 20+ national highways, bridges, and expressways; integrate with Interoperable Payments Platform
- Launch digital signature and Visible Digital Seal (VDS) on all ICT Division documents; pilot in 3 additional ministries
- NBR digital integration design: technical specification for NBR-National Data Exchange linkage and e-invoicing pilot

***Measurable Indicators:***

*National service inventory completed (3,000+ services mapped); 500 services mapped for e2e digitisation; MyGov 2.0 launched; D-Nothi with backup in ICT Division and 4 ministries; Jiggasa.AI live; D-Toll at 20+ locations; VDS in 3 pilot ministries; NBR-NDE integration design completed*

#### Phase 2 (Restoration): Structural Scale-up (1-3 Years)

**First Year Service Digitisation**

- 500+ priority services end-to-end digitized by June 2027
- D-Nothi paperless operations in 50+ ministries and departments
- Social safety net payments digital: from 20% to 40% through digital wallet integration
- NBR-National Data Exchange integration live: VAT certificates, tax clearance flow automatically to BIDA, BHTPA, and e-GP
- E-invoicing mandatory for VAT-registered businesses above BDT 5 crore annual turnover from January 2027
- GEMS live: civil service HR digitisation in all ministries

- D-Toll integrated with digital payments; no cash lanes at integrated toll points
- Government OSS Repository operational with 50+ reusable applications
- AI deployed in fraud detection in procurement, predictive analytics in ADP planning, and automated administrative workflows

***Measurable Indicators:***

*500+ services e2e digitized; 50+ ministries paperless; 40% safety net payments digital; NBR-NDE integration live; e-invoicing from January 2027; GEMS live; AI deployed in 3+ government functions; Government OSS Repository with 50+ applications*

#### Phase 3 (Reconstruction): National Completion (3-5 years)

**Full Digital Government**

- All 3,000+ government services end-to-end digitized with zero tolerance for mandatory manual processing
- All 15,000+ government offices operating paperlessly through D-Nothi or successor platform
- 90%+ of social safety net payments, wages, and government transfers delivered digitally
- Achieve Top 75 ranking in the UN eGovernment Development Index; Top 50 by 2033
- AI deployed across all government departments for efficient, transparent, and timely service delivery; Smart Cities initiative operational
- Annual Government Digital Services Quality Report published for all 64 districts

***Measurable Indicators:***

*3,000+ services fully e2e digitized; 15,000+ offices paperless; 90%+ social payments digital; Top 75 UN eGDI; AI in all government departments; Smart Cities operational; citizen satisfaction score 75%+; Quality Report for all 64 districts*

### 7.6.5 Roadmap V: Startup Ecosystem (SP5)

**The Challenge: A Sector Stalled Below Its Potential**

Bangladesh's startup ecosystem receives approximately USD 80 million in annual capital deployment, a fraction of comparable economies such as Vietnam (USD 1 billion+). The ecosystem suffers from fragmented investment promotion (five separate agencies with overlapping mandates), the absence of a unified startup funding system, no International gateway payment system access for freelancers, and no National Startup Policy. Bangladesh has the second largest gig economy globally, yet the infrastructure for financial inclusion and professional recognition of its workforce is absent. Every strategic priority also depends on people: Bangladesh has 750,000 ICT professionals against a 1.5–2 million target by 2030. Only 35% of internet users can complete a basic digital task.

#### Phase 1 (Recovery): Foundation (1 Year)

**Ecosystem Foundation and Digital Literacy Launch**

- Launch Fund of Funds Year 1 corpus (BDT 500 crore); engage 5 domestic and 3 international VCs; target 6 startup investments by December 2026
- Enact National Startup Policy through Cabinet; gazette regulatory sandbox framework

- Obtain International gateway payment system regulatory approval through Bangladesh Bank and BFIU; resolve international payment gateway barriers for freelancers
- Launch freelancers.gov.bd: register 50,000 freelancers; issue first 10,000 official freelancer ID cards
- Organise 1 Bangladesh Startup Summit and 1 international investor roadshow
- Establish 3 Innovation Hubs at universities (BUET, BRAC University, Dhaka University)
- Harmonise iDEA, BHTPA, and Startup Bangladesh under a single Startup Acceleration Framework; consolidate existing startup funds into a unified and integrated startup funding system
- Sign 5 Long-term Framework Agreements with anchor ICT investors (Manifesto commitment)
- Launch National Digital Literacy Mission: establish governance framework; appoint Mission Director; define competency levels; set district-wise enrollment targets
- Commence Her Power Project Phase 2, LEAD Project, and DIVE Project
- Integrate AI, cybersecurity, and digital ethics into Grade 8 and above curriculum in 500 pilot schools
- Launch mandatory foundational ICT module in BPATC Foundation Training Course for all new civil servants

***Measurable Indicators:***

*FoF BDT 500 crore established; National Startup Policy enacted; International gateway payment system/e-wallet enabled; 50,000 freelancers registered; 1 Startup Summit organised; 3 Innovation Hubs launched; 5 Long-term Framework Agreements signed; National Digital Literacy Mission launched; Her Power, LEAD, DIVE Projects commenced; AI in curriculum at 500 pilot schools; mandatory ICT module in BPATC*

### Phase 2 (Restoration): Structural Scale-up (1-3 Years)

**Ecosystem Activation and Skills Scale-up**

- Fund of Funds total corpus reaches BDT 1,000 crore; 12 startup investments closed
- Unified Business Portal live with UBID; Investor Single Window operational
- International gateway payment system and national e-wallet available to freelancers; first 100,000 freelancers receiving international payments
- Scale National Digital Literacy Mission to 5 million+ citizens; prioritise rural districts and women
- Launch ITEE training in 20 university batches across 5 cities; open Japan IT market and other international employment pathways
- Establish 5 AI Centres of Excellence at public universities with shared HPC access
- Her Power Phase 2 progressing; LEAD Project progressing; SEED Project launched in 100 Hi-Tech Park startups
- Mandatory ICT and AI literacy certification for 10,000+ civil servants annually through BPATC specialist tracks
- Startup Board rules drafted; Crowdfunding Policy gazetted
- 15+ Long-term Framework Agreements signed; 5 regional Innovation Hubs established

***Measurable Indicators:***

*FoF BDT 1,000 crore; 12 startup investments; Unified Business Portal live; 100,000 freelancers with International gateway payment system/e-wallet; 5M+ citizens digitally literate; ITEE in 20 batches; 5 AI Centres of Excellence; Her Power, LEAD progressing; SEED launched; 10,000+ civil servants ICT-certified; 15+ Framework Agreements*

### Phase 3 (Reconstruction): National Completion (3-5 years)

**Ecosystem Maturity: Bangladesh as World-Class Tech Hub**

- Fund of Funds total corpus BDT 6,000 crore; investments in 80 VCs; 500+ startups funded
- Total ecosystem capital mobilised: BDT 15,500+ crore across 8 investment vehicles
- Startup Board and Digital IPO operational; first 10 startup IPOs completed
- 200,000 registered and credentialed freelancers; gig economy legal framework enacted
- Her Power (29,200 women), LEAD (107,320 participants), SEED, and DIVE projects all completed
- Annual startup capital deployment: USD 300 million+
- 100% foundational digital literacy nationwide
- ICT professional workforce reaches 1.5 million+
- 30% increase in female ICT Labour participation; Bangladesh as regional benchmark for gender-inclusive digital workforce
- Global Innovation Index rank: Top 80 (from 106th); tech hubs established matching Silicon Valley/ Shenzhen/Singapore/Dubai aspirations

***Measurable Indicators:***

*FoF BDT 6,000 crore; 500+ startups funded; BDT 15,500+ crore ecosystem financing; $300M+ annual startup capital; 1M ICT jobs; 100% foundational digital literacy; 1.5M+ ICT professionals; 30% female ICT participation increase; 200,000+ credentialed freelancers; Top 80 Global Innovation Index*

## 7.6.6 Roadmap VI: IT Exports, Manufacturing, Software Export and Electronics (SP6)

**The Challenge: A Sector Stalled Below Its Potential**

Bangladesh's ICT sector contributes only ~1% of GDP despite employing 750,000 professionals. The BPO and IT services industry lacks international branding, trade finance mechanisms, and investment-grade policy certainty. Five fragmented IPAs confuse investors. Hi-Tech Parks offer infrastructure without the policy, talent, and connectivity ecosystem that global tech investors require. Smartphone penetration is below 50% while the minimum price of a smartphone ranges from BDT 9,500 to BDT 10,000. The electronics sector is Bangladesh's fastest-growing sector after RMG, yet there is no coherent policy framework to capture the global supply chain diversification opportunity. The Manifesto commitment to grow ICT's GDP contribution to 5–10% requires a comprehensive, sequenced export and manufacturing promotion strategy.

### Phase 1 (Recovery): Foundation (1 Year)

**Export and Manufacturing Foundation**

- Launch Unified Business Portal integrating BIDA, BEPZA, BEZA, BHTPA, and BSCIC; create Unique Business ID (UBID)
- Establish Investor Single Window, Maritime Single Window, and National Single Window as first three priority platforms
- Sign first Long-term Framework Agreements with 10+ ICT investors guaranteeing 10-year tax benefits, reliable power, and high-speed connectivity
- Designate Electronics Manufacturing Zones in Gazipur, Sylhet, and Rajshahi Hi-Tech Parks; publish investment prospectus; engage 5 anchor electronics manufacturers
- Launch Made in Bangladesh brand initiative: brand identity, international marketing strategy, and OEM licensing framework

- Commence Semiconductor Design Hub: VLSI training curriculum, EDA software procurement, and land allocation to 3 hardware manufacturers
- Launch Agro-Digital Platform architecture and procurement
- DGDA e-Regulation platform Phase 1 design; technical assistance agreement with WHO for GBT upgrade pathway
- Pharmaceutical digital QMS platform procurement: vendor selection for shared cloud QMS infrastructure

***Measurable Indicators:***

*Unified Business Portal live; 3 single window platforms operational; 10+ Long-term Framework Agreements signed; Electronics Manufacturing Zones designated in 3 Hi-Tech Parks; Made in Bangladesh brand launched; Semiconductor Design Hub design complete; 3 hardware manufacturers with land allocation; DGDA e-Regulation Phase 1 design complete*

### Phase 2 (Restoration): Structural Scale-up (1-3 Years)

**Year 1 Export Promotion and Manufacturing Programmes**

- Scale FoF industry investment; close 10+ startup investments in ICT export-focused companies
- Attract 5+ multinational technology companies to Bangladesh Hi-Tech Parks
- Achieve 20% increase in IT/ITeS export revenue; target $700M+ in annual ICT exports by June 2027
- First Electronics Manufacturing Zone operational in Gazipur; 3 electronics assembly companies established
- Semiconductor Design Hub workspace operational; first batch of 200 VLSI-trained graduates enrolled
- Agro-Digital Platform beta launch: pilot with 100,000 farmers in 5 districts
- DGDA e-Regulation platform Phase 1 live: drug registration and licensing fully online
- Pharmaceutical blockchain track-and-trace pilot: 3 manufacturers, 5 product lines
- Digital Cold Chain Management System pilot: 20 cold storage facilities connected
- Open VoIP, ISP, and IIG markets in phases; reduce spectrum costs and SIM/supplementary taxes to improve telecom affordability

***Measurable Indicators:***

*$700M+ ICT annual exports; 5+ multinationals in Hi-Tech Parks; First EMZ operational; 3 electronics assembly companies; 200 VLSI graduates enrolled; Agro-Digital Platform beta with 100,000 farmers; DGDA e-Regulation Phase 1 live; pharma blockchain pilot (3 manufacturers); cold chain pilot (20 facilities)*

### Phase 3 (Reconstruction): National Completion (3-5 years)

**Bangladesh as Top Global Electronics Manufacturing Hub and ICT Export Leader**

- ICT sector reaches 3–5% of GDP on trajectory toward 10% target; 1 million ICT-related jobs created cumulatively
- Annual ICT exports: USD 2 billion+; international Made in Bangladesh certification mark recognised in 20+ markets
- Bangladesh established as top global electronics manufacturing hub within five years
- Smartphone penetration increased from below 50% toward 100% through domestic manufacturing and affordability measures
- 30% domestic supply of ICT consumer hardware; domestic assembly of smartphones and digital devices at scale

- 2,000 VLSI-trained graduates; semiconductor design industry established; first Bangladesh-designed chips in commercial production
- 10 WHO-prequalified pharmaceutical formulations; DGDA WHO GBT Level 3 by 2028; pharmaceutical exports targeting USD 500 million
- National Agro-Digital Platform: 5 million farming households; 30% cold chain loss reduction
- Top 80 Global Innovation Index; Top 20 World Bank B-Ready

***Measurable Indicators:***

*ICT sector 3-5% GDP; 1M ICT jobs; $2B+ annual ICT exports; Bangladesh top global electronics hub; smartphone penetration toward 100%; 30% domestic ICT hardware supply; 2,000 VLSI graduates; DGDA WHO GBT Level 3; 5M farmers on Agro-Digital Platform; 30% cold chain loss reduction; Top 80 Global Innovation Index*

### 7.6.7 Summary: Cross-cutting Roadmap Milestones at a Glance

The following table consolidates the six roadmap timelines into a single reference framework and summarizes the preliminary investments identified to date across the proposed implementation pathways. It maps each roadmap to its three implementation phases and the measurable milestones expected by December 2026, June 2028, and June 2030. This framework enables policymakers, implementing agencies, and development partners to monitor progress across all strategic priorities in a coordinated manner.

| Roadmap | Phase 1 (1 Year) | Phase 2 (1-3 Years) | Phase 3 (3-5 Years) |
|---|---|---|---|
| I. Laws and Policies (SP1) | Implementing rules for 3 Acts gazetted;; AI Policy formulated; AI risk framework developed; 5G Strategy formulated; Digital Safety Bangladesh campaign | All 3 Acts fully implemented; National ICT Policy 2026-31 gazetted; TISP live; 100 PDPA-audited organisations; 30M citizens in cybersecurity awareness; 20,000 certified professionals | 50,000 certified professionals; Top 20 NCSI; USD 400M cyber industry; CoE AI Convention ratified; rolling ICT Policy cycle |
| II. Connectivity (SP2) | 5G Strategy published; National Fiber Bank established; SIM tax removed USO Fund reformed<br>• National Broadband Expansion Strategy approved and Operationalised.<br>• Broadband mapping and underserved-area database completed.<br>• Fiber deployment incentives and right-of-way reforms implemented.<br>• 30% of unserved high-density households connected through fiber.<br>• Fiber backhaul upgraded for 40% of mobile towers. | 5G in 4 divisional cities; National Fiber Bank deploying; SIM/spectrum fees reduced;<br>• Fiber access extended to 60% of currently unserved high-density households.<br>• Fixed wireless access (FWA) deployed in priority low-density areas.<br>• Fiber backhaul reaches 60% of mobile towers.<br>• All public schools, health facilities, digital centres connected with broadband.<br>• Regional broadband gaps between northern and southern districts reduced by 50%. | 5G to 90% population; 100 Mbps broadband; 80%+ internet access; National Fiber Bank covering all remote upazilas; smartphone penetration toward 100%<br>• Universal broadband access achieved in all commercially viable high-density areas.<br>• FWA coverage extended to 100% of identified low-density underserved areas.<br>• Fiber backhaul reaches 80% of mobile towers.<br>• Fixed broadband household penetration exceeds 60%.<br>• Bangladesh transitions from the "Limited" broadband adoption cluster to an upper-middle broadband adoption tier. |

| Roadmap | Phase 1 (1 Year) | Phase 2 (1-3 Years) | Phase 3 (3-5 Years) |
|---|---|---|---|
| III. Digital Public Infrastructure (SP3) | NSOC/NCERT live, Cyber security related tools and systems are deployed, DPI Governance Board; ; Digital ID architecture; One Citizen One ID pilot, NRDEX framework developed AI based Data Centre designed; GPU cluster procured<br>• National Data Centre and Cloud Strategy approved.<br>• Regulatory framework for cloud services, data localisation, and green data centres established.<br>• Additional data centre capacity under development or committed.<br>• Government cloud platform expanded to support priority digital public services. | 5M+ Digital IDs; 10M+ digital wallets; NDREX 30+ use-cases; Bangla LLM v1.0; AI Data Centre Phase 1<br>At least two regional edge data centre pilot projects launched in major economic corridors.<br>• Total additional data centre capacity meets the demand.<br>• National Data Exchange integrated across key government agencies.<br>• Public cloud adoption accelerated across government and large enterprises.<br>• Regional edge data centres operational to support logistics, industrial, and smart-city applications.<br>• Bangladesh's ranking and score in global cloud readiness indices show measurable improvement.<br>• Disaster recovery and business continuity infrastructure established for critical national systems. | 80%+ population with Digital ID; NDREX 150+ use-cases; digital sovereignty 100%; Bangla LLM v2.0 open API; IFT first cohort graduated; AI based Data Centre fully operational.<br>• Additional data centre capacity deployed, meeting minimum international benchmarks of approximately 24 watts per household.<br>• Bangladesh established as a regional digital infrastructure and cloud services hub.<br>• Nationwide ecosystem of hyperscale, colocation, and edge data centres operational.<br>• Public cloud market sustains annual growth.<br>• Regional data infrastructure fully supports intelligent transport systems, customs automation, port community systems, industrial IoT, AI applications, and multimodal logistics management.<br>• Enhanced disaster resilience, low-latency services, and AI-enabled analytics available across key economic corridors. |
| IV. Government Services (SP4) | Service inventory; 500 services mapped; MyGov 2.0; D-Nothi in additional 5 offices; Jiggasa.AI; D-Toll 20+ locations; NBR-NDE integration design | 500+ services e2e; 50+ ministries paperless; 40% safety net digital; NBR-NDE live; e-invoicing from Jan 2027; AI in 3+ government functions | 3,000+ services e2e; 15,000+ offices paperless; 90%+ social payments digital; Top 75 UN eGDI; AI in all government departments |
| V. Startup and Entrepreneur -ships Ecosystem (SP5) | FoF BDT 500 crore; National Startup Policy; International gateway payment systemint. payment gateway enabled; 50,000 freelancers; 3 Innovation Hubs; Digital Literacy Mission;, | FoF BDT 1,000 crore; 5M+ digitally literate; ITEE 20 batches; 5 AI Centres of Excellence; SEED launched; mainstreaming the startup and ICT entrepreneurship in education and learning system | FoF BDT 6,000 crore; 500+ startups; $300M+ capital/ year; 1M ICT jobs; 100% digital literacy; 1.5M+ ICT professionals; 30% female ICT participation |

| Roadmap | Phase 1 (1 Year) | Phase 2 (1-3 Years) | Phase 3 (3-5 Years) |
|---|---|---|---|
| VI. IT Exports and Manufacturing (SP6) | Unified Business Portal; 3 single windows; 10+ Framework Agreements; Electronics Manufacturing Zones in 3 parks; Made in Bangladesh brand; ICT related manufacturing Hub | $2B+ ICT exports; 5+ multinationals; first EMZ operational; 200 VLSI graduates; Agro-Digital Platform beta; DGDA e-Regulation Phase 1; pharma blockchain pilot | $5B+ ICT exports; Bangladesh top global electronics hub; smartphone toward 100%; 30% domestic ICT hardware; DGDA GBT Level 3; 5M farmers on Agro Platform; 20,000 manufacturing jobs |

### 7.6.8 Cybersecurity as key enabler and Digital Trust Enhancer

**Key National Cybersecurity Priorities**

- **Governance & Institutions:** Fully operationalise the National Cyber Security Agency (NCSA) with adequate staffing, budget, and legal authority. Establish the National CERT (N-CERT) and a National Security Operations Centre (NSOC) under the NCSA for real-time threat monitoring across all government systems. Develop a National Cyber Crisis Management Plan, enact sector-specific Incident Response Guidelines, and mandate dedicated cybersecurity teams and sectoral CERTs across all government ministries.
- **Infrastructure & Response:** Deploy an AI-integrated Cyber Incident Response System (CIRS) linking Critical Information Infrastructure (CII), law enforcement, BTRC, and the private sector. Launch a National Threat Intelligence Sharing Platform (TISP), mandating connections from all CII institutions. Accredit digital forensic labs, develop SOPs, and establish standalone digital forensic labs at the NCSA. Create a publicly available National ICT & Cybersecurity Rating System for public and private organisations, and update the National Cybersecurity Strategy with enforceable guidelines for CII.
- **Data Protection & Digital Rights:** Implement the Personal Data Protection Act (PDPA) 2026 across public and private sectors, and establish the National Data Governance Authority (NDGA). Launch the National Responsible Data Exchange (NRDEX) platform for secure inter-governmental data transfer. Enforce strict data localisation for sensitive categories including health, biometric, financial, and security data. Prohibit AI-generated deepfakes used for harassment, political disinformation, and sexual exploitation, while enforcing digital content labeling.
- **Capacity Building & Awareness:** Launch an AI-based Cyber Range Platform to train over 1,500 IT graduates annually through red-blue team exercises. Introduce nationwide cybersecurity awareness campaigns, including mandatory cybersecurity modules in schools and civil service curricula. Conduct bi-annual IT audits across ministries, establish a Data Literacy Assessment Survey for government officials, and create a national cybersecurity centre providing citizens with a clear complaint mechanism for cyberbullying and digital harassment.

**Strategic areas for Cyber Security (2026–2030)**

- **01. Critical Infrastructure Protection:** Focuses on annual CII list reviews and updates, establishing minimum security baselines (ISO 27001, NIST CSF, IEC 62443), and enforcing a 6-hour incident notification mandate. Key targets for 2030 include achieving 100% CII compliance, a mean detection time of under 12 hours, and certifying over 200 vendors.
- **02. Resilient Cyber Ecosystem:** Focuses on fully operationalising the NCSA with a USD 10M initial budget (growing to USD 15M+ by 2030) , running the NSOC/NCOC for a 24/7 unified national picture , and enacting the PDPA. Includes tiered compliance for businesses, aiming for 90% compliance among large firms and onboarding 500+ organisations into the TISP by 2030.

- **03. Cybersecurity Workforce & Industry:** Aims to develop 50,000 certified professionals and achieve 35% women participation in cyber by 2030. Driven by the Bangladesh Cyber Corps program, an AI-based National Cyber Range, and Centres of Excellence (CoEs) at BUET, Dhaka University, and IUT. Targets establishing 300+ domestic cyber firms and a BDT 100 crore R&D fund by 2030.
- **04. Citizen Protection & Digital Trust:** Features the 'Digital Safety Bangladesh' campaign, delivering over 500 community workshops across 64 districts. Includes a 24/7 Cybercrime Reporting Portal & Helpline, a child online safety program, and a free SME Cyber Resilience Hub. Targets include training 100% of government staff and making 70% of the public cyber-aware by 2030.
- **05. Emerging Technology Security:** Establishes an IoT Secure-by-Design certification scheme, a National AI Security Framework, and a Post-Quantum Cryptography (PQC) Transition plan using NIST standards. Mandates BTRC 5G Security Standards and a Cloud-First policy for data sovereignty. Targets for 2030 include 100% secured 5G networks, 90%+ government cloud compliance, and 80% of systems PQC-assessed.
- **06. International Cooperation & Diplomacy:** Involves regional engagements with SAARC, BIMSTEC, and ASEAN+3 , hosting the annual BICC conference with 20+ nations , and aligning with the Budapest Convention. Positions Bangladesh as a cyber-capacity-builder for LDCs while participating in UN GGE/OEWG norm-setting. Aims for 15 bilateral MoUs, representation in 10 international bodies, and supporting 8 countries by 2030.

### Implementation Horizons

- **2026–27 (BUILD):** Focuses on operationalising the NCSA/NCA, launching the NSOC, and forming the N-CERT. Focuses on enforcing CII baselines, taking the TISP live, deploying the CIRS, enacting the PDPA, and rolling out the Digital Safety Bangladesh campaign.
- **2028–29 (GROW):** Focuses on scaling to over 20,000 certified professionals, taking the National AI Framework live, and beginning the PQC transition. Aims for a Top 30 ranking in the National Cyber Security Index (NCSI), activating sectoral SOCs, rolling out the SME resilience program, and operationalising the NRDEX platform.
- **2030 (LEAD):** Focuses on reaching 50,000 certified professionals, achieving a Top 20 NCSI ranking, and completing the PQC transition. Targets building a USD 400M domestic cyber industry, launching an AI-powered NSOC, establishing the Bangladesh Cyber Forum, and securing regional cyber leader status.

### Governance Architecture

- **National Cybersecurity Council:** Serves as the apex policy body, chaired by the Prime Minister / Chief Adviser.
- **NCSA (Lead Coordinator):** Handles regulatory oversight, the NSOC, TISP, and N-CERT.
- **NCERT:** Operates as the government CIRT, providing technical response.
- **Sector CERTs / SOCs:** Provides domain-specific cybersecurity management across key sectors: Finance, Health, Energy, Telecom, and Government.
- **Parliament Oversight Committee:** Ensures accountability through annual posture hearings.
- **Private Sector Advisory Council:** Facilitates industry threat sharing and collabouration with bodies like BASIS and BACCO.

**Cross-Cutting Implementation Priorities**

- **Finance & Investment:** Funded by a BDT 500 crore National Cyber Fund and co-financing from the World Bank, ADB, and bilateral donors. Mandates that 10% of all ministry ICT budgets must be allocated to cybersecurity by 2027. Adequate allocation through MTBF will be ensured. However, financing modalities and fiscal incentives will be subject to detailed design, identification of financing sources and examination by Finance Division and the National Board of Revenue, as applicable.
- **Legal Framework:** Guided by the enactment of Cyber Security Rules in Q1 2026, the PDPA & NDGA in 2026, the AI Governance Framework in 2028, and a PQC Mandate across 2028–29, alongside continuous Budapest Convention alignment.
- **Sector Priorities:** Establishes a dedicated Financial CERT under Bangladesh Bank, transitions to a Tier-1 Government Cloud by 2028, enforces 5G Security Regulations via BTRC, and introduces the National Health Cyber Framework in 2027.

Monitoring & Evaluation: Governed via the NCSA's Annual Cybersecurity Posture Report, an independent mid-term review in 2028, a public cyber dashboard, and annual

## 7.7. ICT Financing

Bangladesh's ICT financing situation is characterized by chronically low public investment relative to the sector's strategic importance, heavy reliance on development partners for infrastructure projects, and an absence of structured private financing mechanisms for startups and innovation. Government ICT expenditure is fragmented across ministries without a unified budget line. The Manifesto commitment to raise the ICT sector's contribution to 5 to 10% of GDP requires a fundamental diversification of financing sources, a rationalisation of financing instruments, and a clear mapping of which sources fund which strategic priorities.

The government is fully committed to providing all necessary support to develop ICT as a Thrust Sector. This includes constructing required infrastructure, expanding wireless and wireline connectivity, developing skilled human resources, introducing the One Citizen-One ID-One Digital Wallet system, and formulating investor-friendly policies. As part of its commitment, the government has taken steps to revise the SIM card tax, reducing total tax revenues in the upcoming fiscal year. The telecom sector tax rate of approximately 50% and IT sector tax rate of approximately 25% will be gradually reduced to rational levels.

### 7.7.1 Financing by Strategic Priority

The following describes the primary financing strategy for each of the six strategic priorities.

#### SP1: Laws and Policies

SP1 financing is primarily a public budget commitment. Government budget covers the Legal Reform Task Force, NDGA staffing, NCSA operationalisation (initial USD 10M growing to USD 15M+ by 2030), N-CERT, NSOC, Digital Forensic Labs, and the AI-based Cyber Range. A Cybersecurity Cess levied on digital transactions provides a sustainable domestic revenue stream supplemented by BTRC levies on spectrum-holding operators. International grant financing from JICA, EU, and bilateral partners covers the Cyber Range, CII certifications, and cross-border threat intelligence cooperation. Development partner technical assistance supplements domestic capacity for AI governance, spectrum management, and data protection enforcement.

### SP2: Connectivity:

Financing for the connectivity roadmap evolves from public-sector enablement toward a predominantly market-driven model supported by targeted public and development partner interventions.

In the initial stage, private operators finance 5G rollout, enabled by spectrum pricing reforms that ensure investment viability. Public resources are concentrated on the USO Fund for rural connectivity, the National Fiber Bank, and sovereign-backed investments in core digital infrastructure.

As implementation scales, financing becomes more blended, with expanded USO Fund deployment to address rural coverage gaps and increased sovereign and multilateral investment in the National Fiber Bank to support nationwide fiber rollout.

In the mature stage, private capital dominates 5G and broadband operations, while the USO Fund is focused on remaining underserved areas. The National Fiber Bank shifts toward final-mile resilience with reduced public support. Overall, the financing model transitions from early public de-risking to blended expansion and ultimately to a largely private-sector-led ecosystem with targeted public intervention for inclusion and resilience.

### SP3: Digital Public Infrastructure

The financing approach follows a blended model combining sovereign investment, private sector participation, PPP structures, and development partner support.

Core digital public infrastructure such as the Universal Digital ID, Interoperable Payments Platform, and National Data Exchange is primarily financed through government capital expenditure with possible concessional support, given their strategic national importance.

The “One Citizen, One Digital Wallet” system is financed through a mix of public platform development and private sector integration with banks and fintechs, with regulatory mandates ensuring nationwide adoption rather than direct subsidies.

AI, cloud, and data centre infrastructure including AI campuses, edge data centres, and GPU/HPC systems is funded through sovereign investment for core infrastructure, complemented by PPP models and private co-location for scalable capacity. Development partners may support high-capital components such as cybersecurity and AI infrastructure.

The Bangla LLM and broader AI ecosystem are driven by government-led R&D, supplemented by academic partnerships and private sector commercialization via APIs and applications.

Advanced technology initiatives, including the semiconductor hub and Institute of Frontier Technology, are financed through sovereign seed funding combined with industry co-investment and PPP arrangements for manufacturing and ecosystem development.

Digital service platforms, workflow engines, and nationwide ICT lab expansion are financed through ADP allocations and centralised digital transformation funds to ensure scalable rollout across government institutions.

Overall, financing is structured around sovereign funding for core DPI, private sector investment for scalable innovation, Government and/or PPPs for infrastructure expansion, and development partner support for advanced and capital-intensive technology systems.

### SP4: Government Services and Citizen Services

E-government investments are primarily financed through government operating and development budgets reallocated from paper-based equivalents. The efficiency savings from digitisation are themselves a financing source: digitizing social safety net payments from 20% to 90% releases leakage and administrative cost savings. Development partner technical assistance from UNDP, EU, and KOICA supports the MyGov 2.0 platform, D-Nothi rollout, and digital signature infrastructure. ADP project allocations are designated for the national service inventory, GEMS, and the National Job Platform. NBR digital integration is financed through NBR's own capital budget with ICT Division technical assistance.

### SP5: Startup Ecosystem

SP5 financing mobilises private capital at a scale that government budget alone cannot provide. The Fund of Funds model is designed for this: the government contributes a seed corpus (BDT 500 crore in Year 1) to catalyse co-investment from domestic and international VCs at a 3x ratio. Seven additional dedicated fund vehicles (ICT-iDEA Innovation Fund, ICT-SME Fund, Startup Growth Fund, VC Co-investment Fund, Impact Fund, Mentvestor Program, and Catalytic Capital Fund) bring total ecosystem financing to BDT 15,500+ crore over five years. Long-term Framework Agreements attract FDI without ongoing fiscal cost. Her Power, LEAD, SEED, and DIVE projects are financed through ADP project allocations with World Bank and development partner co-financing. Digital skills Programmes for civil servants are financed through the BPATC training budget and ICT Division allocations.

### SP6: IT Exports, Manufacturing, Software Export and Electronics

IT and electronics manufacturing is primarily private investment attracted through BHTPA infrastructure, Long-term Framework Agreements, and fiscal incentives. Government provides the infrastructure build-out in Hi-Tech Parks. Pharmaceutical manufacturing ICT modernisation is a hybrid: government provides the shared QMS platform and Agro-Digital Platform as public goods; industry funds its own factory modernisation incentivised by the Impact Fund and R&D tax credits. The National Agro-Digital Platform is financed through ADP budget allocation, World Bank agricultural digital transformation financing, and Ministry of Agriculture co-investment. DGDA regulatory digitisation is financed through DGDA's own capital budget with WHO technical assistance. Export promotion financing comes from ICT Division budget supplemented by BHTPA and BEPZA operational budgets.

## 7.7.2 Consolidated Financing Benchmarks and Targets

The following table presents the headline financing benchmarks and targets for the ICT sector strategic plan. These benchmarks track the sector-level financing indicators that determine whether the plan has the resource base to achieve its ambitions.

| Indicator | Bangladesh Current | International Benchmark | Proposed 2031 Target | Notes |
|---|---|---|---|---|
| ICT sector as % of GDP | ~1–2% | 5–10% (digital economy leaders) | 10%+ | Govt commitment; Manifesto target |
| Govt. ICT expenditure as % of total budget | ~1.5% | 3–5% (Singapore, Estonia) | 3%+ | Currently fragmented across ministries |
| Annual startup capital deployment (USD) | ~$80M+ | $500M+ (Vietnam, Malaysia) | $300M+ | Fund of Funds to bridge gap |

| Indicator | Bangladesh Current | International Benchmark | Proposed 2031 Target | Notes |
|---|---|---|---|---|
| ICT export revenue (USD) | ~$500–700M | $2B+ (Vietnam) | $2B+ | Includes IT/ITeS, BPO, software, and electronics |
| ICT professional workforce | ~750,000 | 1.5–2M (for target GDP share) | 1.5–2M | Requires 750,000–1.25M new entrants |
| Internet access (% of population) | ~55% | 80–90%+ (regional peers) | 80%+ | Rural–urban divide must close |
| 5G population coverage | Trials only | 90%+ (government target) | 90% | National Fiber Bank to support last-mile |
| Smartphone penetration | Below 50% | 80–90%+ (regional peers) | 100% target | Domestic manufacturing to reduce prices |
| UN eGovernment Development Index rank | 100/193 | Top 50 globally | Top 75 | Top 50 aspirational by 2035 |

### 7.7.3 Diversified Financing Architecture

Achieving these targets requires a diversified financing architecture that combines enhanced public budget allocation, earmarked levies, private capital mobilisation, development partner transitional support, and efficiency gains from digital transformation itself. Bangladesh's ICT financing is framed within SDG 9 (resilient infrastructure, inclusive industrialisation, innovation), recognising that ICT investments are inseparable from economic productivity, social equity, and long-term peace and resilience. Increasing the dedicated ICT budget with adequate allocation and creating a unified ICT budget line. This will be in line with the annual budget ceiling exercises, fiscal space and national priorities. Any unified ICT-expenditure tracking mechanism may be introduced within the existing budget classification and expenditure-control framework.

- **Public ICT budget:** increase dedicated ICT budget allocation to 3%+ of total government expenditure; establish a unified ICT budget line across all ministries tracked by the National Digital Transformation Taskforce
- **Startup ecosystem funding vehicles (5-year aggregate):** Fund of Funds BDT 6,000 crore; ICT-iDEA Innovation Fund BDT 1,000 crore; ICT-SME Fund BDT 1,000 crore; Startup Growth Fund BDT 1,000 crore; VC Co-investment Fund BDT 1,500 crore; Impact Fund BDT 1,000 crore; Mentvestor Programme BDT 1,000 crore; Catalytic Capital Fund BDT 1,000 crore; Venture Capital Fund BDT 2,000 crore; total ecosystem capital mobilisation target: BDT 15,500+ crore
- **AI and infrastructure investment:** AI-driven Data Centre Campus (4-5 year development project); 13 IT Training and Incubation Centres BDT 2,173 crore; 12 district Hi-Tech Parks BDT 2,500 crore; Institute of Frontier Technology BDT 200 crore; DIVE Project BDT 590 crore; SEED Project BDT 5,000 crore; Korean-funded AI Expert Development Project ~BDT 1,927 crore
- **Earmarked digital levies:** A Digital Infrastructure Cess on mobile-data usage and sufficient earmarking of spectrum-auction proceeds for digital public infrastructure and broadband. The utilization will be determined through the regular budget process and in accordance with the principles governing the Consolidated Fund. Any new levy will be examined under the applicable revenue and legal framework.

- **Development partner transitional support:** coordinate World Bank (D-STAR/EDGE), ADB, JICA (ITEE), EU, KOICA, and UNDP under DPI, cybersecurity, and digital skills pillars; ICT Division to lead donor harmonisation
- **PPP for infrastructure:** private investment in data centres, Hi-Tech Parks, Software Technology Parks, and broadband last-mile through build-operate-transfer and revenue-sharing models
- **Tax and duty reform:** gradually reduce telecom sector tax from ~50% and IT sector tax from ~25% to rational levels; remove SIM card BDT 300 tax (BDT 1,200 crore reduction); duty-free/reduced-duty import of ICT hardware; R&D tax credits; 10-year tax holidays for ICT investors under Long-term Framework Agreements
- **Efficiency dividends:** government digitisation and Green and Intelligent Office initiative projected to generate 15–20% cost savings in administrative processes; redirect savings to DPI and AI investments

## 7.8. Monitoring and Evaluation Framework

This Monitoring and Evaluation Framework tracks implementation and outcomes across all six strategic priorities and their corresponding roadmaps. Each strategic priority has a distinct theory of change: SP1 (Laws and Policies) creates the regulatory and institutional foundation; SP2 (Connectivity) provides the physical access layer; SP3 (Digital Public Infrastructure) builds the identity, payments, and data exchange stack; SP4 (Government Services) converts that stack into citizen-facing value; SP5 (Startup Ecosystem) generates the economic activity, employment, and digital skills; and SP6 (IT Exports, Manufacturing, Software Export and Electronics) develops Bangladesh's productive industrial capacity and global market presence. A successful outcome on all six roadmaps would produce an ICT-powered economy contributing 10% of GDP, a workforce of 1.5 to 2 million ICT professionals, a globally competitive startup ecosystem, universal digital literacy, and Bangladesh positioned as a top global electronics manufacturing hub.

Progress toward the ICT 2026–2030 objectives will be tracked through a robust M&E system organised into indicator tables for each of the six strategic priorities. Each indicator carries milestone targets at three checkpoints: 6 months (December 2026), 2 years (June 2028), and 5 years (June 2030). Data sources include BBS, BTRC, BCC, ICT Division administrative data, UN ITU ICT Development Index, UN DESA eGovernment Development Index, WIPO Global Innovation Index, Bangladesh Bank, National Dashboard, and program-specific reports. Joint sector reviews with development partners will be conducted bi-annually, with a formal midterm evaluation in 2028.

### 7.8.1 Overall Impact Indicators

The following table presents the headline impact indicators for the ICT sector strategic plan. These indicators measure the sector-level outcomes that all six strategic priorities collectively aim to achieve by 2030.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| ICT sector as % of GDP | ~1–2% | ~1.5% | 2–3% | 10%+ | BBS |
| ICT-related jobs (cumulative) | ~750,000 | 800,000 | 1,000,000 | 1,500,000–2,000,000 | ICT Division / BASIS |
| UN eGovernment Development Index rank | 100/193 | 95 | 85 | 75 | UN DESA |
| Global Innovation Index rank | 106/139 | 106 | 100 | 80 | WIPO |

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Annual ICT export revenue (USD) | ~$600M | $700M | $1B+ | $2B+ | EPB / BASIS |
| Smartphone penetration | Below 50% | 55% | 70% | 100% (target) | BBS / BTRC |

### 7.8.2 SP1: Laws and Policies Indicators

The following table tracks progress under SP1 and Roadmap I, measuring the effectiveness of the legal and regulatory architecture and the operational maturity of cybersecurity governance institutions.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| ICT Acts with complete implementing rules gazetted | 0 of 3 | 3 of 3 | All Acts fully implemented | Rolling 5-year cycle | ICT Division |
| National ICT Policy revised and in force | 2018 Policy | 2026-31 Policy gazetted | First 5-year review | Second revision | ICT Division |
| Certified cybersecurity professionals | ~5,000 | 10,000 | 20,000 | 50,000 | NCSA |
| National Cyber Security Index (NCSI) ranking | Below Top 30 | Baseline established | Top 30 | Top 20 | NCSI |
| TISP member institutions | 0 | 50+ | 200+ | 500+ | NCSA |
| DGDA WHO GBT maturity level | Below Level 3 | Level 2 progress | Full Level 3 (2028) | Level 3 maintained | DGDA / WHO |

### 7. 8.3 SP2: Connectivity Indicators

The following table tracks progress under SP2 and Roadmap II, measuring the physical connectivity layer including 5G coverage, broadband speed, island connectivity, and the impact of the National Fiber Bank and SIM tax reform.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Individual internet access (% population) | ~70% | 72% | 75% | 80%+ | BBS / BTRC |
| Rural internet access (% rural population) | ~38% | 42% | 50% | 60%+ | BBS |
| 5G population coverage (commercial, private-led rollout) | Trials only | Policy/spectrum framework finalized | 30%+ | 90%+ | BTRC |
| Fiber backbone & National Fiber Bank coverage (district connectivity readiness) | Fragmented backbone | Fiber Bank operational; priority corridors identified | Major national corridors connected | Nationwide backbone densification completed | ICT Division |
| USO Fund-supported rural/island connectivity coverage | Limited targeted rollout | Pilot expansion initiated | Large-scale rural coverage Programmes active | Near-universal coverage in high-cost areas | BTRC / USO Fund |
| Average broadband speed | <25 Mbps | 30 Mbps | 60 Mbps | 100 Mbps (target) | BTRC |

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Mobile broadband affordability (data cost as % of income proxy) | Baseline | Improved post SIM tax removal | Further reduction via competition | Sustained affordability improvement | BTRC |
| Fiber-to-mobile tower backhaul coverage | ~25% | 35% | 60% | 80%+ | BTRC |
| Smartphone penetration | <50% | 55% | 70% | 100% (target) | BBS |

### 7.8.4 SP3: Digital Public Infrastructure Indicators

The following table monitors progress under SP3 and Roadmap III, covering Digital ID registrations, digital wallet enrollment, National Data Exchange use-cases, AI computing infrastructure, and the Bangla LLM development status.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Universal Digital ID coverage (integrated ID system adoption) | Fragmented systems (NID dominant) | Integration framework approved (NID, BDRIS, CRVS, passport, DL) | 60%+ population enrolled in Unified Digital ID | 100% national coverage | ICT Division / BCC |
| Interoperable Payments Platform adoption (real-time transactions) | Limited interoperability | Platform architecture finalized | 50%+ G2P and G2B payments digital & interoperable | Nationwide real-time digital payments ecosystem | Bangladesh Bank |
| National Data Exchange use cases | e-Service Bus baseline | Governance framework approved | 80+ cross-agency use cases operational | 150+ use cases operational | ICT Division |
| Government digital service workflow digitisation (G2C coverage) | ~30% services digitized | Core workflow engine design completed | 70%+ G2C services digitized and integrated with SSO | 100% integrated digital service delivery | Cabinet Division / ICT Division |
| Digital Wallet adoption (linked to ID & banking system) | Limited formal adoption | Platform rollout initiated (bank-wallet-ID linkage) | 70%+ adults onboarded to digital wallet ecosystem | Universal financial inclusion via digital wallet | Bangladesh Bank |
| AI compute infrastructure capacity (GPU/ HPC availability) | Minimal national capacity | AI data centre design completed | Phase 1 operational (~70 AI-capable racks) | Full-scale national AI compute infrastructure operational (154 racks + HPC) | ICT Division / BCC |
| Edge data centre deployment | Not established | 10 edge/cache racks initiated | 30 CDN/ edge racks operational | Domestic content traffic ≥40% | BTRC / ICT Division |
| Bangla LLM and AI ecosystem deployment | Early-stage research | Government-led Bangla LLM launched | API ecosystem operational (OCR, transcription, accessibility tools) | Fully scaled national AI ecosystem with standardised B2B APIs | BCC |

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Semiconductor & advanced tech ecosystem | Concept stage | Institute of Frontier Technology established | 2,000 VLSI-trained graduates + initial industry setup in hi-tech parks | Operational semiconductor and advanced ICT manufacturing ecosystem | ICT Division / BITAC |
| National Dashboard & ICT labs coverage | Limited ministry dashboards | All ministries integrated into prototype dashboard | All ministries + divisions integrated; DSET centres in major districts | Nationwide coverage across all upazilas | ICT Division |

### 7.8.5 SP4: Government Services and Citizen Services Indicators

The following table monitors performance under SP4 and Roadmap IV, capturing the citizen-facing impact: whether government is genuinely more accessible, efficient, and transparent as a result of ICT investments.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Unified Citizen Service Delivery Platform operational | Multiple fragmented portals | Platform design approved and NDX integration initiated | Priority services integrated into single platform | All major government services accessible through one platform | ICT Division |
| Priority government services digitized end-to-end | Partial digitisation | Service mapping completed | Transport, land, tax, passport and priority services digitized | All identified priority services fully digitized | ICT Division |
| Government offices operating paperlessly through D-Nothi | Partial adoption | ICT Division and pilot ministries onboarded | ICT Division and 4 frontier ministries 100% paperless | All 15,000+ government offices paperless | ICT Division |
| Centralised Government Software Repository established | No centralised repository | Repository operational | Cross-ministerial software reuse mandated | Repository used government-wide | ICT Division |
| National e-Procurement marketplace expanded | Existing e-GP system | ICT procurement modules developed | Vendor catalog and price benchmarks integrated | Fully integrated digital procurement ecosystem | CPTU / ICT Division |
| Executive Project Monitoring Dashboard operational | Limited monitoring tools | Dashboard developed | Ministry KPI and ADP monitoring operational | Real-time national project monitoring system | ICT Division |
| AI-powered citizen service chatbots deployed | No unified chatbot service | Pilot Bangla chatbot launched | Chatbots deployed in major citizen services | Nationwide AI-assisted service navigation | ICT Division |
| Government Open Source Software Repository established | No OSS repository | Repository framework developed | Ministries and divisions onboarded | Government-wide OSS ecosystem operational | ICT Division |

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| National ICT Asset Management System coverage | Fragmented asset records | System designed and piloted | Major ministries integrated | All government offices covered | ICT Division |
| National AI Compute Strategy and GPU Resource Allocation Policy operational | No formal policy | Policy approved | Shared GPU cluster operational for government and academia | Mature national AI compute ecosystem | ICT Division |
| Jiggasa.AI coverage of government services | Pilot stage / limited coverage | National rollout initiated | Major service categories integrated | Nationwide multilingual virtual assistant covering all major services | ICT Division |
| D-Toll System deployment coverage | Limited deployment | Expansion plan approved | Major highways and bridges integrated | All national highways, bridges and expressways covered | ICT Division / Roads Division |
| Digital Signature and Visible Digital Seal adoption | Limited institutional use | Adoption roadmap approved | Government documents and licenses digitized | Universal adoption including education sector credentials | ICT Division |
| QuickPass Digital ID and SSO integration | Limited platform coverage | Additional systems integrated | SSO across 5+ government systems | Universal government service authentication platform | ICT Division |
| Citizen participation platform operational | Fragmented feedback mechanisms | Platform developed | Integrated with major e-services | Nationwide digital participation and consultation platform | ICT Division |
| Digital Single Window for approvals and permits | Multiple approval channels | System design completed | Major licenses and permits integrated | Single window for all approvals, permits and certificates | ICT Division |
| National Job Platform integration | Multiple standalone job portals | Integration framework approved | Major public job portals integrated | Unified national employment ecosystem operational | ICT Division |
| Green and Intelligent Office implementation | Limited digital office practices | Pilot smart offices established | Ministries adopting e-filing and smart management systems | Fully digital and intelligent government offices nationwide | ICT Division |
| AI applications deployed in public service delivery | Limited AI use cases | Pilot AI solutions launched | AI-enabled fraud detection, procurement monitoring and planning systems operational | AI-driven public services and smart city applications mainstreamed | ICT Division |
| UN e-Government Development Index (EGDI) ranking | Around 100th position | Improvement roadmap adopted | Top 75 ranking achieved | Top 50 ranking achieved | UN DESA / ICT Division |

### 7.8.6 SP5: Startup Ecosystem Indicators

The following table consolidates indicators for SP5 and Roadmap V, covering both the startup ecosystem and digital skills dimensions for the economic and human capital transformation.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Unified Business Portal operational with Unique Business ID (UBID) | Multiple standalone business services | Portal design approved; UBID framework developed | Major IPA services integrated | Full business lifecycle services integrated through UBID | BIDA / ICT Division |
| Startup funding ecosystem capitalization | Fragmented startup funds | Unified funding architecture approved | BDT 6,000+ crore committed across funds | Fully operational multi-fund startup financing ecosystem | ICT Division / Startup Bangladesh |
| Startup accelerators and incubators operational | Multiple overlapping Programmes | Harmonisation framework approved | Unified accelerator and incubation Programmes established | Nationwide startup support ecosystem operational | BHTPA / iDEA / Startup Bangladesh |
| Long-term Framework Agreements with ICT investors | No framework agreements | Policy approved | Agreements signed with major investors | 10-year incentive framework institutionalised | ICT Division / BIDA |
| Direct ICT sector employment | Baseline established | 100,000 new ICT workers recruited | 120,000+ direct jobs created | 200,000 direct jobs created | ICT Division / BBS |
| Indirect employment through freelancing and content creation | Baseline established | National employment Programmes launched | 400,000 indirect jobs supported | 800,000 indirect jobs created | ICT Division |
| International gateway payment system and national e-wallet availability for freelancers | Limited payment channels | Regulatory approvals initiated | International payment gateway operational | Seamless digital payment ecosystem for freelancers | Bangladesh Bank / ICT Division |
| National Crowdfunding Platform operational | No national platform | Platform framework approved | Platform launched and startup fund expanded | Nationwide citizen-investment ecosystem established | ICT Division |
| National Digital Literacy Mission coverage | Uneven digital literacy levels | Mission launched | Majority of targeted citizens trained | 100% foundational digital literacy achieved | ICT Division / MoE |
| Women trained under Her Power Project Phase 2 | Existing phase completed | New training cohorts launched | 15,000+ women trained | 29,200 women trained | ICT Division |

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| LEAD Project freelancing trainees | Project initiated | Training batches ongoing | 50,000+ people trained | 107,320 people trained | ICT Division |
| SEED Project beneficiaries | Limited entrepreneurship support | Training and incubation Programmes expanded | Hi-Tech Parks fully engaged | Nationwide entrepreneurship ecosystem operational | BHTPA / ICT Division |
| DIVE Project beneficiaries from marginalised groups | Limited inclusion Programmes | Project implementation initiated | Large-scale skilling Programmes operational | Marginalised groups integrated into digital economy | ICT Division |
| Registered freelancers with official ID cards | Limited registrations | 50,000 freelancers registered | 120,000 freelancers registered | 200,000 freelancers registered | ICT Division |
| ITEE training programme expansion | Limited participation | Programme launched in selected universities | 20 university batches operational | Established pathway to Japan and global ICT markets | ICT Division / Universities |
| Women entrepreneurs trained through WIFI Initiative | Existing annual Programmes | 700+ women trained annually | Regional expansion completed | Sustained nationwide women ICT entrepreneurship network | BCC |
| AI, Data Science, Cybersecurity and Digital Ethics in school curriculum | Not integrated nationally | Curriculum framework approved | Grade 8–10 implementation initiated | Competency-based digital literacy nationwide | Ministry of Education |
| AI and ICT-focused university curriculum and research infrastructure | Limited AI-focused standards | Curriculum standards developed | Computing clusters and AI Centres established | 5 AI Centres of Excellence fully operational | UGC / ICT Division |
| ICT specialization in BPATC Foundation Training | General ICT exposure only | Curriculum revised | Cybersecurity and AI certification tracks introduced | Mandatory specialist ICT certification framework operational | BPATC |
| Female participation in ICT workforce | Baseline established | Gender-focused initiatives launched | 15% increase achieved | 30% increase achieved | ICT Division / BBS |

### 7.8.7 SP6: IT Exports, Manufacturing, Software Export and Electronics Indicators

The following table tracks progress under SP6 and Roadmap VI across IT exports, electronics manufacturing, pharmaceutical, and agro-processing sectors, capturing Bangladesh's transition to a producer and exporter of digital-era products.

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Electronics Manufacturing Zones (EMZ) established in Hi-Tech Parks | No dedicated EMZs | Master plans approved for Gazipur, Sylhet and Rajshahi | EMZ infrastructure operational with factory shells, bonded warehouses and single-window clearance | Fully operational electronics manufacturing clusters attracting local and foreign investment | BHTPA / ICT Division |
| Semiconductor Design Hub operational | No national semiconductor design hub | Hub established at National Data Centre; curriculum developed | 1,000 ICT graduates trained in VLSI design | 2,000 ICT graduates trained; Bangladesh recognised as regional chip design services hub | ICT Division / Institute of Frontier Technology |
| Domestic manufacturing of ICT consumer products | Limited local assembly and manufacturing | Incentive framework approved | Local production expanded for smartphones, routers, set-top boxes and digital meters | Broad domestic manufacturing ecosystem including solar-powered computing devices | ICT Division / Ministry of Industries |
| OEM licensing and export market support | Limited facilitation mechanisms | OEM facilitation cell established | Major manufacturers receiving licensing and export support | Sustainable export-oriented ICT manufacturing sector developed | ICT Division / BIDA / EPB |
| Industry 4.0 adoption among electronics manufacturers | Limited automation and AI adoption | Incentive package launched | Manufacturers utilising automation, digital twins and predictive maintenance technologies | Industry 4.0 practices mainstreamed across Hi-Tech Park manufacturers | ICT Division / BHTPA |
| Electronics manufacturers accessing subsidized AI/GPU infrastructure | No dedicated support mechanism | GPU access framework approved | Priority manufacturers onboarded | National AI-enabled manufacturing ecosystem operational | ICT Division |
| Impact Fund financing for manufacturing automation | No dedicated financing stream | Financing mechanism established | Automation projects financed in major manufacturing facilities | Large-scale automation and smart manufacturing deployment | ICT Division / Startup Bangladesh |
| High-value manufacturing employment in ICT sector | Baseline established | Workforce development Programmes initiated | Significant employment growth in electronics manufacturing | High-value manufacturing workforce established across Hi-Tech Parks | BHTPA / ICT Division |
| Domestic supply share of ICT consumer hardware | Less than 15% (estimated) | Supply chain development initiated | 20% domestic supply achieved | 30% domestic supply achieved | ICT Division / BBS |

| Indicator | Baseline | 1 Year | 1-3 Years | 3-5 Years | Source |
|---|---|---|---|---|---|
| Import dependency on ICT consumer hardware | High import dependency | Baseline assessment completed | Import dependency reduced through local manufacturing | Significant reduction in import dependency through domesticproduction ecosystem | ICT Division / NBR |

## 7.9. Risks and Governance Mechanisms

Translating the ambitions of this Five Year Framework into measurable outcomes requires not only strong policy design but also robust mechanisms for managing risk and maintaining institutional accountability. Bangladesh's ICT transformation will unfold in a complex environment shaped by rapid technological change, institutional fragmentation, competing fiscal priorities, and evolving geopolitical dynamics in the digital space. The risks identified below represent the most significant threats to plan implementation.

### 7.9.1 Key Risks and Mitigation

| Risk | Probability | Impact | Mitigation Measures |
|---|---|---|---|
| Fragmentation and duplication across ministries | High | High | National Digital Transformation Taskforce with authority to resolve overlaps; mandatory BNDA compliance; centralised Government Software Repository |
| Cybersecurity incidents disrupting digital infrastructure | High | High | N-CERT and NSOC operational before major DPI deployments; mandatory security testing (SHQTC); CII sector CERTs; CIRS deployment |
| Low citizen adoption of digital services and Digital ID | High | High | Assisted digital service delivery through 12,000 UDCs; awareness campaigns; user-centred design; National Digital Literacy Mission |
| Talent shortages slowing ICT industry growth | High | High | National Digital Literacy Mission; AI and ICT in school and university curricula; industry-academia partnerships; mandatory civil service ICT training |
| Financing gap for DPI and startup ecosystem | Medium | High | Fund of Funds; earmarked digital levies; development partner coordination; Long-term Framework Agreements to attract FDI |
| AI and automation displacing ICT workers (BPO, gig) | Medium | High | National upskilling and transition Programmes; gig economy protections; AI augmentation focus; freelancer financial access (International gateway payment system) |
| Political transition disrupting policy continuity | Medium | Medium | Legislative anchoring of key ICT institutions (NDGA, NCSA); rights-based framing of Digital ID and data protection; depoliticized governance |
| Digital divide widening with rapid ICT growth | Medium | High | 30% increase female ICT participation target; rural broadband mandate; assisted UDC service delivery; National Fiber Bank; affordable device Programmes |
| Digital connectivity remains concentrated in urban and commercially-viable areas | High | High | broadband gap mapping, universal-service mechanisms, targeted public investment and infrastructure-sharing obligations to expand rural, coastal, char, haor, hill-tract and underserved-area connectivity. |

| Risk | Probability | Impact | Mitigation Measures |
|---|---|---|---|
| Slow fibre backhauls and last-mile broadband rollout due to right-of-way and local approval bottlenecks | High | High | Digital Infrastructure Single Window; standardised fees, timelines and approval procedures; inter-agency coordination mechanism. |
| Digital divide persists among women, persons with disabilities, rural users and low-income groups despite network expansion | High | High | inclusive service design; gender/disability safeguards; expanded digital literacy; assistive access and targeted affordability measures. |
| DPI systems create privacy, consent and surveillance risks where telecom operators or postal entities are involved in implementation | High | High | privacy-by-design, consent management, data minimisation, purpose limitation, lawful access safeguards and independent audit; mandate telecom-sector role limitation to SIM/eKYC, secure connectivity and regulated data-sharing functions. |
| International connectivity/ submarine cable disruption affects internet-critical infrastructure without adequate business continuity | Medium | High | route diversity, terrestrial backup, domestic IX capacity, DNS/DNSSEC resilience and disaster-recovery arrangements |

### 7.9.2 Governance Mechanisms

**Institutional Framework**

- ICT Division (Ministry of Posts, Telecommunication and Information Technology) provides overall stewardship, policy direction, and coordination across all six strategic priorities
- Bangladesh Computer Council (BCC), DoICT, BHTPA, NCSA, NDGA, Startup Bangladesh, and a2i serve as specialized implementing agencies for their respective mandates
- National Digital Transformation Taskforce / National Digital Authority established as central monitoring, coordination, and accountability body under the Chief Adviser's Office, with authority to resolve inter-ministerial conflicts and enforce compliance with national ICT architecture standards
- Line ministries lead sector-specific ICT initiatives; all new ICT systems must comply with BNDA architecture guidelines, SHQTC testing standards, and NDGA data policies before procurement or operationalisation
- Bangladesh Bank leads digital payments and fintech regulation in coordination with ICT Division
- Private sector participates through PPP frameworks, vendor accreditation, Long-term Framework Agreements, and startup ecosystem Programmes
- Each ministry and division to prepare its own sector ICT roadmap aligned with this Five Year Framework within 12 months of plan adoption

**Coordination Mechanisms**

- ICT sector coordination committee chaired by ICT Division Secretary with cross-ministerial representation meets quarterly; extraordinary sessions convened for emerging threats or opportunities

- Six thematic Technical Working Groups covering laws and policies, connectivity, DPI, government services, startup ecosystem, and IT exports and manufacturing; each TWG convenes monthly
- Annual joint sector reviews with development partners (bi-annual cycle); formal midterm evaluation in 2028 with independent assessment of all six roadmaps
- Annual State of ICT Report published by ICT Division covering progress against all M&E indicators, risks materialized and mitigated, financing flows, and recommended course corrections
- Performance agreements linking ministry secretaries and implementing agency heads to ADP delivery and roadmap milestone achievement; annual public accountability report
- National Cybersecurity Council chaired by the Prime Minister/Chief Adviser serving as apex cybersecurity policy body; Parliament Oversight Committee ensuring accountability through annual posture hearings

**Cross-Cutting Enabler: VAT and Tax on ICT and Telecom**

**Fiscal Leniency to Enable Growth**

The tax and duty structure on ICT and telecommunications in Bangladesh is among the most burdensome in South Asia. Currently, the tax rate in the telecom sector is approximately 50%, and in the information technology sector, it is around 25%. Compared to other countries in the world, these rates are significantly higher. Therefore, to foster the development of this sector, the government will gradually reduce these taxes to a rational level. As part of this initiative, starting from the 2024–25 fiscal year, the government has taken steps to completely withdraw the tax imposed on every mobile SIM card at the rate of BDT 300 for the welfare of the public. Consequently, the government will reduce total tax revenues by BDT 1,200 crore in the upcoming fiscal year.

SIM card supplementary taxes, high spectrum fees, VAT on mobile financial services, customs duties on ICT hardware, and the absence of targeted tax relief for early-stage startups collectively suppress investment, adoption, and competitiveness. Bangladesh's effective cost of mobile internet is above the regional median despite lower average incomes. Startup founders face the same tax obligations as established corporates in the critical early years when capital is scarce. Hi-Tech Park manufacturers pay import duties on components that their competitors in Vietnam, Malaysia, and China do not. Through the formulation of appropriate policies and significant reductions in VAT, taxes, and customs duties, Bangladesh will be transformed into a top global electronics manufacturing hub within the next five years.

In collabouration with the National Board of Revenue and the Ministry of Finance, a comprehensive fiscal reform agenda will be pursued to create a globally competitive ICT and telecommunications ecosystem, enabling Bangladesh to emerge as a leading digital economy and electronics manufacturing hub in the region.

## 7.10 Conclusion

The six strategic priorities set out in this chapter constitute a coherent and ambitious programme for transforming Bangladesh into a digitally competitive, productively connected, and institutionally accountable economy by 2030. They are six dimensions of a single national transformation, sequenced so that each priority creates the conditions that the next one requires.

SP1 establishes the legal and regulatory foundation without which every other investment faces governance risk. The three landmark Acts enacted in 2026, the National Data Governance Act, the Cyber Safety Act, and the Personal Data Protection Act, provide the most significant legislative advance in

Bangladesh's ICT history. The six cybersecurity strategic pillars Operationalised under SP1 will advance Bangladesh from fragmented defense toward a position as a regional cyber governance leader. Effective implementation of laws and policies is the enabler of all other SPs.

SP2 provides the physical connectivity that all digital services require. Bangladesh has demonstrated that it can build infrastructure coverage at scale; the outstanding challenge is converting coverage into access. The government's target of 5G to 90% of the population, 100 Mbps broadband speeds, and the establishment of a National Fiber Bank for remote areas represent a transformational commitment to universal connectivity. The removal of the BDT 300 SIM card tax, reducing total tax revenues by BDT 1,200 crore, is an important first step in making connectivity affordable for all citizens.

SP3 and SP4 together form the core of the government's digital transformation. SP3 builds the identity, payments, and data exchange stack that makes unified services possible, anchored by the 'One Citizen, One ID, One Digital Wallet' vision that will bring every citizen under the banking network and enable seamless access to public and private services under a single digital identity. SP4 converts that stack into 3,000 end-to-end citizen services, a paperless civil service, and a government that integrates AI across all departments for more efficient, transparent, and timely service delivery.

SP5 builds the economic engine. The unified and integrated startup funding system, combining the Fund of Funds (BDT 6,000 crore) with seven complementary investment vehicles totaling BDT 15,500+ crore, the Startup Board, the International gateway payment system access for freelancers, and the Her Power, LEAD, SEED, and DIVE Programmes address the structural barriers that have kept Bangladesh's startup ecosystem below its potential. The government firmly believes that with proper support, the talented and creative youth of Bangladesh will succeed in establishing world-class tech hubs mirroring Silicon Valley, Shenzhen, Singapore, or Dubai. The simultaneous investment in digital skills ensures the human capital exists to sustain and lead the transformation.

SP6 positions Bangladesh as a global producer and exporter of digital-era goods and services. The electronics sector is the fastest-growing sector after RMG, and the government is determined to increase smartphone penetration from below 50% to 100% within five years through domestic manufacturing incentives. Through significant reductions in VAT, taxes, and customs duties, combined with Electronics Manufacturing Zones, the Semiconductor Design Hub, and the Made in Bangladesh initiative, Bangladesh will be transformed into a top global electronics manufacturing hub. IT/ITeS export growth, pharmaceutical manufacturing modernisation through digital quality management systems, and agro-processing transformation through IoT and traceability platforms complete the export and manufacturing agenda.

The VAT and Tax on ICT and Telecom framework, detailed as a cross-cutting enabler, provides the fiscal architecture that makes the preceding priorities commercially viable. By progressively reducing telecom sector tax from approximately 50% and IT sector tax from approximately 25% to rational levels, zero-rating VAT for early-stage startups, exempting Hi-Tech Park manufacturers from import duties, and introducing R&D tax credits, the government creates the fiscal conditions in which ICT investment, innovation, and exports can flourish.

According to BCG, Bangladesh will become the world's 9th largest consumer economy by 2030. The ICT sector has the potential to contribute 10% of GDP within five years. Three overarching conditions determine whether this plan achieves its ambitions: sustained political commitment across the full five-year period; enforced cross-ministerial coordination through the National Digital Transformation Taskforce; and the people of Bangladesh as the measure of success. Every metric in this plan ultimately answers a single question: are Bangladeshi citizens better served, better employed, and better protected in 2030 than they are today? If the answer to that question is yes, this plan will have fulfilled its purpose.

# CHAPTER 8
# TRANSPORT AND COMMUNICATIONS

## 8.1 Introduction

Public transport in Bangladesh remains highly disorganised, plagued by fragmented ownership despite its immense ridership potential. Multiple bus companies compete for passengers along the same routes, resulting in service duplication and operational inefficiencies. Services are provided without essential infrastructure such as designated bus stoppages, turnaround facilities, or dedicated bus priority lanes. Passengers are often picked up and dropped off across the carriageway and at haphazard terminal entrances, rather than at designated platforms, contributing to traffic congestion and safety hazards. Moreover, the presence of non-motorized vehicles (NMVs) without any numerical or lane control has seriously affected bus productivity. Since the Strategic Transport Plan (STP) of 2004, the introduction of a Bus Route Franchising (BRF) system has been recommended as a cost-effective yet impactful solution to address the disorganised and fragmented bus operations in Dhaka.

According to the STP and global best practices, all mass transit modes, including buses, trams, BRT, LRT, monorails, suburban commuter rails, and MRT, should ideally fall under a unified mass transit authority. Such an authority is typically overseen by mayoral and local government offices to ensure seamless integration, efficient operations, and user-friendly services. However, instead of a unified mass transit authority, services here are overseen by multiple agencies without any integration.

As of 2019, the modal share for passenger transportation in Bangladesh was predominantly dominated by road transport, which accounted for approximately 88% of the total passenger movement. In contrast, railways contributed around 4% to passenger transport. The lack of unitary development authority has led to an overemphasis on road development, also increasing the freight modal share from 35% in 1975 to 77% in 2021. Conversely, during the same period, the contribution of rail and inland water transport (IWT) modes has significantly decreased from 28% to 16% and 37% to 7%. While road transport provides personalized door-to-door service, it is resource-intensive and environmentally unfriendly, posing significant challenges to Bangladesh's limited land resources and food security. For sustainable development, there is a need for a balanced multimodal transport system that capitalizes on the enormous potential of riverine topography connected to the sea, as well as the opportunity for railway intermodal container services.

## 8.2 Vision, Mission, and Strategic Architecture

### Vision

The long-term goal is the creation of an efficient and cohesive transport network that avoids "imbalance and entanglement" in its development.

### Mission

To manage and develop a comprehensive transport system—comprising roads and highways, railways, inland waterways, seaports, maritime shipping, and civil aviation—through integrated project selection that adheres to spatial, zonal, and multimodal transport master plans.

## 8.3 Strategic Architecture

The FYSF identifies ten strategic priorities for building a more developed, elevated infrastructure system over the next five years.

| Strategic Priorities | Detail |
|---|---|
| SP1 | Strengthen Road Infrastructure Development |
| SP2 | Bridge Infrastructures Development |
| SP3 | Elevated Transport Infrastructures |
| SP4 | Strengthen Freight Transport System |
| SP5 | Implementation of Bus Route Franchise and Traffic Signal Implementation Policies |
| SP6 | Development of Skilled Manpower for the Transport infrastructures |
| SP7 | Automated Traffic Signal |
| SP8 | Rail Transport System Development |
| SP9 | Air Transport Hub Development |
| SP10 | Establishment of Multimodal Transport Hub |

### SP1: Strengthen Road Infrastructure Development

Strategic priority is to focus on a safe, resilient, and efficient national road network by expanding and modernising transport infrastructure, improving connectivity and mobility across all regions, and ensuring long-term sustainability through quality construction, preventive maintenance, climate-resilient design, and effective regulatory enforcement.

**Key Initiatives:**

| Action | Lead Ministry/Division |
|---|---|
| • Undertake urgent land acquisition for interchange facility development along national highway corridors<br>• Prepare a national expressway master plan through multipurpose use of existing corridors and identification of new routes to ensure nationwide expressway access within 30 minutes<br>• Take the initiative to develop ring roads around all major cities<br>• Prioritise concrete roads over traditional bituminous roads | RHD |
| • Develop quality roads with provisions for land acquisition<br>• Undertake the straightening of existing road alignments to improve levels of service<br>• Focus on climate-resilient road and infrastructure development<br>• Focus on gender-responsive infrastructure development | LGED; DDM |

** This section is benefitted from GED Taskforce Report*

### SP2: Bridge Infrastructures Development

The strategic priority is to establish bridge and tunnel network that facilitates seamless mobility and economic development by enhancing connectivity across rivers, waterways and other geographical barriers. This will be achieved through the development of new strategic crossings, rehabilitation and modernisation of existing infrastructure, integration of climate resilient engineering solutions, implementation of comprehensive maintenance and asset management systems to ensure long-term sustainability, resilience, and operational effectiveness.

**Key Initiatives**

| Key Initiatives | Lead Ministry/Division |
|---|---|
| • Construct bridges with higher navigational headroom and longer spans rather than just meeting BIWTA's minimum requirements<br>• Prefer suspension or cable-stayed bridges over energy-intensive tunnels.<br>• Prefer modern, economical and sustainable design for bridges.<br>• Public Private Partnership (PPP) may be promoted for construction of bridge projects. | RHD, LGED, PPP Authority and BBA |

### SP3: Elevated Transport Infrastructures

It is important to shift Bangladesh's transport infrastructure development from mere network expansion to high-quality, sustainable, and innovation-driven systems by promoting elevated viaduct-based roads and railways. This strategic shift will ensure climate resilience, efficient land use, and long-term operational efficiency through advanced engineering and strategic use of climate finance.

**Key Initiatives**

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Promote elevated viaduct-based transport systems and align all infrastructure projects with climate-resilient policies.<br>Public Private Partnership (PPP) may be promoted for construction of Elevated Expressway projects. | MoRTB, BBA, MoR, Planning Division, PPP Authority |
| Prioritise environmentally friendly designs, efficient land utilisation, and advanced, future-proof engineering solutions in project planning and implementation. | MoRTB, RHD, MoR, Planning Commission |
| Explore accessing climate change (CC) funds under the framework of climate justice | MoEFCC, ERD, MoF |

### SP4: Freight Logistics and Cargo Transport Development

To align with international best practices, it is necessary to ensure an efficient, sustainable, and cost-effective freight transport system.

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Promote investment in rail and inland waterways infrastructure, including dedicated double-decker container train systems and automated freight-handling facilities | MoR, BIWTA, MoRTB, ERD |
| Modernise customs systems and improve off-dock customs clearance services to reduce dwell time and increase efficiency | National Board of Revenue (NBR), Customs Wing |
| Strategically develop export-oriented SEZs near deep seaports to improve supply chain efficiency and reduce transport demand | BEZA, Ministry of Industries (MoInd), CPA |
| Transition to organised freight logistics systems using semi-trailers and specialized freight vehicles | BRTA, CPA, Mongla Port Authority (MPA), Payra Port Authority (PPA) |

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Prevent river encroachment and unauthorized vessel operations and implement capital and maintenance dredging projects | BIWTA, Ministry of Shipping (MoS) |
| Ensure navigational clearance in bridges and culverts and equip inland jetties and land ports with mechanical cargo handling and multimodal facilities | PC, BIWTA, Land Port Authority (LPA), RHD |
| Develop Inland Container Terminals (ICTs) integrated with industrial hubs and transport networks. | BIWTA, BR, BEZA, RHD |
| Develop seaports with integrated intermodal facilities and implement advanced port automation technologies for 24-hour operations | BR, CPA, MPA, PPA, Chattogram Port Authority (CPA) |
| Operationalise the Container Company of Bangladesh Railway for sustainable freight transportation | BR, MoR |

### SP5: Bus Route Franchise (BRF) and Traffic Signal Implementation Policies

The existing bus licensing system has been unscientific, leading to fragmented ownership and overlapping routes. These inefficiencies led to low profitability due to fewer trips per day and higher operating costs from persistent traffic congestion. Unhealthy competition arose from multiple operators running buses on the same corridors, compounded by the income pressure on drivers under the problematic lease-based system. To successfully implement the bus route franchise (BRF) by consolidation and route rationalisation policies in Bangladesh, the following major steps should be undertaken:

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Establish a unified Mass Transit Regulatory Authority under the Mayor's office for coordinated planning and oversight | DNCC, DSCC, LGD, MoLGRDC |
| Declare a clear policy roadmap for bus consolidation and route rationalisation, including cancellation of previous route licenses | BRTA, Dhaka Transport Coordination Authority (DTCA), MoRTB |
| Develop operational and business models, including Concessionaire Franchise Agreements, for efficient bus service management. | DTCA, BRTA, BRTC |
| Conduct updated bus inventories and origin-destination demand surveys for route optimization | DTCA, BRTA, Bangladesh Bureau of Statistics (BBS) |
| Develop supporting infrastructure, including bus stops, bus priority lanes, terminals, feeder services, and EV charging facilities, focusing on gender and environmental aspects | Dhaka North City Corporation (DNCC), Dhaka South City Corporation (DSCC), RHD, LGED, DTCA |
| Implement restrictive travel demand management measures, including road pricing, parking controls, and regulation of paratransit systems | BRTA, DMP, DNCC, DSCC, DTCA |
| Halt construction of unsustainable flyover and expressway projects in built-up urban areas to prioritise sustainable mass transit systems. | MoRTB, RHD, DTCA, Planning Commission |
| Clearly define BRTC's operational role within BRF corridors and address bus parking-related congestion | BRTC, DTCA, DNCC, DSCC |
| Launch international tenders with local joint ventures for electric double-decker bus-based BRF systems. | DTCA, BRTC, Public Private Partnership Authority (PPPA), ERD |

### SP6: Development of Skilled Manpower in the Transport Infrastructure Sector

To develop a robust and sustainable pipeline of skilled technical manpower in Bangladesh's transport infrastructure sector, it is necessary to strengthen domestic training institutions, enhancing professional capacity, and activating institutional knowledge and research wings to support high-quality infrastructure planning, implementation, and management.

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Develop local training institutions focused on infrastructure planning, project management, and contractual aspects following international best practices | Planning Commission, MoE |
| Partner with international institutions and NRBs to provide localised advanced training Programmes on transportation and infrastructure development | ERD, Planning Commission |
| Implement continuous in-service training Programmes instead of relying mainly on overseas ToT-based training | MoPA, Planning Commission |
| • Introduce retention mechanisms for skilled professionals through competitive pay, career progression, and recognition systems<br>• Any financial incentives will be aligned with the Government's overall pay policy, service rules and approved budgetary framework, and will be subjected to Finance Division concurrence.<br>• Non-financial retention measures will be prioritised where feasible. | MoPA, Ministry of Finance (MoF) |
| Revitalise P&D and R&D wings in implementing agencies with incentives to promote innovation and effectiveness | Planning Commission, MoST |
| • Develop training Programmes for drivers of private vehicles on road safety compliance procedures, road and traffic rules and behavioral aspects<br>• Formalisation of the driving profession, particularly the private sector drivers with mandatory provision of offering recruitment contract | BRTA |
| Operationalise ICEM to build expertise in civil megastructures, including structural, geotechnical, and transport engineering. | ICEM, Planning Commission, MoRTB |

### SP7: Automated Traffic Signal

There is no functional signal-based traffic operation in Bangladesh. While the majority of countries around the world rely on automated traffic signal systems, Bangladesh continues to depend on manual operations requiring substantial human resources. To establish signal-based traffic operations, the following initiatives are needed to be undertaken.

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Implement Intelligent Transport Systems (ITS) on major roads in Dhaka and other big cities to improve traffic flow and operational efficiency. | DTCA, DMP, DNCC, DSCC; similar organisations in other cities |
| Introduce digital traffic monitoring, smart traffic management, digital tolling systems, and expanded CCTV-based traffic oversight | DMP, DTCA, ICT Division; similar organisations in other cities |
| Establish a Metropolitan Transport Authority (MTA) for coordinated management of Dhaka's transport and traffic systems | MoRTB, DTCA, LGD |
| Establish dedicated Traffic Engineering Units (TEU) for smart traffic signal management and operations | DNCC, DSCC, DMP, LGD |

### SP8: Rail Transport System Development

Believing that a world-class multimodal transport system is a fundamental pillar of a modern state, Bangladesh intends to prioritise the railway as an affordable and sustainable mode of transport to strengthen regional connectivity and increase national productivity. The objective is to overcome the current inefficiency and disorder in the transport sector by revitalising the railway to serve as the central backbone of national transport.

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Electrification and double-track construction on major railway corridors including Dhaka-Chattogram, Dhaka-Panchagarh, and Dhaka-Chapainawabganj | MoR, BR |
| Establish an integrated national rail network connecting all districts and major cities | MoR, BR, Planning Commission |
| Develop metro rail, elevated rail, circular commuter lines, and monorail systems in Dhaka and other metropolitan areas | MoR, Dhaka Mass Transit Company Limited (DMTCL), DTCA |
| Develop plans for high-speed bullet train connectivity between Dhaka and major regional cities | MoR, BR, Planning Commission |
| Establish Narayanganj-Cumilla-Laksam-Feni Cord Line | BR |
| Prioritise regional railway connectivity, including Myanmar-based routes and the Dhaka-Kunming rail link | MoR, Ministry of Foreign Affairs (MoFA), BR |
| Introduce more express intercity rail services and implement smart monitoring systems for security and operational efficiency | BR, MoR |
| Provide free travel and concessionary fare systems for people with special needs, students, senior citizens, and persons with disabilities | BR, MoR, Ministry of Social Welfare (MoSW) |
| Established rail connections to all economic zones, regional economic corridors, industrial zones, airports, seaports, land ports and ICDs | BR, MoR |
| Scheduled freight train services, modern signaling systems, mordanise workshop and rolling stock maintenance facilities, emergency rescue operations | BR, MoR |
| Encourage PPP-based development of passenger, freight, and urban rail systems | PPP Authority (PPPA), MoR, BR |
| Provide free high-speed internet facilities at all railway stations | BR, ICT Division |
| Improve the frequency of rail passenger trains for effective use of railways by increasing locomotives and passenger coaches | BR, MoR |
| Improve operations and maintenance of the rail system and enhance the service quality of rail transportations | BR, MoR |

### SP9: Air Transport System Development

The vision for this sector is to transform Bangladesh into one of the leading aviation hubs in South and Southeast Asia by 2034. This transformation will be centred on creating a national air connectivity grid designed to link divisional capitals and district towns through an expanded network of airports and airstrips, ensuring the country becomes a strategic regional gateway.

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Reform Bangladesh Biman into a profitable and competitive national carrier through operational, managerial, and service quality improvements. | Ministry of Civil Aviation and Tourism (MoCAT), Biman Bangladesh Airlines |
| Expand bilateral air service agreements to increase international route access for national airlines. | MoCAT, Ministry of Foreign Affairs (MoFA), CAAB |
| Develop a national air connectivity grid linking divisional capitals and district towns through expanded airports and airstrips. | MoCAT, Civil Aviation Authority of Bangladesh (CAAB), Planning Commission |
| Upgrade Dhaka, Chattogram, and Sylhet airports into full-scale passenger and logistics hubs and develop new international gateways at Cox's Bazar, Jessore, Rajshahi, and Saidpur. | MoCAT, CAAB |
| Ensure passenger rights, prevent ticket black markets, fraud, and reduce harassment of expatriate passengers at airports. | MoCAT, CAAB, Airport Security, Ministry of Home Affairs (MoHA) |
| Develop a national digital logistics platform for cargo tracking and booking and promote renewable energy use in airports. | CAAB, ICT Division, MoCAT |
| Provide policy support to private airlines for international market entry and competition. | MoCAT, CAAB, PPPA |
| Provide free high-speed internet access at all airports. | CAAB, ICT Division |

*Note: Comprehensive details regarding the specific ministerial roadmaps and strategic frameworks for the 3R period are provided in the Appendix for further reference.*

### SP10: Establishment of Multimodal Transport Hub

The overarching goal is to increase national productivity by prioritising the most affordable and sustainable modes of transport. Specific objectives include strengthening interregional links to ensure safe and affordable mobility for all citizens.

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Strengthen economic connectivity through affordable and integrated multimodal transport systems across regions. | Planning Commission, MoRTB, MoR |
| Develop coastal regions and the Bay of Bengal as strategic international trade and transport hubs. | Ministry of Shipping (MoS), BEZA, Planning Commission |
| Construct major bridges, elevated expressways and tunnels for economic mobility. | Bridges Division, BBA |
| Develop major ports and airports into global hubs for passenger and cargo logistics. | CAAB, CPA, MPA, MoCAT |
| Establish integrated logistics hubs centred around Chattogram and Mongla ports by integrating sea, road, rail, and waterway networks. | CPA, MPA, BR, BIWTA |
| Increase deep seaport capacity and modernise overall port infrastructure. | MoS, CPA, MPA, PPA |
| Upgrade Dhaka, Chattogram, and Sylhet airports into comprehensive logistics and passenger hubs. | MoCAT, CAAB |
| Develop intermodal terminals at major river ports including Narayanganj, Chandpur, Barishal, Khulna, Chattogram, Hatia, and Swandip. | BIWTA, MoS |

| Key Initiatives | Lead Ministry/Division |
|---|---|
| Expand modern warehousing and distribution systems supported by digital customs and trade facilitation platforms. | NBR, Ministry of Commerce (MoC), BEZA |
| Establish a Metropolitan Transport Authority for coordinated multimodal urban transport management. | MoRTB, DTCA, LGD |
| Develop integrated green transport corridors to ensure sustainable and efficient transport systems. | Planning Commission, MoEFCC, MoRTB |
| Develop a dedicated roadmap for electric buses, electric ferries, hydrogen-ready freight transport, and renewable energy-powered transport hubs. | MoRTB, MoCAT, MoRailway, MoST, MoShipping |

# CHAPTER 9

# HARNESSING THE POTENTIALS OF BLUE ECONOMY

## 9.1 Introduction and Strategic Context

The Blue Economy has emerged as a central pillar of sustainable development globally, particularly for coastal nations seeking to balance economic growth with environmental stewardship. For Bangladesh, the strategic importance of the Blue Economy has significantly increased following the peaceful resolution of maritime boundary disputes through the Bangladesh versus Myanmar and the Bangladesh versus India, which secured sovereign rights over a vast Exclusive Economic Zone (EEZ) in the Bay of Bengal.

Bangladesh now possesses approximately 118,813 sq. km of maritime area, offering substantial opportunities in fisheries, energy, shipping, tourism, and emerging ocean-based industries. However, the contribution of the Blue Economy remains modest estimated at around 3% of GDP; indicating a significant gap between potential and actual utilisation.

The development philosophy of the Bangladesh Government emphasises economic self-reliance, decentralisation, private sector-led growth, and national resource sovereignty. These principles provide a strong foundation for a comprehensive Blue Economy strategy aimed at unlocking marine resources while ensuring equitable and sustainable outcomes.

## 9.2 Vision, Mission, and Strategic Objectives

### Vision

To establish Bangladesh as a resilient, self-reliant maritime economy where ocean resources contribute significantly to national prosperity, employment generation, and environmental sustainability with a vision of economic nationalism and inclusive development

### Mission

To promote a market-driven, innovation-led, and environmentally sustainable Blue Economy, supported by strong governance, private sector participation, and community engagement.

### Strategic Objectives

Over the period FY 2027–2031, the strategy aims to:

- Increase Blue Economy contribution to GDP from 3% to at least 5% (Government Policy Statement, 2017);
- Generate 3–4 million new jobs, particularly in coastal regions;
- Enhance export diversification through marine-based industries;
- Strengthen maritime infrastructure and logistics capacity;
- Ensure sustainable management of marine ecosystems; and
- Build resilience against climate change impacts.

These objectives emphasise on employment generation, export growth, and efficient resource utilisation.

### 9.2.1 Policy Alignment with the Government and National Frameworks

**The Blue Economy strategy directly supports these priorities:**

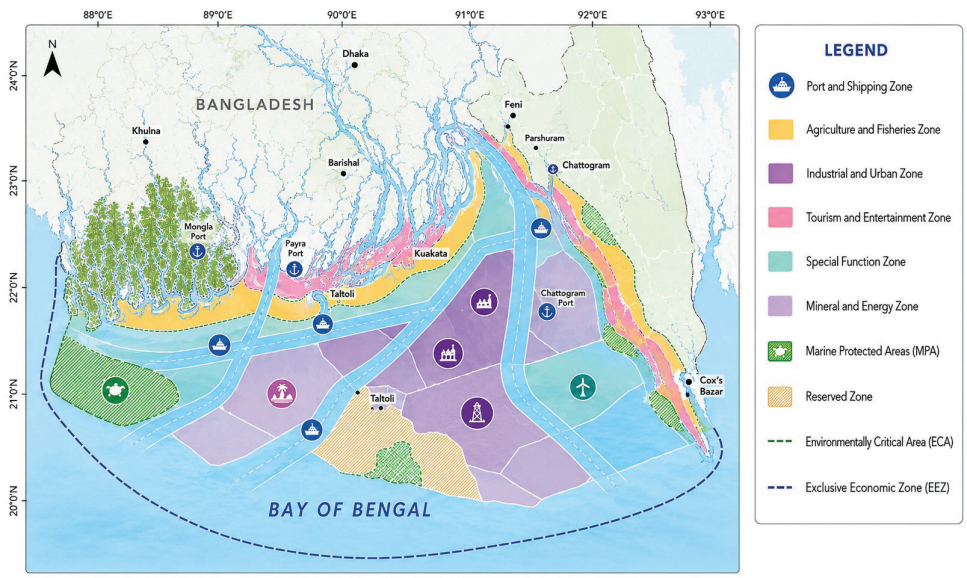
- Fisheries modernisation contributes to food security and rural livelihoods;
- Maritime trade development enhances export competitiveness;
- Tourism and coastal industries promote regional development;
- Renewable ocean energy supports energy security and sustainability;
- Environment Friendly Shipbuilding and Ship Recycling;
- Maritime Innovation Fund and Blue Bonds; and
- Port Modernisation and Transparent Governance.

Additionally, the strategy aligns with international frameworks such as the United Nations Sustainable Development Goals (SDGs), particularly SDG 14- Life Below Water, and legal frameworks like the United Nations Convention on the Law of the Sea.

## 9.3 Zoning for Blue Economy

Zoning in the Bay of Bengal can play a pivotal role in promoting sustainable resource use and accelerating blue economy growth in Bangladesh. Recognising this, the General Economics Division (GED) of Bangladesh Planning Commission has initiated a national Marine Spatial Planning (MSP) framework to guide integrated ocean governance. The framework proposes a structured zoning approach that divides Bangladesh's coastal and marine areas into three major regions based on ecological characteristics. The three major zones are Western, Central, and Eastern Zones where each zone is with distinct ecological characteristics. Within these three major areas, multiple functional zones are proposed under MSP framework. These functional zones are spatially allocated across the three regions based on resource distribution, sectoral activities and environmental sensitivity. By integrating ecological integrity with resource allocation priorities and sectoral demands, this MSP-oriented zoning framework provides a strategic foundation for sustainable blue economy development in Bangladesh. Figure 9.1 illustrates the proposed MSP-based zoning structure to support blue economy development in Bangladesh.

*Figure 9.1: Marine Zoning of Bay of Bengal in Bangladesh*



### 9.3.1 Western Zone: Sundarbans and Southwest Delta in Khulna, Satkhira, Bagerhat Districts

**Key Zonal Characteristics**

**a) Ecological Characteristics**

- Home to the Sundarbans, the world's largest contiguous mangrove ecosystem and a critical habitat for biodiversity, including endangered species such as the Royal Bengal Tiger, Ganges and Irawadi dolphins, estuarine crocodiles and the critically endangered endemic river terrapin (Batagur baska).
- Highly dynamic deltaic system influenced by tidal flows, sedimentation, and freshwater inflow from the Ganges–Brahmaputra–Meghna (GBM) basin.
- Increasing salinity intrusion due to upstream water diversion, sea-level rise, and reduced freshwater discharge.
- Provides essential ecosystem services: coastal protection, blue carbon sequestration, nursery grounds for fisheries, and storm buffering.

**b) Socioeconomic Characteristics**

- Dominated by small-scale fishing communities, forest-dependent livelihoods such as honey collection, Gol leaves collection, fuelwood etc, and artisanal shrimp aquaculture such as gher farming.
- Rapid expansion of export-oriented shrimp farming, Softshell crab farming, often replacing agricultural land and altering local livelihoods.
- Presence of strategic infrastructure such as Mongla Port, Bangladesh's second-largest seaport, driving industrialisation and logistics activities.
- High levels of poverty and livelihood vulnerability, especially due to climate shocks (cyclones, tidal surges).

**c) Sectoral Activities**

- Aquaculture (Shrimp Farming): Extensive brackish water shrimp (gher) farming, Softshell crab farming, and export-oriented and economically significant.
- Forestry and Ecosystem-Based Livelihoods: Honey, wax, golpata, and fuelwood collection from the Sundarbans and strong dependence of local communities on forest resources.
- Port and Shipping Activities: Operations centred around Mongla Port, cargo handling, inland and international navigation.
- Industrial Development: Expansion of power plants, manufacturing industries, and economic zones.
- Agriculture: Rice and crop cultivation in less saline areas.
- Climate Adaptation Activities: Coastal embankments and polders.

### 9.3.2 Proposed Zonal Areas

**a) Mangrove Conservation Zones**

**Spatial Coverage:** Core and buffer areas of the Sundarbans, including reserved forest and adjacent coastal waters.

**Characteristics**

- Strictly protected, ecologically sensitive habitats for breeding and nursery grounds.
- High biodiversity value and ecosystem service provision.
- Vulnerable to anthropogenic disturbance and climate change.

**Expected Outcomes**

- Biodiversity conservation and habitat restoration
- Enhanced climate resilience and coastal protection
- Sustained fish stock regeneration

**b) Sustainable Aquaculture Zones**

**Spatial Coverage:** Designated coastal belts outside core mangrove areas, especially in Satkhira and Khulna districts.

**Characteristics**

- Areas already dominated by gher systems for shrimp and prawn farming, Softshell crab farming.
- High salinity zones unsuitable for traditional agriculture.
- Strong linkage to export markets and rural livelihoods.

**Expected Outcomes**

- Reduced environmental degradation.
- Improved productivity and income stability.
- Enhanced ecosystem compatibility.

**c) Port and Industry Buffer Zones**

**Spatial Coverage:** Surrounding areas of Mongla Port and associated industrial corridors for power plants, shipyards and other logistics hubs.

**Characteristics**

- High economic activity and infrastructure development pressure.
- Risk of oil spills, dredging impacts, air and water pollution.
- Proximity to ecologically sensitive mangrove ecosystems.

**Expected Outcomes**

- Reduced ecological footprint of industrial activities
- Balanced economic growth with environmental safeguards
- Improved compliance and monitoring

### 9.3.3 Central Zone: Meghna Estuary and Deltaic Islands (Bhola, Noakhali, Lakshmipur, parts of Barisal and Patuakhali)

**Key Zonal Characteristics**

**a) Ecological Characteristics**

- Dominated by the highly dynamic Meghna Estuary, one of the largest estuarine systems in the world.
- Characterized by intense sedimentation, erosion, and accretion, leading to continuous formation of *chars* (new islands).
- Critical habitat for Hilsa fish (Tenualosa ilisha) spawning and migration.
- High turbidity waters with strong tidal currents and seasonal freshwater influx.
- Increasing exposure to cyclones, storm surges, and sea-level rise.

**b) Socioeconomic Characteristics**

- Predominantly small-scale capture fisheries, especially Hilsa-dependent livelihoods.
- Rapidly growing population on char lands, often with insecured tenure and limited services.
- Agriculture (rice, pulses) in relatively stable areas, but highly climate-sensitive.
- Limited industrialisation compared to other zones, but increasing pressure for land reclamation and infrastructure.

**c) Sectoral activities**

- Fisheries (Hilsa dominance): Capture fisheries, especially Hilsa in the Meghna Estuary for breeding and nursery grounds including seasonal fishing bans
- Aquaculture (Small-scale): Limited brackish water aquaculture compared to western region in in ponds and floodplains.
- Char Land Agriculture: Rice, pulses, and subsistence farming on newly accreted char lands.
- Settlement and Livelihood Activities: Rapid population growth in char areas and their dependence on agriculture.
- Navigation and Inland Water Transport: Major river routes for passenger and cargo transport.
- Land Accretion and Reclamation Activities: Continuous formation of new char lands.
- Disaster Risk Management: Cyclone shelters and early warning systems.

**Proposed Zonal Areas**

**a) Fisheries Conservation and Management Zones**

Spatial Coverage: Key Hilsa breeding and nursery grounds within the Meghna estuary.

**Characteristics**

- Ecologically critical spawning and migration routes.
- High dependence of local livelihoods on fishery resources.

**Expected Outcomes**

- Recovery and sustainability of Hilsa stocks.
- Reduced illegal fishing.
- Improved fisher resilience.

**b) Climate-Resilient Settlement and Livelihood Zones in Char areas**

**Spatial Coverage:** Stable and semi-stable char lands across Bhola, Noakhali, and Lakshmipur.

**Characteristics**

- Highly dynamic landforms with exposure to erosion and flooding.
- Limited infrastructure and public services.

**Expected Outcomes**

- Reduced vulnerability to disasters
- Improved livelihood security
- Stabilised settlement patterns

**c) Navigation and Sediment Management Zones**

Spatial Coverage: Major river channels and estuarine routes.

**Characteristics**

- High sediment load and shifting channels.
- Critical for inland water transport and trade.

**Expected Outcomes**

- Improved navigability and transport efficiency.
- Reduced maintenance costs.
- Better alignment with natural sediment processes.

**d) Disaster Risk Reduction and Buffer Zones**

**Spatial Coverage:** Cyclone-prone coastal belts and estuarine islands.

**Characteristics**

- High exposure to extreme weather events.
- Limited protective infrastructure in remote areas.

**Expected Outcomes**

- Reduced loss of life and property
- Enhanced adaptive capacity

### 9.3.4 Eastern Zone: Chattogram–Cox's Bazar Coast and Offshore Areas

**Key Zonal Characteristics**

**a) Ecological Characteristics**

- Diverse ecosystems including sandy beaches, coral patches, seagrass beds, and rocky shores.
- Includes Cox's Bazar, the world's longest natural sea beach.
- Presence of ecologically important areas such as Saint Martin's Island, the country's only coral-bearing island.
- Important habitats for marine turtles, dolphins, and coastal biodiversity.

**b) Socioeconomic Characteristics**

- Hub of industrial and maritime activities, including ports, shipbreaking, and energy infrastructure.
- Strong presence of tourism and hospitality sector, especially in Cox's Bazar.
- Expanding blue economy sectors: offshore energy, deep-sea fishing, logistics.
- Significant population pressure and urbanisation.

**c) Sectoral activities**

- Fisheries (Artisanal and Industrial): Coastal and deep-sea fishing activities and important marine biodiversity zones.
- Tourism and Hospitality: Major tourism hub at Cox's Bazar, conservation of Saint Martin's Island.
- Port and Shipping Activities: Operations at Chattogram Port, international trade and maritime routes and logistics.
- Shipbreaking Industry: Concentrated along Sitakunda area of the coastal belt and important economic activity with environmental concerns.
- Industrial and Energy Development: Power plants, Liquefied Natural Gas (LNG) terminals, and economic zones (e.g., Matarbari, Maheshkhali) and rapid industrial expansion.

- Offshore Energy Exploration: Oil, gas, and potential wind, tidal renewable energy and growing importance under blue economy.
- Coastal and Marine Conservation: Coral, seagrass, and turtle habitats and Biodiversity conservation initiatives.

**Proposed Zonal Areas with Detailed Characteristics**

**a) Marine Conservation and Eco-sensitive Zones**

Spatial Coverage: Saint Martin's Island, coral habitats, turtle nesting beaches.

**Characteristics**

- High biodiversity and fragile ecosystems.
- Critical for conservation of coral and other natural resources.

**Expected Outcomes**

- Conservation of marine biodiversity
- Sustainable tourism development

**b) Tourism Development Zones**

**Spatial Coverage:** Cox's Bazar coastline and adjacent tourist hubs.

**Characteristics**

- High tourism potential and infrastructure concentration.
- Seasonal fluctuations in pressure from tourists and visitors.

**Expected Outcomes**

- Balanced tourism growth
- Reduced environmental degradation

**c) Industrial and Port Zones**

**Spatial Coverage:** Chattogram port area, Matarbari, Maheshkhali industrial hubs.

**Characteristics**

- Growth of heavy industry, logistics, and energy infrastructure.
- High environmental risk zones.

**Expected Outcomes**

- Sustainable industrial growth.
- Reduced pollution and habitat damage.

**d) Offshore Energy and Fisheries Zones**

**Spatial Coverage**: Offshore waters of the Bay of Bengal.

**Characteristics**

- Potential for oil, gas, and wind, tidal renewable energy.
- Important fishing grounds for industrial and artisanal fisheries.
- Floating Small Modular Reactor (FSMR) to generate reliable electricity for coastal industrial operation

**Expected Outcomes**

- Reduced sectoral conflicts.
- Optimised resource utilisation.
- Generation of reliable green electricity

## 9.4.Thematic Strategies

### 9.4.1 Sustainable Fisheries and Aquaculture

Fisheries remain one of the most critical components of Bangladesh's Blue Economy, contributing significantly to GDP for employment, and nutrition mainly. The sector supports approximately 19–20 million people, directly and indirectly, and provides over 60% of animal protein intake. However, the sector faces several challenges, including overfishing, illegal fishing , limited deep-sea capacity, and inadequate post-harvest infrastructure facilities.

**Projected Outcomes**

- Increase marine fish production to 300,000–500,000 tons annually.
- Boost fisheries export earnings by 50–80% .
- Reduce post-harvest losses by 30–40%.

**Table 9.1: Actions Matrix for blue economy during FY 2027-2031**

| SL | Strategic Priority | Strategic Actions | Lead Agencies |
|---|---|---|---|
| 1 | Increase marine fish stock and employment | 1. Expand offshore and deep-sea fishing operations using modern and fuel-efficient vessels<br>2. Conduct regular marine fish stock assessments and ocean monitoring<br>3. Develop sustainable and value-added seafood supply chains<br>4. Create employment opportunities in fishing, fish processing, cold-chain logistics, boat building, and marketing<br>5. Support youth and women-led fisheries enterprises and cooperatives<br>6. Provide vocational and technical training for fishers and coastal communities<br>7. Expand social protection and insurance schemes for fishers | Ministry of Fisheries and Livestock , Bangladesh Navy |
| 2 | Sustainable fishing management and prevention of poaching | 1. Introduce science-based fishing quotas, seasonal bans, and allowable catch limits<br>2. Conduct regular marine fish stock assessments and biodiversity surveys<br>3. Implement ecosystem-based and precautionary fisheries management approaches<br>4. Protect spawning, breeding, and nursery grounds through marine protected areas<br>5. Strengthen Coast Guard and Navy patrols in territorial and deep-sea waters<br>6. Enforce stricter penalties and legal actions against illegal fishing and transboundary poaching<br>7. Reduce illegal, unreported and unregulated (IUU) fishing through strengthened surveillance and enforcement | |

| SL | Strategic Priority | Strategic Actions | Lead Agencies |
|---|---|---|---|
| 3 | Emphasis on fisheries and marine food production | 1. Promote seaweed, crab, oyster, mussel, and cage aquaculture in coastal areas<br>2. Establish mariculture demonstration farms and hatcheries<br>3. Introduce climate-resilient aquaculture technologies and practices<br>4. Promote harvesting of underutilised pelagic and high-value marine species<br>5. Develop modern fishing harbors, landing centres, and fish auction facilities<br>6. Establish integrated seafood processing and packaging industries<br>7. Strengthen research and innovation in marine aquaculture and biotechnology | |

### 9.4.2 Maritime Trade, Ports, and Logistics

Maritime trade is essential for Bangladesh's integration into global markets. Maritime trade, ports, and logistics are the lifeline of Bangladesh's economy, facilitating over 90% of the country's international trade. The majority of trade is handled through Chattogram Port, which faces capacity constraints and operational inefficiencies. The sector directly contributes to GDP through port services, shipping, and maritime logistics, while supporting millions of livelihoods in business, shipbuilding.

These measures focus on reducing inefficiencies and fostering investment-friendly environments in blue economy.

**Projected Outcomes**

- Increase trade handling capacity by 50%.
- Reduce logistics costs by 15–20%.
- Enhance Bangladesh's position as a regional maritime hub.

| | Strategic Priority | Strategic Actions | Lead Agency |
|---|---|---|---|
| 1 | Adoption and implementation of blue employment Programmes | 1. Formulate a National Blue Employment Strategy aligned with blue economy priorities<br>2. Identify high-employment marine and coastal sectors such as fisheries, aquaculture, shipbuilding, tourism, logistics, and renewable energy<br>3. Integrate blue employment targets into national development and coastal zone policies<br>4. Create targeted employment and entrepreneurship Programmes for youth and women in coastal communities<br>5. Support women-led enterprises in seafood processing, aquaculture, and marine tourism<br>6. Provide access to microfinance, grants, and startup support for blue economy<br>7. Development of healthy harbor | Ministry of Commerce Ministry of Fisheries/ Livestock |

| | Strategic Priority | Strategic Actions | Lead Agency |
|---|---|---|---|
| 2 | Maritime sector raw materials | 1. Develop mariculture (seaweed, shellfish, crab, lobster) as raw material base for food, pharmaceuticals, and feed industries<br>2. Promote harvesting of underutilised and low-value species for industrial processing (fishmeal, fish oil, animal feed)<br>3. Explore marine genetic resources for pharmaceuticals, nutraceuticals, and cosmetics<br>4. Develop marine biotechnology research centres for product development<br>5. Promote extraction of bioactive compounds from algae, sponges, and microorganisms<br>6. Expand large-scale seaweed farming for food, feed, and biofuel production<br>7. Develop processing facilities for alginate, agar, and carrageenan extraction<br>8. Promote export-oriented seaweed industries | Ministry of Science and Technology, Ministry of Commerce Ministry of Fisheries/ Livestock |
| 3 | Safe shipbreaking and development of shipbuilding industry | 1. Upgrade existing shipbreaking yards to comply with international standards such as the Hong Kong Convention<br>2. Establish hazardous waste treatment, storage, and disposal facilities (oil, asbestos, chemicals)<br>3. Enforce yard certification and phased closure of non-compliant facilities<br>4. Mandatory safety training and certification for all workers<br>5. Provision of personal protective equipment (PPE) and enforcement of usage<br>6. Establish on-site emergency response units and medical facilities<br>7. Implement strict Labour safety audits and compliance inspections<br>8. Establish modern shipbuilding clusters in coastal economic zones<br>9. Promote design and construction of fishing vessels, cargo ships, and patrol boats | Ministry of Shipping, Ministry of Environment Forest and Climate Change Ministry of Fisheries/ Livestock |
| 4 | Development of Coastal Regions | 1. Prepare integrated coastal development plans aligned with Marine Spatial Planning (MSP)<br>2. Identify coastal growth poles and economic zones (fisheries, ports, tourism, industry)<br>3. Develop climate-resilient roads, bridges, embankments, and cyclone shelters<br>4. Expand port infrastructure, jetties, and inland water transport connectivity<br>5. Develop fish landing centres, cold chains, and processing facilities | Ministry of Water Resources Ministry of Fisheries/ Livestock |

### 9.4.3 Coastal and Marine Tourism

Tourism is a high-potential blue economy sector in Bangladesh that remains significantly underdeveloped despite its rich natural assets. Coastal and marine tourism is primarily concentrated around key destinations such as Cox's Bazar—the world's longest natural sea beach about 120 km and the Sundarbans, a UNESCO World Heritage mangrove ecosystem. Bangladesh has over 710 km of coastline, offering diverse tourism opportunities including beach tourism, eco-tourism, wildlife tourism, and marine recreation. However, the sector currently contributes only about 2.2% to GDP, with approximately 303,000 international tourist arrivals generating around USD 354 million annually, indicating a substantial gap between potential and actual performance. Tourism is a high-potential sector that remains underdeveloped. Locations such as Cox's Bazar and the Sundarbans offer unique opportunities for eco-tourism and sustainable development.

| Strategic Priority | Strategic Actions | Lead Agency |
|---|---|---|
| Coastal and Marine Tourism | 1. Development of 'Exclusive Eco-tourism Zones' and infrastructure including the promotion of community-based tourism models.<br>2. Policy and Partnerships through participation with Ocean Tourism Pact which advocates for integrated ocean governance and public-private collabouration.<br>3. Environmental safeguards focusing on preserving natural assets such as coral reefs and mangroves.<br>4. Investment for regeneration and blue carbon sequestration.<br>5. Innovation and Data-Driven Strategies using data and technology to manage coastal infrastructure and monitor environmental quality.<br>6. Establish an Oceanographic Museum and Marine Aquarium Complex to promote ocean literacy, marine conservation awareness, research, and sustainable coastal tourism" in colum Strategic Action and MoST can be added as co-lead ministry | Ministry of Civil Aviation and Tourism<br>Ministry of Science and Technology<br>Ministry of Fisheries/Livestock |

**Projected Outcomes**

- Increase tourism revenue to $1–1.5 billion annually.
- Employment generation 500,000+ jobs.
- Promote regional economic development.

### 9.4.4 Marine Renewable Energy

Bangladesh's rising energy demand, driven by rapid industrialisation and urban growth, requires diversification toward renewable energy sources. The country's coastal and marine areas in the Bay of Bengal offer significant potential for offshore wind, tidal, and wave energy development. Offshore wind resources are particularly promising along the southern coastline, where average wind speeds of around 6–7 m/s are considered suitable for commercial generation. The coastal waters near Cox's Bazar and Maheshkhali show strong potential for offshore wind farms. The Meghna estuary and adjacent tidal channels also provide opportunities for tidal energy due to strong and regular tidal currents. In addition, wave energy along the open coastline presents a long-term renewable option, although it is still at an early stage of development.

**Projected Outcomes**

- Install 500–1000 MW offshore renewable energy capacity.
- Contribute to climate mitigation and energy diversification.

| Strategic Priority | Strategic Actions | Lead Agency |
|---|---|---|
| Exploration of Renewable Energy Sources and Energy Security | 1. Develop a National Marine Energy Policy Framework<br>2. Strengthen Marine Spatial Planning (MSP) Integration<br>3. Promote Offshore Wind Energy Development<br>4. Expand Coastal and Offshore Energy Infrastructure<br>5. Encourage Public-Private Partnerships and Foreign Investment<br>6. Promote Research, Innovation, and Technology Transfer<br>7. Promote Floating Small Modular Reactor (FSMR) for Offshore Green reliable electricity | Ministry of Energy Power, and Mineral Resources |

### 9.4.5 Offshore Hydrocarbon

Offshore hydrocarbon development should become a strategic priority under Bangladesh's 9th Five Year Plan (9FYP) due to the country's growing energy demand, declining onshore gas reserves, and increasing dependence on imported LNG. Following the successful settlement of maritime boundary disputes with Myanmar and India, Bangladesh gained sovereign rights over a vast maritime area in the Bay of Bengal with significant offshore hydrocarbon potential.

**Target**

- Comprehensive exploration coverage of all offshore blocks by 2030

**Expected Outcomes by 2030**

If effectively implemented, offshore hydrocarbon development could:

- Increase domestic gas production;
- Reduce LNG import dependence;
- Strengthen energy security;
- Generate employment;
- Increase FDI inflows;
- Promote blue economy growth; and
- Enhance maritime strategic capacity.

| Strategic Goals | Strategic Actions | Lead Agency |
|---|---|---|
| Oil and gas exploration and energy security | 1. Establish a comprehensive offshore hydrocarbon exploration and production framework<br>2. Reform of Production Sharing Contracts<br>3. Deepwater Exploration Strategy<br>4. Development of Offshore Infrastructure<br>5. Environmental Governance and Marine Protection<br>6. Human Resource and Technological Capacity Building<br>7. Integration with Blue Economy and MSP | Ministry Energy of Power, and Mineral Resources |

### 9.4.6 Blue Carbon and Coastal Ecosystem services

Bangladesh's coastal ecosystems particularly the Sundarbans play a critical role in climate mitigation and adaptation through blue carbon storage and ecosystem services. The Sundarbans alone store over 100 teragrams (Tg) of carbon in biomass and soils, with approximately 212 Mg of carbon per hectare in the top soil layer, making it one of the largest natural carbon reservoirs in the country. Mangrove ecosystems in Bangladesh can store 3–5 times more carbon than terrestrial forests and currently absorb an estimated 15–25% of the country's annual carbon emissions, highlighting their national climate significance. In addition to carbon sequestration, these ecosystems provide vital services such as coastal protection, reducing cyclone and storm surge impacts, supporting fisheries that sustain millions of livelihoods, and preventing shoreline erosion.

**Projected Outcomes**

- Enhanced carbon sequestration capacity
- Reduced vulnerability for 35 million coastal residents
- Improved ecosystem resilience

| Strategic Goal | Strategic Actions | Lead Agency |
|---|---|---|
| Ecosystems and biodiversity protection | 1. Adopt ecosystem-based fisheries management (EBFM)<br>2. Expand and effectively manage Marine Protected Areas (MPAs) and ECAs<br>3. Strengthen sustainable fishing regulations and practices<br>4. Promote sustainable mariculture and aquaculture development<br>5. Restore and conserve critical marine and coastal ecosystems<br>6. Reduce marine pollution and ecosystem degradation<br>7. Strengthen research, data systems, and innovation<br>8. Integrate biodiversity conservation into Marine Spatial Planning (MSP)<br>9. Establish a comprehensive Ocean Health Monitoring and Blue Carbon Assessment Programme to evaluate ecosystem health and quantify carbon sequestration potential in the Bay of Bengal as a natural carbon sink | Ministry of Environment, Forest and Climate Change, Ministry of Fisheries and Livestock Ministry of Science and Technology |

### 9.4.7 Emerging Blue Economy Sectors

Emerging blue economy sectors such as marine biotechnology, seaweed cultivation, and ocean-based pharmaceuticals present significant high-value growth opportunities for Bangladesh's coastal and marine economy. The country's rich marine biodiversity in the Bay of Bengal provides a strong foundation for bioprospecting and the development of novel bioactive compounds for pharmaceuticals, nutraceuticals, and cosmeceuticals. Marine biotechnology can support innovations in enzymes, biofuels, and environmentally friendly industrial products, while seaweed cultivation offers promising prospects for carbon sequestration, coastal protection, and export-oriented industries such as food, cosmetics, and fertilisers. Seaweed farming, in particular, can be integrated into coastal aquaculture systems, providing alternative livelihoods for vulnerable fishing communities and reducing pressure on capture fisheries. Ocean-based pharmaceuticals also hold potential for developing new drugs from marine organisms, including anti-cancer, anti-inflammatory, and antimicrobial agents

**Projected Outcomes**

- Generate $500 million+ annually from emerging sectors
- Create high-skilled employment opportunities

| Strategic Goal | Strategic Actions | Lead Agency |
|---|---|---|
| Emerging Blue Economy Sectors | 1. Promote research and innovation through universities and institutes<br>2. Promote Marine Biotechnology and Innovation<br>3. Enhance Ocean Data, Science, and Technology<br>4. Facilitate technology transfer and international collabouration | Ministry of Foreign Affairs |

### 9.4.8 Governance and Institutional Framework

Effective governance is a critical prerequisite for the successful implementation of Bangladesh's Blue Economy strategy. At present, marine and coastal resource management responsibilities are fragmented across multiple ministries and agencies, including fisheries, shipping, environment, energy, tourism, and land administration, leading to overlaps, coordination gaps, and sectoral conflicts. Institutional weaknesses are further compounded by limited data sharing, weak enforcement capacity, and inadequate integration between national policies such as the Blue Economy Strategy, Delta Plan 2100, and sectoral development plans. Strengthening governance therefore requires establishing a coordinated MSP institutional mechanism, enhancing inter-ministerial collabouration, and ensuring clear delineation of roles and responsibilities to enable ecosystem-based, sustainable, and conflict-sensitive management of marine resources. These reforms reflect the commitment to good governance, accountability, and institutional efficiency.

The Cabinet Division, through its Blue Economy Cell, will maintain its role as the primary coordinating and monitoring authority for Blue Economy development. Future strategies and activities will concentrate on enhancing inter-ministerial synergy among relevant ministries, divisions, research institutions, regulatory bodies, and operational agencies involved in marine resource exploration, seaweed and aquaculture development, offshore oil and gas surveys, and coastal renewable energy expansion. The Cell will prioritise the institutionalisation of a centralised digital monitoring and reporting mechanism to track progress within Bangladesh's Blue Economy Sector. General Economics Division (GED) will review the existing Blue Economy-related policies, plans, action plans and prepare an integrated short, medium, and long-term action plan.

| | Strategic Goals | Strategic Actions | Lead Agency |
|---|---|---|---|
| 1 | Establishment of the National Blue Economy Authority | Creating a dedicated National Blue Economy authority under the Prime Minister's Office to coordinate policy, regulate licensing, and simplify marine resource management. Untill of its establishment, Cabinet Division will coordinate with the management issues in this sector. | Prime Minister's Office Cabinet Division, Ministry of Fisheries and Livestock, General Economics Division and relevant ministries/divisions |
| 2 | Prioritising a Just Transition Framework | Ensuring sea-based resource extraction does not harm coastal communities, their livelihoods, or the environment. | Ministry of Fisheries and Livestock, General Economics Division |

| | | | |
|---|---|---|---|
| 3 | Port development and accountable governance in the blue economy | Modernising national shipping, fleet, and ports with seafarer training and establishing accountable governance. | Ministry of Shipping |
| 4 | Maritime security and Navy | .Prioritising the Navy's role in securing sea lanes of communication to sustain the ocean-dependent economy and future ocean-centric development | Ministry of Defence |

### 9.4.9 Investment and Financing Strategy

The successful implementation of Bangladesh's Blue Economy strategy will require substantial financial investment, estimated at approximately USD 30–40 billion over a five-year period (MoFA, 2021). Adequate allocation through MTBF will be ensured. These funds are essential to develop key sectors such as marine fisheries, port infrastructure, offshore energy, coastal tourism, and marine conservation, as well as to strengthen governance and MSP systems. Given the scale of investment required, a diversified financing approach is necessary, combining public sector funding, private sector participation, and international development assistance. Public Private Partnerships (PPPs) can play a critical role in infrastructure development, while climate finance mechanisms, blue bonds, and multilateral funding from development partners can support ecosystem restoration and climate-resilient projects.

**Financing Sources**

- Government budget allocations;
- Public-Private Partnerships (PPP);
- Foreign Direct Investment (FDI); and
- Development partners.

This emphasis on private sector leadership will guide investment mobilisation efforts, ensuring efficient allocation of resources.

| | Strategic Goal | Strategic Actions | Lead Agency |
|---|---|---|---|
| 1 | Establishment of a Maritime Innovation Fund in education and industry | Partnering with universities and industry for marine science innovation, including launching "Blue Bonds" and a "Sustainable Maritime Investment Fund". | Planning Division; Finance Division |

## 9.5 Conclusion

The Blue Economy represents a transformative opportunity for Bangladesh to achieve sustainable and inclusive growth. By aligning with the principles and policy priorities of the Bangladesh Nationalist Party. This five-year strategic plan provides a comprehensive roadmap for unlocking the country's maritime potential. Through strategic investments, institutional reforms, and community engagement, Bangladesh can position itself as a leading maritime economy in the Bay of Bengal, ensuring long-term prosperity, resilience, and sustainability in harnessing the potentials of blue economy during FY 2027-31 and afterwards.

# CHAPTER 10

# ENERGY TRANSITION AND ENERGY SECURITY

## 10.1 Introduction

A secure, affordable, reliable, and sustainable energy system is fundamental to Bangladesh's economic transformation and long-term development. As Bangladesh advances towards upper-middle-income status and a USD 1 trillion economy by 2034, ensuring energy security and accelerating the transition to cleaner energy will be critical to sustaining economic growth, industrialisation, and improved quality of life. Since independence, the energy sector has transformed significantly: grid-based installed generation capacity grew from 500 Megawatt (MW) in 1971 to 29,593 MW by May 2026, and electricity access expanded to over 100 per cent of the population. These advances supported average annual GDP growth above 6 per cent, the expansion of the garments and textile industries which generate 80 per cent of export earnings, and broad-based poverty reduction. However, energy reliability and quality supply-measured by frequency and duration of load shedding, voltage instability, and inadequate gas supply to industrial consumers-remain significant challenges with serious consequences for industrial productivity, particularly in the the RMG, textile, and SME sectors. Electricity generation rose from 4,560. GWh in FY1985-86 to 101.187 GWh in FY2024-25, driven by population growth, urbanisation, higher household incomes, and increased manufacturing. Peak generation reached 17,201 MW in May 2026, maximum demand is 17,611 MW (May 2026) and the draft energy and Power sector Master Plan 2026 projects demand could reach 60,000 MW by 2050. Meeting this growth will require substantial investment in generation, transmission, and distribution. Despite progress, Bangladesh's energy system faces significant structural challenges that incremental measures cannot resolve. The country relies heavily on fossil fuels-natural gas, oil, and coal-which supply over 96 per cent of total energy. Domestic natural gas reserves are declining due to depleted fields and limited discoveries. Production peaked at 2,800 million cubic feet per day in 2017 and fell to about 1,850 MMcfd by mid-2025, a one-third reduction over eight years. This decline has increased reliance on imported Liquefied Natural Gas (LNG), resulting in USD 17.6 billion in costs between 2018 and 2025. Bangladesh also imports coal and petroleum products, with the transport sector accounting for 64.4 per cent of national oil consumption. This dependency results in an annual energy import bill of USD 13-15 billion, placing significant pressure on foreign exchange reserves, fiscal stability, and external accounts.

The 2022 global energy price shock exposed the risks of Bangladesh's reliance on fossil fuels. Russia's invasion of Ukraine caused LNG spot prices to rise sixteenfold from 2020 levels, making the spot market inaccessible to Bangladesh for extended periods. Bangladesh secured emergency financing from the International Monetary Fund through a USD 4.7 billion program, which required reforms in energy pricing and governance. Annual losses at the Bangladesh Power Development Board grew from Tk 5,468 crore in FY2014-15 to about Tk 50,565 crore in FY2024-25, a nearly tenfold increase in a decade. The cumulative energy subsidy burden exceeded Tk 1,267 billion over five years, limiting investment in health, education, social protection, and infrastructure. Although grid-based installed generation capacity is 29,593 MW, maximum demand is 17,611 MW (May 2026), resulting in a surplus reserve margin of 39.11 per cent (excluding renewable). This surplus is fiscally unsustainable, as the country pays for electricity it cannot fully utilise.

Bangladesh's energy transition is driven by its climate commitments and vulnerability to global warming. While contributing less than 0.35 per cent of global greenhouse gas emissions, the country

faces serious risks from sea-level rise, cyclones, flooding, and saltwater intrusion, which threaten land, agriculture, and coastal communities. In September 2025, Bangladesh submitted its third Nationally Determined Contribution, pledging an unconditional 6.39 per cent emissions reduction by 2035 and, with international support, a 13.92 per cent reduction. The country also committed to generating 20 per cent of its power from renewables by 2030.

## 10.2 Current State of the Energy Sector

### 10.2.1 Power Generation by fuel and ownership:

The energy sector of Bangladesh have achieved the Maximum Generation 16,794 MW till date (23 July 2025) with the large contribution from natural gas, coal, furnace oil and imported power. But the ownership is mostly leaned towards IPP, SIPP and NENPs.

**Table 10.1: Power Generation by fuel and ownership**

| Fuel Wise | | |
|---|---|---|
| No. | Fuel Type | Capacity (MW) |
| 01 | Natural Gas/LNG | 5,880 |
| 02 | Coal | 4,720 |
| 03 | Furnace Oil | 3,539 |
| 04 | Power Import | 2,427 |
| 05 | Hydro | 220 |
| 06 | Renewable Energy | 8 |

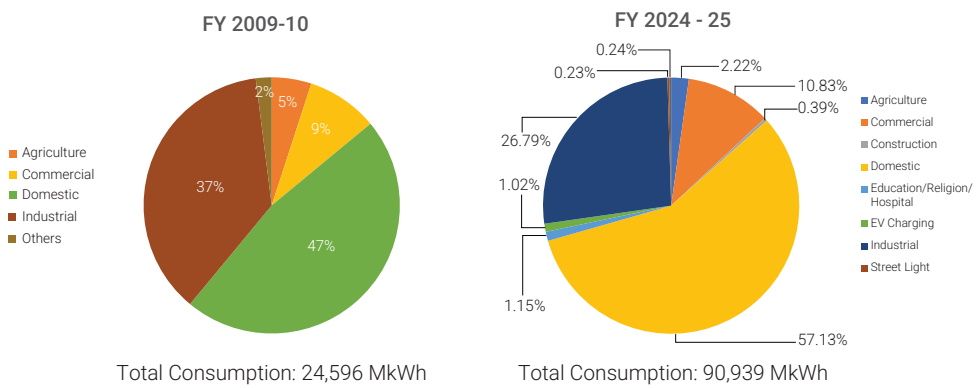
| Ownership Wise | |
|---|---|
| Ownership | Capacity (MW) |
| BPDB | 2,970 |
| Public Companies | 3,701 |
| JV | 1,473 |
| IPP/SIPP/NENP | 6,223 |
| Power Import | 2,427 |

*Source: BPDB*

### 10.2.2 Category-wise energy consumption:

There is a significant rise in electricity consumption between FY 2009–10 and FY 2024–25, increasing from 24,596 MkWh to 90,939 MkWh. Domestic consumption remained the largest category and expanded from 47% to 57.13%, indicating rapid household electrification and rising residential demand. In contrast, the industrial share declined from 37% to 26.79%, although total industrial consumption likely increased in absolute terms due to the much larger overall consumption base. The consumption pattern in FY 2024–25 also reflects a more diversified demand structure, including EV charging, construction, street lighting, and education/religious/hospital use, showing that electricity demand is becoming broader and more service-oriented.

***Figure 10.1: Category-wise energy consumption***




Total Consumption: 24,596 MkWh  Total Consumption: 90,939 MkWh

*Source: BPDB*

### 10.2.3 Per unit generation cost (Fuel Wise):

The table shows that generation cost varies significantly by fuel type in FY 2025. Hydro has the lowest generation cost at 2.97 Tk/kWh, followed by gas at 7.09 Tk/kWh, while furnace oil is the most expensive source at 27.39 Tk/kWh. Coal and renewable energy also remain above the average generation cost of 11.83 Tk/kWh, with renewable energy showing a high variable cost. The financial pressure is evident from the gap between the average bulk supply cost of 12.34 Tk/kWh and the average bulk sale price of 6.80 Tk/kWh. As a result, BPDB required around 52,000 crore taka in subsidy for FY 2024–25, received about 36,000 crore taka from the government, and still faced an estimated gap of about 16,000 crore taka.

**Table 10.2: Per unit generation cost (Fuel Wise) FY 2025**

| Sl. | Fuel Type | Fuel Cost (Tk./kWh) | Fixed Cost (Tk./kWh) | Variable Cost (Tk./kWh) | Generation Cost (Tk./kWh) |
|---|---|---|---|---|---|
| 1 | Imported Power | 5.57 | 5.05 | 1.10 | 11.72 |
| 2 | Hydro | 0.00 | 2.82 | 0.15 | 2.97 |
| 3 | Gas | 3.61 | 3.23 | 0.25 | 7.09 |
| 4 | Coal | 7.15 | 5.97 | 0.08 | 13.20 |
| 5 | Furnace Oil | 18.41 | 8.28 | 0.70 | 27.39 |
| 6 | Renewable | 0.00 | 0.11 | 15.46 | 15.57 |
| | Average | 6.41 | 4.83 | 0.59 | 11.83 |

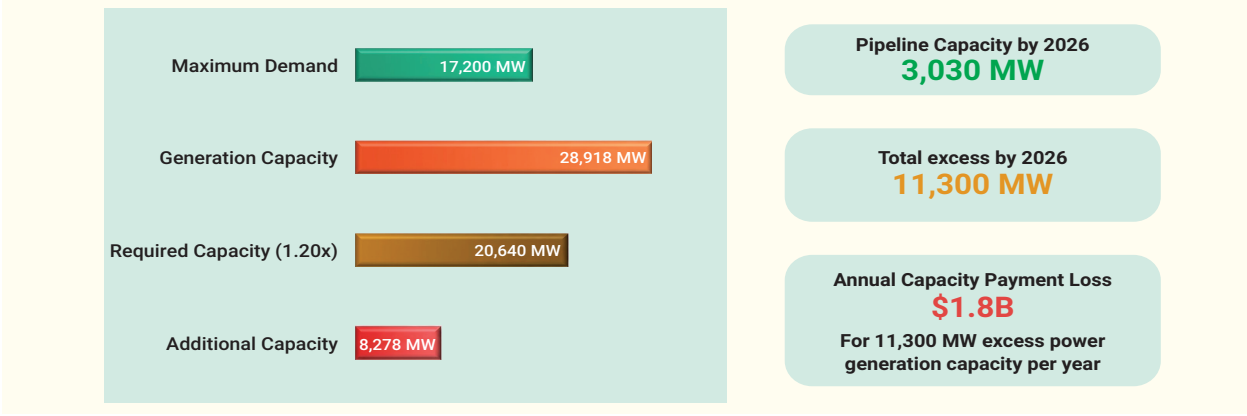
*Source: BPDB*

- Avg. Bulk Supply Cost: 12.34 Tk./kWh
- Avg. Bulk Sale: 6.80 Tk/kWh
- Due to buy sell difference, subsidy required: 52,000 Cr Taka on FY 2024–25
- Subsidy received from GOB: about 36,000 Cr Taka
- BPDB suffers: about 16,000 Cr Taka loss

### 10.2.4 Excess Generation Capacity and Capital Loss:

Excess generation capacity has been a major problem in the power sector. Against a maximum demand of 17,200 MW, total generation capacity stands at 28,918 MW, which is far above the required reserve-adjusted capacity of 20,640 MW. This creates an immediate additional capacity of 8,278 MW, and with another 3,030 MW expected in the pipeline by 2026, total excess capacity could reach 11,300 MW. As a result, the sector faces an estimated annual capacity payment loss of about $1.8 billion, indicating a significant financial burden from underutilised power generation assets.

*Figure 10.2: Excess Generation Capacity and Capital Loss*




*Source: BPDB*

**Key Drivers of Excess Generation Capacity**

- Demand forecasting assumptions in previous power sector master plans overestimated future electricity demand, contributing to excess generation capacity.
- Limitations in integrated demand forecasting and load flow analysis during generation planning.
- Governance and investment decision-making constraints affecting generation expansion planning.
- Institutional and administrative inefficiencies delaying timely planning and implementation.
- Greater reliance on independent power producers (IPPs) relative to public sector generation investment.
- Constraints in ensuring timely fuel supply to committed power generation projects.
- Weak coordination among key sector institutions, including BPDB, PGCB, Petrobangla, and other relevant agencies.
- Emergency procurement and contracting arrangements that limited integrated long-term sector planning.

**Retirement Summary**

**Table 10.3: Power Sector Retirement Plan upto 2040**

| Fuel | 2026–2030 No. of PPs | 2026–2030 MW | 2031–2035 No. of PPs | 2031–2035 MW | 2036–2040 No. of PPs | 2036–2040 MW |
|---|---|---|---|---|---|---|
| Gas | 12 | 1,579 | 6 | 763 | 8 | 1,272 |
| Coal | 0 | 0 | 0 | 0 | 1 | 170 |
| HFO | 5 | 364 | 30 | 3,502 | 15 | 1,190 |
| HSD | 2 | 39 | 0 | 0 | 0 | 0 |
| Power Import | 0 | 0 | 1 | 160 | 0 | 0 |
| TOTAL | 19 | 1,982 | 37 | 4,425 | 24 | 2,633 |

*Source: BPDB*

The retirement plan shows that a total of 80 power plants, representing 9,040 MW, are expected to retire by 2040. The largest retirement wave will occur during 2031–2035, when 37 plants with 4,425 MW capacity are scheduled for retirement. HFO-based plants dominate the retirement pipeline, especially in 2031–2035, indicating a planned reduction of older and costly oil-based generation. Gas-based plants also account for a significant share of retirements across all three periods, while coal, HSD, and power import retirements remain relatively limited.

### 10.2.5 Gas-Based Plants: Underutilisation Crisis:

There is serious underutilisation problem in gas-based power plants. Although the installed gas-based generation capacity is 12,472 MW, actual generation is only 5,500 MW due to gas shortages, leaving 6,972 MW of capacity unused. This underutilisation creates a substantial economic loss, estimated at 1.4 billion USD in generation value. The issue is further intensified by the use of 17% of total gas by 67 industries and 212 gas generators operating at only 25–30% efficiency, indicating that inefficient gas allocation is reducing the performance of the power sector.

**Gas Underutilisation Crisis — Key Issues**

- Domestic gas exploration has not kept pace with the country's growing energy demand, resulting in increased dependence on imported LNG and placing additional pressure on the gas supply system.
- LNG import and regasification capacity has not expanded in line with increasing national gas demand.
- Development of gas transmission and distribution infrastructure has not progressed in line with regional demand
- Existing domestic gas resources remain partially underutilised due to transmission bottlenecks and inadequate network connectivity between production fields and major demand centers.
- Timely and reliable gas supply to power generation facilities remains a challenge, affecting plant utilisation, operational efficiency, and overall system performance.
- Greater integration of gas supply planning with power sector development, supported by stronger coordination among relevant institutions, remains essential for improving resource utilisation and ensuring long-term energy security.

### 10.2.6 Examples of Flawed Generation Plan

Khulna and Meghnaghat are two major examples of flawed generation planning caused by gas supply shortages. Khulna Power Hub has a total capacity of 1,355 MW but cannot generate due to lack of gas, while Meghnaghat Power Hub has 2,671 MW of capacity but can generate only 500–600 MW. This leaves around 2,200–2,300 MW of Meghnaghat capacity on standby. The data indicate that generation assets were developed without ensuring adequate fuel supply and transmission readiness, resulting in large underutilised capacity, inefficient investment, and financial pressure on the power sector.

**Table 10.4 : Examples of Flawed Generation Plan**

| Hub | Sl. | Power Plant | Capacity | GT Capacity | ST Capacity |
|---|---|---|---|---|---|
| Khulna Power Hub | 01 | Khulna | 330 MW | 220 MW | 116 MW |
| | 02 | Khulna | 225 MW | 150 MW | 75 MW |
| | 03 | Rupsha | 800 MW | 2×280 MW | 2×140 MW |
| Meghnaghat Power Hub | 04 | Meghnaghat | 450 MW | 2×140 MW | 170 MW |
| | 05 | Summit Meghnaghat | 335 MW | 2×110 MW | 110 MW |
| | 06 | Unique Meghnaghat | 584 MW | 400 MW | 184 MW |
| | 07 | Summit-II Meghnaghat | 583 MW | 390 MW | 193 MW |
| | 08 | Meghnaghat (Jera) | 718 MW | 2×240 MW | 238 MW |

**Key Issues**

- Khulna Power Hub total capacity: 1,355 MW
- Khulna Power Hub cannot generate due to gas shortage.
- Meghnaghat Power Hub total capacity: 2,671 MW
- Meghnaghat Power Hub can generate only 500–600 MW
- Meghnaghat Power Hub standby capacity: 2,200–2,300 MW due to gas shortage.

**Coal-Fired Generation:**

Coal-fired generation contributes 6,273 MW, or 21.69%, of total generation capacity and remains relatively cost-effective at 14.50 Tk/kWh on base load. However, domestic coal development faces

major constraints, including political resistance to open-pit mining and lack of capital for extraction from multiple mines. At the same time, coal-based generation is affected by weak supply-chain management, procurement delays, absence of spot market or G-to-G arrangements, and port-handling limitations. These challenges have caused an estimated 1000–1500 MW generation loss, reducing the reliability and economic benefit of coal-fired capacity.

The table shows that coal generation costs varied significantly across plants in FY 2025. Among the listed plants, Coal Power has the lowest generation cost at 9.13 Tk/kWh, mainly due to its low capacity payment of 2.60 Tk/kWh. In contrast, BCPCL has the highest generation cost at 14.58 Tk/kWh, followed closely by S.S. Power at 14.56 Tk/kWh and Adani at 14.08 Tk/kWh. Plant factor also varies widely, with Barishal Electric and BCPCL showing relatively high utilisation, while Barapukuria and Coal Power have much lower plant factors. Overall, the data indicates that coal-based generation cost is shaped not only by energy payment but also by capacity payment and plant utilisation levels.

### Table 10.5 : Coal Generation Cost (FY 2025)

| Plant / Company | Capacity | Plant Factor | Capacity Payment / Fixed Cost | Energy Payment / Energy Cost | Generation Cost |
|---|---|---|---|---|---|
| Adani | 1,496 MW | 61.29% | 6.73 Tk/kWh | 8.07 Tk/kWh | 14.08 Tk/kWh |
| BIFPCL | 1,320 MW | 53.60% | 5.41 Tk/kWh | 7.20 Tk/kWh | 12.62 Tk/kWh |
| S.S. Power | 1,320 MW | 59.19% | 7.52 Tk/kWh | 7.04 Tk/kWh | 14.56 Tk/kWh |
| BCPCL | 1,320 MW | 68.64% | 7.40 Tk/kWh | 7.18 Tk/kWh | 14.58 Tk/kWh |
| Coal Power | 1,200 MW | 35.07% | 2.60 Tk/kWh | 6.53 Tk/kWh | 9.13 Tk/kWh |
| Barishal Electric | 307 MW | 69.23% | 7.04 Tk/kWh | 6.38 Tk/kWh | 13.42 Tk/kWh |
| Barapukuria | 444 MW present capacity | 23.58% | 2.93 Tk/kWh | 10.61 Tk/kWh | 13.53 Tk/kWh |

**Power Import:**

Bangladesh imports 2,696 MW of power, accounting for 9.32% of total capacity. The largest share comes from Adani with 1,496 MW, followed by Bheramara HVDC Phase-I and Phase-II, each contributing 500 MW. Smaller imports come from Nepal and Tripura. While power import helps meet domestic demand, the slide highlights important risks, including bilateral dependency, weak negotiation capacity in power purchase agreements, and potential difficulties in managing the power system during force majeure or other critical situations.

### Table10.6.: Power Import Statistics

| Source / Route | Capacity |
|---|---|
| Adani | 1,496 MW |
| Bheramara (HVDC) Phase-I | 500 MW |
| Bheramara (HVDC) Phase-II | 500 MW |
| HVDC (Nepal) | 40 MW |
| Import from Tripura (1st Phase) | 100 MW |
| Import from Tripura (2nd Phase) | 60 MW |
| **Total Power Import** | **2,696 MW** |
| **Share of Total Capacity** | **9.32%** |

**Key Issues**

- Growing dependence on bilateral electricity imports may increase supply risks.
- Negotiation capacity for Power Purchase Agreements (PPAs) needs to be strengthened.
- Power imports may be vulnerable to disruptions during force majeure events and other unforeseen situations.
- Diversification of import sources and stronger regional cooperation are essential for long-term energy security.

**Renewable Energy:**

The renewable energy capacity of Bangladesh is growing. With an existing capacity of 839 MW this growth is mainly driven by 777 MW of solar and 62 MW of wind. However, the current renewable capacity is still limited by intermittency, as solar generation is available for only 3–4 hours per day and lacks battery storage support. The generation cost is shown at 16.06 Tk/kWh, and an additional 920 MW is expected within 18 months. While renewable energy can help reduce dependence on engine-based plants, it cannot immediately replace base load plants because of start-up time, grid stability concerns, and the need for careful system-level planning.

**Limitations**

- Solar generation is inherently variable and depends on daylight availability and weather conditions.
- Renewable energy can substantially reduce reliance on fossil fuel-based generation but cannot yet provide continuous baseload supply at scale.
- Higher renewable energy penetration will require investment in battery energy storage, smart grid technologies, and system flexibility.
- Conventional generation remains necessary to provide system balancing, reserve capacity, and grid stability during the transition.
- The transition to a renewable-dominant power system should be implemented in phases, supported by robust technical assessment and least-cost system planning.
- Grid integration decisions should be guided by comprehensive power system modelling to ensure energy security, affordability, and long-term sustainability.

There are several implementation pathways for expanding renewable energy in Bangladesh under the Renewable Energy Policy 2025. The policy sets ambitious targets of meeting 20% of total electricity demand from renewable sources by 2030 and 30% by 2040. Implementation is expected through multiple models, including IPP-based competitive procurement, privately financed MPP solar projects, PPP-based solar development, and rooftop/net metering or feed-in tariff mechanisms. This diversified approach can attract private investment, reduce pressure on public financing, and accelerate solar adoption, but it will require strong regulatory coordination, grid readiness, and transparent approval processes.

**Table10.7: Renewable Energy: Implementation Activities**

| Implementation Activity | Details |
|---|---|
| Renewable Energy Policy 2025 | Published on 16 June 2025. Target: 20% by 2030 and 30% by 2040 of total electricity demand. |
| IPP | Competitive bidding process involving project identification, tender issuance, bid evaluation, and award of contract to private developers for solar power generation under long-term contract. |

| Implementation Activity | Details |
|---|---|
| MPP | MPP solar projects are privately developed without public tenders or state guarantees. Developers acquire land, procure equipment, arrange private financing, and sell electricity directly to corporate buyers or spot markets without long-term guarantees. |
| PPP | Government facilitates land and approvals, followed by competitive bidding to select a private partner for developing, financing, and operating the solar project under a PPP framework. |
| Rooftop / Net Metering / Feed-in Tariff | Consumer/developer installs solar through approved vendors, secures utility approval, and connects to the grid for self-use or power sale under net metering/FiT mechanisms. |

### 10.3. Roadmap to Energy Security

- **National Decision:** Strong national policy decision is needed to address excess generation causing annual capacity payment losses of approximately USD 1.5–1.8 billion through industrial expansion and a cost-effective energy mix.
- **Growth Projections:** Considering 6% growth with additional 15% reserve margin, we need (17,200+17200*0.3)+15% = 25,714 MW by next five years. Still, we have surplus generation.
- **Domestic Gas Expansion:** Immediately initiate onshore and offshore gas exploration projects to strengthen domestic energy supply.
- **LNG Diversification:** Construction of two additional FSRUs at Khulna/Barishal region to mitigate the geographical risks associated with Moheshkhali and to satisfy system demand.
- **New Power Plant Construction:** Approximately 400 MW new power plant can be constructed in Bhola for utilisation of Bhola gas resources.
- **Fuel Transport:** Transport 60 MMCFD of gas from Veduria/Illisha to the Khulna power hub through LNG conversion and lighterage operations.
- **Technical Logistical Gaps:** Resolving the Sylhet-to-Meghnaghat gas transportation bottlenecks that currently force the use of low-efficient machines.
- **Coal Strategy:** Developing four domestic coal mines and managing international supply chains through G-to-G contracts and spot pricing. All coal fired plant should be closely monitored to refrain from unscheduled shutdown and improper maintenance.
- **New Coal Unit:** 2nd unit construction of Matarbari & Pyra, where land is readily available, coal fired thermal power plant.
- **Usages of BPDB's Land:** Steps to be taken for construction of new coal-fired power plant in Moheshkhali BPDB's 5000 acres acquired land. In that case, 760 kV transmission line will be needed for power evacuation.
- **Energy Efficiency Improvement:** Implement nationwide efficiency standards in generation, transmission, and end-use, including smart grid, loss reduction, and efficient appliances, to reduce overall demand and minimize system losses without compromising growth.
- **Immediate Target:** Aiming for 10,000 MW on grid and rooftop solar within shortest possible time through the implementation of attractive feed-in tariffs/Net metering.
- **Strategic Solar Limitation:** Limit large-scale grid-connected solar deployment to 3,000–4000 MW considering grid vulnerability. 20% BESS is a first priority.

- **Rooftop Solar Priority:** Transitioning to a sustainable model by focusing exclusively on rooftop solar capacity with battery backup to utilise existing building footprints mainly in office, industry, school and other Govt. entity.
- **Land Optimization:** Utilising government land, railway lines, and highways for strategic solar placement for larger expansion of on grid solar, separate grid inevitable. Potentiality of floating solar to be explored.
- **Explore Wind:** Steps to be taken for construction of new wind turbine at coastal area to balance with solar generation. Has the potential to reach up to 4000 MW.
- **Tax Exemption:** Tax exemption on Li-Ion battery import or new industrial setup for the same. Tax holiday for five years for prioritisation of rooftop solar.
- **Energy price:** Electricity tariff should be as per actual cost and a real time-based procedure should be in place to adjust tariff based on energy price.
- **Financial Restructuring:** Addressing BPDB debt crisis through structural reforms and improved subsidy management.
- **Demand Management:** Shifting auto-rickshaw charging to off-peak hours (1 AM – 8 AM) and adjusting tariffs for high 4000–5000 MW AC loads during surges. AC consumers should not get any Govt. subsidy benefit.
- **Electric Vehicle:** Encourage electric vehicle (EV) to utilise excess generation which could be up to 3000–4000 MW.
- **Institutional Alignment:** Redefining the roles of the SREDA, REB and PBS while enhancing collabouration between BPDB, PGCB, and Petrobangla.
- **Install Nuclear Power Plant:** Install new nuclear power plants to ensure a stable, low-cost and sustainable source of base load electricity.
- **Strategic Transparency:** Empowering public awareness by using media to cope up with higher power & energy tariff due to force majeure and global supply chain disruption.
- **Small Modular Grid:** As the solar generation is unpredictable, large-scale solar investments should be integrated through a separate dedicated solar-based grid system.
- **Captive Power Transition:** Encouraging the replacement of 4000–5000 MW of captive gas generation with more efficient express feeder arrangements from the BPDB.
- **Infrastructure Upgrade:** Construction of 765kV double-circuit lines to strengthen the South-East and South-West regional grid.
- **Stability Mandates:** Requiring Load Flow studies for all new generation projects to ensure proper fuel mixing and grid integrity.

### 10.3.1 Risks & Challenges of Rapid Solar Deployment

While many countries have successfully expanded renewable energy through integrated planning, timely investment in transmission infrastructure, and strengthened grid management, the experiences of Pakistan and Vietnam highlight the risks associated with accelerating renewable energy deployment without corresponding improvements in system readiness. In both cases, rapid expansion of generation capacity outpaced transmission development and demand planning, leading to grid constraints, renewable energy curtailment, operational inefficiencies, and increased financial pressures on the power sector.

For Bangladesh, these experiences highlight the importance of pursuing a balanced, phased, and well-coordinated energy transition. As Bangladesh expands its renewable energy capacity, inadequate transmission infrastructure, limited grid flexibility, insufficient energy storage, and unrealistic demand projections could reduce system reliability and increase the risk of underutilised investments. Addressing these challenges will require integrated planning across generation, transmission, and distribution, supported by realistic demand forecasting, phased renewable energy deployment, and timely investments in grid modernisation and energy storage technologies.

### 10.3.2 Harnessing Offshore Wind Potential

Bangladesh's potential to develop offshore wind power along the Bay of Bengal coastline through a phased expansion strategy. The National Renewable Energy Labouratory (NREL) confirms that there are wind speeds of around 7.5 m/s, which is within the viable range for offshore. If developed carefully, offshore wind could become a major renewable energy source and support large-scale clean power generation. However, planning must consider coastal ecology, especially the mangrove green belt, along with grid connection, marine navigation, environmental safeguards, and phased investment readiness.

## 10.4. Strategic Framework: Vision, Mission, and Architecture

### Vision

The Five-Year Strategic Framework ( FY 2026-27–2030-31) aims to reduce dependence on imported fossil fuels and promote an equitable clean energy transition. Every household, business, and community will have the energy needed for dignity, productivity, and prosperity.

### Mission

This strategic framework, FYSF will transform Bangladesh's power and energy sector in four primary ways.

- Stabilise energy supply, improve financial governance to resolve fiscal challenges to ensure reliable and affordable energy for all.
- Build the regulatory, financial, grid, and institutional systems needed for a rapid and sustained increase in renewables, focusing the targets of the government 10,000 MW solar target by 2030.
- Develop domestic resources and regional cooperation including gas exploration, new refineries, and cross-border hydropower to reduce reliance on imports.
- Ensure just transition, gender equity, and social inclusion remain central to policy so that the clean energy transition is fair and benefits all segments of society.

### Strategic Architecture

The FYSF is structured around six Strategic Priorities (SPs) and one Cross-cutting Enabler. Each priority contains a defined target, a designated lead institution, and specific policy actions, as described in Section 6's Policy Matrix. Advancing one area will facilitate progress in others, creating an integrated reform program.

## 10.5. Key Strategic Priorities

### SP1: Gas Supply Stabilisation and Domestic Resource Development

**Objective**

The primary supply-side priority is restoring a sufficient and reliable gas supply for power plants, key industries, and households. This will be achieved through emergency domestic drilling, maximizing long-

term LNG contracts, reducing gas system losses, and strengthening Bangladesh Petroleum Exploration and Production Company (BAPEX) for domestic exploration.

**Key Interventions**

**I. Domestic Gas Depletion and Supply Shortages**

- Drill 117 new gas wells in 2025 and scale up to a total of 150 wells by 2030 to increase domestic gas supply by 1,500 MMcfd.
- Construct the Maheshkhali–Bakhrabad gas transmission pipeline at the cost of USD 1.9 billion with 1,800 MMcfd capacity and the Matarbari onshore LNG terminal.
- Reduce unaccounted-for gas losses from 7–12% to 4% to recover at least 49 billion cubic feet of gas annually.
- Construct a new refinery with a capacity of 3 million tonnes per year to strengthen domestic fuel processing capacity.
- Upgrade Eastern Refinery Limited to a capacity of 100,000 barrels per day by 2030.
- Accelerate workover Programmes and enhanced recovery operations in existing producing fields in the northeast (Sylhet, Rashidpur, Habiganj, Bibiyana) to mitigate gas production decline while new drilling Programmes are being implemented.
- Develop a national strategic petroleum reserve policy, including minimum buffer stocks of petroleum products, to protect against short-term supply disruptions arising from geopolitical events or shipping disruptions.

**II. Import-Based Adjustments: Spot LNG Versus Long-Term Contracts**

- Shift from spot LNG procurement to long-term LNG contracts to stabilise supply and reduce exposure to price volatility, while progressively reducing overall reliance on imported LNG over time.
- Secure LNG import capacity of 7.6 million tonnes per year by 2026 through agreements with Qatar and Oman.
- Secure LNG storage capacity alongside enhance supply through establishment of 4$^{th}$ FSRU at Kutubjom, Cox'sbazar.

**III. Import Dependency and Vulnerability Assessment**

- Manage and rationalise LNG import volumes to balance energy security with foreign exchange exposure.
- Prioritise reduction of overall energy import dependency as a national security and fiscal stability objective through enhancing capacity in more drilling of gas well by local arrangements.
- Fossil fuel interventions are transitional and aimed at reducing import costs and system inefficiencies, not expanding long-term dependence.

### SP2: Fiscal Sustainability and Energy Sector Governance Reform

**Objective**

Restoring fiscal sustainability in Bangladesh's energy sector is essential for funding and supporting all other SPs.

**Key Interventions**

**i. Tariff Adjustments and Administered Pricing Mechanisms**

- Continue to adjust tariffs in a socially sensitive manner, shielding low-use residential customers from the full impact while gradually reducing cross-subsidies and transitioning to formula-based pricing for commercial, industrial, and captive power users.

- Gradually introduce a cost-based electricity tariff with strong protection for low-use residential customers.
- Establish a transparent, rule-based, and accountable tariff system, with prices determined by published formulas, subject to review by the Bangladesh Energy Regulatory Commission, and free from undisclosed arrangements.
- All procurement and pricing decisions will be subject to Parliamentary review and public disclosure.
- All energy contracts will be made transparent through new governance rules, with publication of every new power purchase agreement or the salient features of that agreement of signing.

**ii. Fiscal Burden: Energy Subsidies, Capacity Payments, and Exchange Rate Pressures**

- Commits to a time-bound and transparent programme of contract renegotiation and rationalisation, including renegotiation or termination of the least viable power purchase agreements, as identified by an independent audit.
- Prioritise the exit from the most commercially disadvantageous arrangements while ensuring continuity of supply.
- The programme will be initiated to progressively reduce the capacity payment burden to consumers.

**iii. Subsidy Policies and Their Distributional Implications**

- Maintain and strengthen the lifeline tariff for residential electricity period.
- Implement a targeted subsidy system leveraging the existing Family Card programme as the primary delivery mechanism for low-income households in coordination with the Ministry of Social Welfare."

**iv. Institutional Response and Crisis Management Capacity**

- Establish transparent rules for prioritising lowest-cost generation.
- Introduce performance-based contracts with private producers.
- Reduce operational inefficiency and system losses.
- Create an emergency fund to enable rapid responses to supply disruptions and economy shocks.
- Prioritise supply guarantee for industry, encompassing dedicated gas allocations, strengthened grids for industrial zones, and clearly defined reliability standards.
- Improving financial governance of the power sector entities with a view to ensure fiscal sustainability.
- Institutionalise an app-based fuel demand management system to monitor and regulate vehicl-elevel fuel consumption, enabling rapid rationing during future supply disruptions or emergencies.

**v. Behavioral and Institutional Constraints**

- Strengthening institutional capacity and capacity building of the power sector entities.
- Demand-side management targets will become key performance indicators for all public energy sector organisations, including BPDB, Power Grid Bangladesh PLC (PGCP) Petrobangla, and distribution companies.
- Establish an Energy Efficiency Fund, managed by SREDA and co-financed by Bangladesh Bank.

**vi. Generation Capacity Versus Actual Utilisation**

- Review power purchase agreements.
- Phase out uneconomical plants, remove capacity payments from renewals, and focus on renewables and demand-side efficiency.
- Enforce merit-order dispatch to stop overuse of expensive or idle plants.

- Make competitive procurement the standard for all new generation capacity, replacing the non-competitive system.
- Introduce Reverse Auctions to select power projects through competitive bidding based on the lowest Levelised Cost of Energy (LCOE).

### SP3: Renewable Energy Scale-Up: 10,000 MW Solar and Beyond

**Objective**

The government plans to generate up to 10,000 MW from renewable energy sources by 2030.

**Key Interventions**

**i. Renewable Energy Potential: Solar**

- Ensure utility-scale solar on government land through new projects and public-private partnerships, and other models.
- Map economic zones and char areas.
- Installed10,000 MW of solar power capacity by 2030 under the Renewable Energy Policy 2025.
- Build floating solar installations on roughly 1,500 square kilometres of inland water.
- The National Rooftop Solar Programme 2025, targeting 3,000 MW on public sites like buildings, schools, hospitals, and rail stations.
- Scale up solar projects through public-private partnerships and other models.
- Establish a time-bound Renewable Energy Project Resolution framework, managed by SREDA and the Power Division, to resolve all suspended projects.
- Conduct transparent contract reinstatement or initiate new contracts.

**ii. Renewable Energy Potential: Wind and Emerging Sources**

- Conduct a comprehensive offshore, onshore and near shore wind resource assessment during the Framework period.
- Establish a regulatory and licensing framework for offshore, onshore and near shore wind, covering seabed rights, environmental reviews, grid connections, and power purchase agreements.
- Launch Bangladesh's first offshore/ near shore wind demonstration project.
- Integrate waste-to-energy projects into the urban planning frameworks of all major city corporations.
- Commission 200 MW of waste-to-energy capacity across major cities.

**iii. Batterty Energy Storage Systems (BESS)**

- Establish a national BESS policy and regulatory framework, including storage procurement guidelines and market participation mechanisms.
- Promote deployment of hybrid Renewable Energy +BESS projects to support grid reliability and renewable energy integration.
- Installation of BESS capacity by 2023 to reduce renewable curtailment, strengthen grid stability and lower dependence on liquid-fuel peaking plants.

**iv. Distribution Sector Modernisation**

- Implement nationwide smart metering rollout supported by Advanced Metering Infrastructure (AMI) to enable real-time monitoring, billing accuracy and demand-side management.

- Expand distribution automation systems to improve fault detection, outage management and operational efficiency across the distribution network.
- Promote phased underground distribution systems in major urban centres to enhance reliability, safety and urban resilience.

**v. Constraints on Diversification**

**Land Scarcity**

- Map and allocate public land in economic zones and development corridors for utility-scale solar projects.
- Promote agrivoltaic systems that allow continued agricultural use.
- Prioritise rooftop and floating solar installations on buildings and inland water bodies.
- Deploy solar projects along highway medians, railway embankments, and other linear infrastructure.
- Identify and utilise char land and coastal embankment areas for renewable energy deployment.
- Open government-owned land in economic zones and National Special Economic Zone (NSEZ) areas for utility-scale solar projects.
- Commission pilot agrivoltaics projects on selected public lands to assess the technical, economic, and social feasibility of dual-use solar and agricultural production without displacement of food production.

**Grid Integration Challenges**

- Treat grid modernisation as a prerequisite infrastructure program.
- Implement High-Voltage Direct Current (HVDC) upgrades, substation expansion, Supervisory Control and Data Acquisition (SCADA) employment, and an Advanced Energy Management System.
- Encourage grid-scale battery storage.
- Enforce grid capacity as a mandatory criterion in all solar and wind projects.
- Restrict issuance of generation tenders unless the transmission system can safely absorb the capacity within the contracted timeline.

**Policy Inconsistencies**

- Resolve policy inconsistencies in a transparent, time-bound, and technically credible manner.
- Reconcile the Renewable Energy Policy 2025 with the Integrated Energy and Power Master Plan 2023.
- Establish a stable and internationally credible renewable energy procurement regime based on technology-specific auctions.
- Promote investments with Nationally Determined Contributions (NDC) 3.0 commitments and the Paris Agreement.
- Establish a comprehensive green financing architecture, including Green Bangladesh Bonds concessional lending, tax incentives, and Bangladesh Bank guidelines for climate-aligned lending.

### SP4: Nuclear Energy Commissioning and Long-Term Baseload Security

**Objective**

The Rooppur Nuclear Power Plant, Bangladesh's first nuclear facility, is under construction at an estimated cost of USD 12.65 billion. It will greatly increase the country's long-term energy supply, but key issues remain before it can operate safely and reliably, including grid integration, fuel supply, operator certification, and commercial arrangements.

**Key Interventions**

- Increase the share of renewable energy beyond the current level of 3.6 per cent in grid electricity.
- Enforce a policy of limited new coal-fired base-load power plant approvals.
- Ensure safe, standards-compliant development of the Rooppur Nuclear Power Plant.
- Commission Rooppur Unit 1 by December 2026 and Unit 2 by December 2027.
- Conduct independent reviews of construction timelines, grid integration, fuel supply security, and nuclear waste management for the Rooppur Nuclear Power Plant.
- Comply with International Atomic Energy Agency safeguards and Bangladesh's non-proliferation obligations in nuclear energy development.
- Plan for a second nuclear plant and also Small Modular Reactor (SMR) to support Bangladesh's zero-carbon baseload supply
- Position nuclear energy as a long-term component of a diversified, low-carbon energy mix complementing the renewable energy program.
- Develop a comprehensive public communication and stakeholder engagement strategy on nuclear energy, addressing public concerns about safety, environmental impact, and emergency preparedness, to build the social license necessary for the long-term nuclear program.
- Establish a Nuclear Emergency Preparedness Plan covering areas surrounding the Rooppur plant, in coordination with local government authorities, the Bangladesh Meteorological Department, and relevant civil defense agencies, prior to commercial operation.

### SP5: Energy Efficiency, Demand Management, and Electric Mobility

**Objective**

Improving demand-side efficiency is among the quickest and most cost-effective strategies. It will help Bangladesh strengthen energy security, reduce costs associated with excess generation, and meet its NDC 3.0 climate objectives. A 10 per cent improvement in grid electricity efficiency alone could cut peak demand by 1,500 to 1,700 MW, which would postpone or remove the need to build new plants of that size.

**Key Interventions**

**i. Energy Efficiency**

- Install variable frequency drives, retrofitting with Light Emitting Diode (LED) lighting, adopting energy-efficient motors, implementing heat pump systems, and using waste heat recovery equipment.
- Enforce minimum energy performance standards for all captive generation equipment.
- Implement mandatory green building standards.
- Develop and enforce building energy codes for new commercial and public buildings.
- Establish a Bangladesh Green Building Rating System and provide financial incentives for certified energy-efficient buildings.
- Reduce gas losses to 4 per cent through better regulation, pipeline repairs, and the installation of metering systems.
- Implement energy efficiency labeling regulations in phases.
- Mandatory energy codes for all new commercial, industrial, and public buildings.

**ii. Demand Management**

- Encourage a shift from captive to grid power for industries, provided the grid supply in industrial zones becomes more reliable.

- Reduce transmission and distribution losses; require entities to report progress including loss reduction quarterly, for future investment.
- Expand the pool of SREDA-certified professionals through training and certification Programmes;
- Introduce a mandatory energy audit programme for industries and businesses.
- Invest in smart electricity meters at the distribution level to enable time-based pricing, real-time monitoring, and for automated fault detection

**Electric Mobility**

- Introduce mandatory fuel efficiency standards through the Bangladesh Road Transport Authority.
- Expand vehicle inspection and emissions testing.
- Offer incentives to retire the oldest and most polluting vehicles.
- Shift to lower-carbon transport options, such as rail and waterways.
- Expand the public EV charging network to at least 2,000 stations by 2030.
- Charging rates for EVs will be lowered to residential levels.
- Provide financing incentives for EV buyers through the Bangladesh Bank.
- Promote local EV assembly and battery production.
- Promote Renewable energy power charging stations

### SP6: Regional Energy Integration and Grid Modernisation

**Objective**

The Framework aims to use expanding cross-border energy trade and modernising the domestic grid to support renewable integration and higher cross-border power flows.

**Key Interventions**

#### i. Grid Modernisation

- Modernise the domestic grid through the upgradation of HVDC and SCADA and advanced energy management to support renewable integration and higher cross-border power flows.
- Prioritise major transmission upgradation and improved management systems to ensure a secure electricity supply and support Rooppur integration.

#### ii. Regional Energy Integration

| Major Area | Key Initiatives |
|---|---|
| India–Bangladesh Power Interconnection | • Invest in upgrading grid infrastructure with domestic financing and co-financing from India<br>• Upgrade outdated transformer equipment at Bheramara to remove operational constraints<br>• Harmonise grid codes, establish joint dispatch protocols, and ensure transparent tariffs for cross-border electricity trade |
| Trilateral Nepal–India–Bangladesh Power Trade | • Expand hydropower imports from Nepal through new tripartite agreements using India's transmission network or dedicated transmission line between Bangladesh and Nepal.<br>• Upgrade the Baharampur–Bheramara transmission corridor to enable higher cross-border power flows<br>• Establish equitable wheeling charges, harmonised grid and metering standards<br>• Scale up seasonal renewable electricity imports to reduce fossil fuel dependence during peak demand |

| Major Area | Key Initiatives |
|---|---|
| BIMSTEC, SAARC Regional Energy Architecture | • Participate in BIMSTEC energy groups to finalize the Energy Master Plan, transmission policy, and tariff mechanism<br>• Conduct energy diplomacy with India, Nepal, Bhutan, Myanmar, and Thailand to position Bangladesh as a regional energy hub<br>• Conduct a comprehensive technical, economic, and regulatory study under the BIMSTEC Grid Interconnection Master Plan to identify and develop a suitable high-capacity cross-border transmission corridor connecting Bangladesh, India, Myanmar, and Thailand, enabling large-scale power exchange. regional electricity market integration, enhanced energy security, and increased utilization of clean energy resources across the region.<br>• Actively participate in SAARC energy cooperation initiatives to advance regional power market development, harmonise grid codes and operational standards, and establish transparent frameworks for cross-border electricity trading and transmission pricing<br>• Undertake comprehensive technical, economic, regulatory, and institutional studies under the SAARC regional energy cooperation framework to identify optimal cross-border transmission corridors and opportunities for enhanced regional interconnection, power exchange, and electricity market integration<br>• Enhance regional coordination on system planning, grid operation, market mechanisms, and energy security to improve the reliability, resilience, and sustainability of the South Asian power system |

## 10.6 Strategic Matrix

The matrix covers the full scope of the Framework's energy agenda. It incorporates all 20 energy commitments from the government's February 2026 election manifesto, ensuring each commitment is Operationalised within a binding, accountable institutional framework.

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| I. Recovery and Stabilisation (First 1 Year) | A. Crisis governance & institutional reform | 1. Constitute the inter-ministerial Energy Crisis Management Committee. | Cabinet Division<br>Power Division<br>Energy Division<br>Finance Division |
| | | 2. Report the progress to the Cabinet Division | |
| | | 3. Commission an independent audit of all Power Purchase Agreements (PPAs), including QEESA 2010 contracts. | |
| | | 4. Impose moratorium on new fossil fuel PPAs; establish public monthly Energy Sector Financial Dashboard. | |
| | B. Fiscal stabilisation & arrear settlement | 1. Negotiate structured payment settlement with Adani Power, Payra coal partners, and spot LNG suppliers to restore full contracted supply. | Finance Division<br>BPDB<br>Petrobangla<br>ERD |
| | | 2. Secure USD 1.5–2 billion emergency energy import financing. | |
| | | 3. Propose and enforce an automatic petroleum product price adjustment mechanism. | |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | C. Domestic gas supply security | 1. Accelerate ADP disbursement to Petrobangla for the 11-wells domestic gas drilling programme — funds to BAPEX, BGFCL & SGFL within Q1. | Energy & Mineral Resources Division<br>Petrobangla<br>BAPEX<br>Titas Gas |
| | | 2. Use spot LNG procurement only when it is required to maintain supply chain uninterrupted and focous more on long-term and short term procurement. | |
| | | 3. Launch UFG emergency reduction drive - target 7–12% to 6% within 6 months through pipeline rehabilitation and anti-pilferage enforcement. | |
| | D. Generation dispatch reform | 1. Implement strict merit-order dispatch- lowest-cost generation dispatched first, oil-fired plants last — with weekly Power Division compliance reports. | Power Division<br>BPDB<br>PGCB<br>BERC |
| | | 2. Conduct load shedding equity audit across all 6 distribution companies — mandate priority supply for export-oriented industrial zones. | |
| | | 3. Impose prohibition on non-competitive procurement — all future contracts above 50 MW subject to international tender — and simultaneously publish a full disclosure register of all existing energy contracts, capacity payment obligations, and expiry dates. | |
| | E. Renewable energy pipeline protection | 1. Establish SREDA–Power Division Renewable Project Resolution Desk to review and reinstate viable LOI projects suspended post-August 2024. | SREDA<br>Power Division<br>Bangladesh Bank<br>Finance Division |
| | | 2. Set Minimum Energy Performance Standards for the 5 highest-volume appliance categories — ACs, refrigerators, fans, lighting, pumps. | |
| | | 3. Issue Bangladesh Bank circular requiring scheduled banks to disclose energy sector loan portfolios disaggregated by fossil fuel vs renewable. | |
| II. Restoration Phase (Year 1-3) | F. Transparent governance & tariff reform | 1. Prepare and Publish PPA audit White Paper — legislate permanent prohibition on non-transparent procurement; conclude renegotiated terms with 5 most disadvantageous IPP contracts targeting Tk 30 billion annual savings. | Power Division<br>Energy Division<br>BERC<br>Finance Division |
| | | 2. Implement quarterly formula-based electricity tariff adjustments — progressively close BPDB bulk supply cost gap whilst preserving lifeline tariff for lowest-consumption households. | |
| | | 3. Prepare transparent rule-based gas tariff framework with independent BERC review — ending undisclosed pricing arrangements across all customer categories. | |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | G. Least-cost generation plan | 1. Formulate and publish Bangladesh's first Least-Cost Generation Plan — covering optimal fuel mix across gas, renewable, nuclear, and import sources to 2030 and 2035 — as the binding technical foundation for all new capacity procurement decisions during the Framework period. | Power Division<br>BPDB<br>BERC<br>Energy Division |
| | | 2. Establish total installed capacity target of 35,000 MW by 2030 — specifying contribution from renewables, nuclear, gas, limited coal fired baseload and cross-border imports — consistent with manifesto commitment and peak demand projections. | |
| | | 3. Integrate the least-cost plan with BERC as an independent reviewer — ensuring all future generation investment is justified against the plan's criteria before regulatory approval. | |
| | H. Solar 10,000 MW — 20% RE by 2030 | 1. Launch 1,000 MW utility-scale solar on government land; subsequent quarterly rounds minimum 500 MW each — deployment rate of 760 MW per annum required to meet 10,000 MW by 2030 target. | SREDA<br>BPDB<br>Power Division<br>BEZA<br>Bangladesh Bank<br>Economic Relations Division |
| | | 2. Operationalise National Rooftop Solar Programme 2025 — 500 MW on government buildings, schools, hospitals, and rail stations — with single-window SREDA approval, import duty exemptions, and Bangladesh Bank 6% concessional financing. | |
| | | 3. Open government- owned land in economic zones (including NSEZ 5,980 acres of free space) to utility-scale solar commence land-resource mapping in char area for up to 6,000 MW capacity. | |
| | | 4. Develop wind and hydropower as co-equal delivery channels for 20% RE target alongside solar - simultaneously launch Bay of Bengal offshore, onshore and near shore wind resource assessment and expand Nepal–India–Bangladesh trilateral hydropower imports — so that 20% target is not solely dependent upon solar deployment. | |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | I. Gas infrastructure & BAPEX strengthening | 1. Launch 5-year BAPEX institutional strengthening programme — procurement of advanced seismic and drilling equipment , organogram restructuring to in corporate technical personnel and man power recruitment, certified training programme for capacity building internationaly recognised institute. | Energy & Mineral Resources Division<br>Petrobangla<br>BAPEX<br>RPGCL |
| | | 2. Announce bidding round in order to recruit international oil companies for exploring oil and gas in the sea area of Bangladesh under Offshore model PSC 2026. | |
| | | 3. Commission feasibility and commence EPC procurement for 295-km Maheshkhali–Bakhrabad LNG pipeline—maintain 2029 commissioning target. | |
| | J. Regional energy trade | 1. Initiate formal bilateral negotiations with Bhutan and India for a trilateral power trade arrangement — targeting a minimum of 500 MW of Bhutanese hydropower import by Year 3 to 5 years. | Economic Relations Division<br>Power Division<br>PGCB<br>BPDB<br>Petrobangla<br>Energy Division |
| | | 2. Negotiate and sign the BIMSTEC Energy Master Plan and Policy for Trade, Exchange of Electricity, and Tariff Mechanism. | |
| | | 3. Negotiate expansion of India–Bangladesh interconnection roadmap from current 880 MW toward 3,000 MW — commit bilateral investment framework for transmission upgrades on both sides. | |
| | | 4. Initiate feasibility assessment for regional gas pipeline connectivity (Bangladesh–Myanmar–India) — coordinated by Petrobangla and Energy Division — as long-term supply security diversification, reducing Strait of Hormuz shipping dependency. | |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | K. Energy efficiency & demand management | 1. Launch mandatory energy audit programme for the 200 largest industrial consumers — textile, RMG, cement, steel, ceramics — legal completion obligation within 12 months under SREDA-certified auditors. | Ministry of Industries; Ministry of Housing and Public Works; Ministry of Environment, Forest and Climate Change; BRTA; SREDA; |
| | | 2. Gazette and enforce the Bangladesh Building Energy Code for all new commercial and public construction — establish the Green Building Certification Programme with fiscal incentives. | |
| | | 3. Establish mandatory minimum vehicle fuel efficiency standards for all new vehicle registrations by class — introduce a fiscal incentive for voluntary retirement of commercial vehicles over 15 years old. | |
| | L. Green financing & carbon market readiness | 1. Develop a sovereign green bond program, mandatory green lending disclosure for banks, and concessional refinancing facilities for certified renewable energy and efficiency projects. | Finance Division Bangladesh Bank Ministry of Environment, Forest and Climate Change |
| | | 2. Establish inter-ministerial Carbon Market Readiness Unit — develop a legal and regulatory framework for voluntary and compliance carbon market participation and a national GHG registry. | |
| | | 3. Initiate pilot waste-to-energy projects in Dhaka South and Chattogram city corporations — minimum 50 MW combined from municipal solid waste. | |
| III. Reconstruction and Acceleration (Medium term: Years 3–5) | M. Solar 10,000 MW achievement & grid integration | 1. Achieve 10,000 MW solar generation by 2030 — utility-scale ground-mounted (government land), rooftop (public and private buildings), floating solar (inland water bodies), and agrivoltaic installations — USD 9+ billion total investment mobilised. | SREDA BPDB PGCB Power Division ADB / World Bank |
| | | 2. Install minimum 500 MW grid-scale battery energy storage — competitively tendered and co-financed by multilateral development banks — enabling safe integration of variable solar output and eliminating oil-fired peaking plant dependency. | |
| | | 3. Reduce combined transmission and distribution system losses from 10.13% to 8% through HVDC backbone upgrades, SCADA installation, Advanced Metering Infrastructure rollout, and distribution network rehabilitation. | |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | N. Fossil fuel capacity restructuring | 1. Retire a minimum of 4,500 MW of the most uneconomical fossil fuel capacity — prioritising expired rental and quick rental plants — reducing capacity payment liability. | Power Division<br>BPDB<br>Energy & Mineral Resources Division<br>BPC |
| | | 2. Construct a new domestic crude oil refinery BPC in Chattagram or another coastal area, or upgrade the existing Eastern Refinery Limited to achieve a processing capacity of 5 million tonnes per annum — reducing dependence upon fully refined petroleum product imports." | |
| | | 3. Achieve 35,000 MW total installed power generation capacity by 2030 — through a combination of renewables, nuclear, retained efficient gas-fired baseload, limited coal fired baseload and cross-border imports — in accordance with manifesto commitment and Least-Cost Generation Plan. | |
| | O. Rooppur review & nuclear commissioning | 1. Rooppur project effectiveness review and corruption investigation — commission independent technical and financial review of construction progress, cost overruns, contract terms, and procurement integrity — findings submitted to Parliament and Anti-Corruption Commission within first year of Framework period. | Bangladesh Atomic Energy Commission<br>Energy & Mineral Resources Division<br>Power Division<br>BPDB<br>Anti-Corruption Commission |
| | | 2. Subject to satisfactory independent review findings, commission Rooppur Unit 1 (December 2026) and Unit 2 (December 2027) — 2,400 MW total nuclear baseload — displacing equivalent fossil fuel generation. | |
| | | 3. Gazette nuclear waste management framework and begin pre-feasibility planning for the second nuclear facility and also Small Modular Reactor (SMR) — establishing nuclear energy as a long-term component of Bangladesh's low-carbon baseload portfolio. | |
| | O. Domestic gas & LNG infrastructure | 1. Add a minimum of 1,500 Million cubic feet per day (MMcfd) domestic gas to the national grid through a 150-well drilling workplan — achieve the first commercial offshore Bay of Bengal gas discovery during the Plan period. | Energy & Mineral Resources Division<br>Petrobangla<br>BAPEX<br>RPGCL<br>GTCL |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | | 2. Commission Maheshkhali–Bakhrabad LNG pipeline (1,800 MMcfd capacity) and Matarbari onshore LNG terminal — reducing weather-related Floating Storage Regasification Unit (FSRU) disruption risk. | |
| | | 3. Reduce gas sector UFG from 7–12% to the international benchmark of 4% — saving a minimum of 49 Billion Cubic Feet (BCF) gas per annum through pipeline rehabilitation, universal metering, and pilferage elimination. | |
| | Transmission expansion | 1. Expand national transmission network to 25,000 circuit kilometres by 2030 — through PGCB transmission master plan — prioritising corridors connecting Matarbari, Payra, Rooppur, and Dhaka load centres — fulfilling manifesto commitment with annual milestone reporting to Power Division and BERC. | Power Division<br>PGCB<br>Energy & Mineral Resources Division<br>Petrobangla<br>Ministry of Foreign Affairs |
| | | 2. Advance India–Bangladesh electricity interconnection from 880 MW to 3,000 MW — HVDC transmission investment, substation upgrades, Bheramara grid stabilisation. | |
| | | 3. To ensure energy security and maintain energy supply stability energy and mineral resources division is focusing strongly on regional connectedness through pipelines or any other options to develop alternatives sources. | |
| | P. Regional hydropower & cross-border trade | 1. Expand Nepal–Bangladesh–India trilateral hydropower imports to a minimum of 500 MW year-round — expanded tripartite PPAs, Sunkoshi-3 investment agreement, and Baharampur–Bheramara corridor upgrade. | Economic Relations Division<br>Power Division<br>PGCB<br>BPDB<br>Ministry of Foreign Affairs |
| | | 2. Commission pre-feasibility study for Bay of Bengal HVDC submarine cable or synchronous grid (Bangladesh–India–Myanmar–Thailand) — in partnership with BIMSTEC and ADB. | |
| | | 3. Conclude Bhutan trilateral framework agreement-minimum 300 MW Bhutanese hydropower import arrangement — contributing to 20% renewable target alongside solar and wind. | |

| Phase | Strategy / Sector | Activities | Lead Ministry |
|---|---|---|---|
| | Q. Energy efficiency & electric mobility | 1. Achieve 10% reduction in energy intensity across RMG and textile sectors — through mandatory audit follow-up, waste heat recovery requirements, and progressive retirement of most inefficient industrial boilers. | SREDA<br>Ministry of Industries<br>Ministry of Road Transport and Bridges<br>BRTC<br>Bangladesh Bank |
| | | 2. Achieve 30% EV penetration in new vehicle registrations — 2,000+ public charging points nationally, domestic EV manufacturing incentives, time-of-use EV tariffs, and Bangladesh Road Transport Corporation (BRTC) electric bus fleet commissioning. | |
| | | 3. Operationalise dedicated Energy Efficiency Fund — concessional financing for industries, commercial establishments, and public sector institutions administered by SREDA with Bangladesh Bank co-financing. | |
| | R. Blue economy, equity & sustainability | 1. Commission minimum 100 MW offshore/ near shore wind as demonstrator project — regulatory and licensing framework operational by Year 2 — anchoring Bay of Bengal offshore wind program. | Ministry of Environment, Forest and Climate Change<br>Ministry of Fisheries & Livestock<br>Local Government Division<br>Bangladesh Port Authority<br>SREDA<br>BERC<br>BPDB |
| | | 2. Commission 200 MW waste-to-energy capacity across all major city corporations and extend to Chattogram, Mongla, and Payra Ports — simultaneously addressing port pollution and generating locally consumed electricity under a standardised framework. | |
| | | 3. Operationalise Bangladesh Carbon Market — national GHG registry, domestic emissions trading for power and large industry, first international carbon credit transactions — and achieve parity in electricity reliability between urban and rural populations, including special solar home system and biogas Programmes for remote areas. | |

## 10.7 Key Risks and Mitigation

The risk register below consolidates the eight major implementation risks identified for the Five-Year Strategic Framework FY 2027–2031 energy chapter. Risks are rated by probability and impact — High, Medium, or Low — and mitigation measures are operationally specific, assigned to accountable lead institutions, and tracked through the Energy Transition Coordination Unit's quarterly review process.

## Key Risks and Mitigation

| Risk | Probability / Impact | Mitigation |
|---|---|---|
| Global LNG price spike or Strait of Hormuz disruption | H / H | Maintain ≥80% LNG under long-term contracts; conclude 3 new contracts by FY2026; accelerate domestic gas drilling; develop Matarbari onshore LNG terminal as backup. |
| Renewable energy investor confidence failure | H / H | Resolve suspended LOIs within 6 months; launch quarterly solar auctions, reinstate sovereign assurance clause; maintain stable Renewable Energy Policy 2025. |
| BPDB fiscal collapse | H / H | Implement quarterly tariff rationalisation from Q1; audit and renegotiate at least 5 PPAs in Year 1; enforce merit-order dispatch; align reforms with IMF programme targets. |
| Rooppur commissioning delay or safety failure | M / H | Complete grid readiness assessment in Year 1; upgrade transmission in parallel; finalize fuel supply agreement with Rosatom; ensure Bangladesh Atomic Energy Commission (BAEC) certification meets International Atomic Energy Agency (IAEA) standards. |
| Domestic gas exploration programme underperformance | M / H | Disburse ADP funds to BAPEX in Q1; engage ≥3 international drilling contractors; conclude 2 offshore PSCs in Year 1; conduct Bay of Bengal 3D seismic survey. |
| Grid infrastructure bottleneck constraining renewable integration | M / H | Conduct grid stability study in Year 1; align solar rollout with transmission capacity; install ≥500 MW battery storage; complete HVDC upgrades by FY2028. |
| Green financing mobilisation failure | M / H | Issue ≥USD 1 billion sovereign green bond by FY2027; operationalise carbon trading; establish financing platform within 6 months; finalize Renewable Purchase Obligation (RPO) regulations in Year 1. |
| Monitoring and evaluation data gap | H / M | Establish Energy Transition Coordination Unit in Energy and Mineral Resources Division within 6 months; mandate quarterly reporting; integrate data into unified dashboard; conduct annual independent assessments |
| Climate-induced damage to energy infrastructure | High/High | Conduct a climate vulnerability assessment of all major generations, transmission, and distribution assets; develop flood and cyclone resilience standards for new energy infrastructure; and establish an emergency repair fund for rapid restoration of supply after extreme weather events. |
| Foreign exchange pressure from large-scale renewable equipment imports | Medium / High | Develop a phased local content policy for solar and wind equipment; negotiate supplier financing arrangements with equipment manufacturers; and coordinate with Bangladesh Bank on foreign exchange allocation planning for the renewable energy program |
| Rooppur loan repayment and foreign exchange pressure | Medium / High | Develop a structured repayment plan with Bangladesh Bank, including foreign-exchange reserve buffers and the potential renegotiation of repayment terms with the financing party. |
| Cybersecurity vulnerability of modernised grid infrastructure | Medium / High | Develop a dedicated cybersecurity framework for critical energy infrastructure, including SCADA systems and Advanced Metering Infrastructure, under joint oversight of the Power Division and the relevant national cybersecurity authority |

## 10.8 Conclusion

Bangladesh's energy sector enters the Five-Year Strategic Framework FY2026-27 to 2030-31 period carrying higher installed capacity and the generation capacity with poor governance track record. The country possesses solar irradiance capable of supporting 10,000 MW of generation by 2030, offshore wind potential in the Bay of Bengal estimated at 134,000 MW. This, as, a strategic geographical position within South Asia gives it legitimacy and underexploited leverage in the regional clean energy architecture, and a domestic gas endowment whose exploration has been chronically underfunded relative to its geological promise. Bangladesh has consistently failed to translate resource endowment and policy ambition into implementation reality. This failure is not technical but institutional, political, and financial in character. Renewable energy targets have been set and missed in every Five-Year Plan since 2011. BPDB's financial unsustainability has been diagnosed in every plan period and left structurally unaddressed. Gas exploration investment has fallen short of depletion rates in every plan period. The energy planning process has produced documents of considerable analytical sophistication and implementation records of considerable inadequacy. The FYSF must be the plan period in which this pattern is definitively broken — not through the reiteration of more ambitious targets, but through the construction and activation of the implementation mechanisms, institutional accountability frameworks, and financing instruments whose absence has defeated every preceding attempt at structural reform.

The government enters this Framework period with a mandate anchored in its 2026 manifesto commitments— from the 10,000 MW solar target and the 35,000 MW total generation capacity commitment. The framework will emphasise on the Rooppur independent review and Anti-Corruption Commission investigation, the regional gas pipeline feasibility assessment, and the 25,000 circuit kilometre transmission expansion — embedded within an overarching national development vision. These commitments are not aspirational add-ons to an existing policy agenda. They are the energy sector's share of a social contract between the government and Bangladesh's 170 million citizens — a contract whose fulfilment requires that the energy system delivers reliable supply to households and industries that generate the foreign exchange upon which the 2034 vision depends.

Bangladesh's energy transformation is ultimately inseparable from the country's broader developmental destiny and from the government's most fundamental obligation to its citizens. A secure, affordable, and increasingly clean energy system is not an infrastructure objective among many — it is the single most consequential enabling condition for the industrial competitiveness, poverty reduction, climate resilience, and national dignity. The government's commitment — in the twenty manifesto commitments is aligned with NDC 3.0's just transition principles, and to be operationalised through the policy matrix and strategic action framework to achieve consistency in energy supply as per the country's requirements.

# ANNEX

**Costing, Financing, and Resource Mobilisation**

## Cost Estimation

The FYSF energy strategy encompasses six investment areas mapped directly to the six Strategic Priorities elaborated in section 2 investment scenarios are presented to illustrate the range of financing requirements contingent upon the scope and pace of implementation.

### Scenario A: Priority Interventions as Minimum Viable Transition:

| | |
|---|---|
| • Renewable energy deployment to the 20 per cent target | |
| • Rooppur Nuclear Power Plant commissioning support | • Essential grid upgrades |
| • Gas exploration acceleration | • BPDB financial stabilisation |

### Scenario B: Comprehensive Transformation:

| | |
|---|---|
| • "Build a new refinery in Chattagram or other Coastal areas or modernisation of Eastern Refinery Limited with an annual capacity of 5 million tons ." | |
| • Complete grid-scale battery energy storage deployment | • Bhutan hydropower interconnection |
| • Smart metering rollout across both gas and electricity distribution networks | • Offshore wind development |
| • Waste-to-energy at scale across city corporations and ports | • Carbon market infrastructure |

## Cost Breakdown by Strategic Priority for Scenario A

| Strategic Priority | Share of Total Investment |
|---|---|
| SP3 — Renewable energy scale-up | 35% |
| SP6 — Grid modernisation and regional interconnection | 25% |
| SP1 — Gas exploration and refinery development | 18% |
| SP4 — Nuclear energy commissioning support | 10% |
| SP5 — Energy efficiency and demand management | 7% |
| SP2 — BPDB fiscal reform and sector governance | 5% |

*Note: All figures are indicative estimates in constant FY2025–26 prices.*

## Resource Availability Projection

**Government budget:** The energy sector's Annual Development Programme (ADP) allocation has averaged 8 to 10 per cent of total development expenditure over the preceding plan periods — a share that has been insufficient to finance the scale of infrastructure investment the sector requires. The Framework targets a sustained floor allocation of 10 per cent of total ADP to the energy sector, with a separate, ring-fenced sub-allocation for the renewable energy deployment programme protected from year-to-year budget compression. Notwithstanding this commitment, public budget allocations alone are wholly insufficient to meet the Framework's investment requirements: financing needs for Bangladesh's renewable energy targets between 2025 and 2040 have been estimated at USD 35 to 42.6 billion — implying an annual renewable energy financing requirement of approximately USD 2.5 to 3 billion during the Framework period alone — that must be met overwhelmingly through private, institutional, and international climate finance instruments rather than through public budget allocations.

**Development partner financing:** The Asian Development Bank, World Bank, Japan International Cooperation Agency, International Finance Corporation, the European Union Team Europe Initiative on Green Energy Transition, and Nordic development partners currently provide approximately USD 1 to 1.5 billion annually in energy sector financing to Bangladesh — a volume that, whilst significant, represents only 40 to 60 per cent of the annual renewable energy financing requirement and a small fraction of the Framework's total investment need. Clean energy investment in Bangladesh grew from USD 322 million in 2022 to USD 334 million in 2023 — a marginal increase that confirms the current trajectory of foreign financing is inadequate relative to the scale of the Framework's ambitions. A fundamental step-change in the architecture of energy sector financing is required during the Framework period. The government shall establish a GED-coordinated Energy Transition Financing Platform — bringing together all principal development partners in a structured, program-based financing arrangement aligned with the Framework's six Strategic Priorities. This will eliminate duplication, maximize leverage of concessional financing, and present a coherent, bankable investment programme to the international development finance community.

## Financing Gap and Mobilisation Strategy

Under Scenario A, the financing gap — after accounting for government ADP allocations and current development partner flows — amounts to approximately Tk 50,000 to 70,000 crore over five years. Closing this gap is the most consequential single implementation challenge of the Framework period. It requires the simultaneous activation of five distinct financing instruments whose combined mobilisation capacity is sufficient to bridge the gap if each is operationalised with the institutional commitment and technical rigor it demands.

**Green Bangladesh Bonds:** The government's election manifesto commits to issuing Green Bangladesh Bonds worth Tk 50,000 crore by 2030 for climate-resilient infrastructure and energy transition projects. This instrument provides the single-largest domestic capital mobilisation vehicle available to the Framework's financing program. Energy transition — encompassing solar parks, grid modernisation, battery energy storage, waste-to-energy, and offshore wind — constitutes the natural and most investable eligible use category for Green Bangladesh Bonds. The Bangladesh Bank's 2022 policy framework for green bond issuance by banks and financial institutions provides the foundational regulatory infrastructure for the sovereign program. Bangladesh has not yet issued a single international sovereign green bond — a gap in its climate finance architecture that represents both a missed opportunity and an immediately actionable first step. The government shall issue an inaugural sovereign green bond of not less than USD 1 billion in FY2027. It will coincide with the commencement of Rooppur commercial operation and the establishment of the quarterly solar auction pipeline — as the foundational instrument

of an international green capital markets programme that Bangladesh is uniquely positioned to develop given its compelling renewable resource endowment, NDC 3.0 commitments, and the scale of its verified emission reduction potential.

**Carbon credits and carbon trading**: Bangladesh's energy sector transition alone is projected to deliver verified greenhouse gas emission reductions of 26.3 million tonnes of carbon dioxide equivalent by 2030 — representing 95.4 per cent of Bangladesh's total NDC reduction target — a verified reduction volume of significant commercial value in both voluntary and compliance international carbon markets. The energy sector's emission-reduction activities — encompassing solar home systems, biogas digesters, efficient brick kilns, waste-to-energy plants, and methane reduction from rice production — constitute a broad, technically credible portfolio of carbon credit-eligible interventions. The Renewable Energy Policy 2025's mandate for SREDA to develop a national carbon credits trading scheme and institutional framework shall be Operationalised within the first year of the Framework period. Establishing the national GHG registry, verification protocols, and market participation framework are required to capture the carbon finance value of Bangladesh's energy transition and direct it toward the Framework's investment program.

**Corporate Power Purchase Agreements and private sector direct investment:** Direct contracts between large industrial energy consumers and renewable energy producers — eliminate offtaker risk, attract private capital without sovereign guarantee obligations, and create a commercially sustainable market for renewable energy that reduces the government's financing burden. The government shall reinstate the implementation agreement clause that provides a sovereign assurance framework for renewable energy producers — or establish a payment assurance mechanism modeled on successful regional precedents such as the Solar Energy Corporation of India — supported by multilateral development bank guarantees to provide the risk mitigation that international private capital requires before committing to Bangladesh's renewable energy market at the scale the Framework demands.

**Development partner programme financing:** The government shall convene an annual Energy Transition Financing Roundtable — co-chaired by the Finance Division and the General Economics Division — bringing together the World Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Japan International Cooperation Agency, International Finance Corporation, and bilateral and multilateral climate finance partners to align their financing programmes with the Framework's six Strategic Priorities to eliminate programme duplication, and maximise the concessional financing leverage available to the government's energy transition investment programme.

# PART II

## EQUITABLE SOCIOECONOMIC DEVELOPMENT AND SUSTAINABLE STATE CAPACITY

### CLUSTER 4

## POVERTY ALLEVIATION AND SOCIAL PROTECTION

# CHAPTER 11

# POVERTY AND INEQUALITY REDUCTION STRATEGY

## 11.1 Introduction and Strategic Analysis

Bangladesh has made notable economic progress over the past five decades. However, poverty and inequality remain among the most pressing development challenges. The country has been recognised internationally for reducing poverty, improving social indicators, expanding access to education and healthcare, and sustaining relatively high economic growth over a prolonged period. Millions of people have been lifted out of extreme poverty, with the rate declining from 41.1 per cent in 1991–92 to 9.35 per cent in 2025. Over the same period, life expectancy rose from around 50 years to 73 years, while child mortality fell significantly from 229 deaths to 31 deaths per 1000 live births. Access to electricity, sanitation, and digital connectivity has also improved substantially in recent years. These achievements have often positioned Bangladesh as an important example of development among lower-middle-income countries.

The nature of poverty in Bangladesh has also evolved over time. Poverty increasingly reflects multidimensional challenges linked to education, healthcare, housing, employment security, digital inclusion, and environmental resilience. Many households that have technically crossed the poverty line remain highly vulnerable to economic shocks, illness, climate-related disasters, or sudden income loss. Recent studies indicate that moderate poverty has risen from 18.7 per cent in 2022 to 27.93 per cent in 2025, and extreme poverty has risen from 5.6 per cent to 9.35 per cent over the same period (PPRC, 2025).

At the same time, inequality has emerged as a major concern in Bangladesh's development trajectory. The national Gini coefficient is 0.499, according to the HIES 2022 survey. The Palma ratio, based on the 2022 HIES data, indicates a high level of inequality, with the richest 10 per cent of the population earning 3.18 times the income of the poorest 40 per cent. Moreover, the disparity between urban and rural progress is evident in poverty and inequality data. While the rural Gini coefficient is 0.446, the urban Gini coefficient is higher at 0.539, indicating that income inequality is more pronounced in urban areas. The unequal access to education, healthcare, finance, technology, and public institutions continues to reinforce structural inequality.

Additionally, a large share of the population has become vulnerable to rapid, unplanned urbanisation, leading to overcrowded settlements, inadequate housing, insufficient public services, and widening urban inequality. Many urban workers remain in informal, low-paid occupations without social security or employment protection, leaving them particularly vulnerable to inflationary pressures and economic downturns.

Climate change and environmental vulnerability have added a further significant dimension to poverty and inequality in Bangladesh. Poor and marginalised populations are disproportionately exposed to floods, cyclones, river erosion, salinity intrusion, and other climate-related risks. These shocks damage livelihoods, increase displacement and food insecurity, and intensify existing vulnerabilities among disadvantaged communities.

The persistence of poverty, inequality and vulnerability raises important questions about the inclusiveness and sustainability of Bangladesh's growth model. While economic expansion has generated substantial national income, concerns remain over employment creation, wage growth, labour productivity, the quality of public expenditure, and equitable access to opportunities. Concerns remain regarding the inclusiveness and distributional impact of economic growth.

Addressing poverty and inequality therefore requires moving beyond narrow income-based approaches towards a broader understanding of social and economic justice. It demands attention not only to economic growth but also to its quality, the distribution of opportunities, the resilience of vulnerable populations, and the effectiveness of state institutions in ensuring equitable access to public services and social protection. Policies aimed at reducing inequality must therefore strengthen employment, social protection, public services, climate resilience, and institutional accountability.

As Bangladesh moves towards LDC graduation and deeper integration into the global economy, addressing poverty and inequality will remain central to long-term development prospects. Sustainable progress must therefore be assessed not only through economic growth, but also through improvements in the lives, security, and opportunities of all citizens. In this context, the new Five-Year Strategic Framework will support the adoption of policies and strategies aimed at building a more inclusive, resilient, and equitable society.

### 11.1.1 Poverty and Inequality Trends and Dynamics

The above context and sectoral reality are reflected in the trends and dynamics of poverty and inequality. For example, the share of the population living in extreme poverty or below the lower poverty line (LPL) fell sharply from 41.1 per cent in 1991–1992 to 5.6 per cent in 2022 (Table 1), indicating a broadly positive long-term trajectory. Nevertheless, 2025 data show a rise in poverty incidence, with the headcount ratio under the upper poverty line (UPL) rising to 27.93 per cent and the LPL to 9.35 per cent (Table 11.1).

**Table 11.1: Headcount ratio of poverty from 1991 to 2025 (in percentage)**

| Year | 1991-92 | 1995-96 | 2000 | 2005 | 2010 | 2016 | 2022 | 2025 |
|---|---|---|---|---|---|---|---|---|
| **Moderate Poverty (Below UPL)** | | | | | | | | |
| **National** | 56.7 | 50.1 | 48.9 | 40 | 31.5 | 24.2 | 18.7 | 27.93 |
| **Rural** | 58.8 | 54.5 | 52.3 | 43.8 | 35.2 | 26.4 | 20.5 | 31.58 |
| **Urban** | 42.8 | 27.8 | 35.2 | 28.4 | 21.3 | 18.6 | 14.7 | 19.66 |
| **Extreme Poverty (Below LPL)** | | | | | | | | |
| **National** | 41.1 | 35.2 | 34.3 | 25.1 | 17.6 | 12.8 | 5.6 | 9.35 |
| **Rural** | 43.8 | 39.5 | 37.9 | 28.6 | 21.1 | 14.9 | 6.5 | 10.77 |
| **Urban** | 24 | 13.7 | 19.9 | 14.6 | 7.7 | 7.6 | 3.8 | 6.12 |

*Source: GED's compilation using data from the HIES of various years. The 2025 data were taken from the PPRC National Study on the State of the Real Economy.*

The Palma ratio indicates that income inequality in Bangladesh has steadily worsened over the last four decades. In 1983–84, the wealthiest 10 per cent earned roughly 1.5 times what the poorest 40 per cent combined made. By 2022, this ratio had more than doubled to 3.18, reaching its highest point (Table 2). During this timeframe, the income share of the bottom 40 per cent declined sharply, while the top 10 per cent's share grew considerably, accounting for over 40 per cent of total income. Although export-driven growth, especially through the RMG sector, created jobs, the benefits were unevenly distributed, with upper-income groups capturing most of the gains. The data also reveal that inequality increasingly impacted the middle class, whose income share fell to its lowest level by 2022.

**Table 11.2: Measure of Income Inequality: The Palma Ratio**

| | 1983-84 | 1985-86 | 1988-89 | 1991-92 | 1995-96 | 2005 | 2010 | 2016 | 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Income Share of Bottom 40% | 18.95 | 18.17 | 17.53 | 17.41 | 15.54 | 14.36 | 14.32 | 13.03 | 12.87 |
| Income Share of Middle 50% | 52.75 | 50.38 | 51.48 | 53.36 | 49.78 | 48 | 49.83 | 48.89 | 46.20 |
| Income Share of Top 10% | 28.3 | 31.46 | 31 | 29.23 | 34.68 | 37.64 | 35.85 | 38.09 | 40.92 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Palma ratio** | **1.49** | **1.73** | **1.77** | **1.68** | **2.23** | **2.62** | **2.50** | **2.92** | **3.18** |

*Source: GED's calculation using data from HIES of various years.*

Another widely used measure of inequality is the Gini coefficient, which ranges from 0 (perfect equality) to 1 (perfect inequality). As shown in Table 3, inequality in Bangladesh has increased over time. In particular, the national Gini coefficient rose from 0.482 in 2016 to 0.499 in 2022. This rise appears to have been driven primarily by widening urban inequality, with the urban Gini increasing by more than 8 per cent, while rural inequality declined slightly by approximately 2 per cent over the same period.

This divergence suggests that the overall increase in inequality is largely rooted in urban dynamics. It may reflect ongoing structural transformations in labour markets, including differential returns to skills and unequal access to economic opportunities. Moreover, the simultaneous increase in inequality alongside sustained growth in GDP and per capita income indicates that the gains from economic expansion have not been evenly distributed, pointing to a pattern of increasingly non-inclusive growth.

**Table 11.3: Measure of income inequality: The Gini coefficient**

| Year | 1980s | 1990s | 2000s | 2016 | 2022 |
|---|---|---|---|---|---|
| Gini coefficient (Income) | | | | | |
| **National** | 0.377 | 0.442 | 0.463 | 0.482 | 0.499 |
| **Rural** | 0.361 | 0.389 | 0.43 | 0.454 | 0.446 |
| **Urban** | 0.38 | 0.471 | 0.475 | 0.498 | 0.539 |

*Source: GED's compilation from HIES of various years.*

Moreover, disaggregated analysis by rural and urban areas indicates that both LPL and UPL increased between 2022 and 2025 (Table 1). Consistent with historical trends since 1991, the incidence of headcount poverty remains higher in rural areas and follows a similar trajectory in 2025. However, the magnitude of change varies across poverty categories and locations. Moderate poverty rose by 54 per cent in rural areas and 34 per cent in urban areas, while extreme poverty increased by 66 per cent and 61 per cent, respectively, over the same period.

### 11.1.2 Multidimensional Poverty Trend

Between 2012–2013 and 2019, Bangladesh recorded substantial progress in reducing multidimensional poverty across all residence types, with the national MPI nearly halving from 0.197 to 0.101, the headcount ratio declining from 42.65 per cent to 24.08 per cent nationally, and urban areas outpacing rural areas in reduction — dropping from 26.14 per cent to 13.56 per cent against a rural decline from 46.97 per cent to 26.98 per cent — yet the intensity of deprivation among the remaining poor fell only modestly, from 46.28 per cent to 41.87 per cent nationally, indicating that those still trapped in multidimensional poverty continue to face deep and overlapping deprivations, particularly in rural areas (Table 4).

### Table11.4: Harmonised national MPI statistics, 2012/13 and 2019

| Index | MPI | | The headcount ratio of multidimensional poverty (H) | | Intensity of multidimensional poverty (A) | |
|---|---|---|---|---|---|---|
| **Year** | **2012/2013** | **2019** | **2012/2013** | **2019** | **2012/2013** | **2019** |
| **National** | 0.197 | 0.101 | 42.65 | 24.08 | 46.28 | 41.87 |
| **Rural** | 0.218 | 0.113 | 46.97 | 26.98 | 46.47 | 41.95 |
| **Urban** | 0.117 | 0.056 | 26.14 | 13.56 | 44.94 | 41.24 |

Source: Illustration based on the GED report on the multidimensional poverty index (MPI).

Regional poverty trajectories diverged sharply between 2010 and 2020 across Bangladesh, with Rajshahi experiencing the steepest increase in poverty incidence at 86.87 per cent while Barisal recorded a 25.63 per cent reduction, and absolute poverty levels in 2020 ranged from 38.4 per cent in Dhaka to as high as 57.3 per cent in Rangpur (Table 5).

### Table 11.5: Regional difference in poverty rate

| Region | 2010 poverty rate (in per cent) | 2020 poverty rate (in per cent) | Absolute change | Per cent change |
|---|---|---|---|---|
| Barisal | 39.4 | 29.3 | -10.1 | -25.63 |
| Chattogram | 26.2 | 35.1 | 8.9 | 33.97 |
| Dhaka | 30.5 | 38.4 | 7.9 | 25.90 |
| Khulna | 32.1 | 41.8 | 9.7 | 30.22 |
| Rajshahi | 29.7 | 55.5 | 25.8 | 86.87 |
| Rangpur | 42.3 | 57.3 | 15 | 35.46 |
| Sylhet | 28.1 | 35 | 6.9 | 24.56 |

*Source: World Bank.*

The HIES 2022 data reveals significant spatial disparities in moderate poverty rates across Bangladesh's eight divisions, with Barishal (26.9 per cent) and Rangpur (24.7 per cent) recording the highest poverty incidence, while Khulna (15.1 per cent) and Chattogram (15.8 per cent) perform considerably better, and Dhaka (17.9 per cent) and Sylhet (17.3 per cent) occupy the middle range (Table 6).

### Table 11.6: Poverty headcount ratio by division in 2022

| Division | Moderate Poverty (HIES 2022) |
|---|---|
| Barishal | 26.9 |
| Chattogram | 15.8 |
| Dhaka | 17.9 |
| Khulna | 15.1 |
| Mymensingh | 24.2 |
| Rajshahi | 16.7 |
| Rangpur | 24.7 |
| Sylhet | 17.3 |

*Source: HIES 2022*

### 11.1.3 Alignment with the Election Manifesto of the Government

The alignment between the manifesto commitments and the strategic actions is set out in Table 7, which serves as both a reference for accountability and a framework for implementation.

**Table 11.7: Alignment of manifesto pledges with strategic actions**

| No. | Pledges in the Election Manifesto | Strategic Actions |
|---|---|---|
| 1 | Expanding the scope of social protection and ensuring transparency | Expansion of coverage and strengthening transparency through improved targeting and monitoring systems |
| 2 | Implementing good governance in social protection | Reduction of political interference and introduction of community-based beneficiary selection mechanisms |
| 3 | Raising pension amounts | Adjustment of pension benefits in line with inflation and the cost of living |
| 4 | Formation of a Pension Fund | Establishment of a contributory pension fund for private sector workers through legislative reform |
| 5 | Sustainable employment in poverty-affected regions | Targeted investments in infrastructure, education, and healthcare to generate long-term employment |
| 6 | Disability-friendly national services | Expansion of disability-inclusive services, including mobility and access support |
| 7 | Effective implementation of parental support laws | Strengthening enforcement and addressing gaps in the Parental Maintenance Act, 2013 |
| 8 | Prioritising marginalised communities | Inclusion of vulnerable and marginalised groups within social protection programmes |
| 9 | Protection for domestic workers and indigenous communities | Gradual integration into formal social protection frameworks |
| 10 | Special fund for destitute orphans | Establishment of targeted financial support mechanisms |
| 11 | Harnessing the longevity dividend | Promotion of active ageing, health security, and social participation of the elderly |
| 12 | Addressing urban poverty | Expansion of social protection coverage for urban and peri-urban poor populations |

## 11.2 Sector Performance Review

### 11.2.1 Changing Trends of Poverty and Inequality Reduction

The HIES 2022 data revealed that Bangladesh achieved significant reductions in both moderate and extreme poverty between 2010 and 2022 at national, rural, and urban levels. Rural areas experienced the largest decline in moderate poverty, while urban areas recorded lower overall poverty rates. Despite continued progress, the pace of poverty reduction has slowed in recent years, with the average annual decline falling to 1.2 percentage points.

Bangladesh Bureau of Statistics measures poverty using the Cost of Basic Needs (CBN) method, with upper and lower poverty lines. The LPL measures the minimum expenditure required to meet basic food needs and indicates extreme poverty, while the UPL includes essential non-food expenditures and captures moderate poverty. According to HIES 2022, the national LPL was estimated at BDT 2,755 per person per month and the UPL at BDT 3,832.

Poverty incidences tend to vary across rural and urban areas. As mentioned earlier, nationally, the Gini coefficient increased from 0.482 in 2016 to 0.499 in 2022. Urban inequality worsened

more sharply, with the urban Gini coefficient rising from 0.498 to 0.539 over the same period. In contrast, rural inequality showed slight improvement, with the rural Gini coefficient declining from 0.454 to 0.446.

**Table 11.8: Poverty incidences in national, rural and urban areas by national and international poverty lines (2010–2022) (in percentage)**

| Year | 2010 | | | 2016 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| | National | Urban | Rural | National | Urban | Rural | National | Urban | Rural |
| Moderate poverty (UPL) | 31.5 | 21.3 | 35.2 | 24.3 | 18.9 | 26.4 | 18.7 | 14.7 | 20.5 |
| Extreme poverty (LPL) | 17.6 | 7.7 | 21.1 | 12.9 | 7.6 | 14.9 | 5.6 | 3.8 | 6.5 |
| Moderate poverty using the PPP $3.65 poverty line | 59.3 | 34.4 | 68.2 | 52.9 | 33.5 | 60.1 | 29.3 | 15.5 | 35.7 |
| Extreme poverty using the PPP $2.15 poverty line | 18.6 | 6.6 | 22.8 | 14.3 | 6.2 | 17.3 | 4.9 | 1.8 | 6.3 |

*Source: Poverty rates based on national poverty lines are presented from BBS, HIES data (2010, 2016, and 2022), and estimates for international poverty lines are calculated using the same data sources.*

### 11.2.2 Emerging and Persistent Vulnerabilities

While poverty remains a major concern, vulnerability is equally important in understanding welfare dynamics, as it refers to individuals who are not currently poor but remain at high risk of falling into poverty due to shocks such as illness, disasters, or economic instability. The National Social Security Strategy (NSSS) defines vulnerable individuals as those with incomes above the upper poverty line but below 1.25 times that threshold.

The significance of vulnerability became particularly visible during the COVID-19 pandemic, when economic disruptions created a large group of "new poor." Although HIES 2022 indicates that many households affected during the pandemic had recovered their pre-crisis status by 2022, vulnerability remains widespread. Nationally, the vulnerable population declined from 19.1 per cent in 2010 to 15.2 per cent in 2022, representing around 25.1 million people. Vulnerability remains higher in rural areas, affecting 15.9 per cent of the population, or about 17.9 million people, compared to 13.8 per cent, or 7.2 million people, in urban areas.

Despite improvements, the combined share of poor and vulnerable people remained 33.9 per cent of the population in 2022, highlighting the continued economic insecurity faced by a large segment of society.

**Table 11.9: Vulnerability incidences and combined share of poverty and vulnerability across national, urban, and rural areas (2010–2022) (in percentage)**

| Year | Share of vulnerable population | | | Share of the poor and vulnerable population | | |
|---|---|---|---|---|---|---|
| | National | Urban | Rural | National | Urban | Rural |
| **2010** | 19.1 | 16.8 | 19.8 | 50.6 | 38.1 | 55.0 |
| **2016** | 18.5 | 15.9 | 19.4 | 42.8 | 34.8 | 45.8 |
| **2022** | 15.2 | 13.8 | 15.9 | 33.9 | 28.5 | 36.4 |

*Source: Data estimates from HIES 2010, 2016, and 2022*

### 11.2.3 Structural and Cyclical Drivers of Poverty and Inequality

The country's ongoing development trajectory has yet to fully deliver outcomes aligned with the aspirations of an equitable and democratic society. While notable progress has been made, existing institutional and structural constraints continue to reinforce a cycle of inequality. These challenges are evident in the concentration of wealth, inefficiencies in resource allocation, and limitations on the effective functioning of public institutions. This underscores the need for a comprehensive, context-specific analytical perspective to better understand the key dimensions of inequality and the processes that sustain it in Bangladesh. A nuanced assessment is essential to inform targeted and effective policy responses. Poverty and inequality in Bangladesh are significantly shaped by both structural and cyclical forces, each operating through distinct mechanisms and timeframes.

**Institutional Constraints**

Weak governance and concentration of economic influence within elite networks have contributed to unequal distributional outcomes and limited access to economic opportunities. The tax structure remains heavily dependent on indirect taxation, particularly VAT, which disproportionately affects lower-income households, while tax exemptions and evasion reduce the redistributive effectiveness of fiscal policy.

**External Shock and Economic Volatility**

Heavy dependence on the RMG sector exposes Bangladesh to export volatility and external demand shocks, while increases in imported fuel and food prices contribute to inflationary pressures and declining real incomes. In addition, the COVID-19 pandemic, global energy crisis, and climate-related disasters demonstrated how external shocks can reverse poverty reduction gains and intensify livelihood insecurity, particularly in vulnerable regions. Poor and low-income households are disproportionately affected due to limited savings, weak coping capacity, and high dependence on wage income and essential consumption.

**Macroeconomic instability and revenue constraints**

Inflation, exchange rate volatility, foreign exchange pressures, and limited fiscal space caused by macroeconomic mismanagement by the previous regime continue to constrain social protection and redistributive spending. Limited revenue mobilisation, corruption, and weak regulatory frameworks reduce the effectiveness of public expenditure and investment in essential services such as health and education.

## 11.3 Growth-Poverty Transmission Mechanism

### 11.3.1 Weakening Welfare Impact of Economic Growth

Economic growth affects household welfare mainly through labour income, prices, structural transformation, and redistribution mechanisms. Bangladesh experienced relatively strong transmission of economic growth into household welfare between 2010 and 2022, as rising consumption and income growth contributed significantly to poverty reduction. Expansion of the RMG sector, remittance inflows, and non-farm rural activities supported poverty reduction during this period. In 2022 the poverty elasticity of growth was estimated at around 0.9, suggesting that growth was relatively effective in reducing poverty.

However, evidence from 2022–2025 indicates that this relationship has notably weakened. Although GDP continues to grow, poverty and vulnerability have increased, indicating weakening inclusiveness of growth. The rise in poverty across both the upper and lower poverty thresholds, together with growing inequality, suggests that the benefits of growth are becoming more concentrated among higher-income groups.

The effectiveness of welfare transmission channels has weakened due to several structural constraints. Employment generation has become less responsive to growth, contributing to a pattern of "jobless growth." Many new jobs remain informal, low-paid, and insecure, limiting their ability to improve household welfare.

Inflation has further weakened the poverty-reducing impact of growth by eroding real incomes, particularly among low-income households. At the same time, redistribution mechanisms, including social safety nets and public spending, have not expanded sufficiently to offset rising living costs. As a result, the transmission mechanism linking growth to welfare improvement has weakened significantly in recent years.

**Table 11.10: Structural Bottlenecks in Welfare Transmission Mechanisms**

| | |
|---|---|
| **Transmission Channel** | • High labour informality weakens the transmission of productivity gains into higher incomes.<br>• Persistent inflation reduces real income gains, particularly for low-income households.<br>• Weak redistribution mechanisms limit the welfare impact of economic growth. |
| **Labour Market** | • Around 58.04 million workers remain employed in the informal sector (LFS 2024).<br>• Informal employment is characterised by low wages, insecure jobs, poor working conditions, and limited social protection.<br>• Health shocks and income insecurity increase household vulnerability to poverty. |
| **Price Channel** | • Persistent food inflation has weakened the poverty-reducing impact of growth.<br>• Rising prices of essential goods disproportionately affect poorer households.<br>• Declining purchasing power and food insecurity have increased household vulnerability. |
| **Social Protection and Government Spending** | • Targeting errors, limited coverage, and low benefit levels reduce the effectiveness of social protection programmes.<br>• Inflation has eroded the real value of transfer payments.<br>• Weak coordination and administrative inefficiencies constrain the redistributive impact of public spending. |

## 11.4 Implications of External Shocks on Poverty and Inequality

### 11.4.1 COVID-19 on Poverty and Inequality

The economic shutdown implemented to contain the spread of COVID-19 significantly disrupted business operations and overall economic activity, particularly in sectors reliant on physical interaction. As a result, informal workers experienced an abrupt halt in income-generating activities. For households dependent on daily earnings, this meant prolonged income losses and heightened financial insecurity. In addition, small, informal enterprises were especially vulnerable, as their unregistered status excluded them from targeted fiscal stimulus measures and short-term financial support. Meanwhile, the rural economy faced severe disruptions due to the suspension of transportation services, which prevented agricultural producers from accessing urban markets. Consequently, many farmers were forced to sell their produce at distressed prices, further eroding rural incomes. At the same time, the return of migrant workers added further strain to rural areas, as many returned unemployed and faced limited re-employment opportunities amid an overall economic contraction.

As incomes declined sharply, particularly among low-income groups with little to no savings, many previously non-poor households fell below the poverty line. Indeed, rapid survey evidence suggests that approximately 77 per cent of the vulnerable non-poor population slipped into poverty during the pandemic, contributing to the emergence of a "new poor" class.

### 11.4.2 Implication of the Ongoing Energy Crisis on Poverty and Inequality

The current state of the energy crisis poses a serious challenge for Bangladesh, given its high reliance on fuel imports. For households, expenses increased due to changes in energy costs. Energy is essential for basic needs such as heating, lighting, and cooking; therefore, households cannot significantly reduce their energy use even when prices increase without jeopardising their livelihoods.

Bangladesh's pre-existing vulnerabilities, such as elevated and persistent inflation, banking sector weaknesses, and an extremely low tax-to-GDP ratio, act as a multiplier for the current energy shock. As a result, rising energy prices lead to a higher share of household income being spent on energy. Low-income households face higher cost-of-living increases and reduced ability to save, whereas higher-income households retain more real income for wealth accumulation. This differential impact exacerbates income inequality and contributes to broader social issues and can ultimately push a household into poverty.

## 11.5 Strategic Framework: Vision, Mission, and Architecture

### Vision

A Bangladesh with sustained poverty reduction, reduced inequality, and inclusive economic transformation.

### Mission

All relevant ministries will collabourate over the FYSF period to promote inclusive growth and reduce inequality by ensuring equitable distribution of resources, opportunities, and outcomes. The strategy will focus on reversing rising inequality, reducing poverty, and strengthening resilience among poor and vulnerable groups so that the benefits of economic growth are broadly shared. Public institutions, together with the private sector and development partners, will support coordinated and effectively financed implementation.

### Strategic Architecture on Priorities

The FYSF is organised around six Strategic Priorities, each with defined objectives and key interventions detailed in sections below.

| | |
|---|---|
| **SP1** | Strengthening Growth-Poverty Transmission |
| **SP2** | Enhancing Labour Market Outcomes |
| **SP3** | Strengthening Social Protection Systems |
| **SP4** | Reducing Spatial Inequality |
| **SP5** | Building Resilience to Shocks and Climate Risks |
| **SP6** | Advancing Human Capital for Long-Term Poverty Reduction |

## 11.6 Priorities and Key Interventions

### SP1: Strengthening Growth-Poverty Transmission

Despite sustained GDP growth, poverty reduction in Bangladesh has slowed, indicating that recent growth has become less inclusive and less effective in improving household welfare. Three key structural

constraints- labour market informality, persistent inflation (particularly in essential food items), and weaknesses in redistribution mechanisms limit this transmission. As a result, the link between growth, poverty reduction, and inequality has weakened. Restoring this transmission mechanism is therefore essential to ensure that economic growth translates into broad-based welfare improvements.

**Objectives**

- Improve the distributional impact of economic growth, particularly for lower-income households
- Strengthen the link between growth, employment generation, and real income gains
- Enhance the effectiveness of key transmission channels, including labour markets, prices, and social protection systems

**Key Interventions**

- **Labour market reforms:** Promote formalisation, improve job quality, and enhance wage growth through better enforcement of labour standards and expansion of social protection
- **Productivity enhancement:** Support sectoral transformation towards higher-productivity activities, particularly in manufacturing and services, and improve skills development aligned with market demand
- **Inflation and cost-of-living management:** Strengthen market monitoring, improve supply chain efficiency, and stabilise prices of essential commodities
- **Targeted social protection expansion:** Improve coverage, adequacy, and targeting of safety net programmes to protect vulnerable populations and support income stability
- **Support for vulnerable workers:** Introduce income support and risk mitigation mechanisms for informal workers, including health protection and unemployment support. Any overlapping will be avoided
- **Strengthening data and monitoring systems:** Improve real-time tracking of labour market outcomes, prices, and household welfare to enable responsive policy interventions
- **Mid-term poverty assessment between two HIES surveys:** BBS should make a rapid poverty assessment in between two HIES surveys

### SP2: Enhancing Labour Market Outcomes

Bangladesh's labour market is dominated by low-productivity and informal employment, with a large share of workers engaged in agriculture and informal low-wage activities, particularly women in rural areas. Limited participation in industry and services, along with low human capital and skills deficits, constrains productivity and upward mobility. High informality is characterised by low wages, job insecurity, and lack of social protection, reinforcing intergenerational poverty. Rapid rural-to-urban migration has increased labour supply in urban areas, but job creation in productive sectors has not kept pace, leading to absorption in low-quality informal employment and declining real wages. These structural weaknesses limit decent job creation and weaken the labour income channel for poverty reduction.

**Objectives**

- Increase the share of employment in high-productivity sectors (industry and services)
- Improve job quality, wages, and working conditions, particularly for informal workers
- Enhance labour market inclusiveness, with a focus on gender equity

- Strengthen human capital and skills to support structural transformation
- Improve labour market absorption capacity in urban areas

**Key Initiatives**

- **Promote formalisation of employment:** Introduce incentives for SMEs and enterprises to formalise, including simplified registration, tax incentives, and access to finance
- **Enhance skills development systems:** Align technical and vocational education and training (TVET) with industry demand, with targeted programmes for youth and women
- **Support sectoral transformation:** Encourage investment in labour-intensive manufacturing and modern services to generate higher-productivity jobs
- **Strengthen labour standards and protections:** Improve enforcement of minimum wages, occupational safety, and worker rights, including in informal sectors
- **Facilitate rural–urban economic integration:** Develop secondary cities and regional growth hubs to better absorb migrant labour and reduce pressure on major urban centres
- **Promote female labour force participation:** Address barriers to women's employment through childcare support, safe transport, and workplace policies
- **Expand social protection for informal workers:** Introduce portable and inclusive social protection mechanisms (health insurance, income support)
- **Strengthen labour market information systems:** Improve data on employment, wages, and skills demand to support evidence-based policymaking

### SP3: Strengthening Social Safety Net Programme (SSNPs)

Bangladesh's SSNPs face significant challenges in terms of coverage, targeting, efficiency, and resource allocation. These challenges limit the effectiveness of social protection programmes as a redistribution mechanism and as a support for poverty reduction, particularly amid rising vulnerability and economic shocks. Strengthening social protection systems is critical to improving redistribution and enhancing resilience to economic and climate-related shocks.

**Objectives**

- Improve targeting accuracy to ensure benefits reach poor and vulnerable populations
- Enhance adequacy and coverage of social protection programmes
- Strengthen shock-responsiveness to support households during economic and climate shocks
- Reduce leakages and improve transparency and accountability in programme delivery
- Streamline and rationalise social protection programmes for greater efficiency

**Key Initiatives**

- **Improve targeting mechanisms:** Develop and implement a unified national social registry using updated household data to reduce inclusion and exclusion errors
- **Rationalise SSNP portfolio:** Consolidate overlapping programmes across ministries to improve efficiency, coordination, and monitoring
- **Reprioritise budget allocation:** Increase the share of resources directed specifically toward poor and vulnerable groups by separating pensions, subsidies, and interest payments from core social protection spending

- **Enhance benefit adequacy:** Adjust transfer sizes in line with inflation and cost-of-living changes to maintain real value
- **Outcome-based monitoring indicators:** Introduce outcome-based monitoring indicators, such as Poverty Exit Rate and Household Income Growth, to measure actual poverty reduction impacts.
- **Expand coverage for urban poor and informal workers** : Expand social protection coverage for urban poor and informal workers who are often excluded from existing programmes.
- **Strengthen shock-responsive systems:** Introduce scalable and adaptive social protection mechanisms linked to early warning systems for economic and climate shocks
- **Digitise delivery systems:** Expand digital payments and reduce intermediary discretion to minimise leakages and improve transparency
- **Strengthen monitoring and accountability:** Establish robust grievance redress mechanisms and independent audits to improve programme integrity
- **Expand coverage of vulnerable groups:** Include informal workers, urban poor, and climate-affected populations within social protection frameworks

### SP4: Reducing Spatial Inequality

Bangladesh exhibits significant and persistent regional disparities in poverty, economic opportunities, and access to services, driven by uneven access to employment, infrastructure, quality education, and market connectivity. Regions with stronger economic bases and better connectivity to growth centres have progressed more rapidly, while lagging regions remain constrained by limited structural transformation, weak spillovers from national economic expansion, and poor connectivity to growth centres. Climate vulnerability further exacerbates these inequalities, as regions more exposed to floods, droughts, and other hazards experience slower recovery and higher levels of persistent poverty, which are further reinforced by migration dynamics. Addressing these spatial inequalities is therefore critical to ensuring balanced regional development and strengthening the inclusiveness of growth.

**Objectives**

- Reduce regional disparities in poverty and access to economic opportunities
- Strengthen connectivity between lagging regions and growth centres
- Promote balanced regional development and structural transformation
- Enhance climate resilience and adaptive capacity in vulnerable regions
- Improve access to quality public services across regions

**Key Initiatives**

- **Targeted regional development programmes:** Design and implement place-based strategies focused on lagging regions.
- **Infrastructure and connectivity investment:** Expand transport, digital, and market infrastructure to improve integration with economic hubs
- **Development of secondary cities and growth centres:** Promote decentralised urbanisation to reduce pressure on major cities and create regional economic hubs
- **Strengthen rural–urban linkages:** Improve value chains, logistics, and market access to enable spillover effects from urban growth
- **Promote local economic development:** Support SMEs, agro-processing, and region-specific industries to generate local employment

- **Climate-resilient investments:** Strengthen disaster preparedness, climate adaptation, and resilient infrastructure in vulnerable regions
- **Improve access to public services:** Expand quality education, healthcare, and social protection coverage in underserved areas
- **Data-driven regional planning:** Develop granular, region-specific data systems to inform targeted policy interventions
- **Strengthen Micro-credit Programmes:** Traditional Micro-credit programmes should be transformed into digital microfinance system and target employment generation.
- **Updating the Multidimensional Poverty Index:** Update the Multidimensional Poverty Index with newly available dataset in a regular basis to report on the regional disparities in a multidimensional perspective.

### SP5: Building Resilience to Shocks

Bangladesh is highly vulnerable to climate-related and economic shocks, which pose significant risks to poverty reduction and long-term welfare. The impact of shocks operates less through immediate asset losses and more through their effects on income, consumption, and coping capacity, with disasters disrupting labour income and reducing productivity over extended periods. Poor households, relying more heavily on vulnerable assets with limited savings or credit access, and sustained inflationary pressures erode real incomes and force households into adverse coping strategies such as reducing food quality or cutting spending on health and education, with long-term implications for human capital. Vulnerability is further concentrated among low-income and rural households, coastal and climate-exposed communities, and informal workers with limited access to financial and social protection mechanisms. Strengthening resilience therefore requires addressing both immediate vulnerabilities and underlying structural constraints, including income instability, weak social protection, limited financial inclusion, and inadequate infrastructure.

#### Objectives

- Reduce vulnerability of households to climate, economic, and energy-related shocks
- Strengthen adaptive capacity and resilience of high-risk populations
- Protect real incomes and consumption during inflationary periods
- Enhance recovery mechanisms to prevent long-term welfare losses
- Integrate resilience-building into broader development and poverty reduction strategies

#### Key Initiatives

- **Climate adaptation and resilient infrastructure:** Invest in flood control, cyclone protection, climate-resilient housing, and sustainable natural resource management
- **Shock-responsive social protection:** Develop scalable safety net systems linked to early warning mechanisms for rapid response to disasters and economic shocks
- **Inflation mitigation measures:** Strengthen food supply chains, improve market monitoring, and stabilise prices of essential commodities
- **Livelihood diversification:** Promote income diversification strategies, particularly in climate-vulnerable and rural areas, including non-farm employment opportunities
- **Financial inclusion and risk management:** Expand access to savings instruments, microcredit, insurance, and remittance channels to improve household shock absorption capacity

- **Early warning and preparedness systems: Strengthen disaster forecasting, communication** systems, and community-level preparedness training
- **Post-disaster recovery support:** Provide targeted support for asset rebuilding, livelihood restoration, and access to credit
- **Women-Centred Resilience Interventions:** Strengthen Women-Centred Resilience Interventions by enhancing women's access to livelihoods, financial services, and entrepreneurship opportunities.
- **Energy security and price stability:** Improve energy supply management and reduce vulnerability to global energy price shocks
- **Targeted support for high-risk groups:** Prioritise interventions for coastal communities, informal workers, women-headed households, and other vulnerable populations

### SP6: Advancing Human Capital

Strengthening human capital is essential to enhancing productivity, enabling structural transformation, and ensuring sustained, inclusive poverty reduction. Human capital formation in Bangladesh is central not only to increasing income but also to ensuring sustained poverty reduction and resilience to shocks. Underinvestment in education and health, combined with quality gaps and high out-of-pocket healthcare costs, limits human capital development and perpetuates intergenerational poverty.

Addressing these challenges requires a comprehensive approach to strengthening human capital systems, ensuring that investments in education and health translate into improved productivity, resilience, and sustained poverty reduction.

**Objectives**

- Improve access to and completion of secondary and higher secondary education
- Enhance the quality and labour market relevance of education and skills
- Reduce financial barriers to healthcare and improve health outcomes
- Strengthen the link between human capital and productive employment
- Break intergenerational cycles of poverty through integrated education and health interventions

**Key Interventions**

- **Increase public investment in education:** Gradually raise education spending towards national targets, with a focus on secondary and technical education
- **Reduce dropout rates:** Introduce targeted stipends, conditional cash transfers, and school feeding programmes to support continued education, especially for vulnerable groups
- **Improve education quality:** Strengthen teacher training, curriculum reform, and assessment systems to ensure the acquisition of cognitive and technical skills
- **Expand technical and vocational education (TVET):** Align skills development programmes with industry demand to improve employability
- **Strengthen school-to-work transition:** Promote internships, apprenticeships, and partnerships between educational institutions and industries
- **Reduce out-of-pocket healthcare costs:** Expand publicly funded healthcare services and introduce risk-pooling mechanisms such as health insurance
- **Increase health sector investment:** Improve healthcare infrastructure, workforce capacity, and service quality, particularly in underserved areas
- **Promote preventive healthcare and nutrition:** Strengthen maternal and child health programmes to support early-life human capital development

- **Integrate education and health interventions:** Design programmes that jointly address school attendance, nutrition, and healthcare access
- **Target vulnerable households:** Provide combined education and health support to low-income families to prevent intergenerational poverty transmission

## 11.7 Policy Matrix

The policy matrix outlines policy interventions under the strategic priorities, structured around the 3R framework: Recovery and Stabilisation (1 year), Restoration (1-3 years), and Reconstruction and Acceleration (3- 5 years). These policies explain how the objectives of the election manifesto will be achieved, with a focus on maintaining macroeconomic stability, promoting investment-led growth, revitalising the rural economy, generating sustainable employment, and reaching a trillion-dollar economy by 2034, while simultaneously reducing inequality and poverty.

**Table 11.11: Policy Matrix**

| Strategic Priorities | Strategic Actions | Lead Ministry |
|---|---|---|
| SP1: Strengthening Growth–Poverty Transmission | • Improve the distributional impact of economic growth, particularly for lower-income households<br>• Strengthen the link between growth, employment generation, and real income gains<br>• Enhance the effectiveness of key transmission channels, including labour markets, prices, and social protection systems<br>• Avoid any overlapping | • Ministry of Social Welfare<br>• Finance Division<br>• General Economics Division |
| SP2: Enhancing Labour Market Outcomes Enhancing Labour Market Outcomes | • Increase the share of employment in high-productivity sectors (industry and services)<br>• Improve job quality, wages, and working conditions, particularly for informal workers<br>• Enhance labour market inclusiveness, with a focus on gender equity<br>• Strengthen human capital and skills to support structural transformation<br>• Improve labour market absorption capacity in urban areas<br>• Design Micro-credit programmes targeting employment generation | • Ministry of Social Welfare<br>• Finance Division<br>• Ministry of Labour and Employment<br>• Ministry of Education |
| SP3: Strengthening Social Protection Systems | • Improve targeting accuracy to ensure benefits reach poor and vulnerable populations<br>• Enhance adequacy and coverage of social protection programmes<br>• Strengthen shock-responsiveness to support households during economic and climate shocks<br>• Reduce leakages and improve transparency and accountability in programme delivery<br>• Streamline and rationalise social protection programmes for greater efficiency | • Ministry of Social Welfare<br>• Local Government Division<br>• Law and Justice Division<br>• GED<br>• Cabinet Division<br>• Finance Division |

| Strategic Priorities | Strategic Actions | Lead Ministry |
|---|---|---|
| SP4: Reducing Spatial Inequality | • Reduce regional disparities in poverty and access to economic opportunities<br>• Strengthen connectivity between lagging regions and growth centres<br>• Promote balanced regional development and structural transformation<br>• Enhance climate resilience and adaptive capacity in vulnerable regions<br>• Improve access to quality public services across regions<br>• Update the Multidimensional Poverty Index periodically. | • Ministry of Social Welfare<br>• Local Government Division<br>• Ministry of Education<br>• Ministry of Health and Family Welfare<br>• Health Services Division<br>• GED & BBS |
| SP5: Building Resilience to Shocks | • Reduce vulnerability of households to climate, economic, and energy-related shocks<br>• Strengthen adaptive capacity and resilience of high-risk populations<br>• Protect real incomes and consumption during inflationary periods<br>• Enhance recovery mechanisms to prevent long-term welfare losses<br>• Integrate resilience-building into broader development and poverty reduction strategies | • Ministry of Social Welfare<br>• Local Government Division<br>• General Economics Division<br>• Finance Division |
| SP6: Advancing Human Capital for Long-Term Poverty Reduction | • Improve access to and completion of secondary and higher secondary education<br>• Enhance the quality and labour market relevance of education and skills<br>• Reduce financial barriers to healthcare and improve health outcomes<br>• Strengthen the link between human capital and productive employment<br>• Break intergenerational cycles of poverty through integrated education and health interventions | • Ministry of Education<br>• Health Services Division<br>• Ministry of Social Welfare<br>• Local Government Division<br>• Planning Division |

## 11.8 Monitoring and Evaluation Framework with Key Indicators

### Table 11.12: Monitoring and evaluation framework with key indicators

| Indicator | Target by FY 2031 | Measurement Frequency |
|---|---|---|
| **A. Impact Indicators — Long-Term Population-Level Outcomes** | | |
| National poverty headcount ratio (UPL) | Significant reduction in poverty (17%) | Every 3 years |
| Extreme poverty headcount ratio (LPL) | Near elimination of extreme poverty (5%) | Every 3 years |
| Gini coefficient (consumption inequality) | Meaningful reduction reflecting more equitable distribution (.45%) | Every 3 years |
| Net primary school enrolment rate | Universal enrolment sustained | Annual |
| Primary school dropout rate | Substantial reduction, especially in remote and char areas | Annual |
| **B. Outcome Indicators — Medium-Term System Performance** | | |
| Social protection beneficiaries covered (all programmes) | Significantly expanded coverage reaching more vulnerable households | Annual |

| Indicator | Target by FY 2031 | Measurement Frequency |
|---|---|---|
| Old Age and Widow Allowance monthly rate | Substantially increased and regularly indexed to inflation | Annual |
| Beneficiaries receiving payments through digital platforms | Near-universal digital payment adoption | Annual |
| Persons with disabilities registered and receiving targeted support | Substantially increased registration and support coverage | Annual |
| Urban poor households covered by social protection | The majority of urban poor households are covered | Annual |
| Out-of-pocket health expenditure as a share of total health spending | Meaningful reduction toward 50% through expanded primary care | Every 2 years |
| **C. Input and Process Indicators — Resources and System Readiness** | | |
| Social protection programmes linked to a unified national social registry | The majority of programmes are integrated into a unified registry | Annual |
| Upazila-level social protection MIS systems operational | All upazilas covered | Annual |
| Community-based beneficiary identification committees operational | Nationwide coverage across all union parishads | Annual |
| Real-time audit coverage of social protection expenditures | Near-complete audit coverage of all social protection spending | Annual |
| TVET enrolments in poverty-affected and backward regions | Substantially increased enrolment aligned with local labour demand | Annual |
| **D. Sector-Specific Financing Indicators** | | |
| Social protection expenditure as % of GDP | Increased allocation reflecting expanded programme coverage | Annual |
| Education sector expenditure as % of GDP | Increased toward the regional benchmark of 5% | Annual |
| Health sector expenditure as % of GDP | Increased to support primary healthcare expansion (5% of GDP) | Annual |
| Share of social protection budget reaching intended beneficiaries | Substantially improved through digital payments and audit reforms | Every 2 years |

## 11.9 Implementation Arrangements, Risks and Governance

### Table 11.13: Implementation risks and mitigation measures

| Risk Area | Risk Level (Probability / Impact) | Mitigation Strategy (Policy-Oriented) |
|---|---|---|
| Fiscal space constraints limiting public investment in social protection, human capital, and infrastructure | High / High | Prioritise high-impact, pro-poor expenditure allocation; strengthen domestic revenue mobilisation and tax administration reforms; Improve allocative and operational efficiency of public spending; Leverage concessional financing, PPPs, and development partner support |

| Risk Area | Risk Level (Probability / Impact) | Mitigation Strategy (Policy-Oriented) |
|---|---|---|
| Human resource and institutional capacity constraints in key service delivery sectors (education, health, administration) | High / High | Scale up structured capacity development and professional training programmes; Strengthen institutional systems and service delivery architecture; Deploy digital governance tools to complement workforce gaps- Introduce incentive mechanisms for deployment in underserved and hard-to-reach areas |
| Climate variability and disaster risks undermining development outcomes and increasing fiscal pressure | High / High | Mainstream climate resilience across all sectoral plans and investments- Strengthen early warning systems and disaster preparedness mechanisms; Expand shock-responsive and adaptive social protection systems- Establish dedicated contingency and resilience financing mechanisms |
| Weak inter-agency coordination and fragmented implementation across ministries and programmes | High/ Medium | Strengthen whole-of-government coordination mechanisms and inter-ministerial platforms- Rationalise overlapping programmes and improve policy coherence- Enhance monitoring, evaluation, and accountability systems- Promote integrated and results-based planning frameworks |
| Political transitions and policy discontinuity affecting reform implementation and sustainability | Medium/ High | Build broad-based consensus on key reforms across stakeholders; Institutionalise core policies through legal and regulatory frameworks; Strengthen inclusive stakeholder engagement and ownership; Ensure administrative continuity through professional civil service systems |
| Data gaps and weak statistical systems limiting evidence-based planning, targeting, and monitoring | High/ Medium | Strengthen national statistical systems and administrative data infrastructure Expand social registry and integrated data platforms; Improve frequency and quality of household and labour force surveys- Promote inter-agency data sharing and digital analytics for real-time monitoring |
| Implementation inefficiencies, leakage, and governance risks affecting programme effectiveness | Medium/ High | Expand digitalisation of service delivery and direct benefit transfer systems; Strengthen transparency, audit, and compliance mechanisms; Establish robust grievance redress and citizen feedback systems; Improve targeting accuracy through data-driven identification systems |

# CHAPTER 12

# TOWARDS UNIVERSAL SOCIAL PROTECTION: SOCIAL SECURITY AND SOCIAL INCLUSION

## 12.1 Introduction

Social protection is a core component of Bangladesh's inclusive and resilient development agenda under the Five-Year Strategic Framework (FYSF) FY2026-27–2030-31. It has a direct bearing on poverty reduction, vulnerability management, protection across different stages of life, labour-market resilience, social cohesion and the ability of households to cope with economic, health, employment, climate-related and demographic risks. Bangladesh enters the FYSF period at a time when the immediate challenge of restoring macroeconomic stability amid sustained inflationary pressure is interacting with longer-standing structural transitions and emerging external risks, including rapid urbanisation, demographic transition, weaknesses in employment, rising exposure to climate shocks, and concerns over external competitiveness linked to impending LDC graduation.

Bangladesh already has a large social protection portfolio, but its effectiveness has been constrained by the absence of a sufficiently strong poverty and vulnerability focus. Many programmes are organised around categorical or programme-specific eligibility criteria, such as age, widowhood, disability, student status or occupational characteristics, rather than a comprehensive assessment of household-level poverty and vulnerability. Recent analytical work highlights this structural gap, noting that a large share of poor and vulnerable households remain outside social protection coverage, while many beneficiaries are not poor or vulnerable. This weakens the poverty-reducing impact of public spending and underscores the need to re-anchor social protection around its core functions.

The National Social Security Strategy (NSSS), adopted in 2015, for implementation up to June 2026, provides the immediate policy foundation for the next stage of reform. As the NSSS implementation period comes to a close, this is an opportune moment to assess the lessons of the past decade and design a more efficient, fit-for-purpose, agile and modern social protection compact for the next phase. The task is to draw lessons from the NSSS experience and use them to design a more credible, results-oriented and accountable reform framework for the next phase.

Several reform priorities identified during the NSSS period remain unfinished and now require stronger implementation discipline under the next strategic framework. Programme consolidation and harmonisation have proceeded slowly, leaving limited resources spread across many small and overlapping schemes. Beneficiary information systems and the planned social registry have not yet become fully operational. Targeting errors and low benefit adequacy continue to reduce programme impact, and benefit values have often been eroded by inflation. Urban social protection remains underdeveloped despite rapid urbanisation. Adaptive and climate-responsive social protection has not yet been mainstreamed across major programmes. The lack of progress on social insurance has also left a large missing-middle in the social protection architecture: an overwhelming proportion of Bangladesh's workers remain exposed to job-related and income-security risks, despite the expectation that employment injury, maternity, sickness and unemployment risks would gradually be addressed

through contributory social insurance mechanisms. These gaps provide important lessons for designing a more focused, accountable and fiscally credible reform framework for the next phase.

Bangladesh has a timely opportunity to strengthen its social protection system through a more inclusive, efficient, and fiscally sustainable reform agenda. As the country advances towards upper-middle-income status and responds to evolving demographic, economic, and climate-related challenges, social protection must play a more strategic role in reducing vulnerability, promoting human capital development, supporting productive employment, and strengthen-ing resilience. These national development priorities provide a strong and enduring policy foundation for advancing comprehensive social protection reforms.

The Five-Year Strategic Framework therefore sets out a phased and institutionally grounded pathway for strengthening Bangladesh's social protection system. The framework prioritises improved lifecycle-based social protection, enhanced support for poor and vulnerable popula-tions, gradual expansion of social insurance mechanisms, stronger institutional coordination, and more efficient service delivery. At the same time, it recognises the need to balance reform ambitions with fiscal sustainability, administrative capacity, and implementation readiness to ensure that proposed measures remain practical, affordable, and sustainable over the medi-um term.

This chapter sets out a five-year strategy for strengthening Bangladesh's social protection system during FY2026-27–2030-31. It assesses the current system and its key gaps; identifies reform priorities for poverty and vulnerability reduction, protection against major risks at different stages of life; development of contributory social insurance for workers; and mechanisms for responding to economic, climate-related and other shocks; and proposes a sequenced agenda for programme consolidation, financing, institutional coordination, delivery systems, accountability and monitoring. The central objective is to move towards a coherent, poverty-focused, lifecycle-based and shock-responsive social protection compact that protects development gains, strengthens household resilience and supports a more inclusive development pathway.

## 12.2 The State of Social Protection in Bangladesh: Areas of Progress and Key Challenges Facing the System

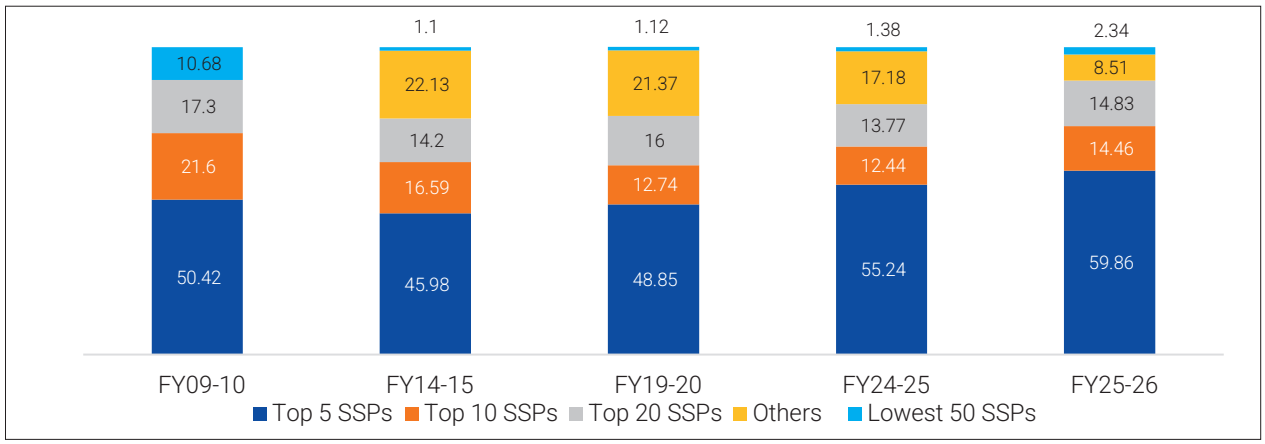
### Table 12.1: Areas of Progress and Key Challenges

| Areas of Progress | Key Challenges |
|---|---|
| **Coverage expansion**<br>• Old Age Allowance grew from 4.0 million (FY2018–19) to 6.1 million beneficiaries (FY2025–26).<br>• Widow Allowance rose from 1.4 million to 2.9 million recipients.<br>• Mother and Child Benefit Programme increased from under 1 million to 1.8 million beneficiaries.<br>• Disability Benefit Programme expanded from 1.1 million to 3.5 million beneficiaries.<br>• Over 37% of households received transfers from at least one programme (HIES 2022 | • Periodically review and update the coverage, eligibility criteria, and beneficiary selection mechanisms of major social protection programmes to improve equity, inclusion, and fiscal sustainability<br>• Expand coverage through evidence-based targeting of poor and vulnerable populations using integrated beneficiary information systems. |

| Areas of Progress | Key Challenges |
|---|---|
| | **Low Genuine social protection spending**<br>• Reported spending is overstated by including agricultural subsidies and infrastructure projects.<br>• Genuine spending is only 0.9 per cent of GDP, far below the South Asian average of 3.8 per cent.<br>**Allocations spread thinly**<br>• Resources are dispersed across 95 schemes, many too small for meaningful impact.<br>• The smallest 50 schemes receive only 2.11 per cent of the total budget.<br>**Slow Programme Consolidation**<br>• The system remains administratively dispersed across many ministries and agencies.<br>• Ministries often retain programme ownership for budgetary authority and institutional mandates. |
| **Benefit level revisions**<br>• Monthly Old Age Allowance and Widow Allowance increased from BDT 500 to BDT 700.<br>• MCBP increased from BDT 800 to BDT 850; Disability Allowance from BDT 700 to BDT 1000.<br>**Digital delivery systems**<br>• Single Registry MIS established for major cash-based flagship programmes.<br>• Over 80% of beneficiaries integrated into the system.<br>• Social Protection Budget Management Unit MIS developed, linking NID data with payment accounts.<br>• Shift towards digital G2P payments, including MFS. | • Periodically review and adjust benefit levels across major social protection programmes, taking into account inflation, cost of living, poverty trends, and fiscal sustainability.<br>• Establish a transparent mechanism for the periodic review and adjustment of benefit levels based on objectives and economic indicators.<br>**Absence of poverty- and vulnerability-based targeting**<br>• Schemes rely on categorical or administrative criteria like age or occupation instead of household poverty.<br>• 62.8 per cent of current beneficiaries are neither poor nor vulnerable.<br>• Strengthen and expand the National Single Registry, integrated Management Information Systems (MIS), and Government-to-Person (G2P) digital payment systems.<br>• Improve interoperability among beneficiary databases, payment systems, and programme management platforms to enhance efficiency, transparency, and accountability. |
| | **High Targeting Errors**<br>• System-level exclusion errors reached 67.1 per cent in 2022.<br>• The exclusion error for the Widow Allowance is estimated at 85 per cent.<br>**Low Benefit Adequacy**<br>• Monthly transfers represent only 2 to 3 per cent of per capita GNI.<br>• Lack of inflation indexation erodes the real value of benefits over time. |

| Areas of Progress | Key Challenges |
|---|---|
| **Administrative efficiency**<br>• Survival verification introduced for Old Age Allowance beneficiaries in 2023; now institutionalised.<br>• Beneficiary verification initiated in several other programmes.<br>**Programme consolidation**<br>• Stipend programmes consolidated.<br>• Urban Maternity Allowance and Rural Lactating Mother Allowance merged into MCBP.<br>• Four livelihood schemes for marginalised groups brought under single consolidated programmes.<br>• Overlapping disability programmes rationalised.<br>**Worker protection**<br>• Employment Injury Scheme (EIS) pilot launched in June 2022 in the RMG Sector.<br>• Pilot expanded to footwear, leather goods and EPZ sectors.<br>• SSU established, legal provisions for EIS Fund enacted. | • Strengthen beneficiary verification, periodic recertification, monitoring, evaluation, and programme oversight through digital technologies and risk-based management systems.<br>**Urban Protection Gap**<br>• Only 23 of 140 schemes target urban populations.<br>• Urban programmes account for just 4 per cent of total spending despite rising urban poverty.<br>• Review, rationalise, and consolidate overlapping programmes to improve efficiency, reduce administrative fragmentation, and maximise development impact.<br>• Promote integrated programme planning and coordinated implementation across ministries and agencies<br>**Missing Worker Protection**<br>• Near absence of social insurance for workers in the informal sector.<br>• Unemployment, maternity, and sickness insurance remain at the conceptual or preparatory stage.<br>• Gradually expand employment injury protection and social insurance coverage to priority sectors through a phased implementation approach.<br>• Strengthen the institutional, legal, and financing framework for sustainable worker protection systems. |
| | **Weak Climate-Adaptive Systems**<br>• Many programmes function as routine transfers rather than adaptive, shock-responsive instruments.<br>• Only 26 programmes directly target climate-affected populations.<br>**Institutional Capacity Constraints**<br>• Implementation is hindered by weak inter-ministerial coordination and frequent official transfers.<br>• Continued reliance on development partners for technical assistance and analytical support. |

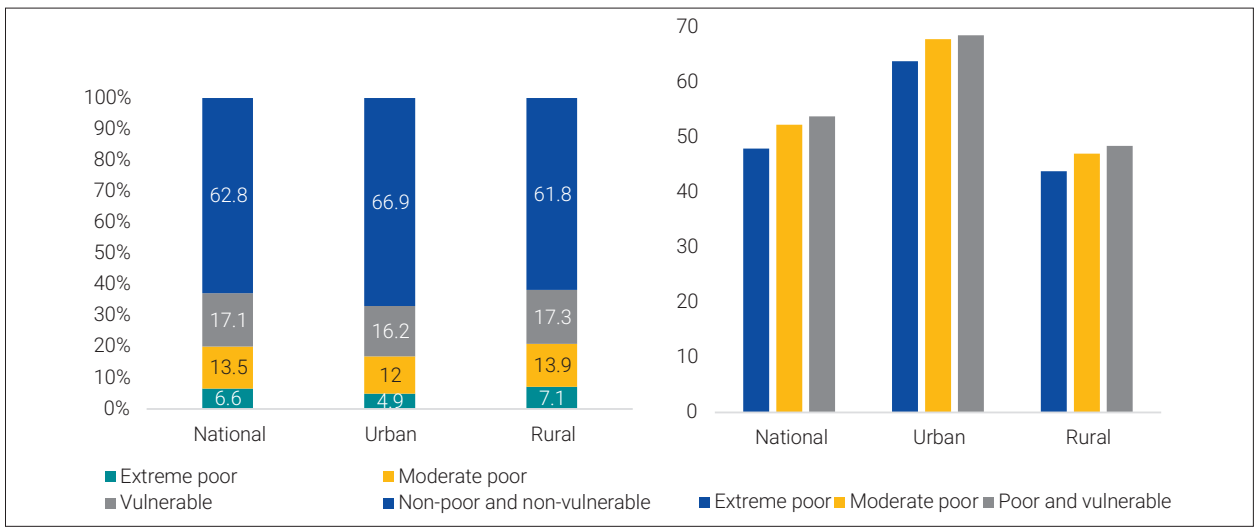
### Figure 12.1: Allocation of social protection Programmes by size (%)




*Source: GED's analysis based on data from the Finance Division, Ministry of Finance.*

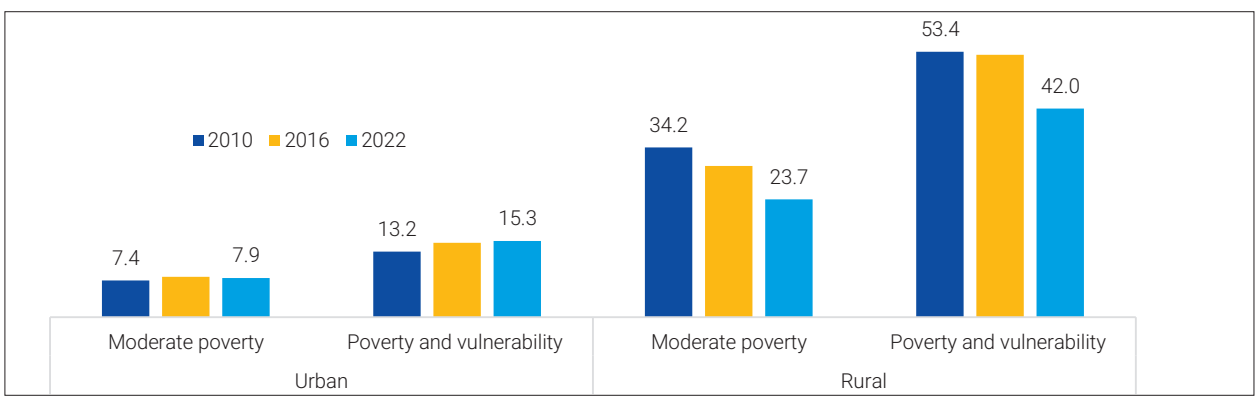
### Figure 12.2: Households with any social protection coverage, by poverty status (%), 2022

### Figure12.3: Poor and vulnerble households not covered by any social protection schemes (%)




*Source: GED's analysis based on HIES 2022 data.*

### Figure 12.4: Number of poor and vulnerable people in urban and rural areas (million)




*Source: GED's analysis based on HIES 2022 and Population and Housing Census 2022 data.*

## 12.3 Strategic Framework – Vision, Mission and Architecture

### Vision

To build an inclusive, adaptive and progressively universal social protection system that protects citizens against poverty, vulnerability and lifecycle risks, reduces inequality, and strengthens resilience to economic, employment, health, demographic and climate-related shocks.

### Mission

The mission is to guide the transition from a fragmented safety-net system towards a coherent, rights-based and better-financed social protection architecture. Over the next five years, the framework will promote a progressive pathway towards universal social protection within clearly defined priority categories, supported by stronger institutional capacity and a gradual increase in genuine social protection spending to reach 3 per cent of GDP by FY2028 subject to domestic revenue generation.

### Strategic Architecture

The FYSF identifies seven strategic priorities for building a more coherent, inclusive and adaptive social protection system over the next five years.

| | |
|---|---|
| SP1 | Advance Progressive Universalisation within Priority Categories |
| SP2 | Establish and Expand the Family Card as a Core Household-Level Instrument for Tackling Poverty and Vulnerability |
| SP3 | Strengthen Core Lifecycle and Categorical Programmes |
| SP4 | Develop Social Insurance-Based Worker Protection |
| SP5 | Rationalise and Consolidate the Programme Portfolio |
| SP6 | Build Shock-Responsive and Climate-Adaptive Social Protection |
| SP7 | Strengthen Delivery Systems, Governance and Accountability |

The architecture will be guided by three cross-cutting principles:

1. ***Inclusive and rights-oriented*:** Ensures that poor, vulnerable, and socially excluded citizens are not left behind.
2. ***Adaptive:*** Capable of expanding or adjusting support in response to economic, health, and climate-related shocks.
3. ***Fiscally credible:*** Focuses on improved budget classification, genuine social protection spending, and stronger value for money.

## 12.4 Strategic Priorities

### SP1: Advance Progressive Universalisation within Priority Categories

The FYSF will support a progressive pathway towards universal social protection within clearly defined categories of need and risk. In the immediate term, priority will be given to poor and vulnerable households, older persons, mothers and children, persons with disabilities, socially excluded groups, and households exposed to severe climate, health, employment or economic shocks.

**Key Interventions:**

- **Strategic Objective:** Establish a nationally guaranteed social protection floor prioritising poor, vulnerable, and socially excluded citizens.
- **Phased Expansion:** Use categorical eligibility to define groups while using poverty and vulnerability criteria to sequence expansion where fiscal resources are limited.

- **Investment Target:** Increase genuine social protection spending to reach 3 per cent of GDP by FY2028.

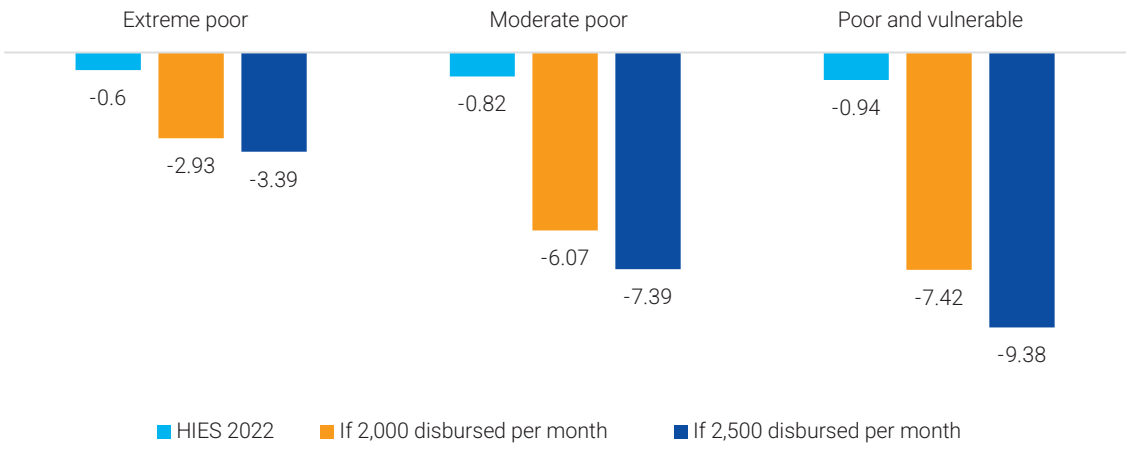
### SP2: Establish and Expand the Family Card as a Core Household-Level Instrument for Tackling Poverty and Vulnerability

The Family Card will be developed as a flagship household-level instrument for identifying and supporting marginal, low-income and vulnerable families. It should serve as an entry point for linking eligible households with relevant social protection benefits and complementary services, rather than operating as an isolated scheme. Issuing the card in the name of a female household member can also strengthen women's access to benefits and support their role in household welfare decisions.

**Key Interventions**

- **National Rollout:** Expand from the 2025–26 pilot to reach, 41 lakh households in FY2026-27, 2.0 crore in FY2028 and 4 crore households by FY2031.
- **Benefit Design:** Set transfer levels at Tk. 2,500 per month, issued preferably to the mother or female household head.
- **Targeted Consolidation:** Review and merge overlapping schemes (e.g., VWB, Food Friendly Programme) into the Family Card.
- **Data Integration:** Link beneficiary data with the Dynamic Social Registry and G2P payment systems.

*Figure 12.5 Potential poverty impact of Family Card ( percentage points reduction from the baseline)*




### SP3: Strengthen Core Lifecycle and Categorical Programmes

This priority area focuses on improving coverage, adequacy, coherence and inclusion, rather than simply increasing the number of programmes. Priority should be given to programmes with a clear poverty-reduction, vulnerability-reduction or lifecycle protection function, with regular review of benefit levels and stronger mechanisms for reaching eligible beneficiaries.

**Key Interventions:**

- **Child and Adolescent Social Protection:** Expand the Mother and Child Benefit Programme (MCBP) to all eligible mothers and children (aged 0–4); maintain universal primary stipends and expand harmonised secondary stipends.

- **Unemployment allowance:** Provide educated young men and women with a special financial allowance for 6 months up to a maximum of 1 year—or until they become employed (whichever happens first)
- **Widow Allowance and Employment-Linked Protection:** Consolidate workfare (EGPP, Food for Work) and extend the Widow Allowance to City Corporation areas.
- **Old Age and Elderly Protection:** Progressively universalise the Old Age Allowance and introduce a higher benefit for persons aged 90 and above.
- **Universal Pension Scheme (UPS):** Review and reform the UPS to make it a more attractive, sustainable, and credible instrument with tripartite oversight.
- **Social Protection for Persons with Disabilities:** Move toward universal coverage with simplified enrollment and expand complementary care services
- **Support for Marginalised Communities:** Cover marginalised households under the Family Card while maintaining group-specific services
- **Urban Social Protection:** Mainstream urban coverage for all flagship programmes and improve Open Market Sales (OMS) access
- **Freedom Fighters (FF), July Martyrs, and July-Injured Persons:** Consolidate FF benefits and provide medical/cash support to martyrs' families and the injured.

### SP4: Develop Social Insurance-Based Worker Protection

Establishes a clearer pathway for developing social insurance-based protection for workers. Given Bangladesh's limited fiscal space, contributory social insurance is essential for protecting workers against labour-market risks without relying solely on tax-financed transfers. The approach should be phased, beginning with formal-sector workers and gradually developing mechanisms for extending protection to informal and vulnerable workers.

**Key Interventions:**

- **Employment Injury Scheme (EIS):** Transition from pilot to a statutory national system with an enacted EIS law.
- **Employment for marginalised groups:** Introduce targeted employment programmes for rural illiterate people, homemakers, the elderly, and the long-term unemployed, including duck and poultry rearing, livestock, handicrafts, cottage industries, small business, computer and digital skills training, along with low-cost microcredit and equipment support.
- **Support for the informal economy:** Ensure safe working conditions, social protection, healthcare, and fair wages for rickshaw pullers, day labourers, hawkers, sidewalk vendors, transport workers, security guards, Harijon communities, and all others working in the informal sector and the private sector. Provide training through public and private initiatives to expand opportunities for daily income.
- **Social Insurance Expansion:** Prepare the legal and actuarial foundations for unemployment, maternity, and sickness insurance.
- **National Workers' Database:** Develop a registration and tracking system for contribution portability linked to NID.
- **Institutional Framework:** Strengthen the Social Security Unit (SSU) and prepare a comprehensive NSIS Act.

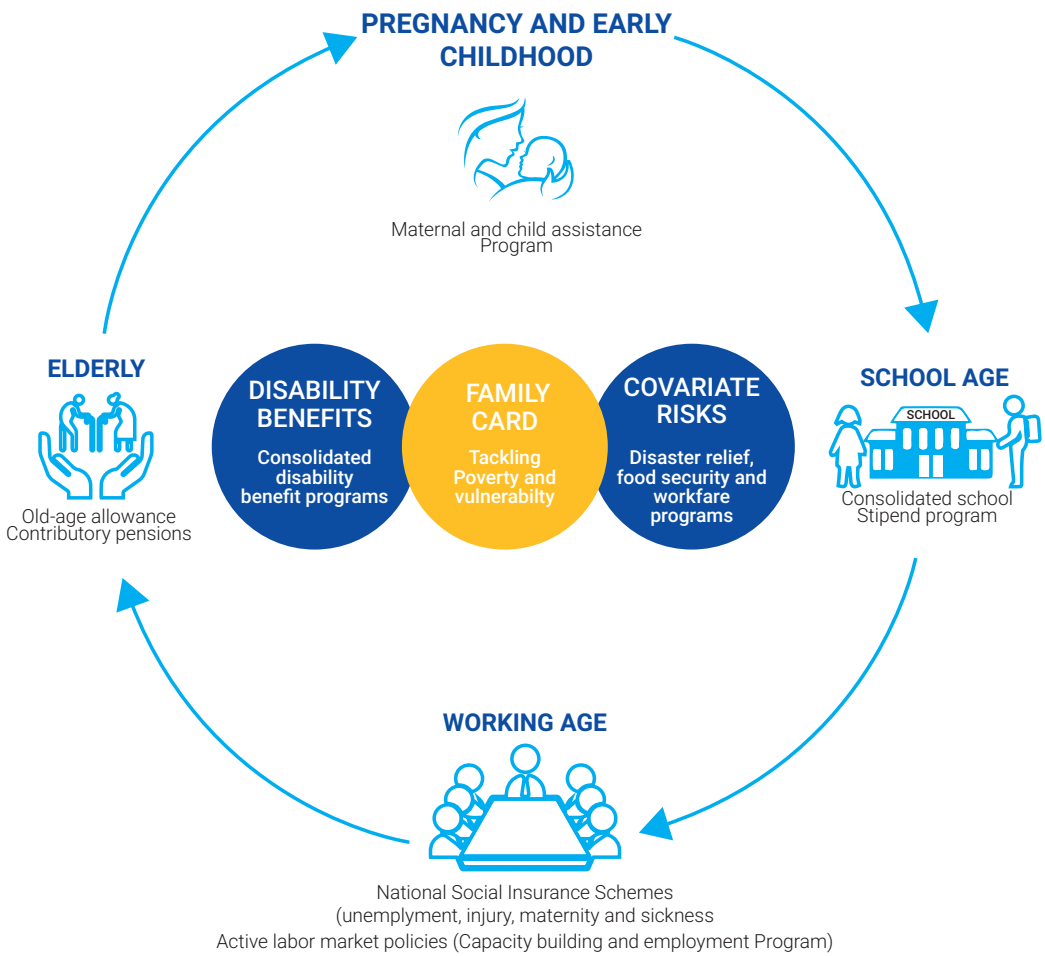
### SP5: Rationalise and Consolidate the Programme Portfolio

The objective is to reduce fragmentation, merge overlapping interventions, harmonise benefit rules where appropriate, and align programmes around lifecycle risks, poverty and vulnerability. Consolidation should preserve support for vulnerable groups while improving administrative coherence, scale, financing efficiency and impact.

**Key Interventions:**

- **Consolidate and rationalise Programmes:** Reduce the number of social protection programmes to approximately 30 by 2031.
- **Budget Rationalisation:** Separate genuine social protection from non-core expenditures like general subsidies and infrastructure.
- **Food-Support Social Protection Programmes:** Harmonise food-support schemes (OMS, TCB, Food Friendly Programme) under a coherent framework.
- **Humanitarian Assistance and Other Covariate Risk Programmes:** Consolidate disaster relief, emergency food, and cash support into a single Humanitarian Assistance Programme.

*Figure 12.6: Programme consolidation around the lifecycle framework*



### Table12. 2: Programmes to be continued under social protection system after consolidation

| Lifecycle stage | Programmes |
|---|---|
| Household poverty | Family Card |
| Pregnancy and early childhood | Mother and Child Benefit Programme |
| Children | Primary School Stipend Programme<br>Harmonised Stipend Programme<br>Stipend for Technical and Madrasah Education<br>School Meal Program |
| Working-age people | Unemployed Workers' Protection Programme (UWPP)<br>Consolidated Workfare Programme<br>National Social Insurance Scheme (NSIS)<br>Vulnerable Women Benefit<br>Widow Allowance (also supports elderly women) |
| Old-age | Old Age Allowance<br>Universal Pension Scheme<br>Pension for Retired Government Employees |
| Covariate risk | Consolidated Disability Benefit<br>Consolidated Freedom Fighters' Benefit and July Martyrs/Injured Support<br>Consolidated Humanitarian Assistance<br>Consolidated Food Support Programme<br>Migrant Worker Protection and Reintegration Programme |

### SP6: Build Shock-Responsive and Climate-Adaptive Social Protection

This will strengthen the capacity of the social protection system to anticipate, respond to and support recovery from shocks. This requires moving beyond short-term relief towards a system that can scale support during climate, health, employment, price and other covariate shocks. The objective is to protect vulnerable households before, during and after shocks, while strengthening long-term resilience.

**Key Interventions:**

- **Adaptive and Shock-Responsive Social Protection:** Mainstream vertical and horizontal expansion protocols across major programmes.
- **Farmer's Card:** Introduce and expand coverage to agricultural households, fish farmers, and livestock rearers, handicrafts and silk sector.
- **Redesign Migrant Worker Protection Across the Migration Cycle:** Establish an integrated system covering pre-departure finance, consular support during employment, and reintegration upon return.

### SP7: Strengthen Delivery Systems, Governance and Accountability

Priorities include a functional dynamic social registry, interoperable programme Management Information Systems (MISs), improved beneficiary registration and verification, digital G2P payments, grievance redress, local validation, results-based monitoring, and stronger evaluation capacity. These reforms should reduce exclusion, leakage and duplication while improving transparency, accountability and administrative efficiency.

**Key Interventions:**

- **Benefit Review and Indexation:** Undertake periodic reviews and introduce systematic inflation indexation for all major cash programmes.
- **Graduation Approach:** Combine income support with skills, livelihoods, and a rolling three-year beneficiary reassessment system.
- **Development Partner Alignment:** Ensure externally supported projects align with national priorities and use government delivery systems.
- **Targeting and Data-Driven Delivery:** Existing MIS and Dynamic Social Registry (DSR) needs to be developed into a full fledged Social Registry based on a household survey of the total population, so that targeting service delivery, and double dipping checks could be done using the same database. The DSR can be integrated with the 'One Citizen, One ID'. It could be developed under a separate government entity dedicated to the Social Registry System.
- **Institutional Capacity:** Strengthen key ministries (Cabinet Division, MoSW, MoLE) through staff training, digital case management, and results-based M&E.
- **Next Generation Social Protection Policy:** Develop a rights-based and fiscally realistic policy for the next decade.

To ensure the successful implementation of these strategic priorities, the framework adopts a phased approach across three key periods: Recovery and stabilisation, Restoration, and Reconstruction and acceleration. For a detailed, time-bound breakdown of the specific actions and lead agencies responsible for each priority, refer to the Annex: Strategic action matrix for social protection reforms.

## 12.5 Monitoring and Evaluation Framework

The monitoring and evaluation framework will track reform implementation and programme performance against the seven strategic priorities. It will use FY2024–25 as the baseline and set annual KPI targets for FY2026–27 to FY2030–31. The framework will also track outcome indicators. Annual monitoring will assess progress against defined targets, while independent programme performance evaluations will be conducted every three years to measure poverty and vulnerability impacts, targeting errors, adequacy of benefits, payment delivery, grievance redress, gender and disability inclusion, and beneficiary experience.

A reform dashboard will track KPIs, baselines, targets, responsible agencies, and implementation status. Independent experts will undertake annual M&E of reform progress to ensure transparency and credibility, using administrative data, HIES and other surveys, targeted field surveys, beneficiary assessments, and process reviews.

## Table 12.3: Monitoring and Evaluation Framework for Social Protection under the FYSF (2026-2030)

| Strategic priority | Key performance indicator | 2025–26 | 2026–27 target | 2027–28 target | 2028–29 target | 2029–30 target | 2030–31 target | Lead agency |
|---|---|---|---|---|---|---|---|---|
| SP1 – Transition toward universal and rights-based social protection | Social protection spending (% of GDP) | 1.90% | 2.11% | 3.00% | 3.00% | 3.00% | 3.00% | Finance Division |
| | Next-generation social protection policy/strategy | Not in place | Draft prepared and approved | Implementation begins and annual review undertaken | Annual review undertaken | Annual review undertaken | Annual review undertaken | Cabinet Division; GED |
| SP2 – Introduce and scale the Family Card system | Family Card coverage | Pilot; around 86,000 households by June 2026 | 41 lakh households | 1 crore households | 1.5 crore households | 1.61 crore households | 4 crore households | MoSW; DSS |
| SP3 – Strengthen lifecycle-based Programmes | Coverage of core lifecycle Programmes: OAA, WA, Disability Allowance, and MCBP | Partial coverage | Coverage expansion initiated | Expanded coverage of priority eligible groups | Near-universal coverage of eligible groups | Universal coverage of eligible groups | Universal coverage of eligible groups | MoSW; MoWCA |
| | School meals coverage | Relaunched in selected areas | Expanded in poverty-prone areas | Expanded in food-insecure and climate-vulnerable areas | Majority of government primary schools covered | All government primary schools progressively covered | All government primary schools progressively covered | MoPME |
| | Harmonised stipend coverage for secondary and higher secondary students | Partial coverage | Expansion initiated | All girls in secondary and higher secondary education covered | Expanded coverage of vulnerable students | Sustained coverage with free education for girls up to post-graduation | Sustained coverage with free education for girls up to post-graduation | Ministry of Education |
| | Widow Allowance coverage in city corporation areas | Not operational | Operational preparation completed | Introduced in city corporations | Expanded coverage | Universal coverage of eligible widowed, deserted, and destitute women | Universal coverage of eligible widowed, deserted, and destitute women | MoSW; DSS |
| | Higher benefit for older persons aged 90+ under OAA and WA | Not implemented | Introduced | Expanded | Continued with indexation | Continued with indexation | Continued with indexation | MoSW; DSS |
| SP4 – Develop social insurance for workers | Employment Injury Insurance law and authority | EIS pilot continued | Legal preparation completed | EIS law enacted and authority established | EIS rolled out | EIS expanded to selected high-risk sectors | EIS expanded to selected high-risk sectors | MoLE; SSU |
| | Unemployment, maternity, and sickness insurance | Not operational | Design and actuarial work initiated | Design completed and consultation held | Pilots launched in selected formal-sector industries | Pilot continued | Pilot continued | MoLE; SSU |
| | National workers' database | Not developed | Design completed | Registration initiated for formal workers | Linked with NID, LIMA, LIMS, and labour inspection systems | Expanded to traceable formal and selected informal workers | Expanded to traceable formal and selected informal workers | MoLE; SSU; DIFE |

| Strategic priority | Key performance indicator | 2025–26 | 2026–27 target | 2027–28 target | 2028–29 target | 2029–30 target | 2030–31 target | Lead agency |
|---|---|---|---|---|---|---|---|---|
| SP5 – Rationalise and consolidate Programmes | Number of social protection Programmes | 95 Programmes | Reduced to around 80 | Reduced to around 60 | Reduced to around 45 | Reduced to around 30 | Reduced to around 30 | Finance Division; GED; Cabinet Division |
| | Non-related schemes removed from social protection budget accounting | Some non-related schemes removed | Full review completed | Non-core schemes reclassified and removed from social protection budget | Internationally comparable reporting maintained | Internationally comparable reporting maintained | Internationally comparable reporting maintained | Finance Division |
| | Periodic benefit review and inflation indexation | Working committee initiated for selected Programmes | Benefit review for six social protection Programmes and indexation | Expanded to all major cash Programmes | Expanded to all major cash Programmes | Expanded to all major cash Programmes | Expanded to all major cash Programmes | Finance Division; relevant line ministries |
| SP6 – Build shock-responsive and climate-adaptive social protection | Adaptive social protection protocols developed for major schemes | - | - | Protocols developed | Protocols piloted in shock-prone areas | Mainstreamed across Family Card, lifecycle Programmes, and humanitarian assistance | Mainstreamed across Family Card, lifecycle Programmes, and humanitarian assistance | Cabinet Division; MoDMR; MoSW; Finance Division |
| | Farmer's Card coverage | Pilot initiated | Farmer's Card introduced | Farmer's Card expanded | Farmer's Card expanded | Farmer's Card expanded | Farmer's Card expanded | Ministry of Agriculture |
| | Migrant worker protection across migration cycle | Fragmented support | Gaps reviewed | Pre-departure and migration finance support strengthened | Reintegration system developed | Integrated migrant worker protection and reintegration system operational | Integrated migrant worker protection and reintegration system operational | MoEWOE; BMET |

| Strategic priority | Key performance indicator | 2025–26 | 2026–27 target | 2027–28 target | 2028–29 target | 2029–30 target | 2030–31 target | Lead agency |
|---|---|---|---|---|---|---|---|---|
| SP7 – Strengthen delivery systems and accountability | Dynamic Social Registry | Initial development started | Design and data protocols completed | DSR developed and linked with NID and key MISs and used for priority Programmes | Used for priority Programmes | Used as main platform for beneficiary identification, verification, and updating | Used as main platform for beneficiary identification, verification, and updating | Finance Division; MoSW; MoWCA |
| | Beneficiary verification system | Pilot implemented | Protocols developed | Verification system introduced | Annual rolling verification operational | One-third of Family Card and lifecycle beneficiaries reassessed annually | One-third of Family Card and lifecycle beneficiaries reassessed annually | MoSW; DSS; Cabinet Division |
| | Graduation approach introduced | Not operational | Graduation approach designed | Introduced in Family Card and major lifecycle Programmes | First annual rolling review completed | Beneficiaries reassessed every three years with post-graduation support | Beneficiaries reassessed every three years with post-graduation support | Finance Division; MoSW; relevant line ministries |
| | Independent monitoring and evaluation | Not systematic | M&E framework approved | Annual independent reform review introduced | Annual review undertaken | Annual review undertaken | Annual review undertaken | Cabinet Division |

## Table 12.4: Target outcome indicators for social protection reforms under the FYSF 2026-2030

| Outcome area | Indicator |
|---|---|
| Poverty and vulnerability reduction | Poverty and vulnerability impact of social protection Programmes |
| Coverage | Share of poor and vulnerable households covered by at least one core social protection program |
| Targeting accuracy | Inclusion and exclusion errors in priority Programmes |
| Benefit adequacy | Real value of benefits under major cash Programmes |
| Urban inclusion | Coverage of poor and vulnerable urban households |
| Worker protection | Formal-sector workers covered by social insurance |
| Shock responsiveness | Major Programmes with shock-responsive scale-up protocols |
| Accountability | Annual independent M&E and three-year programme evaluation |

## 12.6 Costing, Financing and Resource Gap

The financing strategy for social protection under the FYSF will be guided by three principles: increasing genuine social protection spending, improving the efficiency of existing allocations, and mobilising complementary financing sources where feasible. The costing framework reflects the strategic priorities set out in this chapter, including the national rollout of the Family Card, gradual universalization of core life-cycle Programmes, inflation indexation of benefits, expansion of school meals and stipends, stronger food-support Programmes, and the institutional development of social insurance. The objective is to raise genuine social protection spending to 3 per cent of GDP by FY2028, while ensuring that resources are directed to Programmes that address poverty, vulnerability, life-cycle risks, employment-related contingencies, social exclusion, and covariate shocks.

### 12.6.1 Cost Estimation

The projected costing further assumes expansion of selected Programmes, including the Vulnerable Women Benefit, Primary School Stipend, School Meals Program, Harmonised Stipend Program, Stipend for Technical and Madrasa Students, and OMS. Government contribution to the Universal Pension Scheme's Samata package will also increase over the period. The projection incorporates inflation indexation for major social protection Programmes so that the real value of benefits is not eroded.

**Table 12.5: Projected social protection spending during FYSF 2026-2030**

| FY | Projected social protection spending (Crore Tk.) | Projected social protection spending (% of GDP) |
|---|---|---|
| 2024-25 | 137,175 | 2.5% |
| 2025-26 | 115,525 | 1.9% |
| 2026-27 | 157,096 | 2.1% |
| 2027-28 | 230,796 | 3.0% |
| 2028-29 | 260,589 | 3.0% |
| 2029-30 | 296,915 | 3.0% |
| 2030-31 | 338,260 | 3.0% |

*Note: Based on projection of Nominal GDP from Macroeconomic Framework*

### 12.6.2 Resource Availability

The projected increase to 3.0 per cent of GDP will be financed primarily through the national budget. This spending target will be tax-financed, covering social assistance, life-cycle allowances, Family Card transfers, child and maternal benefits, disability benefits, old-age support, food-support Programmes, humanitarian assistance, and government contributions to the Universal Pension Scheme's Samata package. The financing path will require gradual expansion of fiscal space, stronger domestic resource mobilisation, and better prioritisation within the social protection budget.

The contribution-based branches of the National Social Insurance Scheme will be financed through contributions from employers and employees. The government will bear the operational and administrative costs of establishing and running the NSIS.

### 12.6.3 Financing Gap and Mobilisation Strategy

The main financing challenge is twofold: increasing the level of genuine social protection spending and ensuring that additional resources are directed towards programmes that directly address poverty, vulnerability, lifecycle risks, employment-related contingencies and covariate shocks. The FYSF will therefore pursue a financing strategy based on clearer budget classification, expanded domestic resource mobilisation, programme rationalisation, improved targeting, and stronger prioritisation of high-impact interventions.

To close the resource gap and reach the 3.2 per cent of GDP target, the framework prioritises the following strategic actions:

- **Improve Budget Credibility:** Remove non-core expenditures (subsidies, infrastructure) from social protection accounting to reflect genuine spending.
- **Expand Fiscal Space:** Support gradual increases in spending through domestic revenue mobilisation and broader fiscal reforms to improve the tax-to-GDP ratio.
- **Redirect Savings from Rationalisation:** Redirect resources from consolidated or overlapping schemes toward high-impact flagship Programmes like the Family Card.
- **Strengthen Value for Money:** Use the Dynamic Social Registry and digital payments to reduce inclusion errors, leakages, and administrative inefficiencies.
- **Develop Contributory Insurance:** Transition labour-market risks (injury, sickness, unemployment) to contributory principles to limit direct pressure on the national budget.
- **Explore Complementary Mechanisms:** Pursue alternative sources including earmarked levies, Zakat-based mechanisms, or a national social fund for specific services like school meals.

## 12.7 Key Risks and Mitigation

**Table12.6: Key risks and mitigation strategy**

| Key risk | Impact level | Mitigation strategy |
|---|---|---|
| Slow rollout or weak implementation of the Family Card | High | Complete pilot learning; finalize operational guidelines; ensure transparent beneficiary selection; link rollout with the Dynamic Social Registry and G2P payment systems; monitor coverage, inclusion, exclusion, and payment performance through the reform dashboard. |
| Low benefit adequacy and erosion of real transfer values | High | Introduce periodic benefit review and inflation indexation for major cash-based Programmes; align benefit revisions with the annual budget and MTBF process; prioritise older persons, widows, persons with disabilities, mothers and children, and poor Family Card households. |
| High targeting errors and weak beneficiary verification | High | Develop the Dynamic Social Registry; link beneficiary data with NID, programme MISs, civil registration, and local validation; introduce rolling verification; strengthen grievance redress and public disclosure of beneficiary lists where appropriate. |
| Delayed implementation of the National Social Insurance Scheme | High | Follow the NSIS roadmap; enact the EIS law and establish the EIS authority; strengthen the Social Security Unit; prepare the comprehensive NSIS Act; pilot maternity, sickness, and unemployment insurance. |

| Key risk | Impact level | Mitigation strategy |
|---|---|---|
| Urban poor and informal workers remain underserved | High | Expand the Family Card and core lifecycle Programmes to urban areas; introduce Widow Allowance in city corporations; simplify OMS access; link urban support with childcare, health, WASH, shelter, skills, and informal worker protection. |
| Climate, disaster, and economic shocks outpace programme responsiveness | High | Mainstream adaptive social protection; link Programmes with early warning, contingency financing, the Dynamic Social Registry, and local disaster management systems. |
| Resistance to programme rationalisation and consolidation | High | Use transparent review criteria to identify non-core, overlapping, and low-impact schemes; phase consolidation gradually; protect eligible beneficiaries during transition; use CMC decisions to manage political-economy resistance across ministries. |
| Continued misclassification of social protection expenditure | High | Establish a clear budget classification aligned with poverty, vulnerability, lifecycle risks, employment-related contingencies, social exclusion, and covariate shocks; report unrelated expenditures under appropriate budget heads; review classifications annually through Finance Division.. |
| Fiscal constraints limiting expansion of genuine social protection | High | Prioritise high-impact Programmes; consolidate overlapping schemes; improve budget efficiency; develop a medium-term financing strategy to increase genuine social protection spending toward 3.2 per cent of GDP. |
| Fragmented mandates and weak inter-ministerial coordination | High | Strengthen the CMC-led cluster coordination mechanism; define lead and co-lead agencies for each strategic priority; require quarterly cluster reporting; use the Cabinet Division to resolve inter-ministerial bottlenecks. |
| Weak administrative capacity and data systems | Medium to high | Strengthen staffing, MIS, operational manuals, actuarial capacity, digital payment systems, and management capacity in lead ministries; develop a national workers' database; introduce independent annual M&E and three-year programme performance evaluations. |
| Donor-supported projects create parallel systems and fragmentation | Medium | Require donor-supported Programmes to align with FYSF priorities; assess pilots for scalability, fiscal implications, and institutional ownership before expansion. |

# ANNEX: STRATEGIC ACTION MATRIX FOR SOCIAL PROTECTION REFORMS

| Strategic priority | I. Recovery and stabilisation | II. Restoration | III. Reconstruction and acceleration | Lead ministry / agency |
|---|---|---|---|---|
| SP1 – Transition towards universal and rights-based social protection; and SP2 – Introduce and scale the Family Card system | Complete Family Card pilot and draw operational lessons. Include Social and Behaviour Change Communication (SBCC) for nutrition and livelihood activities. | Introduce Family Card nationally and cover 50 lakh poor and vulnerable households in FY2026–27 | Expand Family Card coverage to 1 crore households in FY2027–28, 1.5 crore in FY2028–29, and 2 crores in FY2029–30 | MoSW/DSS |
| | Finalize Family Card operational guideline | | Link Family Card beneficiary households with livelihood, skills, financial inclusion, and employment support | |
| SP1 – Transition towards universal and rights-based social protection; and SP3 – Strengthen core life-cycle-based Programmes | Review core lifecycle Programmes and identify priority gaps in coverage and benefit adequacy | Expand coverage for Old Age Allowance, Widow Allowance, Disability Allowance, and Mother and Child Benefit Program | Move toward universal coverage of eligible beneficiaries under core lifecycle Programmes | Cabinet Division; MoSW; MoWCA |
| | | Expand coverage of Mother and Child Benefit Programme (MCBP) | Move toward universal coverage of all eligible mothers and children aged 0–4 under MCBP | MoWCA |
| SP3 – Strengthen core life-cycle-based Programmes | | Expand school meals in poverty-prone and food-insecure areas | Gradually expand school meals to all government primary schools | Ministry of Primary and Mass Education |
| | | Expand harmonised stipend coverage for secondary and higher secondary students | Make education free for girls up to post-graduation | Ministry of Education |
| | | | Update service standards for Baby Homes, Shishu Poribar, and child shelters | MoSW/DSS |
| SP1 – Transition towards universal and rights-based social protection; and SP3 – Strengthen core life-cycle-based Programmes | Introduce higher benefit for older persons aged 90 and above under Old Age Allowance and Widow Allowance | Introduce Widow Allowance in city corporation areas | Gradually move toward universal coverage of eligible widowed, deserted, and destitute women | MoSW/DSS |

| Strategic priority | I. Recovery and stabilisation | II. Restoration | III. Reconstruction and acceleration | Lead ministry / agency |
|---|---|---|---|---|
| SP3 – Strengthen core life-cycle-based Programmes | Review Universal Pension Scheme enrollment barriers | | Expand awareness, enrollment support, and financial literacy for UPS | Finance Division / National Pension Authority |
| | | | Introduce pension systems in state-owned industries and institutions | Finance Division |
| SP3 – Strengthen core life-cycle-based Programmes | | | Link old-age support with health care, disability support, assistive devices, and community-based care | MoSW; Ministry of Health |
| | Review disability benefits and service gaps | Expand disability benefit coverage and simplify enrollment for persons with disabilities | Move toward universal coverage of all eligible persons with disabilities and strengthen complementary services | MoSW/DSS |
| SP2 – Introduce and scale the Family Card system | | Cover poor and vulnerable marginalised households under the Family Card | Include all marginalised households in the Family Card and phase out overlapping special assistance under the Livelihood Improvement Programme for Marginalised Groups | MoSW/DSS |
| SP4 – Develop social insurance for workers | Complete design work for Employment Injury Insurance transition | Enact Employment Injury Insurance law and establish national EIS authority by 2027 | Expand EIS coverage to selected high-risk sectors beyond RMG, leather and footwear, and EPZ sectors | MoLE/SSU |
| | | | Develop workers' database and tracking system | MoLE/SSU; DIFE |
| | | | Pilot unemployment, maternity, and sickness insurance in selected formal-sector industries | MoLE/SSU |

| Strategic priority | I. Recovery and stabilisation | II. Restoration | III. Reconstruction and acceleration | Lead ministry / agency |
|---|---|---|---|---|
| SP5 – Rationalise and consolidate Programmes | Review all schemes reported under the social protection budget and identify non-related Programmes | Remove non-core schemes from social protection budget accounting and report them under appropriate budget heads | | Finance Division; GED |
| | Identify overlapping Programmes for consolidation, including income support, food support, workfare, humanitarian assistance, and freedom fighter benefits | Begin selected consolidation of overlapping Programmes based on objectives, beneficiaries, and delivery systems | Reduce the number of social protection Programmes to around 30 during the FYSF period and move toward 15–20 core national Programmes over the next decade | Cabinet Division; Finance Division; GED; line ministries |
| | Review EGPP, Food for Work, Work for Money, and Test Relief for consolidation | | Consolidate workfare Programmes into a comprehensive employment support program | MoDMR |
| | Identify overlapping income- and food-support Programmes for consolidation with the Family Card | Consolidate overlapping Programmes with the Family Card | | Cabinet Division; Finance Division; MoSW; relevant line ministries |
| | Review OMS, TCB truck sales, Food Friendly Program, VGF, and other food-support schemes for consolidation | | Consolidate or harmonise OMS and TCB truck sales through common targeting, delivery, and monitoring arrangements | Ministry of Food; Ministry of Commerce; Finance Division |
| | | | Consolidate freedom fighter benefits under a unified Freedom Fighters' Benefit Program | Ministry of Liberation War Affairs |

| Strategic priority | I. Recovery and stabilisation | II. Restoration | III. Reconstruction and acceleration | Lead ministry / agency |
|---|---|---|---|---|
| SP6 – Build shock-responsive and climate-adaptive social protection | Review humanitarian assistance Programmes for consolidation | | Consolidate disaster relief, emergency food, cash, shelter, and livelihood recovery support into one Humanitarian Assistance Program | MoDMR |
| | Identify major Programmes for adaptive and shock-responsive reform | | Mainstream adaptive social protection across Family Card, lifecycle Programmes, and humanitarian assistance | Cabinet Division; MoDMR; MoSW; Finance Division |
| | Pilot Farmer's Card | Introduce Farmer's Card for agricultural households | Expand Farmer's Card coverage to fish farmers, livestock rearers, and small agro-entrepreneurs | Ministry of Agriculture |
| | Review migrant worker protection gaps across the migration cycle | Strengthen pre-departure support, affordable migration finance, skills certification, and contract verification | Establish an integrated migrant worker protection and reintegration system | MoEWOE; BMET |
| | | | Link returnee migrants with skills recognition, entrepreneurship, employment services, and psychosocial support | MoEWOE; BMET |
| SP7 – Strengthen delivery systems and accountability | Design the Dynamic Social Registry and beneficiary verification protocols | Develop the Dynamic Social Registry linked with NID, programme MISs, and other databases | Use the Dynamic Social Registry as the main platform for beneficiary identification, verification, and updating | Finance Division; MoSW; MoWCA |
| | Design beneficiary verification mechanism based on the lessons from the Pilot verification | Introduce beneficiary verification system | Implement beneficiary verification | MoSW; Cabinet Division; Finance Division; relevant line ministries |
| | Design the graduation approach for Family Card and relevant lifecycle Programmes | Introduce graduation approach to all major lifecycle schemes, including the Family Card | Link graduated households with at least one year of post-graduation support | Cabinet Division; Finance Division; MoSW; relevant line ministries |
| | | | Reassess Family Card and lifecycle programme beneficiaries every three years, with one-third reviewed annually | Cabinet Division; GED; MoSW; MoWCA; relevant ministries |

| Strategic priority | I. Recovery and stabilisation | II. Restoration | III. Reconstruction and acceleration | Lead ministry / agency |
|---|---|---|---|---|
| | Reorient and revitalise the CMC-led cluster coordination mechanism with clear roles, meeting frequency, and reporting requirements | Operationalise quarterly cluster reporting and CMC review of reform progress | Use the CMC-led mechanism to resolve inter-ministerial bottlenecks and track implementation of strategic priorities | Cabinet Division |
| | Develop a social protection reform dashboard with indicators, baselines, targets, and agency responsibilities | Use the dashboard for annual results-based monitoring of reforms and strategic priorities | Link dashboard findings with budget review, programme redesign, and corrective actions | Cabinet Division; GED; Finance Division |
| | Prepare an independent monitoring and evaluation framework for social protection reforms | Undertake annual independent M&E of reform implementation | Conduct independent programme performance evaluations every three years using targeted field surveys and beneficiary assessments | Cabinet Division; GED; IMED; |
| | Review institutional capacity gaps in key ministries and agencies | | Strengthen capacity of Cabinet Division, MoSW, DSS, MoLE, SSU, Finance Division, GED, MoWCA, MoDMR, and other lead agencies | Cabinet Division; relevant ministries |
| | | Align donor-supported pilots and Programmes with government systems | Ensure all externally supported initiatives strengthen nationally owned systems and avoid parallel implementation structures | ERD; Cabinet Division; Finance Division |
| SP1 – Transition towards universal and rights-based social protection | Draft, approve, and Operationalise the next-generation social protection policy/strategy for the next decade | Develop an action plan based on the social protection strategy and implement the action plan | Implement action plan | Cabinet Division; GED; and all line ministries. |

# CLUSTER 5

# HUMAN CAPITAL DEVELOPMENT

# CHAPTER 13

# HEALTH

## 13.1 Introduction & Situation Analysis

### 13.1.1 Purpose and Alignment

The purpose of the  strategy is to accelerate progress toward Universal Health Coverage (UHC) by ensuring equitable access to reliable high-quality care without financial hardship. Bangladesh's health sector has operated through successive Sector-Wide Approach (SWAp) cycles since 1998, each lasting 4–5 years with gaps between Programmes that disrupt momentum. The new Health Sector Strategic Plan absorbs the SWAp's strengths — pooled financing, donor coordination, and unified planning — into a permanent, rolling strategic framework rather than discrete project cycles.

This means establishing a single budgetary structure that merges operating and development expenditures, institutionalising annual joint reviews that feed directly into the next fiscal year's plans, and decentralising real planning authority to districts. The MOHFW should own a continuous five-year plan updated annually through evidence-based mid-course corrections, replacing the stop-start rhythm of donor-driven programming with a nationally led, self-sustaining planning and accountability architecture.

The plan is aligned with the government's election manifesto, and aimed as a blueprint to design the successor to the 8th Five Year Plan, previous SWAps, strategic investment plans, and the health-related SDG targets.

### 13.1.2 Country Health Profile

- Population: 170M+; rapid urbanisation; extreme climate vulnerability (floods, cyclones)
- GDP per capita: ~$2,600 (2024); health expenditure: ~$53 per capita;
- Epidemiological transition: declining communicable disease burden, rapidly rising Non-Communicable Diseases (NCDs); recent resurgence in measles and reversal in total fertility rate revealing supply-side vulnerability
- Life expectancy: 73 years; above regional average but gains threatened by NCD rise
- Opportunity: network of ~14,000 community clinics as the Primary Health Care (PHC) gateway

## 13.2 Health Sector Performance Review

### 13.2.1 Reproductive, Maternal, Neonatal, Child Health and Nutrition

- Maternal mortality ratio: ~115 per 100,000 live births (declining but off-track for SDG 2030 goal of 30 per 100,000)
- Neonatal mortality: ~20 per 1,000 (DHS 2022); under-5 mortality: ~31 per 1,000
- Stunting: ~24% among children under 5; inadequate follow-up is a key challenge

- Facility delivery: ~65% (BDHS 2022); skilled birth attendance: ~70%
- Contraceptive prevalence: ~54%; unmet need for family planning: ~12%; Total Fertility Rate (TFR) showing reversal (2.3 in DHS 2022, 2.5 in MICS 2024–25)
- Antenetal Care (ANC) 4+ visits: only 35.5% (BDHS 2022); adolescent health challenges persist

### 13.2.2 Communicable Diseases

- TB: incidence declining but treatment success rate at 94% (below 95% WHO target); multi-drug resistance emerging
- Malaria: endemic in Chattogram Hill Tracts (CHT) and border districts; targeted elimination underway
- HIV: low prevalence nationally but key population focus needed
- Neglected Tropical Disease (NTD): kala-azar and filariasis remain challenges; Water, Sanitation & Hygiene (WASH) coordination needed

### 13.2.3 Non-Communicable Diseases and Mental Health

- Hypertension prevalence: ~21%; diabetes: ~10%; both rising rapidly
- Cancer burden increasing; cervical cancer screening coverage low
- Tobacco use: ~35% of adults; Bangladesh among highest tobacco-use countries
- Mental health treatment gap: >90%; service utilisation critically low
- Road traffic injuries: a growing but under-addressed public health challenge

### 13.2.4 Health System Performance

- Workforce density: 0.76 doctors and 0.74 nurses per 1,000 (combined ~1.5 vs WHO SDG threshold of 4.45); rural areas severely underserved
- Infrastructure: 0.88 hospital beds per 1,000; many upazila and union-level facilities below standards
- Out-of-pocket (OOP) expenditure: ~79% of total health expenditure — among highest globally
- Government health spending: The current allocation is only 0.67% of GDP or 5.3% of total budget, with actual utilisation 0.31% of GDP — possibly the lowest in the world
- Digital systems: fragmented; limited interoperability; no centralised health data warehouse
- Regulatory capacity: Directorate General of Drug Administration (DGDA) below WHO Global Benchmarking maturity level 3

## 13.3 Strategic Framework

### Vision

A thriving nation where every citizen access quality healthcare as a right, unburdened by cost.

### Mission

A nation defined by health equity, where comprehensive care — from prevention to palliation — is a sustainable reality for all.

### Architecture: Six Strategic Priorities + One Cross-cutting Enabler

The plan is organised around six Strategic Priorities (SPs) and one cross-cutting enabler. Health financing is elevated to a full strategic priority rather than a supporting enabler, reflecting its centrality to the plan's success.

### SP1: Health Workforce Development

Increase combined health workforce density (including doctors, medical nurses and health education staffs) to 3.6 per 1,000 by 2031; improve skills mix and equitable rural deployment; reduce attrition in hard-to-reach areas. The nurse and midwives to physician ratio is 0.94, which will be increased to 2 by 2030. This will require employing more than two lac individuals.

### SP2: Health Infrastructure Modernisation & Climate Resilience

Upgrade upazila and union-level facilities to meet defined standards; ensure functional emergency obstetric and newborn care (emONC) in all districts; digitally connect all public facilities. Infrastructure designs will be climate-resilient and disability-friendly.

- Earmark specific capital development funds to transform existing district hospitals into specialized referral centres equipped for cardiology, cancer, kidney, dialysis, and ICU services.
- Allocate operational budgets to establish a 24/7 National Ambulance Pool and seed funding to formally Operationalise the National Hospital and Clinic Accreditation Council.

### SP3: Quality of Care through Primary Health Care (PHC) & Family Planning

Advance toward Universal Health Coverage (UHC) (service coverage index target: 65); reduce maternal, neonatal, and child mortality; reduce stunting to 15%; strengthen NCD screening and management at primary care level; integrate family planning using a rights-based Sexual and Reproductive Health & Rights (SRHR) approach, strengthen birth registration at point of delivery, linking facility-based birth notification to the national civil registration system. Targeted nutrition response for children in climate-vulnerable regions (coastal, char, haor, drought-prone districts), integrating malnutrition screening with climate-resilient food security and social protection Programmes. Expand WASH-nutrition convergence for children in climate-vulnerable areas: safe drinking water and sanitation access for households with under-5 children, linked to community clinics and nutrition surveillance

### SP4: Health Financing & Financial Protection

Increase government health expenditure to 2% of GDP; reduce OOP to below 50%; design and implement a national social health insurance scheme; introduce strategic purchasing mechanisms (capitation, DRGs); expand the Sasthyo Shuroksha Karmasuchi (SSK) or successor demand-side financing to all districts.

### SP5: Health Security & Emergency Preparedness

Achieve IHR (International Health Regulations 2005) core capacity score of 70%+; establish a functional One Health surveillance system using AI for early outbreak detection; build climate-resilient health systems in vulnerable districts; strengthen cross-border surveillance with India and Myanmar.

### SP6: Research, Innovation, Digitalisation & Regulation

Operationalise EMR (electronic medical records) in 70% of facilities; establish a National Health Intelligence Centre; strengthen DGDA toward WHO Global Benchmarking Tool maturity (currently below 3); promote local pharmaceutical and vaccine manufacturing; scale telemedicine for rural specialist access.

**Cross-cutting Enabler: Governance, Coordination & Accountability**

Strengthen sector-wide coordination (including functional integration between Directorate General of Health Services (DGHS) and Directorate General of Family Planning (DGFP); improve accountability at all

levels through digitalised feedback mechanisms; enhance public-private engagement frameworks; align development partner investments through sector-wide approach.

## 13.4 Priorities and Key Interventions

### SP1: Health Workforce Development

- Scale production of nurses, midwives, and family physicians through expanded public and private training institutions
- Mandatory rural service (2-year posting) with financial and non-financial incentive packages
- Professionalize community health workers (CHCPs) with defined career pathways, standardised training, and digital tools
- Strengthen medical and nursing education accreditation; harmonise curricula
- Establish a national health workforce registry and digitalised deployment optimization system
- Task-shifting protocols for primary care (e.g., NCD screening, family planning provision)
- Redeploy experienced clinicians to training institutions; expand teaching hospital designations
- Recruit 100,000 new health workers (nurses, midwives, and technologists), with a target of 80% being women (Manifesto commitment)
- Structured career plan for nurses, midwives, and technologists with clear paths for promotion, training, and leadership; merit-based postings and promotions (Manifesto commitment)

### SP2: Health Infrastructure Modernisation & Climate Resilience

- National facility assessment and grading system to establish baseline and track progress
- Phased modernisation: upgrade 100 upazila health complexes and 500 union health and family welfare centres
- Climate-resilient design standards: flood-resistant, solar-powered, disability-friendly
- Biomedical engineering capacity at divisional level; medical equipment lifecycle management
- Tiered labouratory accreditation system; strengthen National Reference Labouratory capacity
- Supply chain digitalisation: implement e-LMIS (electronic Logistics Management Information System) to ensure zero stock-outs of essential medicines
- Explore development of specialized medical hubs to reduce overseas referrals and promote medical tourism
- Transform district hospitals into specialized referral centres for cardiology, cancer, kidney dialysis, and ICU services (Manifesto commitment)
- Establish a National Ambulance Pool providing 24/7 patient transport (Manifesto commitment)
- Form a National Hospital and Clinic Accreditation Council (Manifesto commitment)
- Upgrade teaching hospitals, increase residency training positions, and strengthen clinical governance systems.
- Develop a National Health Infrastructure Master Plan.

### SP3: Quality of Care through PHC & Family Planning

***RMNCH and Nutrition***

- Comprehensive EmONC in all district hospitals; scaling kangaroo mother care
- Expand immunization to zero-dose children in urban slums and hard-to-reach areas
- Multisectoral nutrition action; community-based nutritional screening
- Integrated nutrition programme to tackle childhood stunting (Manifesto commitment)
- Digital tools for high-risk pregnancy follow-up

***Sexual and Reproductive Health and Family Planning***

- Shift to rights-based SRHR approach; integrate postpartum and post-abortion family planning
- Establish youth-friendly health service corners at all health facilities
- Targeted awareness campaigns for modern contraceptive methods

***Communicable Diseases***

- TB case finding using digital X-ray and AI-assisted screening; reach high-risk populations early
- Targeted malaria elimination in CHT; integrated STI/HIV services

***NCDs and Mental Health***

- Population-based hypertension and diabetes screening at community clinics
- Cervical and breast cancer screening Programmes
- Integrate mental health into primary care through mhGAP training for 10,000+ providers
- Enforce tobacco control legislation; science-based year-round mosquito control (Manifesto commitment)
- Implement a national policy for safe disposal of medical waste (Manifesto commitment)
- Expansion of psychiatry, clinical psychology, psychiatric nursing, and community mental health training programmes.

***Community Health Services***

- Redefine and expand the community clinic essential service package including NCD screening
- Digitize community-level reporting; strengthen referral linkages to upazila level
- General Physician (GP) Model: Establish a primary healthcare unit in every rural union and city ward (Manifesto commitment)
- Each primary unit oversees three peripheral service centres staffed by trained community workers (Manifesto commitment)

### SP4: Health Financing & Financial Protection

See Section 7 for the detailed phased roadmap to reduce OOP from the current level of 70% to 50% and achieve 50% social health protection coverage by 2030.

### SP5: Health Security & Emergency Preparedness

- Real-time disease surveillance platform linked to all upazilas
- Strengthen Institute of Epidemiology Disease Control And Research (IEDCR) as the national epidemic intelligence hub; integrate AI for early outbreak detection

- Establish integrated One Health surveillance system (human, animal, environmental)
- Cross-border surveillance coordination with India and Myanmar
- Antimicrobial Resistance (AMR) surveillance sentinel site expansion
- Climate-health vulnerability mapping and adaptation planning for vulnerable districts

**SP6: Research, Innovation, Digitalisation & Regulation**

- Unified health information system with interoperability standards; national health data warehouse
- Establish National Health Intelligence Centre for real-time data visualization
- Scale telemedicine for specialist consultation access in rural areas
- National health research agenda with mandatory research budget allocation (3-5% of health budget)
- Strengthen DGDA toward WHO Global Benchmarking Tool maturity level 3
- Incentivise local drug and vaccine manufacturing; restructure Essential Drugs Company Limited (EDCL) (Manifesto commitment)
- Operationalise Electronic Medical Record (EMR) in 70% of health facilities
- Strengthen research on Medical Waste Management Systems

## 13.5 Roadmaps for four priority areas

These four roadmaps are not standalone Programmes — they are the structural preconditions without which the Health Sector Strategic Plan's service delivery targets cannot be achieved. A unified primary health care system is the foundation because no immunization campaign, NCD screening program, or insurance scheme can reach national scale when three separate institutional masters govern primary care with conflicting budgets, staffing norms, and data systems. Antimicrobial resistance is the silent multiplier of failure: if first-line antibiotics stop working — and in Bangladesh, carbapenem resistance in critical pathogens has nearly doubled in three years — then every surgical procedure, every maternal complication, every TB treatment, and every childhood pneumonia case becomes harder and more expensive to manage, eroding gains across every disease program. Food safety is the upstream determinant that the health sector has historically ignored while spending billions on its downstream consequences: childhood stunting can not be reduced to 15% when a third of tested food is adulterated, you cannot control the NCD epidemic when most cooking oil exceeds trans-fat limits by a factor of four. The country also cannot contain AMR when antibiotic residues flow unchecked from farm to plate. And the health information system is the nervous system that connects everything — without interoperable data, real-time surveillance, and a master patient index, the government cannot track whether its interventions are working, cannot detect outbreaks before they spread, cannot process insurance claims, and cannot hold any facility accountable for the quality of care it delivers. These four reforms are deliberately sequenced to reinforce each other: unified PHC creates the institutional platform, the health information system makes it visible and accountable, food safety and AMR control protect the population from the two threats that most directly undermine the returns on every health dollar spent.

### 13.5.1 Roadmap I: Unified Primary Health Care System

**The Problem: A Fractured System**

The primary health care system is split across at least three institutional silos in Bangladesh. In rural areas, DGHS and DGFP operate parallel structures at the same facilities — community clinics are staffed by workers from both directorates under separate supervisory chains, budgets, and MIS. In urban areas, primary care is managed by city corporations under MoLGRD&C, delivered through donor-funded NGO-

contracted clinics. MOHFW operates only 19 urban dispensaries in all of Dhaka. The DGHS Director of Primary Health Care has stated that "urban PHC delivery is highly fragmented with no central authority." Meanwhile, 41% of the population is urban, the private sector operates 60% of facilities, and patients bypass primary care to overwhelm tertiary hospitals because no structured referral system exists.

This fragmentation means NCD policies are never implemented in urban PHC, the essential service package cannot be standardised, and every digital initiative — e-Health Card, insurance, DHIS2 — will fail to achieve national coverage when more than a third of the population is served by a parallel system with no data interoperability.

### Phase 1 (Recovery) — Foundation (1 Year)

- Establish a National Primary Health Care Commission (NPHCC), with MoLGRD&C, DGHS, DGFP, and city corporation representation, mandated to produce a Unified PHC Framework within six months
- Conduct a comprehensive PHC mapping exercise across all 64 districts and 12 city corporations — every facility, its staffing, services, catchment, data system, and funding source
- Commission a legal review of legislative changes required to transfer urban PHC authority from MoLGRD&C to MOHFW
- Designate three pilot Unified PHC Districts (one rural, one peri-urban, one city corporation) with merged DGHS/DGFP management, budget, and digital reporting

***Measurable Indicators:***

***N***PHCC constituted; PHC mapping completed (64 districts, 12 city corporations); legal review ***submitted; 3 pilot districts operational; draft Unified PHC Framework circulated***

### Phase 2 (Restoration) — Structural Reform (1-3 Years)

- Establish a Primary Health Care Wing within MOHFW absorbing PHC functions from both DGHS and DGFP at primary care level — single chain of command, budget, and MIS from community clinics through UHFWCs to upazila health complexes
- Transfer urban PHC governance to MOHFW in six largest city corporations; existing NGO delivery contracts honored but brought under MOHFW quality norms and data reporting
- Expand pilot Unified PHC Districts to 15 (all 8 divisions); assess against control districts on utilisation, referral efficiency, staff satisfaction, data completeness, and cost
- Define and mandate a single National Essential Service Package for all PHC facilities: MCH, family planning, immunization, NCD screening, mental health, TB/malaria case finding, nutrition, and adolescent health
- Migrate all pilot PHC facilities to a single District Health Information System (DHIS2) platform with unified patient identifier linked to e-Health Card

***Measurable Indicators:***

PHC Wing gazetted with dedicated budget; 15 pilot districts operational; urban PHC authority transferred in 6 city corporations; National ESP adopted; unified digital platform at 90%+ completeness in pilots; ***referral completion rate target: 70% within 48 hours***

### Phase 3 (Reconstruction) — National Roll-out (3-5 Years)

- Extend unified model to all 64 districts and all city corporations; all PHC workers under Primary Health Care Wing management

- Implement GP model in every rural union and city ward — each GP unit as the mandatory first point of contact (20,000–30,000 catchment), supervising 3 community clinics (hub-and-spoke)
- Unify all primary care expenditures through a single budget line; urban PHC funded through national health budget, not project-dependent external financing
- Integrate accredited private GP practices and pharmacies into the unified referral network through the social health insurance scheme
- Publish annual district PHC Scorecards: coverage, staffing, medicine availability, referral completion, patient satisfaction, financial protection

***Measurable Indicators:***

Unified management in all 64 districts; 100% of PHC facilities delivering full ESP; GP units in 60%+ of unions/wards (3,000 units); single digital platform covering 90% of PHC facilities; patient bypass rate reduced 30%; scorecards published for all 64 districts

### 13.5.2 Roadmap II: Ensuring Food Safety

**The Crisis: Adulterated Food as a Public Health Emergency**

BFSA testing found 33.3% of food samples in FY2024–25 were adulterated, contaminated, or nutritionally substandard — up from 8.5% in FY2022–23. Sixty-three per cent of soybean oil in Dhaka exceeded trans fat limits by 2–4x. Sixty-five per cent of chips exceeded European acrylamide thresholds. Seven overlapping laws govern food safety. BFSA has fewer than 150 inspectors for 170 million people (<1 per million). The Chattogram Food Testing Labouratory ($3M, ADB-funded) sits largely unused. Only 306 of 436,000 restaurants have been graded in five years. This system directly drives stunting, NCDs, and AMR.

#### Phase 1 (Recovery) — Foundation (1 Year)

- Cabinet directive designating Bangladesh Food Safety Authority (BFSA) as sole national food safety regulator; resolve jurisdictional overlap with BSTI, DG Food, consumer rights, and city corporations
- Amend Food Safety Act 2013: grant BFSA licensing authority, empower inspectors with independent enforcement, increase penalties to BDT 50 lakh / 7 years for first offenses
- Commission National Food Safety Baseline Survey: adulteration rates across 20 food categories, pesticide/antibiotic residues, microbial contamination, consumer awareness
- Audit all food testing labouratory capacity; develop National Food Testing Labouratory Network Plan (one reference lab per division)
- Recruit 200 dedicated food safety inspectors for 20 highest-population districts and city corporations

***Measurable Indicators:***

*BFSA consolidation directive issued; Act amendments submitted; baseline survey launched; lab audit completed; 200 inspectors recruited; licensing portal live*

#### *Phase 2 (Restoration) — Enforcement and Systems (1-3 Years)*

- Risk-based inspection regime: high-risk businesses quarterly, medium semi-annually, low annually; all digitally recorded with geo-tagged evidence
- Public grading system (A–D) in Dhaka and Chattogram: expand from 306 to 10,000 graded establishments with BFSA mobile app access

- Operationalise 8 divisional reference labouratories (ISO 17025) and district-level rapid testing stations
- Launch National Food Safety Information System (NFSIS) linking inspections, lab results, complaints, registration, and import records; linked to IEDCR for foodborne illness trace-back
- Mandate traceability for dairy, edible oil, poultry, fish, and infant food; routine antibiotic residue testing (5,000 samples/year)
- National "Know Your Food" campaign: mass media, school curriculum (Class 3–5), BFSA complaint app

***Measurable Indicators:***

*350 inspectors deployed; 10,000 businesses graded; 8 divisional labs operational (ISO 17025); NFSIS live; adulteration rate reduced to 20% (from 33.3%); 5,000 residue tests/year; 50% urban consumer awareness of grading*

***Phase 3 (Reconstruction)— National Coverage (3-5 Years)***

- Expand inspections to all 64 districts; grading to all city corporations and district towns; recruit to 600 inspectors (~4 per million)
- Make 250+ food standards mandatory (from ~100); set maximum residue limits for 50 pesticides and 20 veterinary drugs; mandatory fortification for edible oil, salt, wheat flour
- Establish food import inspection at three major ports (Chattogram, Mongla, Dhaka ICD)
- Launch "Safe Food Bangladesh" certification mark; "Clean Farm, Safe Food" programme with subsidies for bio-security
- Conduct follow-up National Food Safety Survey (2030) with identical baseline methodology; commission health impact assessment

***Measurable Indicators:***

*600 inspectors nationally; adulteration rate ≤15%; 250+ mandatory standards; import inspection at 3 ports; 25,000 businesses graded; 80% licensing coverage; residue non-compliance <5%; 500+ certified producers; Codex Alimentarius membership*

### 13.5.3 Roadmap III: Reducing Antimicrobial Resistance (AMR)

**The Crisis**

National surveillance shows 53.9% of bloodstream infections caused by MRSA and 84.3% by ESBL-producing E. coli. Carbapenem resistance in K. pneumoniae rose from 16% to 29.2% (2022–2025); Acinetobacter meropenem resistance climbed from 46.7% to 71%. AMR attributed to 26,200 deaths in 2019. Despite a National Action Plan (2023–2028), implementation is hampered by absent inter-sectoral coordination, no monitoring body for antibiotic prescriptions, non-adherence to guidelines, and exclusion of the environmental sector from the One Health framework.

**Phase 1 (Recovery) — Foundation (1 Year)**

- Operationalise the National One Health Secretariat with budgetary authority to coordinate MOHFW, Ministry of Fisheries & Livestock, and Ministry of Environment
- Expand AMR Surveillance Network from 13 to 20 sentinel sites with standardised AST protocols
- Complete a national baseline survey of antibiotic prescribing in 100 hospitals and 500 retail pharmacies

- Mandate and constitute Antimicrobial Stewardship Committees in all tertiary and specialized hospitals
- Operationalise the Integrated AMR Data Dashboard (IEDCR-managed) linked to WHO GLASS

***Measurable Indicators:***

*20 sentinel sites reporting; 100% of tertiary hospitals with stewardship committees; prescribing audit completed (100 facilities); One Health Secretariat gazetted with ring-fenced budget*

### Phase 2 (Restoration)— Enforcement and Scale-up (1-3 Years)

- DGDA conducts bi-annual mystery shopping audits of retail pharmacies; results published, penalties applied
- Update national treatment guidelines for common infections; integrate into medical, nursing, and veterinary curricula
- Launch digital e-Prescription pilot in Dhaka and Chattogram to track antibiotic dispensing in real time
- Fully enforce ban on antibiotic growth promoters in animal feed with routine residue testing in poultry and aquaculture
- Nationwide mHealth awareness campaign reaching 50 million citizens via SMS, community radio, and school modules

***Measurable Indicators:***

*25% reduction in non-prescription antibiotic sales (pilot areas); 25 sentinel sites on WHO GLASS; 60% of district hospitals with active stewardship; 0% banned antibiotic residues in poultry (random testing); e-Prescription tracking 500,000+ prescriptions*

### Phase 3 (Reconstruction) — Consolidation and Impact (3-5 Years)

- Stewardship committees operational in 80% of all hospitals; e-Prescription expands to all divisional cities
- Mandatory wastewater treatment in pharmaceutical zones and large-scale poultry/aquaculture farms
- "Clean Farm, Safe Food" certification with subsidies for bio-security standards
- AMR indicators integrated into Health Sector Support Programme (HSSP) routine M&E; comprehensive impact evaluation completed

***Measurable Indicators:***

*40% reduction in non-prescription antibiotic sales (from baseline); 80% of hospitals with stewardship; carbapenem resistance in K. pneumoniae stabilised/declining; 100% sentinel site reporting; "Watch" and "Reserve" antibiotic prescriptions reduced 15%*

## 13.5.4 Roadmap IV: Comprehensive National Health Information System

**The Problem: Rich Platforms, Fragmented Data**

Bangladesh adopted DHIS2 in 2009 and over 14,000 community clinics report through it. But DGHS and DGFP operate separate architectures; urban facilities under MoLGRD&C do not report at all; the private sector (60% of facilities) is absent from routine reporting. Vertical Programmes maintain standalone systems. There is no centralised data warehouse, no master patient index, no unified interoperability standard, and no mechanism to link patient records across care levels. The MIS unit operates with skeleton staff. No career pathway exists for health informatics specialists.

### Phase 1 (Recovery) — Foundation (1 Year)

***Governance and Architecture***

- Establish National Health Data Governance Board under MOHFW (chaired by Additional Secretary for Digital Health) with authority over standards, interoperability mandates, privacy, and access policies
- Issue National Health Data Interoperability Standard (HL7 FHIR-based); no new health IT system procured without conformity
- Complete National Health Data Landscape Assessment mapping all existing digital systems

***Human Resources***

- Create Health Informatics Cadre within MOHFW; recruit and deploy 500 upazila data officers (one per upazila) with 6-month intensive DHIS2/data quality training
- Epidemic Preparedness
- Connect IEDCR surveillance to DHIS2 via real-time data pipeline; configure automated trigger alerts for notifiable disease thresholds in 15 pilot districts (<24-hour notification)
- Research Access
- Gazette National Health Data Access Policy: three tiers — public aggregate dashboards; researcher access to anonymized facility data (30-day turnaround); restricted patient-level access with ethics clearance

***Measurable Indicators:***
Governance Board constituted; interoperability standard gazetted; landscape assessment completed; 500 data officers deployed; automated alerts in 15 districts; data access policy gazetted; baseline ***DHIS2 completeness measured***

### Phase 2 (Restoration) — Integration and Scale-up (1-3 Years)

***System Integration***

- Build National Health Data Warehouse integrating: DHIS2, DGFP Service Statistics, HRIS, eLMIS, IEDCR surveillance, EPI tracker
- Deploy comprehensive Master Facility Registry (unique ID for every public, private, NGO facility with geo-coordinates)
- Pilot Master Patient Index in 15 districts linked to e-Health Card and national ID

***Epidemic Preparedness Scale-up***

- Expand automated alerts to all 64 districts; introduce syndromic surveillance modules; AI-assisted anomaly detection
- Establish Genomic Surveillance Data System at IEDCR linking pathogen sequencing to epidemiological data

***Private Sector and Research***

- Mandate minimum dataset reporting from private hospitals (50+ beds), linked to licensing renewal
- Establish 20 Health Data Research Fellowships/year in universities; launch annual National Health Data Challenge; create Health Data Advisory Committee (icddr,b, BRAC JPGSPH, NIPSOM, BBS)

***Measurable Indicators:***
Data warehouse operational (5 streams); Master Facility Registry: 100% public + 80% private (50+ beds); Master Patient Index: 5M+ patients in 15 districts; alerts in all 64 districts (<12hr median); 80% private hospitals reporting; DHIS2 completeness 90%+; 20 research fellows deployed; 10+ publications from routine data

### Phase 3 (Reconstruction)— Consolidation and Intelligence (3-5 Years)

***National Health Intelligence Centre***

- Operationalise NHIC within MOHFW: real-time operations room, analytics unit (monthly reports, quarterly bulletins), 24/7 epidemic early warning; staffed with 40–50 professionals (epidemiologists, data engineers, biostatisticians, GIS, health economists)

***Full Interoperability***

- Integrate remaining systems: hospital MIS, insurance claims database, AMR surveillance, Community Health Worker (CHW) platform, Civil registration and vital statistics (CRVS), labouratory information systems; expand Master Patient Index to all districts

***Predictive Analytics and AI***

- Deploy ML models for: outbreak prediction (surveillance + climate + movement data); workforce demand forecasting; stockout prediction; high-risk pregnancy identification

***Open Data and Research Ecosystem***

- Launch Open Health Data Portal with quarterly anonymized dataset releases
- Formalize University Health Data Partnerships with 5 institutions; expand fellowships to 50/year; establish Master's in Health Informatics programme (25 students/cohort)

***Measurable Indicators:***

NHIC operational 24/7; 12+ data streams integrated; Master Patient Index: 30M+ patients; DHIS2 completeness 95%+; outbreak notification <6 hours; 95% of hospitals (50+ beds) reporting; Open Data Portal live; 50 fellows/year; 30+ publications/year; Health Informatics Master's first cohort enrolled

### 13.5.5 Summary: Cross-cutting Roadmap Milestones at a Glance

**Table 13 .1 : Roadmap milestones for cross-cutting sectors**

| Roadmap | Phase 1 (1 Year) | Phase 2 (1-3 Years) | Phase 3 (3-5 Years) |
|---|---|---|---|
| I. Unified PHC | National Primary Health Care Committee (NPHCC) formed; PHC mapping done; 3 pilot districts | PHC Wing gazetted; 15 pilots; urban transfer in 6 cities; National ESP adopted | All 64 districts unified; 3,000 GP units; bypass rate −30% |
| II. AMR | 20 sentinel sites; stewardship in tertiary hospitals; prescribing baseline | 25% Over The Counter (OTC) reduction; 25 sites on GLASS; e-Prescription pilot | 40% OTC reduction; 80% hospitals with stewardship; resistance stabilised |
| III. Food Safety | BFSA consolidation; 200 inspectors; baseline survey launched | 350 inspectors; 10,000 graded; 8 labs; adulteration ≤20% | 600 inspectors; ≤15% adulteration; 250+ mandatory standards; Codex membership |
| IV. Health Info System | Governance Board; 500 data officers; alerts in 15 districts | Data warehouse (5 streams); Master Patient Index pilot; alerts all 64 districts | National Health Information Centre (NHIC) 24/7; 12+ streams; 30M+ patient IDs; Open Data Portal |

## 13.6 Health Financing

Bangladesh's health financing situation is among the most challenging in the world. Government health expenditure has remained below 1% of GDP for over two decades, and out-of-pocket spending at 69–74% of total health expenditure is among the highest globally.

**Table 13.2 : Broad health financing benchmarks and targets**

| Indicator | Bangladesh Current | International Benchmark | Proposed FY2031 Target | Notes |
|---|---|---|---|---|
| Total health expenditure as % of GDP | 2.17% | 5–7% (recommended for UHC) | 5.0% | World avg 7.21%; Bangladesh among lowest globally |
| OOP expenditure as % of Total Health Expenditure (THE) | 79.31% | Below 20% | Below 50% | Increasing trend, unlike India, Nepal, Sri Lanka |
| Per capita health expenditure (total) | $53.46 | $86+ (minimum for UHC) | $75 | $53.46 per inhabitant; ~2.2% of GDP |
| Pop. with health insurance/social protection | <2% | 100% (UHC goal) | 50% | Formal schemes almost non-existent; SSK limited |
| Catastrophic health expenditure (10% threshold) | 24.6% | Below 10% | Below 12% | 41.7% experienced financial hardship from OOP |

### 13.6.1 Part 1: Preparatory Phase

**Timeline:** July 2026 – December 2026 (6 months)

The preparatory phase builds the institutional, legal, and evidence foundations. No large-scale enrollment begins — the focus is getting the architecture right and learning honestly from what has already been tried.

**Critical Review of SSK**

The SSK pilot in Tangail has generated valuable evidence — households in covered areas experienced significantly lower OOP, catastrophic expenditure, and impoverishment. But the pilot also revealed limitations that must be confronted before scaling:

- Restriction to inpatient care only, excluding the outpatient visits and medicine purchases that constitute the bulk of household spending
- Low utilisation even among enrolled households due to awareness gaps and distance barriers
- Strain on public provider capacity that was not anticipated in the original design
- Challenges in accurately identifying below-poverty-line households
- Claims reimbursement delays that discouraged providers
- Insufficient drug availability in pilot hospitals, requiring ad-hoc contracting of private pharmacies

This phase commissions an independent evaluation of SSK covering both successes and failures, with specific design modifications for national scale-up.

**Institutional and Legal Foundations**

- Social Health Protection Act: Pass through parliament, establishing the legal mandate, governance structure, financing authority, and citizen entitlements. Frame it as rights-based legislation that survives changes in government.
- National Health Protection Authority (NHPA): Establish as an autonomous statutory body under MOHFW. The NHPA will serve as the single purchasing and regulatory agency — responsible for enrollment, benefit packages, provider contracting, claims, quality assurance, and fraud prevention. It must be operationally independent from service providers.

**Research and Development Office**

Within the NHPA, establish an independent Research and Development Office from day one. This is the scheme's learning engine. Its functions include:

- Real-time monitoring and evaluation framework with quarterly data releases
- Operational research on enrollment barriers, utilisation patterns, provider behavior, and claims leakage
- Actuarial studies and cost-effectiveness analyses to inform benefit package design and premium setting
- Evaluation of international models (Thailand, Vietnam, Rwanda, Ghana) for adaptable lessons
- Open publication of findings to maintain public trust and enable course correction
- Training a cadre of health economists and insurance professionals who will staff the expanding system

**Technical Preparations**

- Comprehensive actuarial study to determine sustainable premiums, copayment structures, and benefit packages for different population segments
- Design the national health insurance information system linked to the e-Health Card and national ID database
- Develop provider accreditation standards and reimbursement rate schedules for public and private facilities
- Prepare legal and regulatory framework for engaging private health insurance companies

**Financing Foundations**

- Secure government commitment to increase health spending to 1% of GDP in FY2026–27 (from ~0.31%)
- Introduce earmarked health levies on tobacco and sugar-sweetened beverages
- Negotiate transitional co-financing from development partners for the scale-up phase

**Part 1 Milestones Social Health Protection Act passed**

- NHPA operational with R&D Office
- SSK independent evaluation completed and published
- Actuarial study and IT system design finalized
- Provider accreditation standards drafted
- Government health allocation reaches 1% of GDP

### 13.6.2 Part 2: Phased Scale-Up

**Timeline:** January 2027 – June 2028 (18 months)

This phase moves from preparation to action, deliberately sequenced — learning from each wave before expanding.

**Wave 1 (January – June 2027): 15 Priority Districts**

Begin with the 15 poorest districts plus Dhaka and Chattogram city corporations. Enroll all BPL households identified through a dynamic "Social Registry" system with fully government-subsidized premiums. Simultaneously mandate enrollment for formal sector workers through payroll deductions with employer matching (2–3% of salary, split between employer and worker).

The benefit package — redesigned based on the SSK review — covers:

- Outpatient consultations at primary care level
- Essential medicines from an approved list
- Basic diagnostics
- Maternal and child health services
- Inpatient care
- Hypertension and diabetes screening and first-line management

Contract both public facilities and accredited private providers from the outset.

**Wave 2 (July 2027 – June 2028): Expand to 35 Districts**

Based on Wave 1 learning, refine enrollment, claims, and provider payment processes. Extend to an additional 20 districts. Begin piloting informal sector enrollment in Wave 1 districts — the hardest challenge, requiring careful testing. Use tiered subsidies based on proxy means testing and mobile money collection through bKash and Nagad. Link enrollment drives to community clinics, union parishad offices, and agricultural extension services.

**Coverage target by June 2028:** approximately 25–30% of the population enrolled.

**Dynamic Knowledge Generation**

The R&D Office publishes quarterly monitoring reports throughout scale-up covering:

- Enrollment by district, gender, and income group
- Utilisation patterns and referral flows
- Provider performance and quality indicators
- Claims processing efficiency and rejection rates
- OOP trends among enrolled vs. non-enrolled populations
- Emerging fraud patterns and system leakages

Each wave's expansion plan is formally adjusted based on evidence from the preceding wave. This is an adaptive program, not a rigid blueprint.

**Strategic Purchasing: Introduction**

During Part 2, the NHPA begins transitioning away from pure fee-for-service reimbursement:

- **Capitation for primary care:** Pilot in Wave 1 districts — community clinics and primary care units receive a fixed amount per enrolled person per year, incentivising preventive care and early management rather than upward referral.

- **DRG development:** Begin developing Bangladesh-specific case-based payment classifications with technical assistance, for implementation in Part 3. The R&D Office leads the analytical work.

**Private Sector Integration During Scale-Up**

Private hospitals meeting NHPA accreditation standards are contracted as scheme providers from Wave 1 onward. They are reimbursed at standardised rates and cannot balance-bill patients beyond approved copayments. This is essential because public facility capacity alone cannot absorb increased demand — the SSK pilot demonstrated this clearly.

- District-level private hospitals contracted for secondary care
- Tertiary private hospitals in major cities contracted for complex referral care financed through the Health Protection Fund ( Below Poverty Line (BPL) families covered up to BDT 500,000 per episode; near-poor families receive graduated subsidies)

**Part 2 Milestones by June 2028**

- Coverage reaches 25–30% of the population across 35 districts
- BPL enrollment near-complete in covered districts
- Formal sector enrollment mandatory and operational
- Informal sector pilot generating evidence
- Capitation piloted at primary care level
- Government health spending reaches 1.3% of GDP

### 13.6.3 Part 3: Consolidation

**Timeline:** July 2028 – June 2031

#### Broadening Coverage to 50%

Expand to all 64 districts for BPL and formal sector enrollment. The primary focus of Part 3 is the informal sector — the segment that determines whether 50% coverage is achieved. Deploy the most effective enrollment strategies at scale based on Part 2 findings:

- Family-based enrollment (not individual) with a single annual contribution covering all household members
- Mobile money collection through bKash and Nagad
- Enrollment linked to institutional touchpoints: community clinics, union digital centres, market committees, garment factory associations, transport worker unions
- Partial government subsidy on a sliding scale for near-poor households

The Research & Development (R&D) Office continuously identifies low-enrollment pockets and diagnoses barriers — whether supply-side (no functional facility nearby), demand-side (lack of awareness or trust), or administrative (enrollment process too complex).

#### Deepening the Benefit Package

Progressively expand coverage based on cost-effectiveness evidence from the R&D Office. Additions during Part 3 may include:

- Expanded NCD management (second-line drugs, specialist referral)
- Mental health consultations at primary care level

- Cancer screening (cervical, breast)
- Basic rehabilitation services
- Expanded surgical coverage at district level

Each addition is preceded by actuarial analysis to ensure financial sustainability.

**Strategic Purchasing: Full Transition**

This is the period where strategic purchasing becomes the dominant payment mechanism, replacing fee-for-service. The three instruments are:

**Capitation for primary care:** Scaled nationally based on Part 2 pilots. Community clinics and primary care units receive a risk-adjusted per-capita payment, creating incentives to keep people healthy rather than referring upward.

**Case-based payments (DRGs) for hospital care:** Introduced in district and tertiary hospitals. Hospitals receive a fixed payment per diagnosis rather than per service item, reducing unnecessary tests, prolonged stays, and supplier-induced demand. Bangladesh-specific DRG classifications developed by the R&D Office are deployed.

**Performance-linked payments:** A portion (10–15%) of provider reimbursement is tied to quality indicators — treatment outcomes, adherence to clinical protocols, patient satisfaction, and waiting times.

Strategic purchasing is the key mechanism for making the scheme financially sustainable. Without it, insurance expansion simply inflates costs as providers bill more services. With it, the NHPA becomes an active, intelligent buyer of care rather than a passive bill-payer.

### 13.6.4 The Role of Private Health Insurance Companies

Private insurers play a complementary, not competing, role:

- **Supplementary insurance:** For households wanting amenities beyond the standard package (private rooms, choice of surgeon, faster elective procedures), private insurers offer top-up products serving the middle and upper-middle class.
- **Administrative partnerships:** Private insurers with claims management expertise can be contracted by the NHPA as scheme operators for specific districts — handling enrollment, claims processing, and provider network management (as Green Delta functioned in the SSK pilot).
- **Employer group products:** Employers may purchase supplementary private coverage on top of mandatory NHPA enrollment, encouraging competition and innovation.
- **Regulation:** Insurance Development and Regulatory Authority (IDRA) and NHPA jointly regulate the health insurance market to prevent cream-skimming, ensure portability, and set minimum benefit standards for all private health products.

### 13.6.5 Public-Private Partnership Framework

PPP operates at three levels within this roadmap:

- **Infrastructure:** Private investment in hospital construction and equipment, particularly at district level, through build-operate-transfer or lease arrangements regulated by NHPA quality standards.
- **Service delivery:** Private hospitals contracted as scheme providers under standardised accreditation and reimbursement — not as charity, but as a sustainable business model where volume of insured patients compensates for regulated pricing.

- **Financing:** The Health Protection Fund purchases high-cost tertiary services from private hospitals for catastrophic cases, creating a predictable revenue stream for private providers while protecting households from impoverishment. Parallel investments are needed in digital learning platforms, simulation labouratories, tele-education, electronic academic records, and digital competency training for health professionals.

### 13.6.6 Financing by June 2031

Government health spending will reach 5.0% of GDP. Revenue sources are diversified:

- Government budget allocation (largest share)
- Formal sector payroll contributions
- Earmarked health levies (tobacco, SSB, mobile surcharge)
- Partial informal sector premiums via mobile money
- Development partner transitional support (declining each year)
- Efficiency savings from strategic purchasing

### 13.6.7 OOP Reduction Trajectory

**Table 13.3 : Phase-wise OOP targets**

| Milestone | Timeline | OOP Target | Coverage Target | Key Driver |
|---|---|---|---|---|
| Baseline | Jul 2027 | ~79% | <2% | Current state |
| End Part 1 | Dec 2027 | ~65% | <5% | Govt allocation; earmarked levies |
| Mid Part 2 | Jun 2028 | ~60% | ~15% | BPL + formal sector in 15 districts |
| End Part 2 | Jun 2029 | ~57% | ~28% | 35-district coverage; outpatient benefits |
| Mid Part 3 | Jun 2030 | ~53% | ~38% | Informal sector; strategic purchasing |
| End Part 3 | Jun 2031 | 50% | 50% | National coverage; full package; PPP |

The trajectory is calibrated conservatively. The largest OOP reductions come in Part 2 when outpatient and medicine coverage begins — because medicines and outpatient visits, not hospitalizations, account for the majority of household health spending in Bangladesh. The slower reductions in Part 3 reflect the inherent difficulty of reaching the informal sector and the time needed for strategic purchasing to generate efficiency savings.

## 13.7 Monitoring & Evaluation Framework

Progress toward the HSSP 2026–2030 objectives will be tracked through a robust M&E system organised into eight indicator tables covering: impact outcomes, service coverage, health workforce, health infrastructure, health financing, unified PHC, AMR, food safety, and the health information system. Each indicator carries milestone targets at three checkpoints aligned with the plan's phased implementation structure: 6 months (December 2026, end of preparatory phase), 2 years (June 2028, end of scale-up phase), and 5 years (June 2031, end of plan).

Data sources include DHIS2, BDHS, SVRS, BBS, National Health Accounts (BNHA), WHO/JEE assessments, World Bank WDI, BFSA reports, IEDCR surveillance, and program-specific reports. The National Health Intelligence Centre (once operational) will serve as the primary platform for real-time monitoring. Joint sector reviews with development partners will be conducted bi-annually, with a formal midterm evaluation in 2028.

### 13.7.1 Impact Indicators

#### Table 13.4 : Impact indicators – Baseline and targets

| Indicator | Baseline | 1 Year Target | 1-3 Years Target | 3-5 Years Target |
|---|---|---|---|---|
| Maternal mortality ratio (per 100,000 live births) | 136 (2023) | 106 | 90 | 70 |
| Neonatal mortality rate (per 1,000 live births) | 22 (2025) | 18 | 14 | 10 |
| Under-5 mortality rate (per 1,000 live births) | 32 (2025) | 28 | 24 | 20 |
| Stunting among children under 5 | 24% (2025) | 22% | 20% | 15% |
| Total fertility rate | 2.3–2.5 | 2.3–2.5 | 2.1 | 2.0 |
| Premature NCD mortality (prob. age 30–70) | ~21% | ~21% | 18% | 16% |
| Life expectancy at birth | 73 yrs | 73 yrs | 74.5 yrs | 76 yrs |

*Sources: Bangladesh Maternal Mortality and Health Survey (BMMS), Bangladesh Urban Health Survey (BUHS), Bangladesh Health Facility Survey (BHFS), SVRS, BDHS, DHS, WHO NCD targets. Impact indicators change slowly; 6-month targets reflect baseline confirmation, not improvement.*

### 13.7.2 Outcome Indicators

#### Table 13.5: Outcome indicators – Baseline and targets

| Indicator | Baseline | 1 Year Target | 1-3 Years Target | 3-5 Years Target |
|---|---|---|---|---|
| UHC Service Coverage Index | 54 | 54 | 60 | 65 |
| Facility delivery rate | 65% | 66% | 72% | 80% |
| Skilled birth attendance | 70% | 71% | 78% | 85% |
| ANC 4+ visits | 35.5% | 37% | 55% | 75% |
| Children fully immunized | ~84% | 85% | 90% | 95% |
| Modern contraceptive prevalence | 55% | 56% | 62% | 70% |
| TB treatment success rate | 96% | 96% | 96.5% | 97% |
| Ambulance response time (urban) | No system | System design complete | Pilot <25 min | <20 min |

*Sources: Bangladesh Maternal Mortality and Health Survey (BMMS), Bangladesh Urban Health Survey (BUHS), Bangladesh Health Facility Survey (BHFS), BDHS, HMIS/DHIS2, WHO Global TB Report. 6-month targets reflect system preparation rather than population-level shifts.*

### 13.7.3 Health Workforce Indicators

#### Table 13.6 : Workforce indicators

| Indicator | Baseline | 1 Year Target | 1-3 Years Target | 3-5 Years Target |
|---|---|---|---|---|
| Doctors per 1,000 population | 0.76 | 0.78 | 0.95 | 1.2 |
| Nurses & midwives per 1,000 | 0.74 | 0.80 | 1.5 | 2.4 |
| Combined density per 1,000 | ~1.5 | ~1.6 | 2.5 | 3.6 |
| Nurse-to-doctor ratio | 0.97:1 | 1.0:1 | 1.6:1 | 2:1 |
| Community health workers per 10,000 | ~9 | 10 | 12 | 15 |

| Indicator | Baseline | 1 Year Target | 1-3 Years Target | 3-5 Years Target |
|---|---|---|---|---|
| New health workers recruited (cumulative) | 0 | 10,000 | 50,000 | 100,000 |
| % of new health workers who are women | N/A | 80% | 80% | 80% |
| Upazila data officers deployed | 0 | 500 | 500 | 500 |
| Food safety inspectors deployed | ~150 | 350 | 350 | 600 |

*Sources: Bangladesh Maternal Mortality and Health Survey (BMMS), Bangladesh Urban Health Survey (BUHS), Bangladesh Health Facility Survey (BHFS), HRH Report, MOHFW administrative data, BFSA.*

### 13.7.4 Health Infrastructure Indicators

#### Table 13.7: Infrastructure indicators

| Indicator | Baseline | 1 Year Target | 1-3 Years Target | 3-5 Years Target |
|---|---|---|---|---|
| Hospital beds per 1,000 | 0.92 | 0.95 | 1.4 | 2.0 |
| ICU beds per 100,000 | 0.72 | 0.80 | 1.3 | 2.0 |
| Functional community clinics (per 6,000 pop.) | 0.51 | 0.55 | 0.75 | 1.0 |
| Upazila HCs meeting standards | <50% | <50% | 65% | 80% |
| Health facilities with EMR | ~12% | 15% | 40% | 70% |
| Upazila HCs upgraded (cumulative) | 0 | 10 | 50 | 100 |
| Union facilities upgraded (cumulative) | 0 | 30 | 200 | 500 |
| IHR core capacity score | 55% | 57% | 63% | 70% |
| Essential medicines locally manufactured | ~80% | 82% | 88% | 95%+ |

*Sources: Bangladesh Maternal Mortality and Health Survey (BMMS), Bangladesh Urban Health Survey (BUHS), Bangladesh Health Facility Survey (BHFS), MOHFW, World Bank WDI, WHO JEE, DGDA. Infrastructure targets reflect phased construction and accreditation timelines.*

### 13.7.5 Health Financing Indicators

#### Table 13.8 : Health financing indicators

| Indicator | Baseline | 1 Year Target | 1-3 Years Target | 3-5 Years Target |
|---|---|---|---|---|
| Govt health expenditure (% of GDP) | 0.31% | 1.0% | 1.3% | 2.0% |
| Total health expenditure (% of GDP) | 2.17% | 2.5% | 3.2% | 4.5% |
| OOP as % of total health expenditure | 79% | 65% | 57% | 50% |
| Per capita health expenditure (total) | $53 | $58 | $65 | $75+ |
| Population with social health protection | <2% | <5% | 28% | 50% |
| Catastrophic health expenditure (10% threshold) | 24.6% | 22% | 17% | <12% |
| Social Health Protection Act | Draft | Passed | Operational | Operational |
| NHPA operational | No | Yes | Yes | Yes |
| Earmarked health levies operational | No | Legislated | Revenue flowing | Diversified |
| Strategic purchasing (% of payments) | 0% | 0% | Capitation pilot | 30% |

*Sources: Bangladesh Maternal Mortality and Health Survey (BMMS), Bangladesh Urban Health Survey (BUHS), Bangladesh Health Facility Survey (BHFS), BNHA, World Bank WDI, MOHFW. The 1% GDP target at 6 months reflects the legislated escalation commitment; actual disbursement may lag. OOP reduction trajectory follows the health financing roadmap phasing.*

## 13.8 Implementation Arrangements, Risks & Governance

### 13.8.1 Institutional Framework

- MOHFW provides overall stewardship and policy direction
- DGHS and DGFP serve as implementing agencies (with functional integration mechanisms)
- Divisional, district, and upazila health management teams manage at decentralised levels
- Community clinics and union-level facilities form the PHC backbone (~14,000 facilities)
- Private sector participates through regulation, partnership, and PPP frameworks

### 13.8.2 Coordination Mechanisms

- Health sector-wide approach with a sector coordination committee
- Technical working groups by thematic area
- Annual planning and budgeting aligned to the strategic plan and mid-term budget framework
- Joint sector reviews with development partners (bi-annual)
- Performance agreements linking to ADP cycles and delivery-based performance contracts

### 13.8.3 Key Risks and Mitigation

**Table 13.9 : Risk assessments and proposed mitigation measures**

| Risk | Probability | Impact | Mitigation Measures |
|---|---|---|---|
| Fiscal constraints and competing priorities | High | High | Advocacy for health as investment; earmarked taxes; innovative financing |
| Health workforce shortages in rural areas | High | High | Compulsory rural service; financial incentives; task-shifting; expanded training |
| Climate-related health emergencies | High | High | Climate-resilient infrastructure; early warning systems; emergency preparedness |
| Governance fragmentation (DGHS/DGFP) | Medium | High | Functional integration; unified planning and budgeting; joint reviews |
| Stock-outs of medicines and commodities | Medium | High | e-LMIS implementation; local manufacturing; pooled procurement |
| Political transition risks | Medium | Medium | Broad stakeholder ownership; legislative anchoring; depoliticized governance |
| Data and evidence gaps | Medium | Medium | Investment in DHIS2, CRVS, and health data warehouse |
| Epidemics and pandemic preparedness | Medium | High | One Health surveillance; IEDCR strengthening; cross-border coordination |

# CHAPTER 14
# EDUCATION

## 14.1 Introduction and Situation Analysis

### 14.1.1 Introduction

This strategic plan provides a roadmap for transforming Bangladesh's education system over the period FY2027–2031. It aligns with the Sustainable Development Goals, particularly SDG 4 on quality education. Bangladesh's demographic profile, characterized by a large youth population, presents both opportunities and challenges. While the country stands to benefit from a demographic dividend, this will only materialize if the education system equips young people with relevant skills.

Education has long been regarded as one of the most important pillars of Bangladesh's socio-economic transformation. Since independence, Bangladesh has made substantial progress in improving literacy, increasing school participation, reducing gender disparities, and expanding educational infrastructure across the country. Particularly since the 1990s, the country has implemented a series of reforms and public Programmes—including stipend schemes, free textbook distribution, school feeding initiatives, and large-scale infrastructure investments—that have contributed significantly to improved educational access.

These achievements are especially noteworthy given Bangladesh's high population density, widespread poverty during earlier decades, exposure to natural disasters, and limited fiscal resources. The country's success in achieving gender parity in primary and secondary education has also been internationally recognised and often cited as an important development milestone.

However, while Bangladesh has largely succeeded in bringing children into schools, the next phase of educational development has proven far more complex. Increasingly, evidence suggests that many students are not acquiring the skills and competencies expected at their grade levels. A substantial proportion of students complete primary education without mastering foundational literacy and numeracy. At higher levels, employers consistently report that graduates lack communication skills, analytical abilities, digital competencies, and practical workplace readiness.

As a result, Bangladesh's education challenge has evolved from an "access problem" to a broader "quality, relevance, and governance crisis." This emerging crisis has important implications not only for education outcomes, but also for labour productivity, industrial upgrading, youth employment, social mobility, and long-term economic growth.

This strategic plan aligns with:

- SDG 4 (Quality Education); and
- National human capital and economic transformation goals.

It sets a roadmap for achieving inclusive, equitable, and quality education by FY2031.

## 14.2 Sector Performance Review

Bangladesh's education sector has achieved impressive gains in access and gender parity, but quality remains a major concern. National assessments indicate that a large proportion of students do not achieve expected competency levels in reading and mathematics. Dropout rates increase significantly at the secondary level, particularly among disadvantaged groups. Technical and vocational education remains underdeveloped, with only about 14 per cent of students enrolled in TVET streams.

Governance challenges include fragmentation across different education streams, weak accountability mechanisms, and inefficiencies in resource allocation. The digital divide further exacerbates inequalities, as access to technology remains uneven across regions and socio-economic groups.

The following sections provide a comprehensive review of the education sector's performance, major achievements, emerging weaknesses, and future reform priorities.

### 14.2.1 Expansion of Access and Enrollment

| Major achievements | Major challenges |
|---|---|
| • Primary net enrollment is near universal at 97–98%.<br>• Free textbook distribution helped attract more students to school.<br>• Expansion of school infrastructure increased access to education nationwide.<br>• School feeding Programmes encouraged student participation.<br>• Secondary enrollment expanded substantially.<br>• Rural access to education improved significantly. | • Enrollment growth has not always resulted in regular attendance.<br>• Many students struggle to remain in school and complete the full education cycle.<br>• Child labour affects school attendance and retention.<br>• Weak learning performance limits meaningful educational outcomes.<br>• Enrollment expansion has not always translated into meaningful learning.<br>• Retention remains a major concern, especially for disadvantaged students. |

### 14.2.2 Gender Equality and Female Participation

Bangladesh's progress in female education has been one of the most remarkable dimensions of its education sector development. Over the past several decades, targeted policy interventions significantly improved girls' participation in schooling.

| Major achievements | Major challenges |
|---|---|
| • Reduced financial barriers and encouraged girls' school attendance<br>• Increased female enrollment and achieved gender parity in primary and secondary education<br>• Improved female literacy and secondary school participation<br>• Increased women's visibility in tertiary education<br>• Contributed to delayed marriage and women's empowerment | • Educational participation has not fully translated into equal labour market opportunities<br>• Female graduates face higher unemployment than males<br>• Labour market discrimination, social barriers, mobility constraints, and occupational segregation remain<br>• Poorer girls remain vulnerable to early marriage and school dropout<br>• Household labour burdens and reduced digital access during crises continue to affect girls' education |

Therefore, future gender-focused policies must move beyond enrollment and address transition from education to employment, safety, mobility, and labour market inclusion.

### 14.2.3 Improvement in Infrastructure and Institutional Expansion

| Major achievements | Major challenges |
|---|---|
| • Expanded school buildings, classrooms, and educational facilities nationwide<br>• Rehabilitated schools and improved learning environments<br>• Improved ICT labs, multimedia classrooms, and smart classroom use<br>• Expanded colleges, universities, and teacher training infrastructure<br>• Distributed textbooks and learning materials to support education | • Infrastructure improvements remain unevenly distributed across regions<br>• Rural and disadvantaged areas still face inadequate facilities<br>• Poor internet connectivity and weak electricity supply limit effective use of ICT<br>• Shortages of educational resources continue in disadvantaged areas<br>• Infrastructure investment has not always produced proportional improvements in learning outcomes |

### 14.2.4 Learning Crisis and Quality Deficits

The most serious challenge facing Bangladesh's education system today is the learning crisis. Although enrollment rates are high, many students fail to achieve basic competencies expected at their grade levels.

| Major achievements | Major challenges |
|---|---|
| • Enrollment rates are high across the education system<br>• National assessments help identify gaps in student learning<br>• Some students perform better in memorization-based tasks<br>• Awareness of foundational literacy and numeracy problems has increased<br>• Learning outcomes are now being recognised as a key policy concern | • Many students fail to achieve grade-level competencies in literacy and numeracy<br>• About half of students cannot read at grade level<br>• Mathematics competency is especially weak, with nearly two-thirds lacking adequate skills<br>• Students struggle with application, interpretation, analytical thinking, and problem-solving<br>• Rote learning and exam-oriented instruction limit conceptual understanding |

The persistence of these weaknesses suggests that many children are spending years in school without developing the competencies needed for productive citizenship and employment.

### 14.2.5 COVID-19 and Learning Losses

The COVID-19 pandemic created one of the largest educational disruptions in Bangladesh's history. Schools remained closed for prolonged periods, severely affecting learning continuity and student engagement.

| Major achievements | Major challenges |
|---|---|
| • Bangladesh introduced remote learning through Sangsad TV, online classes, mobile communication, and digital platforms<br>• Efforts were made to maintain learning continuity during school closures<br>• Digital platforms became more visible in the education system<br>• The crisis increased awareness of the need for blended-learning systems<br>• The pandemic highlighted the importance of building a resilient digital learning ecosystem | • Prolonged school closures severely disrupted learning continuity and student engagement<br>• Remote learning effectiveness was limited due to unequal access to devices, internet, and digital literacy<br>• Poor households, rural students, girls, and children in remote regions were disproportionately affected<br>• Many students disengaged from education, increasing risks of dropout, child labour, and early marriage<br>• Long-term learning poverty increased due to limited participation in distance learning |

The crisis exposed the fragility of Bangladesh's digital learning ecosystem and highlighted the urgent need for resilient blended-learning systems.

### 14.2.6 Teacher Quality and Pedagogical Challenges

Teachers remain the single most important determinant of education quality. Bangladesh expanded teacher recruitment and training coverage over time, but important challenges persist regarding teaching effectiveness and pedagogy.

| Major achievements | Major challenges |
|---|---|
| • Expanded teacher recruitment over time<br>• Increased teacher training coverage<br>• Improved availability of formally trained teachers<br>• Recognised teachers as central to education quality<br>• Growing focus on transforming teaching quality and professional culture | • Teaching practices often remain traditional, lecture-based, and examination-focused<br>• Weak pedagogical skills, limited formative assessment, and rote-based teaching persist<br>• High student-teacher ratio and uneven teacher distribution affect learning quality<br>• Weak ICT integration limits modern and blended learning approaches<br>• Many teachers lack preparation for remedial learning, competency-based teaching, and student-centreed instruction |

### 14.2.7 TVET and Skills Development Performance

Bangladesh increasingly recognises the importance of Technical and Vocational Education and Training (TVET) for industrial development, productivity growth, and youth employment.

| Major achievements | Major challenges |
|---|---|
| • Increased recognition of TVET for industrial development, productivity growth, and youth employment<br>• Expanded enrollment in TVET Programmes<br>• Introduced initiatives to strengthen skills development systems<br>• Improved focus on technical skills and workforce readiness<br>• Growing awareness of the need for industry linkage, curriculum modernisation, and apprenticeships | • TVET uptake remains very low<br>• Employers report dissatisfaction with graduates' workplace readiness<br>• Graduates often have weak practical competency, ICT skills, communication skills, and problem-solving ability<br>• Many TVET institutions remain disconnected from industrial and technological demands<br>• Limited industry linkage, outdated curricula, and weak apprenticeship systems continue to constrain employability |

### 14.2.8 Madrasa Education Sector Performance

| Major achievements | Major challenges |
|---|---|
| • Madrasas have been instrumental in achieving gender parity in secondary enrollment<br>• They have served as the "last mile" primary educational infrastructure in hard-to-reach areas (chars, coastal belts) where govt schools are often absent. | • A perception-reality gap regarding extremism, coupled with a curriculum that often lacks the "employable skills" .<br>• Aliya graduates face systemic barriers in entering specialized university faculties |

| Major achievements | Major challenges |
|---|---|
| • Madrasa sraduates possess linguistic and cultural competencies that provide a comparative advantage for manpower export to OIC labour markets.<br>• The curriculum emphasises ethical grounding and social responsibility.<br>• Through the Quomi system, the sector provides social safety nets to millions of orphans and ultra-poor children. | • The lack of data integration and state oversight in Quomi institutions creates an "informal education economy"<br>• Absence of standardised protocols for child protection and a lack of mechanisms to address reports of abuse in Qoumi madrasahs<br>• Relative to high female enrollment in aliya madarasa, there is a underrepresentation of women within the Madrasa administration.<br>• While English language proficiency is low, worryingly Arabic language skills have allegedly worsened in recent decades as well.<br>• Ibtedayee madrasahs have unequal status relative to registered non-govt primary schools |

### 14.2.9 Tertiary Education and Employability Challenges

Higher education expanded rapidly, especially through National University-affiliated colleges. However, rapid expansion often occurred without corresponding improvements in quality assurance, research capacity, or labour market alignment. Educated unemployment has consequently emerged as a major structural concern.

Many graduates possess degrees but lack employable competencies demanded by employers. This contributes to frustration, underemployment, and inefficient use of human capital.

### 14.2.10 Governance, Financing, and Systemic Weaknesses

Governance remains one of the most critical structural challenges in Bangladesh's education system. The sector continues to face weak accountability, politicization, administrative inefficiency, corruption risks and weak monitoring systems.

Public spending on education also remains low relative to international benchmarks. Low and inefficient investment constrains are teacher development, infrastructure quality, research, digital transformation and learning recovery. Thus, governance reform is central to improving both quality and efficiency across the education sector.

Bangladesh's education sector presents a paradox. On one hand, the country achieved major successes in expanding access, improving gender parity, and increasing educational participation. On the other hand, deep structural weaknesses now threaten the long-term effectiveness of these achievements. Only through comprehensive systemic reform can Bangladesh fully realise the human capital potential necessary for sustained economic transformation and inclusive development.

## 14.3 Key Challenges Facing the Education Sector in Bangladesh

Despite major achievements in educational expansion over the past several decades, Bangladesh's education sector continues to face a broad range of structural, institutional, and quality-related challenges. These challenges have become increasingly visible as the country transitions from a low-income economy toward a more industrialised and skill-intensive development trajectory.

The earlier phase of education reform in Bangladesh focused primarily on improving access to schooling. That phase achieved notable success through expanded enrollment, gender parity, school construction, stipend Programmes, and community participation. However, the next generation of challenges is fundamentally different. The country now faces a more complex problem: ensuring that students not only attend school, but also acquire meaningful knowledge, cognitive skills, technical competencies, and employability attributes.

These challenges collectively threaten Bangladesh's efforts to achieve inclusive growth, industrial transformation, and demographic dividend realisation. Future reform efforts must therefore focus on learning quality, foundational skills, teacher effectiveness, governance reform, skills relevance, equity, and stronger education-labour market integration.

Without comprehensive reforms, the country risks producing generations of students who are formally educated but insufficiently prepared for productive economic and social participation.

# KEY CHALLENGES FOR THE EDUCATION SECTOR

## 1 Learning Crisis and Weak Education Quality

- Learning outcomes remain weak despite higher enrolment,
- many students fail to achieve grade-level literacy and numeracy.
- Higher-order skills are especially weak: reading comprehension, analytical reasoning, problem-solving, application of concepts, and written expression.
- Rote learning dominates classrooms and exams.

**Results: low confidence, weak academic performance, higher dropout risk, lower future productivity.**

## 2 High Dropout Rates and Weak Retention

- Many students leave before completing primary or secondary education.
- Most affected: poor households, rural communities, environmental vulnerabilities, girls at risk of early marriage, and working children.
- Key drivers: poverty, child labor, weak learning, low parental education, early marriage, geographic isolation, and weak school engagement.
- COVID-19 worsened dropout-related challenges.

**Long-term effects: wasted public investment, low-skilled labor, poverty transmission, and inequality.**

## 3 Weak Foundational Literacy and Numeracy

- Many primary students struggle to identify letters and words, read fluently, understand texts, perform basic arithmetic, and solve simple math problems.
- Example deficits: reading comprehension, weak-sentence formation, weak mathematical reasoning, very weak division/multiplication poor.
- Weak foundational skills create cumulative disadvantages across all later learning.
- Underlying issues: early-grade pedagogy, classroom assessment, teacher preparation, curriculum sequencing and learning support.

## 4 Skills Mismatch and Educated Unemployment

- Education outputs often do not match labor market needs.
- Many graduates are unemployed or underemployed.
- Structural weaknesses: theory-heavy curriculum, weak practical skills, limited ICT competency, poor industry exposure, weak analytics skills, and limited soft skills provision.
- This threatens industrial upgrading, export diversification, the digital economy, and knowledge-intensive sectors.

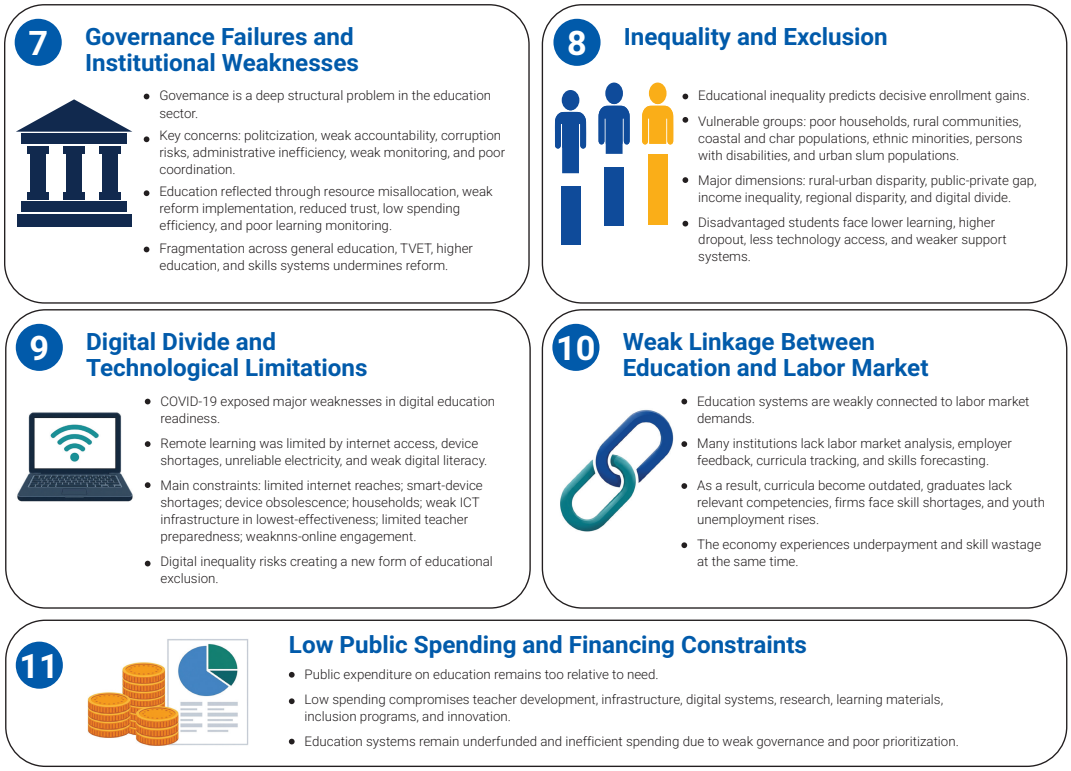
**Graduate unemployment: 28.24% | Female graduate unemployment: 34.31%**

## 5 Weaknesses in TVET and Skills Development

- TVET is important for jobs and industrial growth but faces major weaknesses.
- Key challenges: weak industry linkage, unmatched curriculum, inadequate equipment, limited apprenticeships, weak digital skills, poor soft skills, and negative social perception.
- Equity concerns: practical competency insufficient; ICT skills weak; problem-solving weak; communication moderate-weak.
- Curricula and training often lag behind changing technology.

## 6 Weak Teacher Quality and Pedagogical Limitations

- Teacher effectiveness remains central to the quality crisis.
- Major problems: rote-learning methods, weak classroom interaction, limited competency-based teaching, weak assessment, poor ICT integration, and uneven deployment.
- Continuous professional development is limited.
- Major classrooms reward memorization over conceptual understanding and critical thinking.




## 14.4 Strategic Framework and Priorities

### Vision

An inclusive, equitable, and high-quality education system that prepares all learners for a dynamic and sustainable future.

### Mission

To improve learning outcomes, ensure equitable access, strengthen skills development, and build a resilient, technology-enabled education system.

### Strategic Priorities

- SP-1: Make Foundational Learning the National Priority
- SP-2: Introduce Learning Recovery and Remedial Education
- SP-3: Reform Curriculum and Assessment
- SP-4: Transform Teacher Quality and Professional Development
- SP-5: Improve Governance, Accountability, and Transparency
- SP-6: Strengthen TVET and Skills Development
- SP-7: Improve Tertiary Education and Graduate Employability
- SP-8: Institutionalise Blended and Digital Learning
- SP-9: Reduce Inequality and Support Disadvantaged Students
- SP-10: Strengthen Education-Labour Market Linkages
- SP-11: Increase and Reprioritise Education Financing

## 14.5 Strategic Priorities (SPs) and Key Interventions

Bangladesh now needs a second-generation education reform agenda. The first generation of reforms successfully expanded access, improved gender parity, and increased school participation. The next phase must focus on learning quality, employability, equity, governance, and system resilience.

The core policy shift should be from "more schooling" to "better learning and better skills." This means that success should no longer be judged mainly by enrollment rates, number of schools, or number of graduates. Instead, the system should be judged by whether children can read, calculate, think critically, complete education, obtain decent jobs, and contribute productively to society.

| Strategic priorities | Recommended actions | Responsible ministry/ divisions/agencies |
|---|---|---|
| SP-1: Make foundational learning the national priority | • Launch a National Foundational Learning Programme;<br>• Introduce daily reading and numeracy periods;<br>• Use classroom assessments;<br>• Provide remedial support based on learning level;<br>• Prioritise disadvantaged schools and lagging districts. | • Ministry of Primary and Mass Education;<br>• Directorate of Primary Education;<br>• National Curriculum and Textbook Board; |
| SP-2: Introduce learning recovery and remedial education | • Conduct baseline learning assessments;<br>• Group students by competency level;<br>• Provide remedial classes;<br>• Use community tutors and trained volunteers;<br>• Monitor learning gains quarterly. | • Ministry of Primary and Mass Education;<br>• Secondary and Higher Education Division;<br>• Technical and Madrasah Education Division |
| SP-3: Reform curriculum and assessment | • Align curriculum with grade-level competencies;<br>• Reduce overloaded syllabuses;<br>• Increase problem-solving and comprehension-based tasks;<br>• Reform public examinations;<br>• Introduce formative assessment;<br>• Train teachers on competency-based assessment. | • Secondary and Higher Education Division;<br>• Technical and Madrasah Education Division;<br>• Ministry of Primary and Mass Education;<br>• National Curriculum and Textbook Board |
| SP-4: Transform teacher quality and professional development | • Establish a national teacher competency framework;<br>• Introduce continuous professional development;<br>• Provide school-based coaching and mentoring;<br>• Strengthen teacher performance appraisal; use digital platforms for teacher learning;<br>• Improve career pathways and incentives. | • Ministry of Primary and Mass Education;<br>• Secondary and Higher Education Division;<br>• Govt. Teachers Training Colleges |
| SP-5: Improve governance, accountability, and transparency | • Introduce digital teacher attendance systems;<br>• Track school grants and spending electronically;<br>• Publish school performance dashboards;<br>• Strengthen inspection and supervision;<br>• Ensure merit-based recruitment and promotion;<br>• Reduce political interference. | • Secondary and Higher Education Division;<br>• Technical and Madrasah Education Division;<br>• Ministry of Primary and Mass Education;<br>• Comptroller and Auditor General<br>• ICT Division |

| Strategic priorities | Recommended actions | Responsible ministry/ divisions/agencies |
|---|---|---|
| SP-6: Strengthen TVET and skills development | • Update TVET curriculum every 2–3 years;<br>• Introduce industry-led competency standards;<br>• Expand apprenticeships;<br>• Upgrade labs and equipment;<br>• Train instructors through industry attachments;<br>• Improve certification and accreditation;<br>• Promote TVET as a respected pathway. | • Technical and Madrasah Education Division;<br>• Directorate of Technical Education;<br>• Bangladesh Technical Education Board;<br>• National Skills Development Authority;<br>• Ministry of Industries;<br>• Ministry of Expatriates' Welfare and Overseas Employment |
| SP-7: Improve tertiary education and graduate employability | • Establish career counseling centres;<br>• Make internships mandatory in relevant Programmes;<br>• Introduce employability courses;<br>• Strengthen English, ICT, communication, and analytical skills;<br>• Promote industry-academia partnerships;<br>• Introduce graduate tracer studies;<br>• Strengthen accreditation and quality assurance.<br>• Improve research and development initiatives<br>• Strengthen UGC for quality enhancement of both public and private universities.<br>• Strengthen National Academy of Sciences for research and quality education.<br>• Strengthen STEM courses and quality of curriculum | • Secondary and Higher Education Division;<br>• University Grants Commission;<br>• Ministry of Labour and Employment<br>• Ministry of Science and Technology |
| SP-8: Institutionalise blended and digital learning | • Improve school internet connectivity;<br>• Develop national digital learning content;<br>• Provide offline learning materials for remote areas;<br>• Train teachers in digital pedagogy;<br>• Use TV, community radio, mobile, and online platforms together;<br>• Create student learning management systems. | • Ministry of Education;<br>• Ministry of Primary and Mass Education;<br>• ICT Division<br>• Directorate of Secondary and Higher Education;<br>• Directorate of Primary Education |
| SP-9: Reduce inequality and support disadvantaged students | • Expand stipends for poor and vulnerable students;<br>• Strengthen school feeding Programmes;<br>• Provide school dress, bag & other support in remote areas;<br>• Ensure disability-friendly infrastructure;<br>• Introduce flexible schooling for working children;<br>• Support girls at risk of early marriage;<br>• Allocate resources through equity-based financing. | • Ministry of Primary and Mass Education;<br>• Ministry of Women and Children Affairs;<br>• Ministry of Social Welfare;<br>• Local Government Division;<br>• Directorate of Primary Education;<br>• Directorate of Secondary and Higher Education |

| Strategic priorities | Recommended actions | Responsible ministry/ divisions/agencies |
|---|---|---|
| SP-10: Strengthen education-labour market linkages | • Develop a national labour market information system;<br>• Conduct regular skills demand surveys; establish industry advisory boards;<br>• Link institutions with local employers;<br>• Organise job fairs and apprenticeship matching;<br>• Track graduate employment outcomes. | • Ministry of Labour and Employment;<br>• National Skills Development Authority;<br>• Technical and Madrasah Education Division;<br>• Bangladesh Bureau of Statistics; |
| SP-11: Increase and reprioritise education financing | • Gradually increase education spending toward 4–5% of GDP;<br>• Prioritise early-grade learning and teacher quality;<br>• Introduce performance-linked incentives and financing;<br>• Improve budget execution and reduce leakages;<br>• Allocate more resources to lagging districts;<br>• Strengthen financial monitoring. | • Finance Division;<br>• Bangladesh Planning Commission;<br>• Ministry of Primary and Mass Education;<br>• Implementation Monitoring and Evaluation Division;<br>• Secondary and Higher Education Division;<br>• Technical and Madrasah Education Division |
| SP-12: Reform Madrasa Education | • Establish an equivalent of "National Credit Transfer System" allowing seamless horizontal mobility between (both quomi and aliyah) Madrasas and General Education streams, ensuring no student is "locked-in" to a single path.<br>• Transform Arabic language instruction from "liturgical" to "functional/commercial." Standardise Arabic proficiency certification to increase the "remittance value" of graduates.<br>• Establish "Technical Hubs" within larger Madrasas to provide dual-certification in religious studies and high-demand trades (e.g., data entry, nursing, freelancing).<br>• Fast-track the "Digital Madrasa" initiative by equipping Aliya Madrasas with high-speed internet and labs, ensuring graduates are "Gig Economy" ready. | • Technical and Madrasah Education Division;<br>• Ministry of Labour and Employment;<br>• National Skills Development Authority;<br>• Bangladesh Bureau of Statistics;<br>• ICT Division |
| | • Mandatory registration of all Quomi Madrasas (Secondary/Dawrah-e-Hadith) into the BANBEIS database to facilitate evidence-based policy.<br>• Introduce Programmes for better representation of women as teachers and administrators in aliya madrasas<br>• Nationalise Ibtedayee madrasahs (similar to non-government registered primary schools) or streamline standards with the rest of the primary education | |

## 14.6 Monitoring and Evaluation Framework

For monitoring and evaluation, key Indicators with Annual Targets are provided below:

| Indicator | 2025 Baseline | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|
| Literacy Rate (%) | 77.9 (2024) | 80 | 81 | 82 | 83.5 | 85 | 88 |
| Primary Completion (%) | 67.54 (2023) | 84 | 86 | 88 | 90 | 92 | 94 |
| Secondary Completion (%) | 74 | 76 | 78 | 81 | 83 | 85 | 87 |
| Learning Poverty (%) | 50 | 45 | 40 | 35 | 30 | 25 | 22 |
| TVET Share (%) | 14 | 16 | 18 | 21 | 23 | 25 | 27 |
| Digital Access (%) | 50 | 65 | 75 | 85 | 95 | 98 | 100 |

## 14.7 Financing and Resource Gap

### 14.7.1 Resource Availability

- Government budget (2.0-2.5% GDP baseline)
- Development partners
- Private sector investments

### 14.7.2 Financing Gap

**Bridging strategy:**

- Increase allocation to 5% of GDP
- Improve allocative efficiency
- Expand PPPs
- Introduce innovative financing

## 14.8 Implementation Arrangements

**Institutional Framework**

- Secondary and Higher Education Division
- Technical and Madrasah Education Division
- Ministry of Primary and Mass Education
- Local government bodies

**Coordination**

- National sector coordination committee
- Annual joint sector reviews
- Technical working groups

## 14.9 Risks and Mitigation

| Risk | Impact | Mitigation |
|---|---|---|
| Fiscal constraints | High | Increase budget allocation |
| Teacher shortages | High | Recruitment and training |
| Climate shocks | Medium | Resilient schools |
| Governance gaps | High | Accountability reforms |
| Digital divide | Medium | ICT expansion |
| Research and development shortage | High | Higher fund allocation |

## 14.10. Cross-Sector Linkages

**Education–Health**

- School nutrition Programmes improve learning outcomes
- Health education supports adolescent wellbeing

**Education–Environment**

- Climate-resilient schools
- Environmental education curriculum

**Education–Migration**

- Skills for migrant labour markets

## 14.11 Policy Matrix: Education Reform Agenda for Bangladesh

| Reform Area | Key Problem | Policy Action | Expected Result |
|---|---|---|---|
| Foundational learning | Weak literacy and numeracy | National learning mission | Improved early-grade skills |
| Learning recovery | Post-COVID learning loss | Remedial education | Reduced learning gaps |
| Curriculum | Rote learning | Competency-based curriculum | Better problem-solving |
| Teachers | Weak pedagogy | Training, incentives | Improved classroom teaching |
| Governance | Weak accountability | Digital monitoring and audits | Better efficiency |
| Financing | Low spending | Increase and prioritise budget | Better service delivery |
| TVET | Weak industry relevance | Apprenticeships and industry-led curriculum | Improved employability |
| Tertiary education | Graduate unemployment | Career services and internships | Better school-to-work transition |
| Digital learning | Digital divide | Blended learning system | Greater resilience |
| Equity | Poor and remote children excluded | Targeted stipends and support | More inclusive education |
| Labour market linkage | Skills mismatch | LMIS and employer partnerships | Better job matching |

## 14.12 Suggested Implementation Timeline

| Timeframe | Priority Actions |
|---|---|
| Short term, six months | Foundational assessments, remedial classes, teacher training, blended learning, extending support for weak learners and disadvantaged children. |
| Medium term, six months to 2 years | Curriculum reform, TVET modernisation, career services, digital systems, quality teaching, learning recovery, |
| Long term, 2–5 years | Full governance reform, financing expansion, higher education transformation |

## 14.13 Key Cross-Cutting Strategy

| Strategy | Actions |
|---|---|
| 1. System Integration | • Linking education,TVET ,skills ,employment<br>• Coordinated governance across ministries |
| 2. Demand-Driven Approach | • Training aligned with:<br>• Industry needs<br>• Global labour markets |

| Strategy | Actions |
|---|---|
| 3. Digital Transformation | • Edu-ID<br>• Digital classrooms<br>• ICT-based skills |
| 4. Inclusion Focus | • Women, rural populations, and disadvantaged groups<br>• Informal sector workers |
| 5. Global Orientation | • Skills certification for migration<br>• Export of skilled labour |

## 14.14 Conclusion

Bangladesh's future education reform will be bold, practical, and results oriented. The country has already achieved major progress in access. The next challenge is to ensure that students actually learn, acquire useful skills, complete education, and enter the labour market successfully.

The central reform message is clear: Bangladesh must move from access expansion to learning transformation. This requires stronger teachers, better governance, increased financing, relevant curriculum, modern TVET, inclusive support, and closer links between education and employment. With strong political commitment, increased financing, and strategic reforms, the country can build a future-ready education system aligned with its development aspirations.

# CHAPTER 15

# YOUTH DEVELOPMENT

## 15.1 Introduction & Situation Analysis

### 15.1.1 Purpose and Alignment

Bangladesh's development trajectory over the past decades has been marked by strong economic growth and poverty reduction, but due to the jobless nature of that growth, the country's youth have not been able to fully realise their potential.

Youth development has historically been viewed mainly as a social welfare activity, with insufficient focus on integrating youth into the economy or addressing emerging social risks. It is essential to reframe youth development as a cross-sectoral priority in both economic and governance strategies. This approach should involve coordinated interventions across education, labour markets, social protection, and public health systems.

The purpose of the strategic framework for youth development is to connect youth to economic transformation through initiatives that stimulate growth and innovation and harness Bangladesh's demographic and longevity dividend.

### 15.1.2 Structural Challenges of Youth Development in Bangladesh

In Bangladesh, youths face a range of challenges that substantially affect their employability, psychological well-being, and holistic development. Persistent youth unemployment, especially among university graduates, is further exacerbated by the prevalence of skills mismatches and the absence of systematic mentorship frameworks. Such adversities render young individuals increasingly susceptible to social marginalisation and exploitation by violent actors, including criminal organisations and extremist groups.

These challenges are rooted in various socio-economic factors, including poverty, lack of education, and limited access to healthcare. Though several initiatives have been launched to address these pressing issues, their effectiveness has often fallen short of expectations. For instance, various skills training Programmes have been introduced to equip young people with the competencies needed for the job market. Despite their potential, these Programmes have reached only a fraction of the youth in need, leaving many vulnerable groups without the support they require to improve their circumstances and secure stable employment.

Furthermore, approaches dealing with pressing social problems such as drug abuse and gambling have predominantly relied on enforcement measures, such as legal penalties and criminalisation. While these measures may provide short-term solutions, they often fail to address the underlying causes of these issues, which include a lack of awareness, poverty, and limited access to mental health services. As a result, young individuals struggling with these challenges may not receive the necessary support for recovery and rehabilitation.

Effective implementation of youth development initiatives requires coordination among the ministries and agencies involved in youth-related programmes while the Ministry of Youth and Sports serves as the lead institution for youth development in Bangladesh. Close collabouration with relevant ministries and agencies, including the Secondary and Higher Education Division, the Technical and Madrasa Education Division, the Ministry of Religious Affairs, the Ministry of Cultural Affairs, the Ministry of Home Affairs, and the ICT divisionis essential for coordinated policy and implementation. Existing collabouration gaps may result in overlap, inefficiencies, and reduced effectiveness of interventions.

Additionally, youth have been largely excluded from critical discussions of policy formulation, resulting in decisions that do not accurately reflect their needs and aspirations.

### 15.1.3 Current State of Youth Development in Bangladesh

Bangladesh possesses a large and dynamic youth population with immense potential to drive economic growth, innovation, and social transformation. In recent years, progress has been made in expanding access to education, technical training, and youth-focused development programmes. Nevertheless, translating this demographic strength into productive employment and sustainable livelihoods remains a significant national challenge.

As of 2024, approximately 19.54% of young people were not engaged in education, employment, or training (NEET). Graduate unemployment remains particularly high, exceeding 28% among certain groups, while around 85% of total employment continues to be concentrated in the informal sector. These trends limit productivity growth, reduce opportunities for decent work, and constrain upward economic mobility.

The situation is further complicated by persistent skills mismatches. Although access to higher education has expanded considerably, graduate outcomes have not always kept pace with labour market demand. At the same time, shortages of technical, vocational, and digital skills continue to affect the availability of a competitive workforce, highlighting the need for closer alignment between education, training, and employment.

Alongside these economic challenges, a range of social issues continues to affect youth development. Substance abuse, online gambling, urban violence, and gender-based violence increasingly undermine the well-being and productive engagement of young people. Addressing these interconnected challenges will require coordinated action across education, employment, health, social protection, and youth development institutions to fully realise Bangladesh's demographic dividend.

## 15.2 Strategic Framework — Vision, Mission & Architecture

**Vision:** By 2030, Bangladesh will harness the potential of its youth to drive inclusive economic growth, social cohesion, and democratic participation.

**Mission:** To create an integrated youth development ecosystem that aligns education with employment, promotes entrepreneurship, addresses social risks through holistic approaches, and empowers youth as active agents of national development.

### 15.2.1 Strategic Priorities

#### SP1: Transforming Education-to-Employment Systems

There is a disconnect between educational outcomes and labour market needs. Despite a rise in the number of graduates, employability rates remain low, with graduate unemployment exceeding 28% in some groups. To address this, education must become demand-driven and skills-oriented, integrating industry training and career services and aligning with local and global labour markets.

Restructuring Bangladesh's education-to-employment pipeline to ensure that young people acquire relevant skills for a smooth transition into the workforce involves providing digital skills training and internships for university graduates, modernising technical and vocational education and training (TVET), and designing an efficient job placement mechanism to create opportunities within the country.

#### SP 2: Accelerating Job Creation and Youth Entrepreneurship

Each year, over 2 million youth enter the workforce but struggle to find decent jobs due to limitations in the formal job market. The prevalence of informal employment and weak private-sector growth hinders job creation, while many young people face barriers to accessing finance, markets, and entrepreneurial support.

To address the challenge, a dual approach focusing on large-scale job creation and entrepreneurship development will be taken. Economic reforms, increased investment, and the revitalisation of local industries are projected to generate up to 10 million jobs. Support for youth entrepreneurship will be provided through funding for startups, innovation contests, and designated spaces within economic zones.

#### SP 3: Addressing Youth Vulnerability and Social Risks

Youth unemployment is associated with increasing social risks, including substance abuse, online gambling, urban violence, and gender-based harassment. Economic exclusion and the absence of social security in the informal economy heighten vulnerability to harmful behaviours and crime, which, in turn, further diminish employability and social stability. Previous strategies to tackle these issues have primarily focused on enforcement and have not addressed the root causes.

To effectively address the interconnected challenges of youth vulnerability, a comprehensive approach is needed. This should combine preventive, inclusive, and rehabilitative strategies, such as expanding access to treatment and community-based prevention Programmes. Additionally, targeted employment initiatives for youth from disadvantaged backgrounds will be introduced, along with social security provisions.

#### SP 4: Global Integration and Future Skills

Bangladesh's demographic and longevity dividends offer significant economic potential, but the decade of jobless growth and the economy's structural challenges hinder the creation of sufficient decent employment in the immediate term. Therefore, the global integration of youth through education and job opportunities abroad will be prioritised.

This requires proactively analysing the job trends across the globe to identify the most demanded job roles. Aligning the global demand across sectors such as healthcare, ICT, construction, plumbing, tourism, and caregiving, while also facilitating overseas employment through structured migration pathways, will be emphasised. Besides, youth should be integrated into global digital platforms, such as freelancing and e-commerce, to access international markets. Youth will be taught a third language, in addition to English and Bengali, to provide them with access to global markets.

### 15.2.2 Cross-Cutting Enablers

#### Enabler 01: Governance and Coordination

To ensure the strategic priorities are met, a high-level inter-ministerial coordination mechanism will be essential, involving the Ministry of Education, the Ministry of Cultural Affairs, the Ministry of Home

Affairs, and ICT Division, along with the adoption of a unified youth development policy framework. These measures need to be supplemented with a robust monitoring and evaluation system to track the progress.

### Enabler 02: Financing and Partnerships

To support the initiatives, a comprehensive financing mechanism needs to be established that integrates the public and private sectors. Besides, development partners and development financial institutions will be engaged to seek project-specific funding. Outcome-based financing mechanisms must be designed and implemented to ensure transparency and efficiency.

## 15.3 Priorities and Key Interventions

### 15.3.1 Transforming Education-to-Employment Systems

**Rationale:** A persistent mismatch between education outcomes and labour market demand has resulted in high graduate unemployment and underemployment. Existing systems are largely supply-driven, fragmented, and weakly connected to employers. Transforming this pipeline into a demand-driven, skills-oriented ecosystem is critical to ensuring smoother school-to-work transitions.

**Objectives:** Equip youth with industry-linked skills for the job market, ensuring employment or self-employment for graduates of public training Programmes, and connect university graduates with the relevant industry. Establish mechanisms to reduce graduate unemployment below 10% by 2030.

**Key Interventions:**

1. Engage with the private sector to build a structured apprenticeship programme that offers employers incentives to hire through it, bridging the gap between educational credentials and workplace requirements.
2. Mandate every university to establish a career and placement office with a specific key performance indicator (KPI) of 60% job placement within a year, and keep reviewing the performance of the offices based on the percentage of placements.
3. Introduce specialised courses in emerging, high-demand fields such as Cyber Security, Machine Learning, and Artificial Intelligence to prepare youth for the future labour market.
4. Implement a phased rollout of diverse technical and language training programmes over a five-year period to ensure long-term skill development and adaptability to evolving market needs.
5. Develop forward-looking initiatives, including digital skill enhancement platforms, career portals, and job-matching systems to bridge the gap between training and employment.
6. Modernise TVET and introduce modular certification systems, aligned with industry demand and global standards and provide technical and vocational training to youth.
7. Implement mandatory vocational training Programmes in secondary schools to equip students with practical skills and knowledge, preparing them for the workforce from an early age.
8. Improve ICT training ecosystems by upgrading the skills of trainers and improving curriculum quality, moving from basic digital literacy to advanced, market-relevant competencies.
9. Introduce measures to create a pool of digitally skilled marketing professionals by delivering targeted training in online platforms, e-commerce, and digital branding strategies.
10. Institutionalise large-scale digital and employability skills training for youth, integrating certification and industry-recognised standards.

11. Host annual national youth summits to facilitate structured engagement between young people and policymakers supported by institutional mechanism for government response to youth recommendations..

### 15.3.2 Accelerating Job Creation and Youth Entrepreneurship

**Rationale:** While formal employment opportunities continue to be limited, barriers to accessing financing, markets and a lack of skills hinder the growth of youth entrepreneurs, which need to be removed to accelerate job creation and encourage youth entrepreneurship.

**Objectives:** Train youth in entrepreneurial skills, digital marketing, and e-commerce value chains; support young entrepreneurs with financing, policy support, and additional sector-specific training to access markets. Besides, support women-led enterprises with tailored policies and access to finance.

**Key Interventions**

1. Establish a multi-stakeholder funding mechanism involving government, private sector, and corporate entities, with clear selection criteria and governance frameworks to support youth entrepreneurship.
2. Provide income-generating skills through training in poultry, livestock, handicrafts, and digital services, along with access to micro-credit facilities and help the youth grow as entrepreneurs.
3. Promote women-led entrepreneurship programmes, supporting 1,200 women entrepreneurs with tailored finance, training, and market linkages, addressing gender-specific barriers.
4. Introduce agro-entrepreneurship for youth, combined with policy and grants support, to encourage self-employment, through a platform to develop 5,000 new agro-entrepreneurs by 2030.
5. Develop specialised mobile device servicing training for 48,000 urban youth, aligned with labour market demand to facilitate self-employment and entrepreneurship in technical services.
6. Facilitate the establishment of 3,000 rural biogas plants by providing technical training and easy-term financing, contributing to sustainable energy use and rural employment generation.
7. Design and implement 24 specialised courses (including artificial intelligence and languages) over a one-year cycle, each year until 2030, alongside the creation of dedicated start-up funds to support new enterprises, for 650 youth.

### 15.3.3 Addressing Youth Vulnerability and Social Risks

**Rationale:** Youth exclusion from decent work contributes to rising social risks, such as substance abuse and engagement in crimes, which need to be prevented while reintegrating the youth through effective responses along with integrated economic, social, and behavioural interventions.

**Objectives:** Engage adolescents and youth exposed to substance misuse and social risks through evidence-based preventive interventions, expanding targeted support initiatives for them across all districts and developing comprehensive rehabilitation and reintegration frameworks aligned with employment pathways.

**Key Interventions:**

1. Design trauma-informed rehabilitation Programmes for individuals recovering from substance abuse, connecting them with skills training and job placement opportunities.

2. Integrate psychosocial support, life skills training, and employability preparation into all youth Programmes to address the root causes of vulnerability instead of just the symptoms.
3. Engage with 795 youth organisations to deliver prevention and awareness campaigns on drug abuse alongside career development training.
4. Expand decentralised skills training by incorporating modules on psychosocial support through youth organisations across all 64 districts, reaching at least 13,800 at-risk youth.
5. Implement trauma-informed training programmes at all government-run Child Development Centres targeting adolescents who were involved in crime to reintegrate them into society.

### 15.3.4 Global Integration and Future Skills

**Rationale:** Addressing the limitations of domestic labour markets for the growing youth workforce, it is crucial to integrate young people into the global economy and provide them with skills that enhance their global competitiveness, ultimately increasing remittance flows.

**Objectives:** Youth will receive training in global job market skills and foreign languages for overseas employment. Access to digital platforms for freelancing, with Programmes aligned with future demand in key sectors, will also be ensured.

**Key Interventions**

1. Implement training initiatives for freelancing and digital platforms for 48,000 youth, facilitating entry into global online markets and the shift from informal involvement to organised integration.
2. Train 48,000 youth in caregiving and foreign-language training systems aligned with international labour demand to strengthen migration readiness.
3. Enhance foreign-language proficiency programmes for at least 20,000 educated youth and help them access labour markets beyond traditional destinations.
4. Introduce 24 specialised courses in emerging, high-demand fields such as Cyber Security, Data Processing, and Artificial Intelligence to prepare youth for the future labour market.
5. Ensure better global connectivity for freelancers and young entrepreneurs by launching international payment systems such as PayPal.
6. Implement large-scale training Programmes to develop skills for freelance work, targeting 48,000 job-seeking youth and equipping them with relevant digital competencies to secure employment and earn foreign currency through global online marketplaces.
7. Provide market oriented training in plumbing, construction, culinary services and foreign language training (English, Arabic, Japanese, and Korean) to 495,000 youth, supported by internationally recognised certification mechanisms to enhance employability in the global labour markets..

## 15.4 Monitoring & Evaluation Framework with Key Indicators

| Strategic Priority | Actions | Outcome |
|---|---|---|
| Transforming Education to Employment Systems | Modernise youth skills development and enhance employability by expanding digital and vocational training, developing apprenticeship Programmes, strengthening the capacity of digital skills trainers, and establishing structured support systems across the country. | • Graduate unemployment >10%<br>• National apprenticeship programme<br>• 30,560 trained youth on TVET<br>• 50,000 upskilled ICT trainers<br>• 50,000 digital marketing professionals |

| Strategic Priority | Actions | Outcome |
|---|---|---|
| Accelerating Job Creation and Youth Entrepreneurship | Establish entrepreneurship financing mechanism, upskill young entrepreneurs, support market access, provide technical training for self-employment, develop agro-entrepreneurs, support rural youth in establishing biogas plants, and promote women's entrepreneurship through financing and policy incentives. | • Collabourative funding mechanism for young entrepreneurs<br>• Groom 24,000 young entrepreneurs<br>• Support 1,200 women entrepreneurs<br>• 5,000 new agro-entrepreneurs<br>• 3,000 biogas plants built by rural youth<br>• 650 new tech-oriented young entrepreneurs |
| Addressing Youth Vulnerability and Social Risks | Implement trauma-informed rehabilitation Programmes linked to employment, provide targeted training for vulnerable youth, integrate psychosocial and employability support, and engage youth organisations in preventing drug abuse and promoting career development. | • National trauma-informed training for youth<br>• Integration of psychosocial support in all youth skills initiatives<br>• 795 organisations equipped to train local youth on drug abuse<br>• 13,800 at-risk youth trained with life skills |
| Global Integration and Future Skills | Equip youth with skills required for freelancing and global employment by providing caregiving and language training, specialized course on AI, cyber security, data processing, international payment system, and enhance digital and communication skills to access global labour market. | • 48,000 new young freelancers<br>• 48,000 prepared caregivers<br>• 20,000 youth with B1 level proficiency in a third language<br>• Two global payment system available in Bangladesh<br>• 490,000 youth trained with plumbing, construction, culinary and language skills |

## 15.5 Implementation Arrangements, Risks & Governance

### 15.5.1 Institutional Framework

Overall stewardship, policy direction, and accountability for the youth development sector will be provided by the Ministry of Youth and Sports. The ministry will align youth development initiatives with national economic and social priorities, through standards setting and implementation oversight across ministries. Implementation will be carried out through affiliated agencies, including the Department of Youth Development.

### 15.5.2 Coordination Mechanisms

The Ministry of Youth and Sports will work in coordination with the Ministry of Education, the ICT Division, the Ministry of Labour and Employment, the Ministry of Commerce, the Ministry of Finance, and the Ministry of Foreign Affairs. An interministerial coordination framework will be developed to improve implementation efficiency and policy coherence.

- Skill development initiatives will be jointlydesigned and implemented in coordination with the Ministry of Education and the ICT Division.

- Initiative to strengthen the linkage between academia and industry, promoting job placement and job creation will be completed in coordination with the Ministry of Education, the Ministry of Commerce and the Ministry of Finance.
- The Ministry of Foreign Affairs and the Ministry of Labour and Employment will support the global integration of skilled youth.

### 15.5.3 Key risks and mitigation strategies

The effective implementation of the strategic framework maybe affected by operational and systemic challenges that could undermine extended outcomes and impacts. Major strategic risks include gaps in data and evidence, human resources shortage at decentralised implementation levels, poor inter-agency collabouration, and funding limitations. These risks are interconnected and may result in delays, inefficiencies, and diminished effectiveness of the intended interventions.

Acknowledging these risks is crucial for maintaining credibility and preparedness. Therefore, the following framework adopts a risk-informed approach that integrates institutional strengthening, digital innovation, improved coordination mechanisms, and innovating financing approaches to mitigate implementation challenges.

| Risk Description | Probability/Impact | Mitigation Measures |
|---|---|---|
| Structural economic challenges and global instability may impact the creation of new jobs | Medium/High | Establish an inter-ministerial task force to address the labour market challenges and expedite employment generation initiatives. |
| Global instability may affect overseas employment opportunities and international mobility of youth | Medium/Medium | Collabourate with the Ministry of Foreign Affairs to analyse the international labour market trends and identify alternative destination countries affected by global instability. |
| Weak coordination across ministries and agencies may lead to delays | Medium/High | Establish an interministerial coordination mechanism under the Prime Minister's Office to strengthen implementation oversight and policy coordination |
| Insufficient financing may lead to a delay in implementing the strategies | High/High | Prioritise high-impact programmes, strengthen public-private collabouration, and adopt diversified financing approaches. |

## CLUSTER 6

# INTEGRATED RURAL TRANSFORMATION

# CHAPTER 16

# AGRICULTURE AND WATER RESOURCES MANAGEMENT

## 16.1 The Agricultural Transformation Imperative

Agriculture sits at the intersection of Bangladesh's most urgent development priorities. It employs approximately 45 per cent of the national labour force, supplies 60 per cent of national animal protein intake, and provides the hydrological and land management foundation on which the entire rural economy rests. Agriculture's share of GDP has declined from 38 per cent in the 1970s to 11.2 per cent in FY2023-24, and its real growth rate has decelerated to an estimated 2.4 per cent as the gains from extensification -- expanding cultivated area, introducing high-yielding varieties, and extending irrigation -- are largely exhausted. The sector stands at an inflection point. The next phase must be driven by productivity intensification, diversification, value chain development, climate adaptation, and institutional reform.

### 16.1.1 Four sub-sectors, one agricultural system

This chapter addresses crop agriculture, livestock and poultry, fisheries, and water resources as separate analytical sections for clarity of presentation, but these sub-sectors are deeply interconnected. The feed nexus directly links crop and livestock: domestic maize and soybean production determines livestock feed costs, which account for 60-70 per cent of poultry production cost. The coordination gap between Bangladesh Water Development Board (BWDB) and Department of Fisheries (DoF) often leads to loss of fish habitats in inland open water bodies and disrupts productivity of floodplains as well. The cold chain PPP framework designed for perishable crops is the same physical infrastructure that livestock and fisheries value chains require. Groundwater depletion in the northwest Barind Tract threatens the same aquifer system on which livestock watering and rice irrigation depend. Acting on any one sub-sector without the others produces sub-optimal outcomes across the system.

### 16.1.2 Linkages to the rural economy and other chapters

The four sub-sectors connect to the rural economy through three channels. Employment: agricultural mechanisation is projected to reduce on-farm employment from 43 per cent of total employment (2017) to approximately 20 per cent by 2030, requiring the Rural Development chapter's rural non-farm economy programme to absorb the transition.

**Food security:** agricultural output provides the supply-side foundation of household food access, whose distribution, pricing, and nutritional quality are addressed in the Food Security and Nutrition chapter.

**Rural income:** agricultural productivity growth reaches households as income only through rural roads, financial services, and RNFE income diversification that are addressed in the Rural Development chapter. The 18 per cent rural poverty target is shared between this chapter and the Rural Development chapter because neither chapter alone can deliver it.

### 16.1.3 Agriculture's Resilience Agenda: Navigating Economic Headwinds

Bangladesh's agriculture sector enters the strategy period against a backdrop of sustained macroeconomic stress. Energy price volatility -- driven by global commodity market disruptions and Bangladesh's structural dependence on imported fuel for irrigation pumping, agro-processing, and cold chain operations -- has materially increased agricultural production costs. The majority of dry-season boro cultivation relies on diesel-powered shallow and deep tube-well irrigation, directly exposing production costs to fuel price movements that have remained elevated since 2022. Simultaneous food inflation -- the food CPI averaging above 10 per cent year-on-year through FY2023-24 -- has compressed the real purchasing power of rural households as buyers of food even as it nominally increases returns to farmers as sellers. The agriculture sector's response to this double pressure is not to retreat from ambition but to restructure its investment priorities: accelerating the shift from diesel to solar-powered irrigation, deepening crop diversification to reduce boro monoculture exposure, and building the value chain infrastructure that allows productivity gains to reach farmers as income rather than being dissipated in post-harvest losses and intermediary margins.

The broader economic headwinds impose binding limits on public investment across the strategy period. Bangladesh's foreign exchange reserves reached approximately USD 20 billion in FY2023-24, constraining import capacity for agricultural inputs, capital goods, and fuel. The overall budget deficit has averaged 5-6 per cent of GDP in recent years, with ADP execution rates falling below 70 per cent in FY2023-24 due to fiscal constraint and disbursement bottlenecks (Ministry of Finance, 2024). This strategy responds in three ways: first, it prioritises interventions with the highest ratio of fiscal return to public investment -- subsidy reform, O&M financing reform, and regulatory reform that changes private incentives at low public cost; second, it explicitly designs private sector and development partner co-financing to carry the investment load that public budgets cannot; and third, it embeds conditionality into its targets so that where enabling conditions are fiscally at risk, revised targets are specified rather than aspirational figures that constraints cannot deliver.

## 16.2 Strategy Targets

The General Economics Division's Five Year Strategic Framework (FYSF) Sectoral Projection provides the reference scenario against which this strategy paper's targets are set. It projects agricultural sector real growth averaging 3.35 per cent annually over FY2027-FY2031, consistent with trend-based sectoral modelling. This strategy paper targets 4.5 per cent average annual agricultural real growth. The 1.15 percentage point uplift is not an aspiration - it is the quantified contribution of the interventions across the four sub-sectors described in this chapter. The table below formalises this relationship.

**Table 16.1: Five Years Strategic Framwork Targets**

| Indicator | Strategy Paper Target (FY31) | Key Driver of Uplift |
|---|---|---|
| Agriculture sector real growth (avg annual %) | 4.5% | All four sub-sector strategies |
| Crops and horticulture real CAGR (%) | ~3.5% | Farmer Card, AWD, cold chain |
| Animal farming real CAGR (%) | ~5.0% | Feed crop, biosecurity, AI |
| Fisheries real CAGR (%) -- see note | 5.0% | CFMC, BWDB-DoF, EEZ |
| Total real GDP growth (FY31) | Consistent | GED FYSF macro framework |

*Source: GED Sectoral Projection, Bangladesh Planning Commission (2026); Authors' calculations. Note: Fisheries gap of 2.86 pp reflects strategy-conditioned production additions from CFMC programme, BWDB-DoF protocol, and EEZ development not incorporated in the GED trend-based model. The 5.0% CAGR is conditional on CFMC legal framework and DoF staffing investment being delivered in Phase 1.*

Table 16.2: Four Sub-sectors at a Glance

| Sub-sector | Real Value FY2024 (BDT billion) | Primary Binding Constraint | Headline Strategy Target (FY2031) | Key Institutional Reform |
|---|---|---|---|---|
| Crop Agriculture | BDT 1,711 billion | Yield plateau; subsidy delivery failure | 560 lakh MT food grains; 4.5% sector growth | DAE extension; Farmer Card |
| Livestock and Poultry | BDT 592 billion | Feed cost and biosecurity governance | 19.67 MMT Milk; 10.93 MMT Meat 32,943 Million Egg 7.5% growth | DLS restructuring; AMR surveillance |
| Fisheries | BDT 765 billion | Fish habitat degradation and institutional coordination gap | 5.5 million MT production and USD 650 million exports | 1. The abolition of the lease system of Jalmahal, coastal canals and haors and opened to local fishermen and poor communities on a "Jal Jaar Jala Tar" principle.<br><br>2. Upgradation of identified water bodies list and Haors; updating fishermen registration/ registration of fisherfolk organisation; Legal framework among Ministries/Departments and Agencies |
| Water Resources | Cross-sector | BWDB institutional and O&M financing failure | 1,500 functional WMOs; 60 polders rehabilitated | BWDB restructuring; O&M 15% ring-fence |

*Source: GED FYSF Sectoral Projection, Bangladesh Planning Commission (2026). Real values in BDT billion, FY2024 actuals. Crop, Livestock, and Fisheries real values from GED FYSF; Water Resources operates as cross-sector infrastructure.*

### 16.2.1 Sub-sector 1: Crop Agriculture

Bangladesh has achieved near self-sufficiency in rice, producing 41.92 million metric tonnes of food grains in FY2023-24 and ranking among the world's top three rice producers. This is a genuine and historic achievement. But the extensification-led growth that delivered it has been exhausted: rice yield has plateaued at approximately 4.8 tonnes per hectare against a demonstrable potential of 6-7 t/ha; the non-rice crop area share has stagnated at approximately 24 per cent; and post-harvest losses across all commodities are estimated at approximately USD 2.4 billion annually. The next phase of crop agriculture growth must be driven by productivity intensification, diversification toward high-value non-rice crops, market system development, and institutional reform of the delivery architecture -- particularly the fertiliser subsidy system, which disburses BDT 30,000 crore or more annually, the majority of which has historically been captured by intermediaries rather than reaching verified smallholder farmers.

The agriculture sector in Bangladesh is currently facing a complex matrix of structural, environmental and institutional issues that all pose great risk to its food security and economic development. Soil health has declined alarmingly: about 4.6 million hectares of soil are affected by acidity, more than 70% of soils are low in essential nutrients, and soil organic matter is below 1.7%, limiting the productive potential of

farmland in the country. Pesticide use has surged, increasing from 33,200 metric tons in 2016 to 40,000 metric tons in 2023, increasing food safety risks as pesticide residues increasingly breach maximum residue limits (MRLs), a crisis exacerbated by the near-absence of credible testing infrastructure, with only five ISO-accredited labouratories available nationally. Water resource management is also a critical issue: By 2031, the demand for irrigation water for Boro crops alone is estimated to be 17.23 billion cubic meters, which has put groundwater resources under pressure. Seed supplies are only a small proportion of the national demand, and yield gaps are still very large; for example, Boro rice has a theoretical yield of over 11 tons/ha but is realised at only 5.5–6.0 tons/ha, indicating the persistent mismatch between research priorities and farmers' needs in research-extension linkages.

The ability to access agricultural credit that is responsive to climate change is very low, with the absence of loan products that reflect climatic risks, and a recorded increase in temperature of 0.5 to 1.2°C and salinity intrusion on 20-30% of coastal cultivated lands. Poor market infrastructure and underdeveloped transportation networks are also a challenge to the sector's competitiveness: Bangladesh's 88th position in the Logistics Performance Index (LPI) indicates that the sector is heavily burdened by infrastructure problems, causing an estimated US$2.4 billion in fruit and vegetable post-harvest losses. Similarly, export intentions are curtailed, as 82% of agro-exporters reported weak traceability systems and 91% of them experienced sanitary and phytosanitary (SPS) related barriers in target export markets. The agroprocessing sector is under-invested and accounts for less than 2% of GDP and exports of about 1.5%. Structural production deficiencies are further emphasised by the country's high reliance on wheat and soybean, maize, and other vital commodities imports.

Institutional weaknesses exacerbate all these problems on each of their levels — Duplicate marketing bodies, multiple agencies with overlapping mandates and responsibilities, weak enforcement of pesticide and fertiliser laws and regulations, and non-existent fair price gaps combine to create confusion and reduce accountability at the farm gate, resulting in a decreasing trend in farm gate prices at harvest time and an increasing one in retail prices during lean seasons. The sector is currently facing an acute problem of labour shortage due to rural-urban migration, industrialisation, and high farm wages, but at the same time, Bangladesh is expected to graduate from LDC status soon, which would impose tariff hikes of 6-11 per cent in the major export markets. Together, these cascading challenges call for immediate policy action, systemic and coordinated, for the future of Bangladesh's agriculture to be viable, competitive and resilient to climate change in the coming decades. Moreover, data inconsistencies across DAE, BBS, and SPARSO undermine evidence-based policymaking for equitable agricultural growth. Together, these cascading challenges call for immediate policy action, systemic and coordinated, for the future of Bangladesh's agriculture to be viable, competitive and resilient to climate change in the coming decades.

The GED FYSF projects crops and horticulture real growth averaging 2.72 per cent annually over FY2027-2031- a modest baseline that reflects the exhaustion of extensification-led gains. This strategy targets an uplift of approximately 0.8 percentage points above the GED reference, to approximately 3.5 per cent, driven by: Farmer Card digital subsidy delivery reform; the AWD (Alternate Wetting and Drying) irrigation programme reducing water and diesel costs and enabling investment in yield intensification; the cold chain PPP framework enabling non-rice crop diversification by connecting perishable production to markets; and the domestic maize and soybean development programme creating feed crop demand linkages with the livestock sector. The groundwater governance programme for the northwest Barind Tract, which is essential for long-run crop sector sustainability, is treated as an enabling condition jointly with the water resources section.

### Table 16.3: Crop Agriculture - Situation at a Glance

| Indicator | Status |
|---|---|
| Food grain production | 46.7 million MT |
| Rice yield (average) | ~4.8 t/ha vs demonstrable potential of 6-7 t/ha |
| Non-rice crop area share | ~24% of total cultivated area; target: 35% by FY2031 |
| Post-harvest loss (all commodities) | ~20% of output; equivalent to USD 2.4 billion annually |
| Mechanisation (planting and harvesting) | Harvest: ~80%; Planting: <5% -- major asymmetry |
| Fertiliser subsidy (annual) | BDT 30,000+ crore; intermediary capture documented across previous plan periods |
| Certified seed use | ~30-35%; target: 55% by FY2031 |
| Barind Tract groundwater depletion | Aquifer declining at 0.5-1.0 metres per year under boro irrigation pressure |
| GED FYSF crop sector real CAGR (FY24-FY31) | 2.72% (reference scenario); Strategy target: ~3.5% |

*Source: DAE Crop Production Statistics FY2023-24; BBS Agricultural Census 2019; MoF Economic Review 2024; GED FYSF Sectoral Projection (2026).*

**Box 16.1: The Farmer Card -- Bangladesh's Flagship Agricultural Delivery Instrument**

**Launch:** 14 April 2026. Coverage: 2.75 crore farmer beneficiaries targeted over five years.

The Farmer Card is a digital identity and service access instrument that extends beyond crop farmers to include fish farmers, livestock rearers, and agricultural entrepreneurs. For the crop sub-sector, the Card provides the delivery infrastructure for three critical reforms:

- Fertiliser subsidy reform: Direct digital transfer to verified Card holders, replacing wholesale intermediary channels that have historically captured a significant share of subsidy value.
- Mechanisation credit: Targeted credit product for Card holders, addressing the demand-side financing constraint on planting mechanisation.
- Parametric crop insurance: Premium co-payment through Card digital channels for smallholder weather index insurance.

**Registration platform:** Farmer Card integration with the Farmer Service Centre network creates a coherent last-mile service infrastructure for smallholders -- the most important institutional advancement in agricultural service delivery since the establishment of DAE. The following services have been provided under Farmer Card Schemes:

1. Fair-priced agricultural inputs (fertilisers, seeds, pesticides) at government-set prices
2. Fair-priced irrigation services at government-set prices
3. Easy agricultural loans at low interest rates
4. Subsidies for low-cost agricultural machinery (transplanters, tractors, power tillers, harvesters)
5. Direct access to government subsidies, incentives, and rehabilitation support
6. Mobile-based crop pest management advice and information
7. Training on modern agricultural technology
8. Mobile-based weather forecasts and market price information
9. Agricultural insurance support for natural disaster-affected farmers
10. Facility to sell agricultural products directly to the government at fair prices

### Key Challenges

- **Yield plateau:** technology is not reaching farmers through a DAE extension system structured around input distribution rather than knowledge delivery -- current extension officer-to-farmer ratio approximately 1:3,000+.

- **Subsidy capture:** BDT 30,000+ crore annually in fertiliser and mechanisation subsidies is not reaching intended smallholder beneficiaries at the required scale.
- **Cold chain gap:** USD 2.4 billion annual post-harvest loss and the absence of cold chain infrastructure eliminates the market price signal that would Incentivise non-rice diversification.
- **Groundwater crisis:** boro paddy cultivation in the northwest Barind Tract is depleting the aquifer at an unsustainable rate -- a national resource security issue that requires inter-ministerial governance, not a sub-sectoral fix.
- **Mechanisation mismatch:** planting mechanisation below 5 per cent despite harvest mechanisation above 80 per cent -- the asymmetry is driven by a demand-side financing gap, not a technology availability gap.
- **Unavailability of quality seeds:** Lack of production and conservation of quality seeds of different crops, including dependence on hybrid and imported seeds.

**Policy Objectives**

- Raise agricultural sector real growth from 2.42 per cent to 4.5 per cent annually by FY2031.
- Achieve food grain production of 560 lakh MT by FY2031.
- Increase rice yield from 3.55 MT/ha toward 3.75-4.0 MT/ha through precision input delivery and variety improvement.
- Expand non-rice crop area from 24 per cent to 35 per cent of total cultivated area.
- Reduce post-harvest losses from approximately 20 per cent to 10 per cent through cold chain PPP investment.
- Deliver all fertiliser and mechanisation subsidies to verified smallholders through Farmer Card digital channels by Phase 2.

**Programme: Crop Agriculture Strategies**

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP1 | Transform agricultural extension from input delivery to knowledge delivery | • Restructure DAE operational model: 70% budget to knowledge extension vs current input distribution focus<br>• Improve extension officer-to-farmer ratio from 1:3,000+ to 1:800 through staff redeployment and UDC digital platform<br>• Establish 500 Farmer Service Centres as commercial knowledge and input hubs by Phase 1; 1,500 by FY2031<br>• Deploy BARI and BRRI technology packages through DAE digital extension platform to 2 million farmers by Phase 2 | Ministry of Agriculture (DAE) |
| SP2 | Reform input subsidy delivery through the Farmer Card | • Redirect fertiliser subsidies from wholesale intermediary channels to direct digital transfer to Farmer Card holders<br>• Pilot precision subsidy allocation (crop type, soil profile, holding size) in 10 upazilas by Phase 1; national roll-out Phase 2<br>• Integrate mechanisation credit product with Farmer Card by Phase 1; co-payment verification through UDC biometric<br>• Commission beneficiary verification baseline: establish share of subsidies currently reaching verified smallholders vs intermediaries | Ministry of Agriculture Ministry of Finance (BADC, DAE) |

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP3 | Build cold chain and market systems to incentivise diversification | • Develop Cold Chain PPP framework by Phase 1; establish joint cold chain coordination group (BIDA, MoA, MoFL, DoF)<br>• Develop 20 district-level cold storage clusters linked to agro-processing zones by Phase 2; 50 by FY2031<br>• Launch mobile price information system for 10 major crops through DAE digital platform and bKash/Nagad integration<br>• Establish Staple Crop Processing Zones Authority and provide incentives for private agro-processing investment<br>• Post-harvest loss reduction target: 20%-10% overall; 15% - 8% for food grains by FY2031 | Ministry of Agriculture<br>BIDA<br>(MoC, MoF) |
| SP4 | Advance climate-smart agriculture and groundwater governance | • Scale Alternate Wetting and Drying (AWD) from pilot to 2,00,000 ha boro area by Phase 2, subject to district-level diagnostic<br>• Transition 25% of diesel tube-well irrigation in northwest Barind Tract to solar pump systems by FY2031<br>• Constitute MoWR-MoA inter-ministerial groundwater governance working group within 180 days; gazette framework by Month 12<br>• Expand climate-resilient variety adoption (submergence-tolerant aman; saline-tolerant varieties in coastal zone) to 3 million ha by FY2031<br>• Integrate BARI stress-tolerant variety pipeline with Farmer Card preferred variety list for targeted subsidy | Ministry of Agriculture<br>Ministry of Water Resources<br>(BADC, BARI, DAE) |
| SP5 | Accelerate crop diversification and domestic feed crop development | • Launch domestic maize and soybean development programme targeting 75 lakh MT maize by Year 3 (60 lakh MT is the conditional trigger for livestock growth targets)<br>• Establish certified seed multiplication network; target 55% certified seed use by FY2031 from current 30-35%<br>• Support high-value crop clusters (vegetables, fruits, spices) in 30 upazilas with cold chain linkage and extension support<br>• Develop 5 special agro-economic zones (with a special focus in Northern Areas of Bangladesh) for export-oriented horticulture with BIDA facilitation by Phase 2 | Ministry of Agriculture<br>(BARI, BADC, SCA, BIDA ) |

**Table 16.4: Crop Agriculture -- Performance Targets FY2031**

| Indicator | Baseline FY2024 | Year 3 Milestone | Strategy Target FY2031 | Data Source |
|---|---|---|---|---|
| Food grain production (lakh MT) | 501.17 | 525 | 560 | BBS / DAE |
| Rice yield (Mt/ha, average) | 3.55 (2026) | 3.70 | 3.75 to 4.0 | DAE |
| Non-rice crop area (% of cultivated) | ~24% | 27% | 28-30%* | DAE / BBS |
| Post-harvest loss -- all commodities (%) | ~20% | 18% | 15% | MoA/GED |
| Certified seed use (%) | ~32% | 42% | 55% | DAE / BADC |

| Indicator | Baseline FY2024 | Year 3 Milestone | Strategy Target FY2031 | Data Source |
|---|---|---|---|---|
| Planting and harvesting mechanisation (%) | <5% (planting) | 8%* | 20%* | DAE |
| Domestic maize production (lakh MT) | ~32 (est.) | 60 (trigger)* | 75* | DAE / BBS |
| Agric export earnings (USD million) | ~1,800 | 2,200 | 2,800 | EPB |

*Source: * Conditional target. Non-rice area conditional on cold chain PPP framework operationalised. Mechanisation conditional on demand-side financing diagnostic and credit product redesign. Maize target: 60 lakh MT is mid-term trigger for livestock growth targets; 75 lakh MT is strategy target. Source data: DAE FY2023-24; BBS Agricultural Census 2019; GED FYSF (2026).*

### 16.2.2 Sub-sector 2: Livestock and Poultry

The livestock and poultry sub-sector has been the fastest-growing component of Bangladesh's agricultural economy, with animal farming contributing BDT 592 billion to real GDP in FY2024 at a real CAGR of approximately 3.08 per cent over recent years. The FYSF projects animal farming real CAGR of 3.97 per cent over FY2024-FY2031 -- already above the broader agricultural average. This strategy targets approximately 5.0 per cent real CAGR, driven by the domestic feed crop programme, the DLS institutional restructuring to a preventive disease management model, and the genetic improvement programme. The 1.0 percentage point uplift is predicated on the domestic maize production reaching 60 lakh MT by Year 3 (Strategy 5 in the crop section): this is the single most consequential cross-sub-sector dependency in the chapter.

Feed cost is the dominant structural constraint: 60-70 per cent of poultry production cost is feed, of which approximately 70 per cent is imported maize and soybean meal. The Antimicrobial Resistance (AMR) governance challenge is equally important: Bangladesh's livestock sector uses antibiotics extensively in animal husbandry, and AMR surveillance has not been established as a baseline before regulatory action is taken. The DLS currently operates primarily as a reactive treatment agency rather than a preventive surveillance institution -- a model that cannot sustain the growing commercial poultry and dairy sector. The smallholder women's poultry cluster programme, reaching 1.5 million participants through PKSF and Mahila Samity cooperatives, is the most direct gender-targeted intervention in the Agriculture chapter.

**Table 16.5: Livestock and Poultry - Situation at a Glance**

| Indicator | Status (FY2023-24) |
|---|---|
| Livestock and poultry real value (FY2024) | BDT 592 billion |
| Milk production (estimated) | 15.04 MMT |
| Egg production (estimated) | 23,749 million eggs annually |
| Poultry meat (estimated) | 9.23 MMT |
| Feed cost share of poultry production cost | 60-70%; approximately 70% of feed is imported (maize, soybean meal) |
| DLS institutional model | Predominantly reactive treatment; preventive surveillance underdeveloped |

| Indicator | Status (FY2023-24) |
|---|---|
| AI coverage of breeding females | Approximately 25%; target 50% by Phase 2 |
| AMR national surveillance baseline | Not yet established -- a prerequisite for regulatory action |
| GED FYSF animal farming real CAGR (FY24-FY31) | 3.97% (reference); Strategy target: ~5.0% |

*Source: DLS Livestock Economy at a Glance FY2023-24; MoFL; GED FYSF Sectoral Projection (2026). Milk, egg, and poultry meat figures are DLS administrative estimates.*

**Box 16.2: The Feed Nexus -- Linking Crop and Livestock Sectors**

The livestock and poultry sub-sector's growth targets are directly conditional on the crop agriculture section's domestic maize and soybean programme (Strategy 5). This is the most consequential cross-sub-sector dependency in this chapter.

- Strategy target: 75 lakh MT domestic maize production by Year 3.
- Conditional trigger: 60 lakh MT is the minimum maize trajectory required by Year 3. If maize falls below this threshold, livestock growth targets are revised from 5.0% to approximately 4.0% CAGR at the mid-term review.
- Feed price stabilisation: A Phase 1 feasibility study will assess the design of a feed price stabilisation mechanism; implementation is in Phase 2 and conditional on feasibility findings.

### Key Challenges

- Feed cost and import dependency: no domestic feed crop programme at the required scale prior to this strategy.
- AMR governance: antimicrobial resistance rising without a national surveillance baseline; regulation without baseline data produces unenforceable standards.
- DLS institutional model: budget predominantly reactive treatment; preventive surveillance model not yet operationalised.
- Biosecurity: FMD area-progressive containment not yet operational; outbreaks cause significant production losses annually.
- Smallholder integration: Mahila Samity cooperatives require BRDB functional audit before scale-up to ensure they are genuinely operational.
- Climate Vulnerability: Livestock production could be affected by climate change due to reduction in the quality and availability of feed and water, heat and other environmental stresses, and preponderance of livestock parasites, pests, and diseases.
- Access to finance and subsidy: Most dairy is produced by smallholder producers who are poorly backed up through easy and regular fund flow from public or financial institutions, neither as credit nor as subsidy for inputs and to reduce production cost.

### Policy Objectives

- Achieve approximately 5.0 per cent real CAGR in animal farming; uplift driven by feed, biosecurity, and genetic improvement strategies.
- Reach milk production of 13.5 to 14.0 million MT by FY2030, conditional on AI coverage reaching 25 per cent by Year 3.
- Establish AMR national surveillance baseline by Month 6 before any AMR regulatory action.

- Enrol 1.5 million smallholder women in PKSF-facilitated poultry clusters by FY2031.
- Cover 50 per cent of breeding females through AI service expansion by Phase 2.
- Milk, Meat, and Egg Production would be 19.67 MMT, 10.93 MMT and 32,943 million, respectively, by FY 2030
- Milk, Meat, and Egg Production would be 19.67 MMT, 10.93 MMT and 32,943 million, respectively, by FY 2030

### Programme: Livestock and Poultry Strategies

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP1 | Develop domestic feed crop production to reduce import dependency | • Joint MoA-MoFL domestic maize and soybean programme; BARI-led high-yield variety demonstration in priority feed crop districts<br>• Phase 1 feasibility study on feed price stabilisation mechanism; implementation in Phase 2 conditional on findings<br>• Establish MoA-MoFL feed crop co-ownership reporting at Agriculture Sector Steering Committee biannually<br>• Incentivise private sector investment in domestic soybean crushing capacity through BIDA PPP facilitation | Ministry of Fisheries and Livestock Ministry of Agriculture (BARI, BLRI) |
| SP2 | Establish a preventive disease management and biosecurity system | • Restructure DLS: 70% budget to surveillance and prevention by Phase 2 vs current reactive treatment focus<br>• Establish AMR national surveillance baseline by Month 6 (before any regulatory action on antibiotic use)<br>• Operationalise FMD area-progressive zoning with livestock movement control and regional containment protocols<br>• Enhance HPAI surveillance network in high-density commercial poultry districts; establish 24-hour outbreak response protocol | Ministry of Fisheries and Livestock (DLS) |
| SP3 | Scale genetic improvement and dairy development | • Expand AI (Artificial Insemination) coverage from ~25% to 50% of breeding females by Phase 2<br>• Establish 500 smallholder dairy cooperatives by FY2031 with DLS and PKSF co-ownership<br>• Crossbred bull multiplication programme under BLRI; target 10,000 bulls annually by Phase 2<br>• Revise milk import policy to protect domestic producer price; develop milk solids blending standards under BSTI | Ministry of Fisheries and Livestock (BLRI, DLS, PKSF) |

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP4 | Integrate smallholder women's poultry clusters into formal value chains | • PKSF-facilitated cluster programme targeting 1.5 million smallholder women; Mahila Samity cooperatives as group formation infrastructure where BRDB audit-verified functional<br>• Cluster linkage to formal poultry processors for contract farming arrangements; minimum price guarantee clause<br>• Farmer Card integration for input subsidy and insurance access for cluster members<br>• Complementary Mahila Samity cooperative audit under DoC-BRDB joint audit team (cross-reference Rural Development chapter) | Ministry of Fisheries and Livestock MoWCA (PKSF, BRDB) |

**Table 16.6: Livestock and Poultry -- Performance Targets FY2031**

| Indicator | Baseline FY2024 | Year 3 Milestone | Strategy Target FY2031 | Data Source |
|---|---|---|---|---|
| Animal farming real CAGR (%) | 3.08% \| (FY25 est.) | ~4.0% | ~5.0% | GED FYSF / DLS |
| a. Milk Production (MMT)<br>b. Meat Production (MMT)<br>c. Egg Production (Million) | a. 15.54<br>b. 8.95<br>c. 24,406 | a.18.57<br>b.10.27<br>c.29,426 | a.19.67<br>b.10.93<br>c.32,943 | DLS / MoFL |
| AI coverage (% breeding females) | ~25% | 35% | 50% | DLS |
| AMR surveillance baseline established | Not established | Baseline by Month 6 | Monitoring system operational | DLS / MoFL |
| Smallholder women's poultry cluster members (million) | Baseline TBD (survey) | 0.7* | 1.5* | PKSF / MoFL |
| Domestic dairy cooperatives (cumulative) | ~200 (est.) | 300 | 500 | DLS / PKSF |

*Source: * Conditional targets. Milk production conditional on AI coverage reaching 25% by Year 3. Women's cluster target conditional on PKSF programme design and BRDB Mahila Samity audit findings. DLS data.*

### 16.2.3 Sub-sector 3: Fisheries

Bangladesh is one of the world's leading fish producing countries with a total production of 5.11 million MT in FY 2024-25, where aquaculture contributes 60.78 per cent of the total fish production. Now, Bangladesh has become self-sufficient fish producing country that supplements about 60% (with per capita of 67.80 gm/day against targeted 60 gm/day) of total daily animal protein intake of her people. Bangladesh earns a considerable volume of foreign currencies by exporting fish, shrimps and other fishery products that contribute 0.91% of the total national export earnings (BBS 2025). In 2024-25, the country earns BDT 6144.91crore by exporting almost 90 thousand MT of fish and fishery products.

Bangladesh ranked 2nd in inland open water capture production and fifth in world aquaculture production. Bangladesh ranked 1st among 11 hilsa producing countries in the world. The national fish hilsa (Tenualosa ilisha) as a single species has been making the highest contribution (9.79 per cent) to the country's total fish production. Geographical Indication Registration Certificate has also been achieved for our national fish hilsa named as 'Bangladesh Ilish' and also for tiger shrimp named as 'Bangladesh Tiger Shrimp'. The fisheries sector contributed 2.58 per cent to national GDP and 22.03

per cent to the agricultural GDP (BBS 2024-25). Around 12% of the population are directly or indirectly engaged in various activities under fisheries sector for their livelihood.

The country's vast fisheries resources are broadly divided into three sub-groups, i.e, inland culture, inland capture and marine capture. Inland culture fishery includes mainly pond/ditch/Crick, ox-bow lake (baor), shrimp/prawn farm, seasonal cultured waterbody, pen and cage culture etc. covering an area of about 8.89 lakh hectors and produces 31.07 lakh MT accounting for about 60.78 per cent of the total fish production in 2024-25. Inland capture fishery comprising rivers and estuaries. But the share of inland capture fisheries to total fish production has been gradually reduced from 62.59% in 1983-84 to 28.10% in 2024-25 due to over exploitation, degradation and loss of fish habitats, siltation of waterbodies and water pollution from industry and agro-chemicals. Various initiatives have been undertaken that include introduction of biological management of open water, community based fisheries management, establishment of beel nurseries, stocking of fingerlings including endangered species, restoration of fish habitats to facilitate breeding and migration, establishment and maintenance of sanctuaries for the conservation of biodiversity, expansion of cage and pen farming in feasible water areas through community-based fisheries management, introduction of coordinated management approach, issuing of fishers identity card, well access to fishers right, enforcement of fish conservation acts and adoption of climate smart technologies etc. As a result, in many cases fishers' rights were established, and they were motivated for biological management rather than only catching fish.

Bangladesh having sovereign rights over almost 118,813 sq. kms in the Bay of Bengal possesses vast marine water resources rich in biodiversity. The Marine fishing sector provides only about 11.12% of marine production 5.68 lakh MT in 2024-25. Marine fishing involves over 232 industrial trawlers and more than 25718 artisanal vessels. Artisanal small-scale fishery contributes 79.47%; i.e, 4.52 lakh MT and large industrial fishery contribute 20.53%; i.e. 1.16 lakh MT of total marine production. Marine Fisheries Act-2020, Marine Fisheries Harvesting Policy 2022 and Marine Fisheries rules 2023 have been formulated to income generation, employment and expedition of blue economy through marine fisheries resources management, exploitation, protection and development. Marine Fisheries Management Plan: Part 1 (Industrial), Marine Fisheries Management Plan: Part 2 (Artisanal) and Marine Fisheries Management Plan: Part 3 (MCS) has also been formulated and being implemented. Department of Fisheries has placed strong emphasis on the sustainable management of marine fisheries resources and has implemented a range of measures in this regard. These include strengthening Monitoring, Control and Surveillance (MCS) systems, enhancing catch monitoring mechanisms, and declaring Marine Protected Areas (MPAs) to protect and conserve critical breeding and nursery grounds of marine flora and fauna. A pilot project has been undertaken for deep sea tuna harvesting although the tuna harvesting programme has not been started so far. Although the fisheries sub-sector performed quite well, the sector is confronted with several challenges that can constrain the sector's growth in the future. A timebound strategic plan is essential to address the challenges facing the fisheries sector

**Table 16.7: Fisheries -- Situation at a Glance**

| Indicator | Status and Source |
|---|---|
| Total fish production (FY2024-25) | 5.11 million MT (DoF) |
| Hilsa production (FY2024-25) | 0.52 million MT (DoF) |
| Marine EEZ | 118,813 sq km; limited capacity in deep sea fishing (DoF) |
| Fisheries export earnings (2024-25): | 500.72 million USD predominantly shrimp (DoF) |
| Community-managed water bodies (CFMCs) | Pilot stage; no national legal framework yet; target 2,000 by FY2030 (DoF) |

| Indicator | Status and Source |
|---|---|
| Aquaculture operator compliance | DoF inspection capacity insufficient for systematic compliance; target 50% by FY2030. (DoF) |
| BWDB-DoF coordination | Bangladesh Water Development Board and LGED often do not carry out fisheries impact assessment in infrastructure construction that should be conducted on mandatory basis, and the consultation with DoF needs to be considered. (DoF) |
| SIS (Small Indigenous Fish Species) | Mola, dhela, chanda provide critical micronutrients to 35+ million rural poor; habitat under pressure from sluice operations and agrochemical runoff. (DoF) |
| GED FYSF fisheries real CAGR (FY24-FY30 | 2.14% (reference); Strategy target: 5.0% -- conditional on Phase 1 enabling actions. (DoF) |

*Source: DoF Fisheries Statistical Yearbook FY2022-23; MoFL; FAO FAOSTAT (global ranking); FYSF Sectoral Projection (2026). EEZ figure from Bangladesh Supreme Court Bay of Bengal delimitation.*

**Box 16.3: Small Indigenous Fish Species (SIS) and Nutrition Security**

Small indigenous fish species -- mola, dhela, chanda, kholisha, and dried fish varieties -- are critical micronutrient delivery systems for rural and low-income households that cannot access larger commercial species on a daily basis.

- SIS provide zinc, iron, vitamin A, iodine, and calcium at low cost with long shelf life (especially dried fish).
- Research in Sunamganj demonstrated that SIS pond promotion significantly improved nutritional status of pregnant women and children under five.
- SIS habitat protection is the co-benefit of the CFMC and beel restoration programme under Strategy 10: SIS species diversity and population indicators are embedded in the monitoring framework for all restored water bodies.
- Solar fish drying infrastructure with improved hygiene standards is included in landing centre upgrading under Strategy 13 -- positioning dried SIS as both a food security product and a potential export commodity.

**Governance:** Department of Fisheries is implementing various activities to promote & expansion of SIS culture under revenue budget and development project like establishment of demonstration farm, seasonal banning, species & gear restriction, fry releasing in open water bodies etc. BFRI is tasked to develop breeding & culture technology of SIS for household's pond integration providing fishing communities with a supplementary production source.

### Key Challenges

- **Inter-ministerial/inter-agencies coordination gap:** Bangladesh Water Development Board and LGED often do not carry out mandatory fisheries impact assessment in infrastructure construction under their development projects.
- **Open access to Baors:** Ownership issues of existing baors for Community Based Waterbodies Management/Jalmahal management.
- **EEZ Utilisation:** Less capacity in deep sea tuna and similar pelagic fishing in the Bay of Bengal.
- **Export food safety:** EU rejection rates for shrimp remain a market access constraint; HACCP compliance is not universal among exporters. Bringing marine species into export value chain is a also an critical challenge.
- **DoF staffing gap**: Inadequate manpower for smooth operation of DoF field-level activities.
- **SIS Gene bank:** Establishment of gene bank to preserve original stock of SIS and its abundance in natural waterbodies.
- **Value Chain:** Lack of inclusion of marine species into export value chain

**Policy Objectives**

- Achieve total fish production of 5.5 million MT by FY2031
- Establish 2000 community managed waterbodies by FY2031. Develop legal frame work in this regard.
- Increase Hilsa production to 0.52 million MT by FY2031
- Increase Fisheries export earnings to 650 million by FY2031, conditional on EU rejection rate of declining by year 2.5.
- Capacity building of fisheries quality control labs
- Increase SIS diversity in restored waterbodies as a nutrition security co-indicator.
- Reorganisation of manpower structure and increase in logistic support
- Expansion of cluster-based shrimp culture and land zoning
- Entrepreneur development in fisheries sector
- Implementation of region-based projects/Programmes addressing climate vulnerability and adaptation in fisheries sector.

**Programme: Fisheries Strategies**

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP1 | Restore inland fisheries through community management and fish-friendly infrastructure | • Gazette CFMC legal framework by Day 150; gazette BWDB-DoF binding coordination protocol (fisheries impact assessment before sluice operations; fish-friendly sluice gate standards) within 180 days<br>• DoF staffing investment: recruit and deploy 300 CFMC facilitation officers by Phase 1; 600 by FY2031<br>• Beel and floodplain restoration programme: restore 500,000 ha of seasonal floodplain habitat through coordinated sluice management by Phase 2<br>• Embed SIS species diversity and population indicators in monitoring framework for all restored CFMCs<br>• BFRI SIS aquaculture guidance for household pond integration; target 200,000 homestead ponds by FY2031 | Ministry of Fisheries and Livestock Ministry of Water Resources (DoF, BWDB, BFRI) |
| SP2 | Sustain Hilsa conservation and expand marine EEZ governance | • Expand Hilsa sanctuary network from current sanctuaries to 8 core conservation zones with community monitoring<br>• Revise jatka ban compensation payments through Family Card digital transfers -- improving targeting accuracy and reducing administrative delay<br>• Constitute Marine Fisheries Task Force for EEZ licensing, deep-sea vessel investment fund, and MCS (Monitoring, Control, Surveillance) system<br>• Submit National Blue Economy Authority proposal to Planning Commission by Year 2; target 100 licensed deep-sea vessels by FY2031<br>• Establish MCS satellite vessel monitoring for all licensed marine fishing vessels over 20 metres by Phase 2 | Ministry of Fisheries and Livestock (DoF, Bangladesh Navy, MoWR) |

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP3 | Reform aquaculture governance for quality, compliance, and sustainability | • Gazette aquaculture regulatory framework by Phase 1: feed standards, chemical use limits, stocking density norms, effluent standards<br>• DoF inspection capacity investment: 50% operator compliance certification target by FY2031 from current near-zero systematic inspection<br>• Cage aquaculture transition period provision for existing operators: 18-month compliance window before enforcement<br>• Juvenile fish-fishmeal conflict resolution protocol: seasonal restrictions on fishmeal trawling during peak recruitment periods<br>• Solar-powered fish drying facilities with improved hygiene standards at 100 landing centres by Phase 2 | Ministry of Fisheries and Livestock (DoF, BFDC BFSA) |
| SP4 | Develop fisheries export value chain and food safety compliance | • Conduct comprehensive HACCP audit and re-certification of all registered seafood processing and export establishments<br>• Carry out gap analysis against EU, US, and Japan MRL thresholds and develop a time-bound MRL compliance roadmap<br>• Strengthen residue-testing labouratory capacity through equipment upgrades and international accreditation<br>• Undertake market diversification studies and trade missions targeting non-traditional markets (Middle East, China, ASEAN) | Ministry of Fisheries and Livestock Ministry of Commerce (DoF, EPB, BFDC BFSA) |
| SP5 | Modernising Fish Landing Centre Infrastructure: Upgrading of 50 fish landing centres through cold chain development, installation of solar drying facilities, and hygiene certification of upgraded centres | • Conduct feasibility studies and engineering design for 50 landing centres<br>• Implement phased civil works and equipment installation at selected centres<br>• Develop integrated cold chain infrastructure, including ice plants and reefer vans/cold storage at key nodes<br>• Construct solar-powered fish drying yards in coastal and char areas<br>• Obtain hygiene and sanitation certification for upgraded centres against domestic and export-linked standards | MoFL (DoF) / LGED |
| SP6 | Advancing Precision Aquaculture: Modernising Fish Farm Operations using IoT/AI | • Deploy IoT-based water quality sensors (dissolved oxygen, pH, temperature, ammonia) in selected hatcheries and farms<br>• Develop a centralised data dashboard for real-time monitoring of farm conditions<br>• Train farmers and extension officers on sensor-based decision-making<br>• Develop a phased scale-up plan from pilot districts to broader national coverage<br>• Mechanize feeding, aeration, and harvesting operations in commercial fish farms<br>• Integrate automated feeders and aerators with IoT-based control systems<br>• Train farmers and extension officers on system operation and maintenance<br>• Establish a subsidy or matching-grant mechanism to support smallholder adoption | MoFL (DoF) / BFRI MoFL (DoF) |

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP7 | Strengthening the Export-Oriented Fisheries Value Chain: Expansion and facilitation of an export-focused fisheries value chain through value addition, certification support, and international market linkages | • Map the fisheries value chain from production through export to identify bottlenecks<br>• Provide targeted support to processors for value addition (filleting, packaging, branding)<br>• Facilitate export documentation, certification, and customs clearance processes<br>• Organise B2B linkage events connecting producers and processors with international buyers | MoFL (DoF) / MoC / EPB |
| SP8 | Establishing Cluster-Based Shrimp Farming Zones: Development of cluster-based shrimp farming through scientific zonation and provision of shared infrastructure | • Conduct GIS-based zonation study identifying suitable shrimp farming clusters by soil and water salinity criteria<br>• Formally designate cluster zones with land-use guidelines<br>• Provide common infrastructure per cluster, including water supply and drainage systems<br>• Form farmer cooperatives/associations for cluster-level management | MoFL (DoF) |
| SP9 | Introducing Fisheries Insurance Coverage: Launching of an insurance scheme for the fisheries sector to mitigate climate and disease-related production risks | • Design a fisheries-specific insurance product covering disease outbreak and climate disaster losses<br>• Conduct actuarial and risk assessment studies<br>• Pilot the insurance scheme in selected high-risk districts<br>• Conduct awareness campaigns and establish premium subsidy mechanisms for smallholder uptake | MoFL (DoF) / IDRA |
| SP10 | Expanding Mariculture and Product Diversification: Expansion of mariculture activities and diversification of marine fisheries products to support blue economy growth | • Identify and map suitable offshore and coastal sites for mariculture<br>• Introduce new species (seaweed, sea cucumber, marine finfish cage culture) beyond traditional shrimp<br>• Establish pilot demonstration units for diversified mariculture<br>• Support market development for diversified marine products | MoFL (DoF) |
| SP11 | Ensuring Sustainable Marine Fisheries Management: Sustainable management of marine fisheries resources to harness the potential of the blue economy | • Conduct stock assessment surveys of marine fisheries resources within Bangladesh's EEZ<br>• Revise and enforce fishing effort regulations, including closed seasons and gear restrictions<br>• Strengthen Monitoring, Control, and Surveillance (MCS) systems<br>• Integrate marine fisheries planning into the broader national Blue Economy strategy<br>• Management of Marine Protected Areas (MPAs)<br>• Coastal belt aquaculture | MoFL (DoF) |

| No. | Strategy | Key Activities | Lead Ministry |
|---|---|---|---|
| SP12 | Promoting Community-Based Jalmahal Management: Strengthening community-based management of jalmahals (water bodies) to ensure equitable access and sustainable resource governance for genuine fisher communities | • Inventory and re-assess open water bodies (jalmahals) under lease to update the National Jalmahal Database<br>• Strengthen implementation of the "জাল যার জলা তার" policy to ensure leasing priority for genuine fishers' cooperatives<br>• Form and register community-based fisher management committees for each water body<br>• Build capacity of fisher cooperatives in sustainable stocking, conservation, and revenue management<br>• Undertake initiatives for biological and ecological management of Jalmahals.<br>• Establish a grievance redress and monitoring mechanism to prevent elite capture and sub-leasing | MoLand / MoFL (DoF) |

**Table 16.8: Fisheries Performance Targets FY2031**

| Indicator | Baseline FY2024 | Year 3 Milestone | Strategy Target FY2031 | Data Source |
|---|---|---|---|---|
| Total fish production (million MT) | 5.11 | 5.3 | 5.5 | BBS / DoF |
| Fisheries real CAGR (%) | 2.14% (GED FYSF FY24) | ~3.5%* | 5.0%* | GED FYSF / DoF |
| Hilsa production (Lakh MT) | 5.20 | 5.1 | 5.2 | BBS/DoF |
| Community Managed Water bodies (CFMCs) | Pilot stage | 500 | 20000 | MoFL/DoF |
| Fisheries Export Earnings (USD million) | 500.72 | 550 | 650 | EPB/DoF |
| Aquaculture operator compliance (%) | 10% | 25% | 50% | MoFL/DoF |
| SIS diversity indicators in restored CFMCs | Baseline survey | Tracking established | SIS diversity maintained or improved in all CFMCs | DoF / BFRI |

*Source: * All fisheries targets are conditional on Phase 1 enabling actions: CFMC legal framework (Day 150); BWDB-DoF binding protocol (Day 180); DoF staffing investment operationalised. If CFMC framework not gazetted by Day 150, CFMC target revised to 1,000. If protocol not delivering outcomes by Year 2.5, Hilsa target revised to 6.8 lakh MT. Source: DoF Fisheries Statistical Yearbook FY2022-23;*

### 16.2.4 Sub-sector 4: Water resources

Water resources management is a foundational driver of agricultural productivity, food security, climate resilience, environmental sustainability and regional development in Bangladesh. Efficient management of water resources is the key component for sustainable development of Bangladesh. As the lead agency under the Ministry of Water Resources (MoWR), Bangladesh Water Development Board (BWDB) has been playing an important role in the country's water resource management since the early sixties and has been making a significant contribution to poverty alleviation & economic development of the country. BWDB works on major flood management, drainage, irrigation, river management, coastal protection and water resources infrastructure across the country. BWDB manages an expansive structural footprint, which includes 16,667.70 kilometers of embankments and 16,263 nos. water management infrastructures, 139 coastal polders alongside an extensive interior flood control network.

These macro-structures including flood management embankments, submersible embankments in haor areas, canal excavations, riverbank protection works, maintenance of river navigability, and polder rehabilitations serve as foundational components of the national social protection system. They directly prevent catastrophic floods, riverbank erosion, storm surges, and saline water intrusion, thereby securing the country's long-term agricultural stability and food security. Furthermore, BWDB is prioritising surface water-based irrigation to systematically reduce the nation's dependence on groundwater resources; ensuring that fisheries habitats are seasonally inundated, coastal agricultural soils remain fresh; haor communities receive timely flash flood warnings; and the northwest Barind Tract aquifer is sustainably managed.-

**Table 16.9: Water Resources – Situation at a Glance**

| Indicator | Status (FY 2024-25) | |
|---|---|---|
| BWDB Infrastructure Status FY2024-25 | Completed projects | 1027 |
| | Area under irrigation | 67.374 lakh hector |
| | Flood management and drainage facility | 16.49 lakh hector |
| | Completed irrigation projects | 141 |
| | Embankment | 16,668 km |
| | Water management infrastructures | 16,263 Nos |
| | Coastal Polders | 139 |
| | Barrage | 4 |
| | Land reclamation | 1088 square km |
| | River bank protective work | 1768 km |
| | Spur | 251 |
| | Flood wall | 27 km |
| | Irrigation canal dyke | 3613 km road (kaccha and pukka) |
| | RHD road on BWDB embankment | 1323 km |
| | LGED road on BWDB embankment | 4183 km |
| | Irrigation canal | 5355 km |
| | Drainage canal | 4502 km |
| | Pump house | 26 |
| | Closure | 1436 |
| | Bridge/culvert | 5879 |
| | Rubber dam | 5 |
| | Dredger | 41 |
| | River re-excavation | 3981 km |
| | River dredging | 1630 km |
| O&M Financing Deficit | ~8%–10% of demanded funds allocated; actual allocation sits at 5%–8% of water ADP vs. 15% minimum required for long-term asset sustainability. | |
| WMO Registration vs. Functionality | 3,448 registered Water Management Organisations; genuine operational capability is undergoing baseline validation via a mandated independent audit framework. | |
| Southwest Waterlogged Area | ~29 lakh hectares affected; strategic targets dictate a structural reduction to ~11 lakh hectares by FY2030 through application of TRM wherever it is applicable and polder rehabilitation. | |
| Northwest Barind Tract Groundwater | Aquifer levels are declining dangerously at 0.5–1.0 metres per year driven by intensive boro rice irrigation pressure; requires immediate surface water transition, Teesta Master Plan, and Padma Barrage frameworks. | |
| BCCTF Climate Allocation | Currently below 40%; formal strategy targets establishing a regulatory floor of 40% of the annual BCCTF allocation specifically for water sector adaptation investments. | |

| Indicator | Status (FY 2024-25) |
|---|---|
| Key Sectoral & Morphological Challenges | Scarcity of water in the dry season, complex morphological changes of rivers, loss of connectivity between rivers and floodplains, accelerating river bank erosion, cyclones, storm surges, upstream transboundary developments, and high population density pressure forcing communities into vulnerable floodplains. |
| Climate and Flood Risk | Need for adaptive flood management, coastal resilience, haor protection and extended flood-warning lead times. |
| Haor Flash Flood Refuge Structures (FRS) | A significant volume of structures has been constructed, but functional condition is unverified and a substantial portion urgently require repair and community-led maintenance. |

**Box 16.4: Multi-Dimensional Sectoral Challenges and Institutional Framework**

While BWDB continues its institutional capacity-building efforts to address complex water management challenges, sustainable water resources management depends on addressing a matrix of interrelated, multi-dimensional sectoral constraints. These include establishing appropriate policy and legal frameworks, securing adequate financing, mitigating accelerating climate change impacts, resolving complex land acquisition processes, enhancing inter-agency coordination, and navigating transboundary river dynamics. In this context, three critical institutional and resource constraints define the current operational model:

1. **Capital Allocation Imbalance:** Despite demand of fund from BWDB end, BWDB receives less fund for O&M and has to harbor a procurement culture that prioritises new construction over O&M, producing a portfolio of depreciating assets whose productive value declines faster than new construction adds.

2. **O&M Financing Gap:** Actual O&M financing hovers at only 5%–8% of the water sector ADP against a minimum sustainable requirement of 15%. This creates an annual funding deficit of BDT 3,000–5,000 crore, which the proposed O&M Trust Fund Capitalization is explicitly engineered to rectify.

3. **WMO Functionality and Audit Gaps:** According to the BWDB Annual Report, there are 3,448 registered Water Management Organisations (WMOs). However, their genuine operational status requires systematic auditing and capacity building to ensure grass-roots sustainability and structured resource allocation.

**Strategic Realignment:** Rather than viewing restructuring as an isolated mandate, the Ministry of Water Resources (MoWR) is finalizing its five-year draft work plan to implement the Government's election manifesto. BWDB will execute its institutional restructuring, procurement reforms, and asset management activities in strict alignment with this comprehensive national policy framework.

**Key Challenges**

- **Inadequate Operation and Maintenance (O&M) financing:** Despite substantial water management infrastructure assets, allocations for O&M remain below requirements, affecting the sustainability, functionality and service life of existing infrastructure.
- **Water Management Organisation (WMO) functionality:** Although a large number of WMOs have been established under various projects, their functional status and effectiveness require systematic assessment and strengthening to ensure meaningful stakeholder participation.

- **Dry-season water scarcity:** Increasing demand for irrigation, domestic, and industrial water, coupled with reduced dry-season river flows, is intensifying water scarcity in many regions of the country.
- **Northwest groundwater depletion:** Excessive groundwater abstraction, particularly in the Barind and drought-prone areas, is causing declining groundwater levels and raising concerns regarding long-term water security and agricultural sustainability.
- **Salinity intrusion and waterlogging in coastal areas:** Salinity ingress, drainage congestion, and prolonged waterlogging continue to adversely affect agricultural production, fisheries, livelihoods, and ecosystem health in the southwest coastal region.
- **River morphological changes and sediment management:** Dynamic River behaviour, sedimentation, channel shifting, and riverbank instability create significant challenges for navigation, flood management, infrastructure protection and land use planning.
- **River-floodplain connectivity degradation:** Encroachment, sedimentation, and infrastructure development have reduced natural connectivity between rivers, floodplains, wetlands, and canals, affecting ecosystem services and water retention capacity.
- **River erosion and loss of land:** Continuous riverbank erosion threatens settlements, agricultural land, public infrastructure, and livelihoods, requiring sustained investment in river training and protection works.
- **Conservation of canals, wetlands, and aquatic ecosystems:** Encroachment, pollution, siltation, and unplanned development are contributing to the degradation of natural water bodies and wetland ecosystems.
- **Haor basin flood management:** Although significant flood management infrastructure has been developed in haor areas, maintaining infrastructure performance and strengthening forecasting and early warning systems remain important challenges.
- **Climate change impacts and adaptation:** Increasing frequency and intensity of floods, droughts, sea-level rise, salinity intrusion and extreme weather events are placing growing pressure on water resources systems and infrastructure.
- **Cyclones and storm surges:** Coastal regions remain highly vulnerable to cyclones and storm surges, necessitating continued investment in resilient infrastructure, disaster preparedness and ecosystem-based protection measures.
- **Population growth and increasing water demand:** Rapid population growth, urbanisation, and economic development are increasing pressure on available water resources and competing sectoral demands.
- **Transboundary water management:** Upstream water withdrawals, river regulation and basin development activities outside Bangladesh influence river flows, sediment regimes and water availability, requiring strengthened regional cooperation.
- **Institutional capacity and inter-agency coordination:** Effective water resources management requires enhanced coordination among relevant ministries, agencies, local governments, and stakeholders, together with continuous institutional strengthening and capacity development.
- **Integrated water resources management (IWRM):** Achieving balanced and sustainable management of water, land and related resources remains a challenge due to competing demands, fragmented planning processes, and emerging climate risks.

**Key Strategic Policy Objectives**

- Gazette the O&M ring-fence regulation (allocating a strict 15% minimum of the water sector ADP) alongside the formal Water Act 2013 implementation regulations within 180 days.

- Operationalise 3,780 highly functional, certified WMOs by FY2030, aligned with MoWR's election manifesto implementation work plan.
- Implementation of nationwide river and canal excavation program.
- Enhancement of drainage capacity, flood risk reduction, protection and management in coastal areas.
- Implement the sustainable water resources management of the Teesta River Basin and the Padma Barrage project to guarantee water security, prevent floods, control desertification, provide irrigation to 7.5 million hectares of land, and protect over 50 million people from catastrophic water disasters.
- Prevention of salinity intrusion into agricultural land
- Adaptation-based water, river and flood management
- Establishing connectivity between rivers and floodplains
- Sediment management in river, coastal, haor and floodplain areas Ecological protection and Nature-based solutions in-based water, river and flood management
- Expand surface water-based irrigation and deploy water-saving technologies across agricultural zones to significantly mitigate groundwater depletion and manage the Barind Tract aquifer.
- Sustainable rehabilitation and operation and maintenance of old and dilapidated water infrastructures
- Riverbank protection and management
- Use of water-saving technology for sustainable agriculture
- BWDB asset management plan
- Extension of lead time for flood warning
- Conservation of environment, ecology and ecosystem
- Land reclamation
- Protection of agriculture and vulnerable communities in haor and flash flood-prone areas
- Climate change and its impact on water resources
- Balancing water demand and availability
- Participatory water management
- Addressing drought
- Nature-based solutions in water management
- Mitigate salinity intrusion across coastal agricultural lands and rehabilitate 60 coastal polders to reduce southwest waterlogging from 29 lakh hectares to 11 lakh hectares by FY2030.
- Strengthen transboundary water management and cooperation through the Joint Rivers Commission (JRC), fast-tracking treaties for common rivers (Teesta, Dharla, Dudhkumar, Manu, Khowai, Muhuri, Gumti) including an extension or a new treaty for Ganges water sharing, and pursuing the formal signing of the 1997 Water Convention along with Bangladesh's upper riparian countries.
- Plantation of 6,76,000 trees along embankments, coastal belts, polders, and char areas through community participation to build climate resilience as a part of science-based nationwide tree plantation programme of 250 million trees.
- sharing, and pursuing the formal signing of the 1997 Water Convention along with Bangladesh's upper riparian countries.
- Plantation of 6,76,000 trees along embankments, coastal belts, polders, and char areas through community participation to build climate resilience as a part of science-based nationwide tree plantation programme of 250 million trees.

## Box 16.5: Padma Barrage (Phase I)

**Sponsoring Ministry/Division:** Ministry of Water Resources

**Implementing Agency:** Bangladesh Water Development Board (BWDB)

**Project Duration:** July 2026 to June 2033

**Estimated Cost:** BDT 34,347.25 Crore

**Financing:** Fully funded through Government of Bangladesh (GoB) grant

### Overview: Background

During the dry season (January–May), only 15% of Bangladesh's total water availability remains, coinciding with peak agricultural water demand. This has resulted in groundwater depletion, increased salinity, and acute water scarcity. In the Indian segment of the Ganga-Padma Basin, 942 water control structures exist, comprising 784 dams, 66 barrages, and 92 weirs. The construction of the Farakka Barrage has significantly reduced dry-season flow in the Padma River, disconnecting key river systems including the Hishna-Madhumati, Gorai-Madhumati, Chandana-Barashia, Buriganga, and Ichhamati. Consequently, one-third of the country experiences severe water scarcity, reduced agricultural and fisheries production, and disruption to the livelihoods and health of approximately 70 million people.

### Project Area and Coverage

The project encompasses 54,206 km² (~37% of the country), covering four divisions, 26 districts, and 163 upazilas. In the first phase, four divisions, 19 districts, and 120 upazilas (~39,915 km²) will directly benefit.

### Objectives and Targets

- Store approximately 2,900 million cubic meters of water in the reservoir.
- Supply irrigation water to 2.88 million hectares of net cultivable area.
- Increase annual production: 2.39 million tons of rice and 0.234 million tons of fisheries output.
- Generate 113 MW of hydroelectric power.
- Utilise the barrage deck for road, electricity, and gas pipeline infrastructure.
- Develop seven satellite townships and ~1.50 lakh families over 3,450 acres with modern urban facilities.
- Create 12.25 crore man-days of employment during construction, with ~927,000 permanent jobs.
- Contribute 0.45% to GDP (24,851.43 crore BDT), including 0.34% direct impact (18,895 crore BDT) and 0.11% indirect impact (5,956 crore BDT), yielding an approximate annual direct return of 8,000 crore BDT.

### Groundwater and Regional Impact

- Dry-season water level rise: +4.5 to 6.0 meters.
- Groundwater recharge within 25–100 km radius: 3–4 meters.
- Reactivation of shallow tube wells; expansion of Boro cultivation.
- Reduction in arsenic and salinity; irrigation pumping cost reduced by 42%. tants.
- Cost-Benefit Analysis (50 years): NPV 10,295.51 crore BDT, BCR 1.65, IRR 17.76%.
- GDP impact: Total 24,851 crore BDT or 0.45% of GDP.
- Annual maintenance: 343.47 crore BDT.
- Full economic return: realised from the 8th year.

### Conclusion

The Padma Barrage Project is a strategically planned mega-infrastructure initiative that not only secures water storage and irrigation but also revitalises regional economies, enhances agricultural and fisheries productivity, restores environmental balance, and generates long-term employment. It represents a cornerstone in national water resource management and economic stability.

## Water Sector Core Action Programmes (Strategies 1–26)

| No. | Strategy Title | Key Implementation Activities & Milestones | Lead Ministry / Entity |
|---|---|---|---|
| 1. | Water Resources Planning and Management | • Preparation of aquifer mapping, assessment of water demand, fresh water availability and future projection and identification of water-stressed areas in 64 districts of Bangladesh<br>• Updating National Water Resources Management Plan (NWMP) -2004 and Preparation and Approval of National Water Resources Plan (NWRP) | Ministry of Water Resources (MoWR / WARPO) |
| 2. | Ensuring Protection from Floods | • Construction, reconstruction and repair of embankments<br>• Increasing the navigability of rivers and removing submerged chars<br>• Construction, reconstruction, repair and rehabilitation of water control infrastructure | Ministry of Water Resources (MoWR / BWDB) |
| 3. | Prevention of Riverbank Erosion | • Implementation, repair, strengthening and rehabilitation of riverbank protection works<br>• Construction and repair of groynes/spurs | Ministry of Water Resources (MoWR / BWDB) |
| 4. | Integrated Water Management of Teesta Basin | • Dredging of the Teesta River<br>• Riverbank protection<br>• Construction of flood embankments<br>• Construction of infrastructure<br>• Construction of water retention structures such as barrage/hydraulic elevated dam or any other suitable water retention structure<br>• Re-excavation of adjacent rivers, wetland etc. for water conservation | Ministry of Water Resources (MoWR / BWDB) |
| 5. | Implementation of the Padma Barrage | • Construction of the barrage and barrage-related infrastructure<br>• Construction of irrigation networks<br>• River training<br>• River excavation<br>• Construction of water management infrastructure<br>• Construction of guide bunds<br>• Construction of flood embankments<br>• Hydro-power generation | Ministry of Water Resources (MoWR / BWDB) |
| 6 | Strengthening trans boundary water management through signing the UN Water Convention, 1997, Ganges and other rivers' water sharing treaties. | • New treaty for Ganges water sharing<br>• Pursuing the formal signing of the 1997 Water Convention<br>• Fast-tracking treaties for common rivers (Teesta, Dharla, Dudhkumar, Manu, Khowai, Muhuri and Gumti) | Ministry of Water Resources (MoWR / JRC/BWDB) |

| No. | Strategy Title | Key Implementation Activities & Milestones | Lead Ministry / Entity |
|---|---|---|---|
| 7 | Excavation and re-excavation of canal/ river/wetland to restore river–canal-floodplain connectivity & National Level Canal Excavation and re-excavation management policy 2026 | • Excavation and re-excavation of 20,000 kilometres of rivers, canals, irrigation canals and drainage canals to establish interconnection between canals and rivers<br>• Excavation of 520 disappeared rivers<br>• National Level Canal Excavation and Re-excavation Management Policy 2026 | Ministry of Water Resources (MoWR / BWDB, WARPO) Ministry of Agriculture (BADC, BMDA) |
| 8 | Reduction of Salinity in Agricultural Land | • Excavation of rivers and connecting canals and rehabilitation of polders to increase water flow in the rivers of southern Bengal<br>• Construction of the Padma Barrage | Ministry of Water Resources (MoWR / BWDB) |
| 9 | Nationwide rehabilitation/ expansion of surface water irrigation | • Implementation of north Rajshahi irrigation<br>• Implementation of Kurigram irrigation project (North and South Unit)<br>• Expansion of G-K irrigation project<br>• Rehabilitation of existing irrigation projects<br>• Improvement of water use efficiency in irrigation projects<br>• Establishment of data-driven decision support system (DSS) for groundwater management | Ministry of Water Resources (MoWR / BWDB |
| 10 | Addressing Climate Risks | • Rehabilitation of coastal polders<br>• Rehabilitation of irrigation expansion projects using surface water<br>• Rain water harvesting | Ministry of Water Resources (MoWR / BWDB) |
| 11 | Water Conservation | Excavation of ponds, waterbodies, small rivers and reservoirs across the country, Aquifer mapping, Water Stress area declaration | Ministry of Water Resources (MoWR / BWDB/WARPO) |
| 12 | Development of Coastal Areas | • Construction, reconstruction, repair, raising and slope protection of coastal embankments<br>• Construction, repair and improvement of water management infrastructure<br>• Update of Coastal Zone Policy 2005<br>• Formulation of a Plan for the development of Coastal areas of Bangladesh | Ministry of Water Resources (MoWR / BWDB/ WARPO) |
| 13 | Development of the Haor and Wetland Areas | a) Implementation of the Haor Protection Order for Tanguar Haor and Hakaluki Haor:<br>1. Establishment of monitoring and control system for sustainable haor ecosystem management<br>2. Ensuring construction of haor eco-friendly structures such as submersible roads, embankments, roads with sufficient water opening etc.<br>3. Ensuring solid waste and sanitation management.<br>4. Sediment and water-flow management. | Ministry of Water Resources (MoWR / Bangladesh Haor and Wetland Development Department |

| No. | Strategy Title | Key Implementation Activities & Milestones | Lead Ministry / Entity |
|---|---|---|---|
| 13 | | 5. Environmental conservation and afforestation.<br>6. Provision of safety and enforcement equipment.<br>7. Establishment of ICT and digital management systems.<br>8. Regulation of tourism and navigation.<br>b) Adoption of a project titled "Sustainable Development of the People of the Chalan Beel Area and Strengthening of Water-centred Infrastructure and Livelihood-based Economy".<br>c) Adoption of a study project titled "Proper Use of Wetlands and Best Wetland Management Practices for Ecosystem Restoration in the Haor Region" (included in the Haor Master Plan).<br>d) Adoption of a research project on rational use of wetlands and best wetland management practices for restoring the ecosystem of the haor region.<br>e) Undertaking comprehensive studies on sustainable management of ecosystems and quality of life in haor areas of Kishoreganj, Netrokona, Moulvibazar, Habiganj and Sylhet districts, and in the Kaptai Lake area. | |
| 14 | Strengthening of the Joint Rivers Commission | • Recruitment against all vacant posts.<br>• Amendment of the To&E of the Joint Rivers Commission, Bangladesh.<br>• Expansion of the organisational structure of the Joint Rivers Commission, Bangladesh and transformation into a Department of Transboundary Rivers.<br>• Undertaking research activities related to transboundary rivers.<br>• Signing of the Teesta Water Sharing Agreement: undertaking diplomatic initiatives with India and signing the agreement.<br>• Signing of a water sharing agreement for any one of the six transboundary rivers with India: Manu, Muhuri, Khowai, Gumti, Dharla and Dudhkumar including an extension or a new treaty for Ganges water sharing.<br>• Establishment of a multilateral arrangement with the basin countries Nepal, Bhutan, India and China to strengthen transboundary river water management. | Ministry of Water Resources (MoWR / JRC) |
| 15 | Research on Reduction of Salinity in Agricultural Land | • Determination of the level of salinity in soil and water in southern Bengal, including the coastal region.<br>• Conducting research to increase flow in the rivers of the said region. | Ministry of Water Resources (MoWR / RRI) |
| 16 | Physical and Mathematical Modelling | Physical and mathematical model studies for construction of critical and complicated structures. | Ministry of Water Resources (MoWR / RRI) |

| No. | Strategy Title | Key Implementation Activities & Milestones | Lead Ministry / Entity |
|---|---|---|---|
| 17 | Restructure BWDB and establish sustainable O&M financing | • Gazette Water Act 2013 implementation regulations; gazette a 15% O&M ring-fence regulatory floor for the water sector ADP to overcome the historical 8%–10% funding deficit.<br>• Commission annual independent functional status audits across the 3,448 registered WMOs using standardised capacity criteria to govern subsequent resource allocations.<br>• Capitalise the O&M Trust Fund at BDT 2,000–3,000 crore as a one-time structural endowment generating stable recurring maintenance financing outside the annual ADP cycle.<br>• Execute comprehensive BWDB procurement and asset management reforms, establishing a dedicated asset management plan that explicitly separates asset tracking from active O&M operations into distinct institutional divisions by Phase 2. | Ministry of Water Resources (MoWR / BWDB) |
| 18 | Resolve northwest groundwater crisis and expand surface water irrigation | • Initiate the implementation of the Teesta River Comprehensive Management Plan and the Padma Barrage project to ensure water security, control desertification, and establish large-scale surface water irrigation covering up to 7.5 million hectres.<br>• Constitute the MoWR-MoA Inter-ministerial Groundwater Governance Working Group under a joint-leadership, joint-endorsement mandate to expand surface water irrigation and reduce groundwater reliance.<br>• Establishment of data-driven decision support system (DSS) for groundwater management<br>• Gazette the unified groundwater governance framework, extraction licensing protocols, volumetric metering mandates, and upazila-level extraction caps, deploying a DTW licensing framework across 60% of BADC tube wells by FY2030.<br>• Strengthen transboundary water cooperation through the Joint Rivers Commission (JRC) to secure dry-season inflows for the Teesta, Dharla, Dudhkumar, Manu, Khowai, Muhuri, and Gumti and Ganges rivers, and pursue the signing of the 1997 Water Convention along with Bangladesh's upper riparian countries. | Ministry of Water Resources / Ministry of Agriculture (BADC, BWDB, WARPO, JRC) |
| 19 | Rehabilitate southwest coastal polders, prevent salinity, and apply Tidal River Management (TRM) (if applicable) | • Complete a comprehensive BWDB condition assessment for all 139 coastal polders; prioritise 60 specific rehabilitation projects with explicit management transfer to localised WMOs by FY2030 to prevent salinity intrusion into agricultural land.<br>• Identify salinity intrusion risks, and develop sustainable management strategies through aquifer mapping. | Ministry of Water Resources / Ministry of Fisheries and Livestock (BWDB, DoF/WARPO) |

| No. | Strategy Title | Key Implementation Activities & Milestones | Lead Ministry / Entity |
|---|---|---|---|
| | | • Application of TRM wherever it is applicable.<br>• Enforce fish-friendly hydraulic infrastructure standards with navigation facilities (per the joint BWDB-DoF binding protocol) on all polder assets, integrating advanced fish passages and navigation locks into sluice gate designs to restore river-floodplain connectivity.<br>• Enforce the statutory 40% water sector adaptation allocation through comprehensive BCCTF governance reform, targeting BDT 1,500 crore annually for coastal zone climate resilience, storm surge protection, and ecosystem conservation. | |
| 20 | Build climate-adaptive haor basin, flash flood management | • Deploy the Flood Regulatory System (FRS) Functional Audit & Repair Programme across all haor submersible embankments and refuge structures to meet an 85% functional readiness target by FY2030, protecting agriculture and vulnerable communities from flash floods.<br>• Operationalise the flash flood early warning system to achieve a robust 72-hour lead time by Phase 2 via MoWR-BWDB-BMD coordination, directly linked to community alert networks. | Ministry of Water Resources /BWDB |
| 21 | Implementation of the Meghna River Master Plan | • The full and timely implementation of the Meghna River Master Plan, particularly its High Priority Action Plan in Volume I, shall be prioritized as a key national project to ensure sustainable raw water supply for over 10 million people in Dhaka, considering the severe pollution of the Buriganga and Sitalakhya rivers and rapid groundwater depletion.<br>• Address wastewater threats from tributaries to prevent the river from becoming unusable for drinking within five years, as the Meghna River is the most viable source;<br>• Secure safe drinking water for the world's densest city, advance national water security, public health, and SDGs, while protecting existing government investments in various water projects.<br>• Ensure Adequate budgetary allocation, institutional coordination, and strict monitoring mechanisms for effective execution. | Local Government Division,<br>Ministry of Water Resources<br>Ministry of Environment, Forest and Climate Change |

### Table 16.10: Water Resources – Performance Targets FY2031

| Indicator | Baseline 2024 | Year 3 | FY2031 Target | Source |
|---|---|---|---|---|
| Functional Operational WMOs | 3,448 (Registered) | Audit complete; 1,800 | 3,780 | BWDB / MoWR |
| Coastal Polders Rehabilitated (w/ WMO Transfer) | ~10 (est.) | 25 | 60 | BWDB |
| Total Waterlogged Area (lakh hectares) | ~29 | ~22 | ~11 | BWDB / BBS |
| O&M Funding Floor (% of Water Sector ADP) | ~5%–8% | 10% | 15% (Regulatory Floor) | MoF / BWDB |
| Haor FRS in Fully Functional Condition (%) | Unverified | 65% | 85% | BWDB / MoWR |

| Indicator | Baseline 2024 | Year 3 | FY2031 Target | Source |
|---|---|---|---|---|
| BADC DTWs under Active Licensing Framework (%) | 0% | Pilot operational; 20% | 60% | BWDB / BADC |
| BCCTF Adaptation Allocation to Water Sector (%) | <40% | 40% | 40% (Regulatory Floor) | MoEFCC / MoF |
| Nationwide River and Canal Excavation (km) | Baseline Survey | 8,000 | 20,000 | MoWR / BWDB |
| Science-Based Tree Plantation along Assets (million trees) | Baseline Survey | 100 | 250 | MoWR / BWDB |
| Target Surface Water Irrigation Area covered via Barrages (million ha) | 1.649 | 3.5 | 7.5 | MoWR / BWDB |

***Adaptive Management Conditions: Targets will be implemented through phased financing, institutional strengthening, climate adaptation investments, participatory water management and coordinated implementation of Government manifesto commitments.*

# CROSS-CUTTING GOVERNANCE

**Rural Development: The Agricultural Enabling Environment**

Agricultural productivity gains translate into rural welfare outcomes only if the physical, financial, and institutional infrastructure that connects farm production to household wellbeing is functional. This section addresses the enabling environment within which all four sub-sectors operate, in condensed form; full programme design for each element is in the Rural Development chapter.

**Rural roads and three-phase electrification.** LGED's union and upazila road network is the physical prerequisite for cold chain vehicle access, extension service reach, input supply distribution, and farmer market access. The cold chain clusters, poultry operations, fish landing centres, and community water management organisations described in the four sub-sector sections will underperform in areas where seasonal road impassability interrupts supply chains. Three-phase power supply -- required for cold chain facilities and agro-processing -- remains unavailable in many rural upazila locations despite national electricity access exceeding 95 per cent. Three-phase extension in priority agricultural processing zones should be coordinated between the Rural Electrification Board and the cold chain investment programme (Strategy 3).

**PKSF credit architecture.** The Palli Karma-Sahayak Foundation -- covering approximately 60,000 villages -- is the designated last-mile credit delivery vehicle across multiple sub-sector programmes: crop insurance premium collection, women's poultry cluster credit (Strategy 9), small-scale aquaculture financing, and inland fisher community credit. Consolidating these credit product requirements here establishes PKSF engagement as a chapter-level financing strategy rather than a sub-sector detail. PKSF should be represented in the Agriculture Sector Steering Committee in an advisory capacity.

**Family Card as subsidy delivery and social protection platform.** The Family Card, launched on 10 March 2026 to consolidate 99 social protection programmes across 25 ministries under a single digital beneficiary registry registered in the female household head's name, provides three specific agricultural functions: the beneficiary verification infrastructure for Farmer Card-linked subsidies; the rural household

income security platform during climate shocks and the agricultural off-season; and the coordination node between agricultural extension, financial services, and social protection delivery at the UP level through Union Digital Centres. Integration of Farmer Card and Family Card systems through the digital agricultural infrastructure framework is a 180-day cross-cutting action.

**Digital agricultural infrastructure framework.** The precision agriculture platforms, digital extension systems, groundwater monitoring portals, aquaculture management systems, and chapter M&E platform described across the four sub-sector sections all require shared digital infrastructure that no individual sub-sector programme can provide independently. A national digital agricultural infrastructure framework -- specifying data interoperability standards, shared platform architecture and institutional governance -- should be issued within 180 days by the ICT Division with MoA, MoFL, and MoWR.

## Monitoring and Evaluation

The chapter-level M&E framework operates on three principles. First, line ministries - measures outcome and impact indicators through commissioned surveys, remote sensing, and third-party field verification. Second, conditionality: 14 conditional targets are designated across the four sub-sectors; the Year 2.5 mid-term review is a mandatory adaptive management decision according to targets. Third, digital integration: a unified reporting platform carries real-time output dashboards and quarterly outcome data, interoperable with BBS.

**Table 16.11: Chapter-level Results Framework**

| Outcome Indicator | Baseline FY2024 | Year 3 Milestone | Strategy Target FY2031 | Data Source |
|---|---|---|---|---|
| Agriculture sector real growth (avg annual %) | ~2.4% (GED FYSF est.) | 3.5% | 4.5% | GED FYSF / BBS National Accounts |
| Total food grain production (lakh MT) | 501.17 | 525 | 560 | BBS / DAE |
| Total fish production (million MT) | ~4.7 (est.) | 5.4* | 6.3* | BBS / DoF |
| Rural poverty -- agriculture-dependent HH (%) | ~26% (BBS 2022) | 22% | 18% | BBS HIES |
| Agric area under climate-resilient practices (%) | ~15% (est.) | 25% | 40% | DAE / DoF / BWDB; |
| Agriculture export earnings (USD million) | ~1,800 (est.) | 2,200 | 2,800 | EPB |

*Source: * Fisheries targets conditional on Phase 1 CFMC legal framework and BWDB-DoF protocol. Sources: FYSF Sectoral Projection (2026); BBS Agricultural Census 2019; BBS HIES 2022; DAE FY2023-24; DoF FY2022-23.*

### Four critical cross-sub-sector coordination requirements

(i) BWDB-DoF binding protocol -- Steering Committee confirms ministerial-level approval and monitors through joint BWDB-DoF operational reporting. (ii) Domestic feed crop co-ownership -- Steering Committee reviews maize trajectory biannually and triggers conditional target review if Year 3 milestone is off-track. (iii) Cold chain PPP governance -- a joint cold chain coordination group (BIDA, MoA, MoFL, DoF) is established in Phase 1 to prevent duplication across sub-sectors. (iv) Northwest groundwater governance -- the MoWR-MoA inter-ministerial working group must produce jointly endorsed outputs; single-ministry sign-off is insufficient.

### Alignment with the Sustainable Development Goals

The Agriculture sector makes direct and measurable contributions to nine of the seventeen Sustainable Development Goals. Its strongest alignments are with SDG 2 (Zero Hunger), SDG 6 (Clean Water and Sanitation), SDG 13 (Climate Action), and SDG 14 (Life Below Water).

**Table 16.12: SDG Alignment –Agriculture Strategy Paper**

| SDG | Goal | Alignment | Key Chapter Evidence | Partial or Gap Note |
|---|---|---|---|---|
| SDG 1 | No Poverty | Strong | Smallholder income targets; Farmer Card; women's poultry clusters; rural enabling environment; 18% rural poverty target (shared) | Geographic targeting formula in Rural Development chapter |
| SDG 2 | Zero Hunger | Strong | 560 lakh MT food grains; 6.3 MMT fish; SIS nutrition; post-harvest loss reduction to 10%; Farmer Card smallholder access | Dietary diversity and PFDS reform in Food Security chapter |
| SDG 5 | Gender Equality | Partial | Women's poultry clusters (1.5M); parametric insurance for women; women's baseline survey 180-day action; Family Card | Land ownership and mobility constraints in Rural Development chapter |
| SDG 6 | Clean Water | Strong | Groundwater governance; BWDB O&M reform; waterlogging reduction 11 lakh ha; haor FRS; TRM; climate-adaptive infrastructure | Household WASH in Rural Development chapter; arsenic-safe water in Food Security chapter |
| SDG 8 | Decent Work | Partial | Agricultural export earnings USD 2.8bn; value chain employment; Farmer Service Centres; RNFE enabling environment | Agricultural labour displacement in Rural Development chapter |
| SDG 12 | Responsible Consumption | Partial | Post-harvest loss target 10%; cold chain PPP; aquaculture compliance; export food safety | No circular economy/ food waste governance framework in this chapter |
| SDG 13 | Climate Action | Strong | Climate-smart agriculture; AWD; TRM; coastal polder rehabilitation; haor FRS; BCCTF 40% water allocation; 14 conditional targets | Adaptation financing partially dependent on GCF approvals not yet confirmed |
| SDG 14 | Life Below Water | Strong | EEZ governance; Hilsa conservation; 2,000 CFMCs; SIS habitat protection; deep-sea fisheries; BWDB-DoF protocol | Marine plastic pollution and ocean acidification not addressed |
| SDG 17 | Partnerships | Strong | Agriculture Sector Steering Committee; live DP investment map (180-day); development partner sub-group; GCF and BCCTF climate finance | DP co-financing pipeline approvals not yet fully confirmed |

*Source: Alignment ratings: Strong = chapter programme directly and measurably contributes to SDG targets. Partial = contribution present but incomplete, indirect, or conditional on other chapters.*

# ANNEX: PRIORITY ACTION MATRIX

The following matrix covers the 38 sub-sector priority actions (9 crop, 9 livestock, 10 fisheries, 10 water resources) and the 5 cross-cutting chapter-level actions. Actions are the Phase 1 milestones that must be completed before programme-level scale-up can proceed.

### Crop Agriculture – Priority Actions

| Action | Lead Agency | Supporting Agency |
|---|---|---|
| Constitute Agriculture Sector Steering Committee (Secretary-level; ) with Terms of Reference | BADC/DAE | MoA / MoFL / MoWR / MoF / LGD |
| Commission national digital agricultural infrastructure framework (data interoperability standards; shared platform architecture) | ICT Division | MoA / MoFL / MoWR |
| Develop Farmer Card beneficiary verification baseline methodology; pilot precision subsidy allocation in 10 upazilas | Ministry of Agriculture | MoF / DAE / BADC |
| Launch Cold Chain PPP framework: gazette regulatory framework; issue investor outreach; establish joint coordination group (BIDA, MoA, MoFL, DoF) | Ministry of Agriculture | BIDA / MoFL / DoF/ BFDC |
| Constitute inter-ministerial groundwater governance working group (MoWR-MoA joint leads) | Ministry of Water Resources / Ministry of Agriculture | BADC / BADC/ DAE |
| Launch domestic maize and soybean development programme: BARI variety demonstration; seed multiplication; district targeting | Ministry of Agriculture | MoFL / BARI / BADC |
| Commission district-level AWD diagnostic (10 northwest upazilas) before scale-up commitment | Ministry of Agriculture | BADC / DAE / BWDB |
| Establish Farmer Service Centre pilot: 50 centres operational in Phase 1 with commercial services | Ministry of Agriculture | DAE / BADC / private sector |
| Commission women's agricultural income and programme participation baseline survey | BADC/DAE | BBS / MoWCA / DAE |

### Livestock and Poultry – Priority Actions

| Action | Lead Agency | Supporting Agency |
|---|---|---|
| Establish AMR national surveillance baseline (before any regulatory action on antibiotic use in livestock) | Ministry of Fisheries and Livestock | DLS / BLRI / MoHFW |
| Launch DLS restructuring plan: separate preventive surveillance from treatment; reallocation of 30% budget to prevention in Phase 1 | Ministry of Fisheries and Livestock | DLS / MoF / BADC/DAE |
| Design PKSF smallholder women's poultry cluster programme: targeting methodology, credit product, BRDB Mahila Samity integration | Ministry of Fisheries and Livestock | PKSF / MoWCA / BRDB |
| Commission feed price stabilisation mechanism feasibility study | Ministry of Fisheries and Livestock | MoA / MoF / NBR |
| Commission smallholder women's poultry baseline survey (coverage, income, productivity) | DAE/DLS | MoA/ MoFL / PKSF |
| Expand AI service delivery: recruit and train 200 additional AI technicians; procure liquid nitrogen supply chain | Ministry of Fisheries and Livestock | DLS / BLRI |

| Action | Lead Agency | Supporting Agency |
|---|---|---|
| Launch FMD area-progressive zoning design: map livestock movement corridors; establish pilot containment zone in 2 districts | Ministry of Fisheries and Livestock | DLS / Ministry of Home Affairs |
| Establish dairy cooperative development programme: design, capital, MoU with PKSF and DLS | Ministry of Fisheries and Livestock | PKSF / DLS / BLRI |
| Develop domestic maize and soybean programme as MoA-MoFL co-owned initiative with joint reporting to Steering Committee | Ministry of Agriculture / MoFL | BARI / BADC/DAE |

### Fisheries – Priority Actions

| Action | Lead Agency | Supporting Agency |
|---|---|---|
| Inter-ministerial/inter-agencies coordination specially in developing BWDB-DoF binding coordination protocol | MoWR/MoFL | BWDB/DoF/BADC/ DAE |
| Develop Community Managed Water bodies (CFMCs) legal framework | MoFL | DoF/MoLaw/ MoLand |
| DoF staffing investment: recruit and deploy 300 CFMC facilitation officers | Ministry of Fisheries and Livestock | DoF / MoF / PSC |
| Constitute Marine Fisheries Task Force: EEZ licensing framework design; MCS system procurement plan; deep-sea investment fund structure | MoFL | DoF/ Ministry of Defence/ BIDA |
| SIS aquaculture guidance, promotion and expansion through household pond integration | MoFL | BFRI/DoF/ WorldFish |
| Revise HFMAP, hilsa and jatka compensation payment system, integrate with Farmers card digital transfer, review adequacy of compensation rates | MoFL | Cabinet Division/ DoF/MoF |
| Hilsa sanctuary network expansion plan, identify additional sanctuary sites, community monitoring protocol | MoFL | DoF/BFRI/Ministry of Defence |
| Aquaculture compliance | MoFL | DoF/BFSA/BFRI |
| Food safety compliance programme, HACCP audit of all exporters, MRL compliance roadmap, new export market exploration | MoFL | MoC/DoF/EPB/ BIDA/BFSA |
| Commission 50 landing centre upgrading projects, cold chain development, solar drying facilities, hygiene certification | MoFL | DoF/BFDC/BIDA |
| Introduction of precision aquaculture | MoFL | DoF |
| Fish farm mechanisation & IOT based farming system | MoFL | DoF |
| Expansion and facilitation of export focused fish value chain | MoFL | DoF/EPB/BIDA |
| Stabilisation cluster-based shrimp farming and zonation | MoFL | DoF |
| Launching insurance in fisheries sector | MoFL | MoF/DoF |
| Mariculture expansion and product diversification | MoFL | DoF |
| Sustainable management of marine fisheries resources addressing blue economy potentials | MoFL | MoFA/DoF |

## Water Resources – Priority Actions

| Action | Lead Agency | Supporting Agency |
|---|---|---|
| Padma barrage project | Ministry of Water Resources | MoDMR/BWDB/ LGD/ PD |
| Teesta River Comprehensive Management and Restoration Project | Ministry of Water Resources | BWDB/ LGD |
| Develop Water Act 2013 implementation regulations; gazette 15% O&M ring-fence regulatory requirement for water sector ADP | Ministry of Water Resources | MoF / BADC/DAE / BWDB |
| Commission WMO functional status audit: standardised capacity criteria; 100% coverage of registered WMOs; independent verification team | Ministry of Water Resources | BWDB / BADC/DAE |
| BWDB polder condition assessment: all 139 coastal polders; rehabilitation priority ranking | Ministry of Water Resources | BWDB / DoF |
| Pilot DTW licensing system: select 5 northwest upazilas; issue licensing gazette; install metering equipment | Ministry of Water Resources | BADC / MoA / BWDB |
| Gazette groundwater governance framework: extraction licensing, extraction limits, metering requirements | Ministry of Water Resources | MoA / BADC / DAE |
| Commission haor-specific climate vulnerability assessment: district-level flood probability and agricultural impact mapping | Ministry of Water Resources | BWDB / BMD / MoA |
| FRS audit: assess functional condition of all haor FRS structures; repair and maintenance prioritisation | Ministry of Water Resources | BWDB / MoA / BADC/DAE |
| Capitalise O&M trust fund: design fund governance structure, investment policy, and disbursement rules | Ministry of Finance | MoWR / BWDB BADC/DAE |

## Cross-cutting Chapter Actions

| Action | Lead Agency | Supporting Agency |
|---|---|---|
| Commission women's agricultural income and programme participation baseline survey | BADC/DAE | BBS / MoWCA |
| Establish live development partner investment map for Agriculture sector (quarterly update cycle) | BADC/DAE | MoA / MoFL / MoWR / ERD |
| Issue national digital agricultural infrastructure framework (data interoperability; shared platform; governance) | BADC/DAE / ICT Division | MoA / MoFL / MoWR |
| Prepare financing risk assessment for development partner co-financing dependency (10-30% below-projection mitigation scenarios) | BADC/DAE / ERD | MoF / MoA / MoFL / MoWR |
| Constitute joint cold chain investment coordination group (BIDA, MoA, MoFL, DoF) to manage shared PPP framework across sub-sectors | Ministry of Agriculture / BIDA | MoFL / DoF |

*Note: A detailed investment strategy on water resource management is given in Appendix-I*

# CHAPTER 17

# REVITALISING RURAL ECONOMY

## 17.1 Rural Economic Transformation: Context

Bangladesh's rural areas have gone through a rapid change in past decades. Rural life in Bangladesh is no longer defined only by agriculture. Non-farm activities, remittances, improved communication, consumer demand, education aspirations, and urban influences are reshaping villages. Agricultural transformation, corporate involvement, and new production relations raise questions about the future of small farmers. Social changes, women's role, power dynamics, local politics, and cultural shifts also need deeper understanding.

Bangladesh's rural poverty headcount fell from approximately 53 per cent in 2000 to approximately 26 per cent in 2022 - one of the most sustained poverty reductions in South Asian development history. This achievement is real and must not be discounted. An honest attribution is essential before the strategy draws planning conclusions from it: the primary drivers were remittance inflows -- accounting for 30 per cent or more of rural household income in high-migration districts -- female garment sector absorption, NGO-delivered financial services, and agricultural commercialisation, all operating largely outside government rural development programme architecture. Remaining rural poverty is now geographically concentrated in the haor basin, southwest coastal char areas, hill tracts, and northwest labour-surplus zones, and occupationally concentrated among landless agricultural labourers, female-headed households, and marginalised fishing and artisan communities. The strategy must build on the structural processes that drove poverty reduction while designing government programmes that add genuine value where markets and NGOs cannot reach.

The agricultural landscape of Bangladesh is characterized by a preponderance of smallholder farms, with average farm sizes declining from 1.5 hectares in the 1960s to 0.6 hectares in 2021. Rice occupies approximately 75 per cent of cultivated area and contributes nearly 70 per cent of caloric intake. Average rice yields have risen substantially, from 1.7 tonnes per hectare in 1971 to 4.8 tonnes per hectare in 2023, but a significant yield gap persists: high-yielding varieties such as BRRI Dhan 107 and BRRI Dhan 108 achieve 6–7 tonnes per hectare under optimal conditions, leaving a gap of 25–40 per cent relative to current average farm yields. Closing this gap is the primary agronomic lever available to the staple crop productivity agenda.

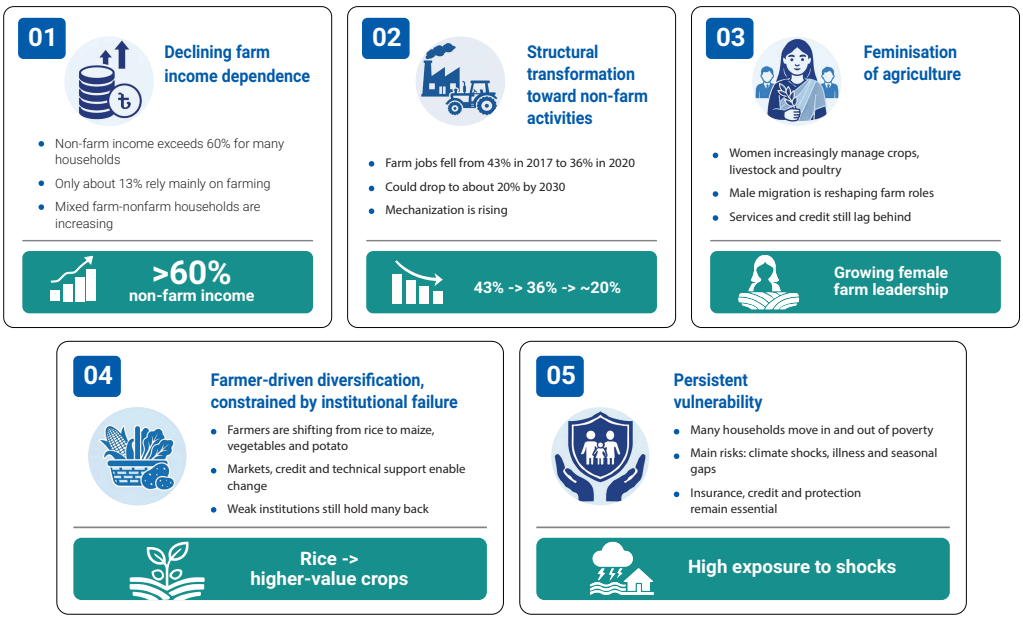
Agricultural sector growth decelerated from above 4 per cent per annum over 1996–2019 to 3.21 per cent in FY2023–24. This deceleration is occurring precisely when food inflation and wheat import dependence make acceleration most necessary.

## 17.2 Five structural trends shaping rural transformation

Bangladesh's rural economy is undergoing a deep structural transformation that challenges the traditional idea of the "farm household." Rural livelihoods are increasingly diversified, with non-farm income now accounting for more than 60 per cent of income for many farm households, while only

around 13 per cent remain primarily dependent on farming. At the same time, on-farm employment is declining rapidly as mechanisation expands, agricultural wages rise, and rural workers move toward non-farm activities. This shift is also changing household roles: as men migrate to urban and non-farm jobs, women are increasingly managing crop production, livestock, and poultry, even though extension, credit, and market systems remain poorly designed for women farmers. Farmers are also showing a clear willingness to diversify from rice into higher-value crops such as maize, vegetables, and potatoes where markets, credit, and technical support are available. Yet this transformation remains uneven and fragile. Many rural households continue to move in and out of poverty due to climate shocks, illness, seasonal income gaps, and weak access to insurance, credit, and social protection. These five trends point to the need for a new rural development strategy centreed on diversified livelihoods, women-responsive services, mechanisation, market linkages, and resilience.

**FIVE STRUCTURAL TRENDS SHAPING RURAL TRANSFORMATION**




**Selected sources: BBS 2022/2024, Sen et al. 2021, IFPRI 2024, World Bank 2024**

## 17.2.1. Transformation Challenges

### Technology adoption: dual barriers

Agriculture has historically concentrated on supply-side constraints: inadequate infrastructure, insufficient extension staffing, and limited input availability in Bangladesh. Emerging evidence establishes that demand-side barriers are equally binding. The mechanisation programme illustrates the problem clearly. Land preparation, irrigation, threshing and pesticide application are mechanised at above 90 per cent. Combine harvester adoption for Boro rice harvesting has risen to a national average of approximately 20 per cent, a genuine supply-side success driven by private machinery rental markets. However, rice transplanting and other planting operations remain very lightly mechanised, and the subsidy-driven machinery distribution programme shows persistent gaps between reported disbursement and actual utilisation by intended beneficiaries. The demand-side explanation is consistent with the pattern observed: machinery is unaffordable on small holdings even at subsidised prices, credit is inadequately structured, risk aversion in the absence of insurance is rational, and farmers are not fully informed of the economic benefits.

Alternate Wetting and Drying (AWD) irrigation for Boro rice reduces water use by 25–30 per cent with no significant yield penalty, yet adoption remains negligible in most areas despite active extension promotion. The agricultural extension system operates under severe structural strain. Current farmer-to-extension-worker ratios range from 1:900 to 1:2,000 against an international benchmark of 1:400, and achieving the recommended ratio would require the recruitment of more than 5,000 additional Sub-Assistant Agriculture Officers.

**Post-harvest losses and cold chain failure**

Post-harvest losses represent one of the largest avoidable costs in Bangladesh's food system. On the basis of FAO-aligned measurement methodology applied to farm-to-wholesale commodity flows, BINA (2024) estimates total annual losses at US$2.4 billion affecting 16 million tonnes of food grains and perishable commodities.Table 2 shows loss rates by commodity.

**Table 17.1: Post-harvest loss rates by commodity, Bangladesh**

| Commodity | Post-harvest loss rate (%) | Primary loss stage |
|---|---|---|
| Rice | 12% | Threshing, drying, storage |
| Potato | 25% | Storage, transport |
| Vegetables | 25% | Handling, transport, spoilage |
| Onions | 35% | Storage, moisture damage |
| Mangoes | 35% | Handling, transport, absence of cold chain |

*Sources: BINA (2024); Ministry of Agriculture (2024); BIDA (2024).*

The cold chain infrastructure gap is specific and documented. Of approximately 450 cold storage facilities in Bangladesh, around 95 per cent are dedicated to potato storage. Vegetables, onions and mangoes, which together account for the majority of perishable crop losses, have almost no formal cold chain coverage.

Addressing this cold chain gap requires explicit Public-Private Partnership (PPP) mechanisms. The strategy will formally introduce PPP arrangements into rural agricultural cold chain infrastructure by prioritising joint ventures between the government and private logistics operators to establish small-tomedium multi-chamber cold storage facilities, cold-chain transport fleets, and specialised collection and aggregation hubs near rural growth centres. Renewable energy integration — particularly solar-powered cold storages and mini-grids operated under Build-Own-Operate (BOO) models — can significantly reduce energy costs and improve commercial viability in areas where grid connectivity is unreliable. Simultaneously, community-led agro-processing cooperatives will be established to manage small and medium-scale food processing units (sorting, grading, pulping, drying, and packaging), with private marketing buy-back agreements providing guaranteed offtake to reduce cooperatives' commercial risk.

Given this scale of loss, agro-processing should be accorded the utmost priority alongside cold chain investment as a means of reducing post-harvest losses. Strengthening agro-processing capacity would also generate rural employment and support both food security and export earnings.

**Policy distortions: the pro-rice bias**

Agricultural policy in Bangladesh has historically favoured rice production over diversification through three channels. Procurement price support operates primarily for rice, providing a floor price that reduces the income risk of rice cultivation relative to alternatives. Input subsidies, particularly for fertiliser and irrigation, are structurally weighted in favour of Boro rice which alone accounts for over 70

per cent of Bangladesh's total chemical fertiliser consumption. In other words, the bulk of the fertiliser subsidy is utilised in rice production regardless of policy intent. Extension effort is concentrated on rice agronomy, leaving non-rice extension chronically understaffed. Reassessing the price and subsidy incentives that currently favour rice over other crops is an analytically necessary step in any genuine agricultural transformation strategy. Overcoming the pro-rice bias requires a simultaneously positive strategy for high-value crops (HVCs). The strategy will develop deep, integrated input-output market linkages for at least six priority high-value crops — including vegetables, native chicken, goat rearing, spices, fisheries, and select horticultural products — ensuring that farmers shifting away from rice have reliable access to quality inputs, credit, technical extension, and assured output markets at remunerative prices. Climate-smart agricultural practices and resilient crop varieties will be mainstreamed through cooperative and rural development networks to safeguard livelihoods as production shifts toward more climate-sensitive crops. Decentralised digital extension platforms should provide farmers with real-time agronomic advice, market price intelligence, and good agricultural practice (GAP) certification pathways to support safe food production and enable premium market access.

**Land fragmentation and the leasing market**

Agricultural land is being lost to non-agricultural uses at a rate of approximately 0.73 per cent per year (SRDI, 2024), equivalent to approximately 109,000 hectares annually or 545,000 hectares over the strategy period if this rate of decline continues. Simultaneously, the average operational farm size has declined from 1.5 hectares in the 1960s to 0.6 hectares in 2021. Informal tenancy and share-cropping arrangements exist at substantial scale but are legally insecure, which discourages long-term land investment by tenants and limits credit access since informal tenure cannot serve as collateral. A formal land leasing market, enabled through a Land Lease Act permitting transparent recorded tenancy, would expand operational farm sizes without requiring ownership consolidation.

**Southern districts: potential for rice area expansion**

The coastal districts of Barishal, Patuakhali, Bhola, Barguna and parts of Khulna contain substantial areas of seasonally waterlogged, saline-affected and tidally influenced land that is either uncultivated or producing only a single annual rice crop under suboptimal conditions. The potential for expanding cultivated area depends on three preconditions, i.e. embankment rehabilitation and tidal river management, addressed in part by the Water Resources Ministry's coastal embankment programme, systematic dissemination of salinity-tolerant rice varieties (BRRI Dhan 47, 61, 67), which are currently below 5 per cent of planted area in coastal districts, and in the longer term, the planned Padma Barrage, which would alter the salinity regime in the south-west. Scaling the floating gardens in Barisal division as an additional avenue for intensification on waterlogged land.

**The food security dilemma**

The Government of Bangladesh spends approximately Tk 30,000 crore annually managing the consequences of food insecurity. This includes Tk 5,218 crore for the Khadyabandhu programme serving 55 lakh families, Tk 2,550 crore for Open Market Sales serving 32.5 lakh families monthly, Tk 12,309 crore for domestic grain procurement, and Tk 9,621 crore for food imports. This massive expenditure substantially exceeds the annual public investment in addressing the (structural) productivity constraints that afflicts Bangladesh agriculture. The food insecurity reduction target of this strategy, if achieved will reduce total food insecure households by an estimated 40–50 lakh families, implying potential savings of Tk 3,000–5,000 crore per year to the budget.

### Rural employment structure: the transition challenge

The structural employment trends documented in Section 2, declining on-farm employment share projected to fall from 43 per cent in 2017 to approximately 20 per cent by 2030, agricultural wage inflation of 94 per cent in nominal terms since 2015, and accelerating mechanisation of land preparation and threshing operations, define the employment transition that this strategy must explicitly manage. The critical finding is that the non-farm employment growth absorbing displaced agricultural labour has remained confined to predominantly low-productivity, informal service and trade activities rather than in formal manufacturing or technical employment (BBS, 2022). The consequence is a rural welfare paradox with rising average incomes on the one hand and deteriorating income on the other, leaving a large middle stratum of rural households cycling in and out of poverty in response to seasonal income gaps, health shocks, and climate events. Income instability has now emerged as a greater concern for poor households rather than low average income.

### Women's economic participation and the institutional inclusion gap

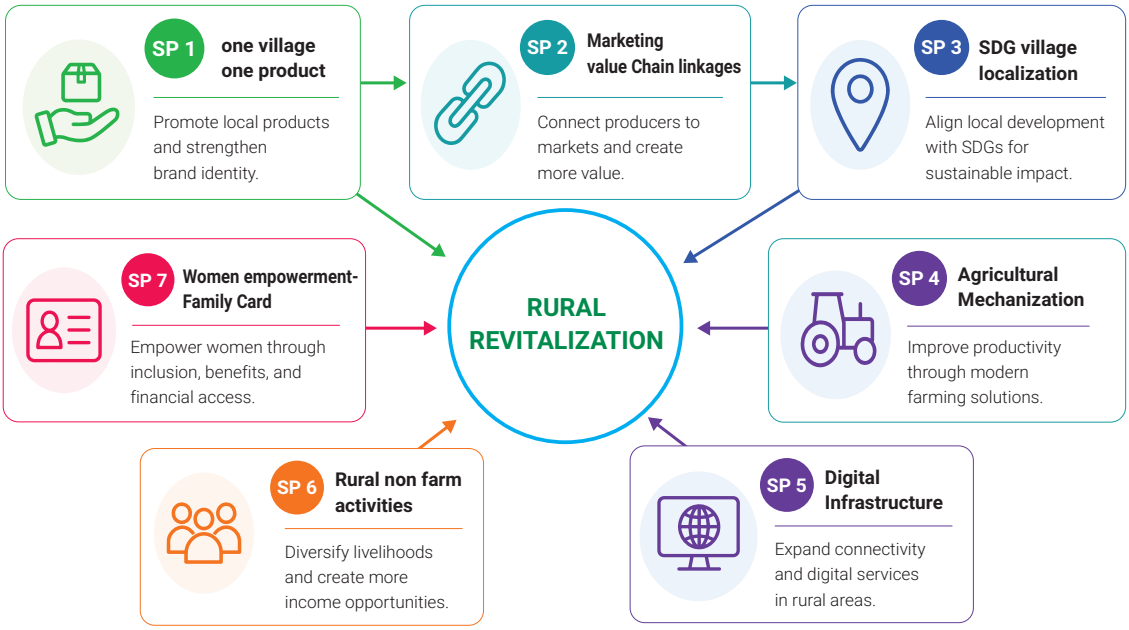
Bangladesh has achieved historically high female labour force participation. The Labour Force Survey 2022 reported a female LFPR of 42.7 per cent, with rural participation at 50.9 per cent against 22.6 per cent in urban areas. Women accounted for approximately 37 per cent of the total labour force in 2024 (World Bank, 2024). The Labour Force Survey 2024 records the first contraction in female participation since 2010: female labour force participation fell from 25.3 million in 2023 to 23.7 million in 2024, while male participation held steady. Analysts have cautioned that much of the earlier rural increase represented temporary substitution during male out-migration rather than durable entry into the labour force.

The quality of women's employment is the binding constraint rather than the participation rate. The Labour Force Survey 2016-17, which remains the most recent source providing a detailed gender breakdown of informality, reported that 91.8 per cent of employed women work informally, against 82.1 per cent of employed men; within agriculture, 95.4 per cent of employment is classified as informal. Women constitute only approximately 7 per cent of formally registered entrepreneurs. Women's share of cooperative membership stands at 23.2 per cent, despite cooperatives being a principal vehicle for collective economic organisation in rural Bangladesh.

The one exceptional area is financial inclusion. PKSF reaches 20.1 million members through more than two hundred Partner Organisations, of whom 93.2 per cent are women; among 15.8 million active borrowers, 93.7 per cent are women. By any international standard, this is one of the deepest and most gender-inclusive microfinance architectures in existence.

The strategy's central gender finding is that financial inclusion has not translated into institutional inclusion. A rural woman is overwhelmingly more likely to hold a microfinance loan than to hold a cooperative share, to be a registered farmer producer organisation member, to be an extension service recipient, or to be named on a contract-farming agreement. The 70-point gap between women's share in PKSF borrowing (94 per cent) and women's share in cooperative membership (23 per cent) captures the problem precisely. This asymmetry matters for three reasons. First, microfinance access without institutional organisation limits the scale of economic activity women can undertake. Second, women outside cooperatives, FPOs, extension networks, and contract farming channels are excluded from the principal transmission mechanisms through which the state delivers subsidies, training, market access, and insurance. Third, the quality of women's employment cannot improve without access to the support services that organised institutions provide.

## 17.3 STRATEGIC PRIORITIES FOR Revitalising THE RURAL ECONOMY




Both farm and non-farm activities are useful tools for boosting the rural economy. Within the priorities set out below, agricultural mechanisation, the reduction of post-harvest losses, and agroprocessing are accorded priority, consistent with the priorities of the Ministry of Agriculture.

### SP 01: One Village One Product

The OVOP model was developed and flourished in Japan, and Japan promoted it internationally. In Thailand, this model has flourished with its own identity as OTP (One Tamboon One Product). Hence, in Bangladesh, the model may benefit from the OPOP model of BRDB.

#### Core Approach

Each village or cluster of villages will select one product based on local resources, skills, climate, tradition, and market demand. Examples may include mango, pineapple, dairy, poultry, fish, honey, mustard oil, vegetables, handloom, bamboo products, pottery, dry fish, spices, or processed foods.

The aim of this programme is not simply to increase production. It will build a full value chain: production, quality control, processing, packaging, branding, storage, finance, and market linkage along with promoting entrepreneurship..

#### Key Strategic Actions

#### Selection and Promotion:

BRDB upazila office will facilitate, coordinate, and support the identification and prepare the product map along with production, quality development, value addition, product diversification, branding, market linkage, etc. with the support of union parishad, agriculture office, local entrepreneurs, farmer groups, women's groups, and youth representatives.

***Link producers with the Farmer Card system:***

The Farmer Card will be used to provide targeted subsidies, credit, input support, agricultural insurance, and marketing assistance to farmers, fishers, livestock rearers, and small agro-entrepreneurs. This will make support more transparent and reduce leakage.

***Create village producer groups:***

Small farmers and producers will be organised into cooperatives, producer groups, or rural enterprise clusters. These groups can jointly purchase inputs, use machinery, access credit, store products, and negotiate better prices.

***Support youth and women entrepreneurs:***

Employment generation, startups, technical skills, and women's empowerment will be emphasised. The One Village, One Product programme will provide training, startup grants, and small loans for youth and women to work in packaging, processing, digital marketing, logistics, and local retail.

***Build local processing and branding capacity:***

Each upazila will have common service facilities for grading, drying, cold storage, packaging, labelling, food safety testing, and branding. The products will be marketed under 'OVOP' branding.

***Ensure market linkage:***

The government will support state-managed marketing, wholesale linkage, e-commerce access, export facilitation, and contracts with supermarkets, hotels, processors, and institutional buyers, Private sector, trade facilitation, and digital economy can support this.

**Implementation Model**

The Upazila BRDB office will serve as secretariat to the OVOP implementation at the local level. A cell comprising relevant departments, NGOs, and other stakeholders will oversee OVOP implementation at the upazila level, including mobilising producers and supporting entrepreneurship. Coordinating committees will similarly operate at the district and central levels, alongside a central OVOP monitoring Unit at BRDB headquarters and a central Steering Committee under the Ministry of LGRD&C, drawing representation from agriculture, fisheries, livestock, youth development, cooperatives, women's affairs, SME Foundation, banks, local government, and the private sector.

Producer groups and rural enterprise clusters formed under OVOP should be legally recognised as member-owned cooperatives, audited by DoC, and governed under DoC-issued model by-laws, transparent membership rules, and dispute-resolution frameworks. This will ensure that OVOP becomes a sustainable rural enterprise institution rather than a time-bound project activity.

### SP 02: SDG Village & SDG Localisation

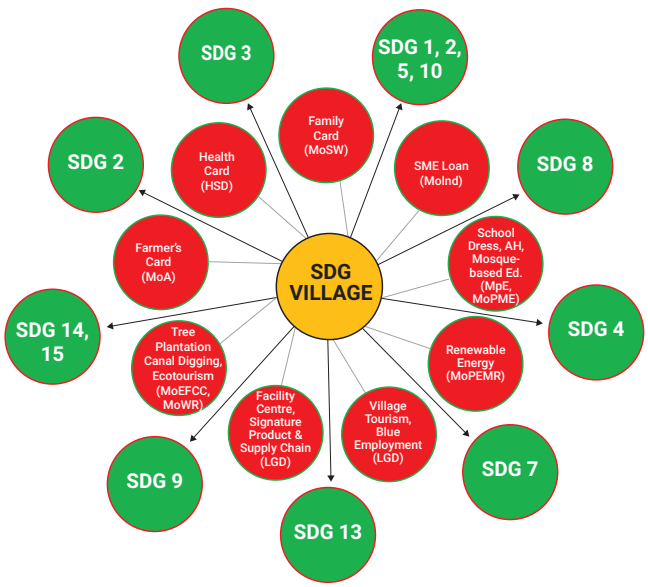
Bangladesh has made decent progress on the Sustainable Development Goals, but the remaining challenge is implementation at the local level. National policies, targets, and budgets do not automatically translate into village-level improvements unless they are localised through community participation, local government leadership, reliable data, and coordinated service delivery. The Government of Bangladesh has already adopted national SDG priority targets and maintains an SDG Tracker to monitor progress, including 39+1 priority targets for localisation.

The SDG Village Piloting Project will therefore be treated as a practical model for converting national SDG commitments into visible, measurable, and people-centreed development outcomes at the village level. The General Economics Division has initiated an SDG Village Piloting to advance localisation through an integrated village-level development framework. Three pilot villages have been selected reflecting diverse geographic and socio-economic contexts.

The strategic purpose of the pilot will be to demonstrate how a village can become a functional unit of SDG delivery by integrating poverty reduction, food security, education, health, water and sanitation, gender equality, climate resilience, livelihoods, digital inclusion, and accountable local governance.

The SDG Village concept aims to operationalise all 17 SDGs simultaneously at the village level through integrated service delivery, using the Union Parishad as the governance anchor and the Union Digital Centre as the service hub. The complete programme architecture is under development by GED.

The SDG village piloting programme will be a testament of the government's all signature projects/ programmes, such as Family Card, Farmer Card, e-health card, OVOP, etc. as shown in the following diagram.




**This strategy designates the SDG Village as a Phase 1 pilot intervention:**

- 3 SDG Village pilot sites designated in Phase 1 across three areas (Climate risk prone, poverty pocket and hill tracts).
- Independent GED-commissioned assessment at Month 18 informs Phase 2 scaling decisions. Phase 2 target: 200 SDG Villages. Phase-3 target: 500. The economically lagging villages will be selected for this programme.
- One Village One Product (OVOP) enterprise will be a core component of the SDG Village model.
- The SDG Village is an integrating spatial framework, not a new parallel programme. It draws on existing strategies and applies them simultaneously in a defined geographic unit. Full architecture development is GED's Phase 1 priority.

### SP 03: Integrated Rural Development and the Link Model

In the changing context of rural Bangladesh, various initiatives are being implemented to support rural development. However, ensuring the inclusion of marginalised people and strengthening coordination among different service providers and development activities remain important challenges.

Based on years of research, pilot testing, and gradual expansion, the Bangladesh Rural Development Board (BRDB) has developed and practiced the Link Model. This model has established effective horizontal and vertical coordination mechanisms for delivering services and implementing development activities in rural areas. It creates a connection between service providers and service recipients, helping to make development efforts more responsive to local needs.

The Link Model promotes people's participation, inclusiveness, transparency, and accountability among all concerned stakeholders. Its key principles include:

Integrated and participatory development

- Bottom-up planning
- Coordinated service delivery
- Demand-driven initiatives
- Planned infrastructure development
- Gender-responsive approaches:

The Union Coordination Committee Meeting (UCCM) is the central platform of the Link Model. It is widely recognised as a "Mini Parliament" at the union level because it brings together representatives from different sectors to discuss local development issues and coordinate actions. The Union Coordination Committee consists of representatives from Village Development Committees, elected members of the Union Parishad, officials from government departments working at the union level, representatives of NGOs and civil society organisations, and other relevant stakeholders. Under this strategic framework, the Link Model of BRDB will be implemented across the country to strengthen rural development through better coordination, participation, and service delivery.

Complementing the Link Model, DoC-based Integrated Rural Development (CIRD) programme provides an institutional vehicle for transforming villages into self-reliant economic units. CIRD delivers production-oriented, income-enhancing, technical and business training to cooperative members for skill development; creates member-contributed funds through shares, savings and grants to strengthen financial capacity; and promotes integrated agriculture combining crop cultivation, animal husbandry and fisheries through production inputs, credit and modern mechanisation. CIRD also brings rural women cooperatives into the development mainstream through self-employment pathways; supports price stabilisation through cooperative retail markets (CRC) in city corporations and towns; promotes solar energy adoption for rural housing and irrigation; and prioritises small ethnic groups, marginalised communities, helpless women, unemployed youth, farmers and fishermen. The Link Model and CIRD should function as complementary coordination and delivery frameworks within each union, with the UCCM platform facilitating convergence between the two programmes at the union level.

### SP 04: Agricultural Mechanisation

Bangladesh's agricultural sector still employs about 45 per cent of the labour force while contributing only 11.3 per cent of GDP, indicating the need for productivity-enhancing structural change.

Mechanisation is therefore not a supplementary intervention; it is central to sustaining food security, reducing production costs, addressing labour scarcity, and enabling diversification into higher-value crops.

The urgency is heightened by rapid labour market transformation. Agricultural wages increased from BDT 300 per day in 2015 to BDT 583 in 2024, while on-farm labour employment has declined and is projected to fall further by 2030. Mechanisation can help farmers respond to rising labour costs, shorten turnaround time between crops, reduce post-harvest losses, and improve profitability. However, Bangladesh's mechanisation progress is uneven: land preparation, irrigation, threshing, and pesticide application are already highly mechanized, while planting and harvesting remain below 2 per cent mechanized. This imbalance limits the productivity gains that could be achieved from full-farm mechanisation.

**Core Problem**

Bangladesh's current mechanisation model is too subsidy-centreed and insufficiently service-oriented. The Phase III Agricultural Mechanisation Support Programme distributed 51,300 units of machinery across 12 categories between 2020 and 2025 with 50–70 per cent procurement subsidies. While this expanded machine availability, there exists several implementation weaknesses: market actors inflate retail prices in anticipation of subsidies, after-sales services and warranty support remain weak, training is inadequate, demand-side barriers remain unresolved, and the three-year resale restriction reduces market flexibility.

The key challenge is therefore not simply "more machines." The strategic challenge is to build a functioning mechanisation ecosystem that links farmers, custom-hiring entrepreneurs, machinery suppliers, repair networks, finance providers, extension agents, and market actors.

A structural vulnerability compounding these weaknesses is Bangladesh's near-complete reliance on the importation of finished agricultural machinery without corresponding domestic assembling capacity. The absence of local assembling plants and a reliable domestic spare parts ecosystem means that machinery breakdown during critical harvesting or planting windows often cannot be repaired promptly, resulting in direct crop losses and farmer income shocks. The strategy must therefore pivot from a finished-machinery import model toward establishing domestic assembling plants and mandating locally available spare parts supply chains. This transition requires the active participation of agricultural research institutes — including RDA Bogura and BARI — and specialized universities to develop field-resilient machinery designs adapted to Bangladesh's soil, topography, and smallholder operating conditions. Local engineering workshop capacity building, including certified mechanics training integrated into BTEB's technical education system, is an essential complement to assembling plant development.

**Strategic Objective**

The objective is to transform Bangladesh's mechanisation agenda from a machine-distribution programme into a commercially viable, farmer-centreed mechanisation service system.

**By FY2031, aim to**

- raise mechanisation of planting and harvesting from below 2 per cent to at least 25 per cent in priority production zones.

- ensure that at least 70 per cent of smallholders can access affordable machinery services through custom-hiring models.
- reduce crop establishment and harvesting labour costs by 20–30 per cent in targeted areas.
- establish reliable local repair, spare parts, and after-sales service networks in all major crop-producing districts.
- integrate mechanisation services into Farmer Service Centres and digital extension platforms.

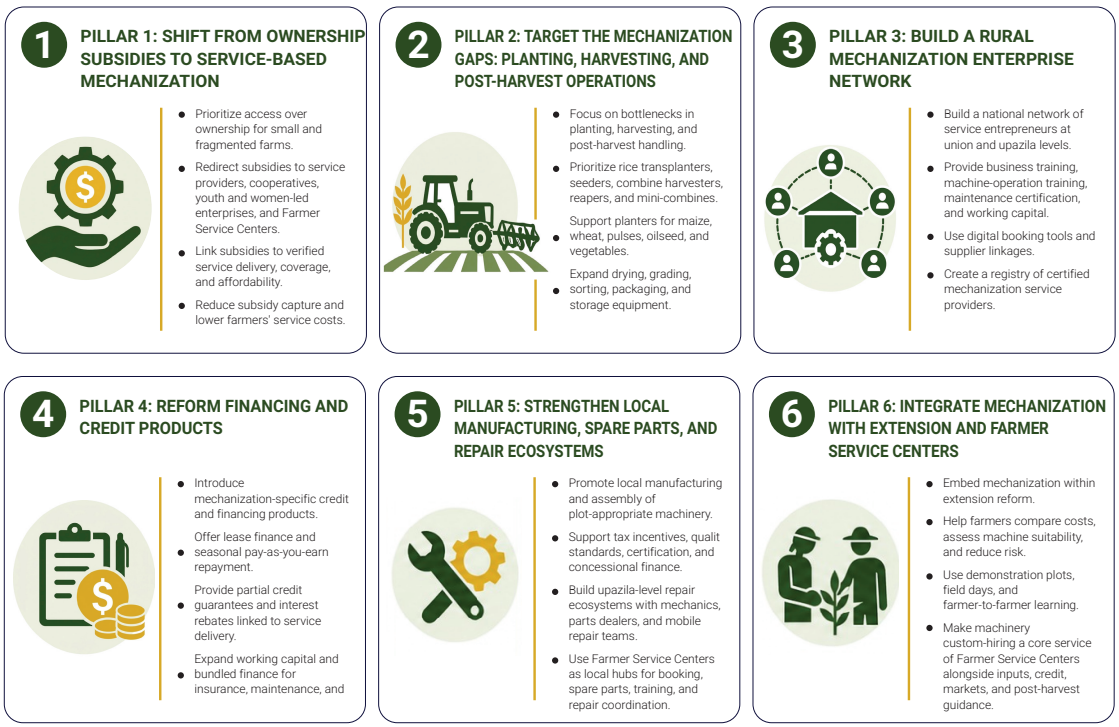
**Strategic Actions**

The strategic actions of the agricultural mechanisation strategy are organised around six pillars: shifting from ownership subsidies to service-based mechanisation; targeting mechanisation gaps in planting, harvesting, and post-harvest operations; building a rural mechanisation enterprise network; reforming financing and credit products; strengthening local manufacturing, spare parts, and repair ecosystems; and integrating mechanisation with extension services and Farmer Service Centres. Together, these pillars aim to move Bangladesh from a machine-distribution approach toward an affordable, farmercentreed mechanisation service system. Since small and fragmented farms make individual machine ownership difficult, the strategy prioritises access through custom-hiring providers, cooperatives, youth entrepreneurs, women-led enterprises, and Farmer Service Centres. The Government's election manifesto commitment to revive rural cooperatives provides a natural institutional vehicle for this purpose: reactivated cooperatives can undertake machinery rental on a sustainable basis and deliver custom-hiring services more efficiently at the village level. It also focuses on closing critical gaps in rice transplanting, seeding, harvesting, diversified crop planting, drying, grading, sorting, packaging, and storage. To make mechanisation commercially sustainable, the strategy calls for rural machinery entrepreneurs, lease finance, seasonal repayment systems, credit guarantees, working capital, local manufacturing, trained mechanics, spare parts networks, and mobile repair teams. Priority will be given to the backward linkages of mechanisation, particularly the training of machine operators, technicians, and repair personnel, since this human resource development is itself a significant driver of additional rural employment generated by the mechanisation process. Finally, by embedding mechanisation within extension services and Farmer Service Centres, farmers can receive technical advice, cost-benefit guidance, credit support, machinery access, and market information through one coordinated rural service platform.

Credit is central to implementing this mechanisation agenda. Bangladesh Bank currently channels agricultural credit through two divisions, the Agricultural Credit Division and the SME Division. At present, financing is earmarked for mechanisation accounts for only around 2 % of the total agricultural credit allocation this year, and most of the credit used to purchase machinery is in practice disbursed through general SME credit facilities rather than dedicated agricultural-mechanisation credit lines.

A clearer role for Bangladesh Bank in ensuring that small and marginal farmers, and not only larger commercial buyers, can access SME loans to purchase agricultural machinery. Two specific constraints need to be addressed. First, SME loan applications for machinery purchase currently require a trade license, a condition that is unusual, and often unattainable, for farmers who are not registered as traders. Second, agricultural machinery in Bangladesh is not assigned any registration number, so farmers cannot offer machinery already in their possession as collateral against further credit. Removing these two constraints would substantially widen small and marginal farmers' access to mechanisation finance.

# STRATEGIC ACTIONS FOR AGRICULTURAL MECHANIZATION




## Implementation Roadmap

| Phases | Details | Responsible Ministries |
|---|---|---|
| Phase 1 (1Year): Reform and Targeting | • Fixing implementation weaknesses in existing Programmes.<br>• Review subsidy pricing<br>• Create transparent reference prices for machinery<br>• Remove or relax the three-year resale restriction<br>• Introduce beneficiary verification.<br>• A national mechanisation gap map will identify where planting, harvesting, and post-harvest mechanisation are most urgently needed. | MoA<br>(DAE, BARI, BRRI, BADC, DAM)<br>MoLGRDC<br>(BRDB, DoC)<br>Bangladesh Bank |
| Phase 2 (1-3 Years): Service Network Expansion | • Scale custom-hiring entrepreneurs, Farmer Service Centre-based machinery hubs, and repair networks.<br>• Subsidies will increase to service delivery.<br>• Subsidies will increasingly be tied to service delivery.<br>• Digital booking and monitoring platforms will be piloted in high-production districts. | |
| Phase 3 (3-5 Years): Consolidation and Commercialization | • Reduce dependency on direct procurement subsidies and move toward market-based financing, leasing, insurance, and private service models.<br>• Public support will focus on standards, training, monitoring, credit guarantees, research, and support for lagging regions. | |

### Monitoring and Results Framework

A stronger monitoring system is essential to prevent subsidy capture and reporting inflation. Monitoring will move beyond counting machines distributed. Key indicators will include:

- Number of farmers served by mechanisation services.
- Acres covered by planting, harvesting, and post-harvest machinery.
- Service cost per acre compared with manual labour.
- Machine utilisation rate per season.
- Downtime due to repair or spare parts shortages.
- Farmer satisfaction with service quality.
- Reduction in harvesting losses and turnaround time.
- Share of women and youth among service entrepreneurs.

Field verification and farmer feedback will be mandatory before final subsidy release. Agricultural mechanisation in Bangladesh must now move from a subsidy-driven machinery distribution approach to a farmer-centreed service ecosystem. The country has already mechanized land preparation and several basic operations, but the next productivity breakthrough depends on mechanizing planting, harvesting, and post-harvest management. This requires affordable access for smallholders, commercially viable rural service providers, better credit, stronger repair systems, local manufacturing, and integration with extension services.

The strategic priority is not simply to spend more, but to spend better. By reforming subsidies, strengthening custom-hiring models, embedding mechanisation in Farmer Service Centres, and building rural enterprise networks, Bangladesh can make mechanisation a practical pathway to higher productivity, lower costs, crop diversification, and resilient agricultural growth.

### SP 05: Digital Infrastructure

Digital infrastructure will be treated as a core rural development tool, not only an ICT-sector intervention. In rural Bangladesh, better digital access can reduce the cost of public service delivery, connect farmers and small entrepreneurs to markets, expand youth employment, support telemedicine and online education, improve access to social protection, and strengthen accountability in local government. Expanding the digital economy and global connectivity by introducing international payment systems such as PayPal, establishing regional e-commerce hubs, and expanding exports of “Made in Bangladesh” products are on the priority list of the government.

The government will therefore position Union Digital Centres (UDCs) as the village-level service platform, last-mile broadband as the connectivity backbone, and rural digital enterprise as the development outcome.

Strategic Objectives

- Ensure affordable, reliable broadband connectivity at every union, village market, school, community clinic, and Farmer Service Point.
- The Union Digital Centre (UDC) may be restructured and renamed as Rural Digital Centre (RDC). RDC may be established in each village.
- Transform Union Digital Centres into full-service rural digital development hubs.
- Enable rural youth, women, farmers, MSMEs, freelancers, and migrant families to access digital services, finance, markets, and jobs.

- Build rural participation in e-commerce, digital payments, outsourcing, agro-processing, handicrafts, and "Made in Bangladesh" exports.
- Strengthen transparent, citizen-facing local governance through digital service delivery and grievance systems.

**Strategic Actions**

The strategic actions for rural digital infrastructure are organised around five mutually reinforcing pillars: upgrading Union Digital Centres into Rural Digital Development Hubs; building reliable last-mile connectivity; making RDCs the front door for digital public services; linking rural producers to e-commerce and "Made in Bangladesh" markets; and expanding digital access to health, education, and social protection services. Together, these pillars aim to transform UDCs/RDCs from basic service points into integrated rural development platforms. Each UDC/RDC will provide five service windows covering citizen services, livelihoods, agriculture and rural economy, MSMEs and e-commerce, and financial inclusion. Reliable last-mile connectivity is essential, including fiber links to Union Parishads, schools, community clinics, growth centres, and rural markets, along with 4G/5G tower fiberization, community Wi-Fi, shared infrastructure, and solar backup. The strategy also positions UDCs/RDCs as accessible service points for poor households, women, elderly citizens, persons with disabilities, and remote communities. By integrating e-commerce, digital payments, telemedicine, digital learning, Farmer Card, Family Card, social protection, and grievance systems, rural digital infrastructure can become a practical tool for inclusive rural transformation.

**Implementation Model**

| National Level | District and Upazila Level | Union Level |
|---|---|---|
| A national programme will be led jointly by the ICT Division, Local Government Division, Bangladesh Telecommunication Regulatory Commission, Bangladesh Computer Council, Bangladesh Bank, Ministry of Agriculture, Ministry of Local Government, Rural Development and Cooperative Division, Ministry of Education, Ministry of Health, Ministry of Youth and Sports, SME Foundation, DoC and relevant private sector partners. | Each district will prepare a Rural Digital Infrastructure and Services Plan identifying coverage gaps, service demand, training needs, e-commerce potential, and priority unions. Upazila administrations will coordinate UDC entrepreneurs, schools, community clinics, banks, MFIs, telecom operators, and local businesses. | Each Union Parishad will form a Union Digital Development Committee involving UDC entrepreneurs, elected representatives, teachers, health workers, agricultural extension officers, youth representatives, women entrepreneurs, religious/ community leaders, and private service providers. |

**Governance and Accountability**

Digital infrastructure must not become another layer of rent-seeking. The strategy will include:

- Transparent service fee schedules at every UDC/RDC.
- Digital receipts for all paid services.
- Public service dashboards by union.
- Citizen feedback and grievance mechanisms.
- Regular audits of UDC/RDC service quality.
- Cybersecurity and data protection protocols.
- Inclusion standards for women, persons with disabilities, ethnic minorities, and remote populations.

### Priority Actions Timeline

| First 1 Year | Year 1-3 | Year 3-5 |
|---|---|---|
| • Conduct a national audit of UDC/RDC capacity, connectivity, devices, power backup, service quality, and staffing.<br>• Identify unserved and underserved unions.<br>• Publish a unified list of UDC/RDC services and official fees.<br>• Launch pilots for upgraded UDCs/RDCs in one village per union.<br>• Begin Farmer Card, Family Card, and social protection service integration through UDCs/RDCs. | • Connect all priority UDCs/RDCs, schools, health facilities, and growth centres with reliable broadband.<br>• Launch Union Digital Development Hubs in lagging regions.<br>• Start digital skills training for youth and women.<br>• Introduce e-commerce support desks in UDCs/RDCs.<br>• Create service quality dashboards. | • Scale UDC/RDC-based digital agriculture, telemedicine, e-learning, and MSME services.<br>• Establish district-level rural e-commerce logistics partnerships.<br>• Introduce international payment and export-support services for qualified rural entrepreneurs when national systems permit.<br>• Expand community Wi-Fi and solar backup in climate-vulnerable unions. |

### Table 17.2: Results Framework

| Area | Target Indicator |
|---|---|
| Connectivity | 100% of Union Parishads and UDCs/RDCs connected with reliable broadband |
| Access | At least one functional digital service hub in every union |
| Public services | 80% of common local services available through UDCs/RDCs |
| Youth employment | Digital skills training in every union, linked to jobs and freelancing |
| Agriculture | Farmer Card and digital agriculture services available through UDCs |
| Women's inclusion | At least 40% of trainees and rural e-commerce beneficiaries are women |
| E-commerce | Village and union-level products linked to national platforms |
| Financial inclusion | Agent banking or mobile financial services available through all upgraded UDCs |
| Governance | Public fee list, digital receipt, and grievance system in all UDCs/RDCs |

### SP 06: Rural Non-farm Activities

The rural non-farm economy (RNFE) accounts for approximately 40 to 45 per cent of rural household income across Bangladesh and must absorb the structural labour transition from agriculture. On-farm employment declining from 43 per cent (2017) toward 20 per cent by 2030 requires the RNFE to absorb 20 million or more displaced workers. The FYSF's services sector real growth projection (4.3-7.5 per cent annually) creates the urban and peri-urban demand that rural RNFE enterprises - agro-processing, rural services, transport, digital services, machinery repair - can supply. Cold chain, Farmer Service Centre, and value chain investments create specific demand for rural RNFE enterprise supply; without a systematic RNFE programme, this demand will continue to be captured by urban enterprises and intermediaries.

Despite its importance, the RNFE has received no dedicated programmatic attention in any previous plan period. It has no lead ministry, no dedicated financing window, and no district-level implementation structure.

### Table 17. 3: RNFE-Situation at a Glance

| Indicator | Status (FY2022-23 / FY2023-24) |
|---|---|
| RNFE share of rural household income | ~40-45% (BBS HIES 2022); primary income source for growing share of rural households |
| RNFE employment (estimated) | ~35 million workers (Authors' calculation: total rural employed ~62M minus on-farm ~27M; BBS LFS 2022) |
| Dedicated national RNFE programme | None in any previous plan period -- no lead ministry, no financing window, no district implementation |
| PKSF RNFE financing window | Not yet established; existing agricultural credit products not calibrated to RNFE enterprise cash flow cycles |
| Rural enterprise registration | Multi-agency process (RJSC, local administration, NBR); discourages formalization for micro-enterprises |
| FYSF services real CAGR (FY24-FY31) | 4.35% (FY25) rising to 7.46% (FY31) -- creates urban demand for rural RNFE supply |

*Source: BBS HIES 2022; BBS LFS 2022 (RNFE employment is Authors' derivation); FYSF Sectoral Projection (2026).*

**Key Challenges**

- No RNFE financing window: PKSF agricultural credit products not calibrated for RNFE enterprise cash flow; documentation requirements exclude micro-enterprises.
- Registration barrier: multi-agency process discourages formalisation; informal enterprises cannot access PKSF credit or government market linkage programmes.
- Skills-RNFE mismatch: BTEB curricula designed for the industrial sector; rural RNFE demand is for agro-processing, digital services, machinery repair, agricultural transport.
- Agriculture chapter demand capture: cold chain and value chain demand created by the Agriculture chapter will be captured by urban enterprises without a rural RNFE supply response.

**Policy Objectives**

- RNFE employment from approximately 35 million to 42 million workers by FY2031.
- RNFE share of rural household income from 40-45% to 50% by FY2031.
- Single-window rural enterprise registration through UDCs/RDCs operational by Phase 1.
- PKSF RNFE financing window capitalized and operational by Phase 1.

### Programme: RNFE Enterprise Development -- Strategy 5

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| Build RNFE enterprise programme through BRDB, PKSF, and agricultural value chain linkages | • Commission RNFE baseline survey by agro-ecological zone (GED-commissioned; BBS implements; BRDB as data source)<br>• Capitalise PKSF RNFE financing window: separate product from agricultural credit; calibrated for agro-processing, rural services, light manufacturing; formalization (UDC registration) as prerequisite for credit<br>• Single-window enterprise registration through UDCs: replace multi-agency process; operational by Phase 1<br>• BTEB curriculum redesign for four RNFE occupations: agroprocessing, digital services, machinery repair, agricultural transport; skills placement-rate targets replacing throughput targets<br>• Agro-processing cluster development linked to Agriculture chapter cold chain investment zones; coordinate cluster sitting with LGED rural road connectivity in priority agricultural corridors<br>• Business development services through BRDB upazila offices: market linkage, quality improvement, packaging, branding, financial literacy for RNFE enterprises | RDCD, MoLGRD, ,(BRDB, Lead Agency, DoC) LGD, MoLGRD PKSF, , BBS) |

### Table 17.4: RNFE -Performance Targets

| Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| RNFE employment (million workers) | ~35 (derived) | 38* | 42* | BBS LFS |
| RNFE share of rural household income (%) | ~40-45% | 45% | 50% | BBS HIES |
| PKSF RNFE window: enterprises financed (cumulative) | 0 | 5,000 | 30,000 | PKSF |
| UDC/RDC single-window enterprise registrations (cumulative) | Not operational | Operational; 10,000 registered | 50,000 | MoLGRD / a2i |
| Rural youth RNFE placement rate (%) | TBD from survey | 40% or +20pp above baseline* | 60%* | BTEB / BRDB |

*Source: Youth placement rate Year 3: 40% or +20 percentage points above survey baseline, whichever is higher. BBS HIES 2022; BBS LFS 2022.*

### SP 06: Women Empowerment- Family Card

Bangladesh's rural women have made significant economic progress: female labour force participation has risen substantially through garment sector and NGO-facilitated programmes; rural women's income control has improved; and girls' secondary school completion has reached historically high levels. Structural constraints remain significant: mobility restrictions reduce market access and programme participation; the unpaid care burden limits time for income-generating activities; land ownership exclusion restricts formal credit access; and gender-based violence constrains economic decision-making authority in ways that are economically damaging as well as rights-violating.

**The Family Card** -- launched on 10 March 2026, consolidated 99 social protection programmes across 25 ministries, and registered in the female household head's name -- is the most significant advance in rural women's economic inclusion in the current strategy period. It creates a legally recognised economic identity (NID-linked digital credential) that enables PKSF credit access, agricultural insurance enrolment, and RNFE enterprise registration for rural women who have historically lacked a government document in their own name functioning as a financial access credential.

### Table 17.5: Women's Economic Empowerment -- Situation at a Glance

| Indicator | Status (FY2022-23 / FY2023-24) |
|---|---|
| Female rural labour force participation | Rising; significant gains through garments and NGO-facilitated programmes |
| Women's formal credit access (rural) | ~35% of rural women (est.); PKSF and NGO programmes primary vehicle |
| Women's land ownership | Severely limited; excludes women from formal credit even where Family Card provides identity credential |
| Rural GBV response services | Upazila one-stop crisis centres absent in most areas; MoWCA, MoHA, MoSW without coordination standards |
| Family Card | Launched 10 March 2026; registered in female household head's name; 99 programmes consolidated; NID-linked digital credential |
| Mahila Samity cooperatives | Significant numbers registered; functional status unknown pending BRDB-DoC audit (prerequisite for Strategy 6 group formation) |

*Source: BBS HIES 2022; BDHS 2022; PKSF Annual Report 2023-24; Bangladesh Bank.*

### Box 17.1: The Family Card as Women's Economic Identity Instrument

Launched 10 March 2026. Consolidates 99 social protection programmes across 25 ministries under a single digital beneficiary registry registered in the female household head's name.

The Family Card serves three economic empowerment functions beyond social protection:

- **Financial access credential:** NID-linked digital identity enabling PKSF credit, agricultural insurance, and RNFE enterprise registration for women historically lacking a government document in their own name.
- **Intra-household resource allocation:** Registration in the female household head's name shifts resource allocation in ways associated with improved nutrition, children's education, and productive investment.
- **Programme entry credential:** Family Card registration as the entry credential for the integrated women's economic empowerment programme, ensuring benefit delivery to verified women-headed households.

**Implementation:** Union Digital Centres/Rural Digital Centres serve as the Family Card registration and service access points; the UDC/RDC upgrade is directly linked to Family Card service integration.

#### Key Challenges

- Gender Based Violence (GBV) as economic constraint: upazila-level response services absent; GBV reduces economic participation with measurable productivity consequences.
- Land rights gap: women's land ownership exclusion restricts formal credit access even where Family Card provides identity credential.
- BRDB-affiliated Palli Unnayan Dal/Samity/ Mahila Samity cooperatives: potential group formation vehicle; functional status requires BRDB audit before scale-up.
- Structural constraints require economic instruments -- credit, market access, childcare -- alongside regulatory reform; awareness alone does not shift them.

#### Policy Objectives

- Women's formal credit access from approximately 35% to 55% of rural women by FY2031.
- GBV minimum response standards gazetted by Day 90; upazila one-stop crisis centres operational in Phase 2 in priority districts.
- Women's land registration through UP legal aid: 200,000 households by FY2031.
- Integrated women's economic empowerment programme: 2 million participants by FY2031.

#### Programme: Women's Economic Empowerment

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| Integrate women's economic empowerment: credit, market linkage, land rights, and GBV response | • Integrated delivery package: PKSF credit + UP women's committee market linkage + RNFE-demand-calibrated enterprise skills + childcare at UP level; Family Card as entry credential<br>• Mahila Samity cooperatives as group formation vehicle where DoC-BRDB audit-verified functional; coordinate with Strategy 3 findings before deployment<br>• Women's land registration through UP legal aid: MoLGRD paralegal training for UP women's committee members; documentation as prerequisite for formal credit | MoWCA<br>(MoLGRD, MoHA, MoSW, PKSF)<br>MoCHTA |

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| | • Gazette GBV minimum response standards by Day 90 (MoWCA lead; MoHA and MoSW co-owners); upazila one-stop crisis centres in Phase 2 in highest-incidence districts<br>• Community GBV referral network through UP women's committees; adolescent girls' enterprise transition programme (small grant and mentorship via UP and PKSF) | |

**Table 17.6: Women's Economic Empowerment - Performance Targets**

| Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Women's formal credit access -- rural (% of rural women) | ~35% (est.) | 42% | 55% | Bangladesh Bank / PKSF |
| Integrated women's programme participants (cumulative) | Baseline from survey | 700,000* | 2 million* | PKSF / MoLGRD |
| GBV standards gazetted; upazila crisis centres operational | Standards not gazetted | Standards Day 90; 50 centres Phase 2 | All districts covered | MoWCA / MoHA |
| Women's land registration via UP legal aid (cumulative households) | Negligible | 50,000 | 200,000 | Ministry of Land / MoLGRD |

*Source: * Women's programme participant target conditional on Mahila Samity audit providing verified functional cooperative group formation infrastructure. BBS HIES 2022; PKSF Annual Report 2023-24.*

## 17.4 Institutional Reforms and Governance

### 17.4.1 Local Government Empowerment and Service Delivery

Bangladesh's 4,562 Union Parishads are the constitutionally mandated local government tier closest to rural citizens and the natural delivery vehicle for virtually every rural development programme. In practice, their resource base, staffing, and administrative capacity are systematically insufficient. UPs currently receive approximately 25 to 40 per cent of their constitutionally mandated central government resource transfer; the Local Government (Union Parishad) Act 2009 -- specifying the transfer of 15 functions with accompanying financial resources -- remains largely unimplemented fifteen years after passage. Every rural programme that routes around UPs creates a parallel delivery system that is fiscally unsustainable and geographically incomplete. UP empowerment is the operational prerequisite for cost-effective rural service delivery at scale.

**Table17.7: Local Government -- Situation at a Glance**

| Indicator | Status (FY2023-24) |
|---|---|
| Union Parishads | 4,562 -- covering virtually entire rural population |
| UP Act 2009 devolution | 15-function transfer mandated; largely unimplemented 15 years after passage |
| UP block grant (annual per UP) | BDT 15-20 crore (est.); 25-40% of constitutional mandate; strategy trajectory BDT 50 crore by FY2031 |
| Union Digital Centres/Rural Digital Centres | Present in virtually all UPs; information services; significantly below potential as integrated hubs |
| SDG Village pilot | GED announced; 3 upazila model areas selected; full architecture under development |

*Source: MoLGRD Annual Report 2023-24; GED (December 2025 announcement via BSS).*

**Key Challenges**

- UP resource gap: 25-40% of constitutionally mandated transfers received -- the local governance equivalent of BWDB's O&M financing gap in the agriculture chapter.
- UP Act 2009 non-implementation: legislated devolution undelivered in 15 years; previous plan periods have diagnosed this without resolution.
- Parallel delivery systems: line ministries bypass UPs, creating fragmented and fiscally unsustainable programme architecture.
- UDC underutilisation: infrastructure capable of full integrated service delivery, currently limited to information services.
- Weak institutional coordination across line ministries and local government undermines effective rural service delivery and cooperative growth.
- Corruption and accountability gaps in rural infrastructure financing and cooperative management reduce the impact of public investment.

**Policy Objectives**

- UP Act 2009 full implementation regulations within 1 year.
- Publish annual UP block grant enhancement schedule (BDT 25 crore Year 1 to BDT 50 crore Year 5) by Day 90.
- Upgrade 80% of UDCs/RDCs to integrated service hubs by FY2031.
- Launch 3 SDG Village pilot sites in Phase 1; GED to develop full programme architecture.
- Introduce anti-corruption monitoring mechanisms for rural infrastructure projects and cooperative financing, with independent third-party verification.
- Strengthen Union Parishads and rural cooperatives as frontline governance units with adequate resources, staffing, and accountability systems.
- Build institutional capacity of Union Parishads to manage social protection funds and climate adaptation resources through dedicated training and financial management systems.
- Ensure geographically balanced rural development by designating and ring-fencing dedicated budget allocations — from Revenue, ADP, and Non-ADP frameworks — systematically directed at the ten poorest districts. Clear district-level tracking of rural development expenditure should be published annually, with corrective action mechanisms where allocations fall below district povertyweight benchmarks.

### 17.4.2 Institutional Reform at BRDB

The Bangladesh Rural Development Board (BRDB), under MoLGRD, has the widest geographic reach of any government rural development agency: 57 district offices and over 476 upazila offices serving approximately 5.3 million beneficiaries through a two-tier cooperative network of Krishak Samabaya Samities (KSS) at village level, Upazila Central Cooperative Associations (UCCA) at subdistrict level, and Mahila Samity women's groups. This institutional infrastructure is the natural delivery vehicle for the RNFE enterprise programme. Reforming an institution with demonstrated geographic reach is preferable to building a new one from scratch.

BRDB's cooperative network has contracted significantly from its 1980s-90s peak. The current share of registered cooperatives that are genuinely functional -- as distinct from paper institutions -- is

unknown. Before the RNFE programme is built through BRDB, a systematic functional audit is required. The Department of Cooperatives (DoC), which holds the legal authority to register, audit, and dissolve cooperative societies, must co-lead this audit.

**Key Challenges**

- BRDB cooperative network: paper cooperatives vs functional institutions unknown without audit; cannot build an RNFE programme on an unverified foundation.
- DoC-BRDB coordination gap: DoC holds legal dissolution authority; restructuring requires both agencies operating jointly. BRDB conducts audits of its affiliated primary cooperative societies under Rule 97 of the Cooperative Society Rules, 2004, subject to the Registrar's approval, so there is no formal legal coordination gap between DoC and BRDB. However, in practice audit reports are not always regularly shared with DoC field offices; a formal reporting arrangement should be established to ensure that DoC maintains updated field-level records on the functional status of all BRDB-affiliated cooperative societies. A national digital cooperative registry, jointly maintained by DoC and BRDB, would close this data gap and support evidence-based planning of the RNFE programme.
- OVOP evaluation strategy: sound methodology; national scaling requires evidence before Planning Commission commitment.
- BRDB mandate diffusion: three functions assigned without clear prioritisation, dedicated budget, or accountability metrics.
- Cooperative registration and financing regulations are overly complex, deterring rural entrepreneurship and limiting cooperative growth.
- Rural service delivery in health, education, and agriculture extension remains weak and fragmented, with insufficient use of digital platforms to bridge coverage gaps.

**Policy Objectives**

- Issue Cabinet directive designating BRDB as primary RNFE delivery agency with dedicated budget line;
- Constitute DoC-BRDB joint audit team; complete cooperative functional audit by 1 year;
- 60% of registered cooperatives functional by FY2031; 30 OVOP/RNFE clusters nationally by FY2031; and
- BRBD will immediately initiate the implementation of OVOP.
- Simplify cooperative registration and financing regulations to lower barriers for rural entrepreneurs and accelerate cooperative formation.
- Expand digital platforms for rural health, education, and agriculture extension services, integrating them with Union Digital Centres.
- Decentralise resource allocation for rural social protection programmes to reduce leakage and improve targeting at the Union Parishad level.

### 17.4.3 Human Capital Development

Scaling rural development ambitions to the scale envisioned in this chapter require commensurate institutional human capital within RDCD and its subordinate and field-level organisations. As labour

market dynamics shift, as digital platforms become operational levers, and as international best practices in cooperative management, rural finance, and climate-smart livelihoods evolve rapidly, the capacity of RDCD officers to conceptualise, implement, and monitor rural development programmes must be systematically upgraded.

**Monitoring and Evaluation**

BRDB cooperative functional status is independently verified annually through a field assessment -- not BRDB self-reporting.

RNFE employment and income are measured through BBS Labour Force Survey and HIES supplemented by the dedicated RNFE baseline survey that provides sub-national agro-ecological zone disaggregation for geographic targeting formula calibration.

Rural youth placement rate is a new indicator class co-owned by BTEB and BRDB. Until the measurement methodology is established through the National Rural Youth Employment Framework, the Year 3 milestone is expressed as 40 per cent or 20 percentage points above the survey-established baseline, whichever is higher.

SDG Village assessment is an annual GED-commissioned independent assessment of each pilot village against the full SDG indicator baseline. Phase 1 assessment at Month 18 is the primary evidence base for Phase 2 scaling decisions, and findings are published publicly as part of GED's SDG accountability reporting.

### 17.4.4 Infrastructure and Rural Economy

Large-scale infrastructure projects have been affected by cost overruns and weak accountability, while small and medium-scale rural infrastructure remains under-prioritised. The following actions are recommended to strengthen rural infrastructure delivery.

- Prioritise small and medium-scale rural infrastructure projects with mandatory community participation in planning, implementation, and oversight.
- Promote renewable energy solutions including solar irrigation and mini grids to address the rural energy deficit and reduce dependence on fossil fuels.
- Establish cooperative-led maintenance systems for rural roads and markets to ensure sustainability and reduce reliance on central government funding.

### 17.4.5 Rural Youth and Employment

The strategy references skill development for rural youth but lacks a dedicated rural youth entrepreneurship framework. Targeted interventions are needed to unlock youth potential and harness the economic contributions of returnee migrants.

- Launch a Rural Youth Entrepreneurship Fund channelled through cooperatives, providing start-up capital, mentorship, and market linkage support to young rural entrepreneurs.
- Develop a structured programme to encourage returnee migrants to invest in rural enterprises through cooperative structures, offering matching grants, business advisory services, and regulatory incentives.
- Integrate rural youth entrepreneurship targets into the National Rural Youth Employment Framework, with dedicated budget lines and performance monitoring.

### 17.4.6 Climate Change and Resilience

While climate change is acknowledged in the document, it is not systematically linked to rural livelihoods, cooperative programming, or local governance. The following actions are recommended to mainstream climate resilience across rural development interventions.

- Mainstream climate resilience criteria in all cooperative and rural development projects, requiring climate risk assessments as a prerequisite for investment approval.
- Promote climate-smart agriculture practices and establish cooperative-based agricultural insurance schemes to protect smallholder farmers from climate-induced losses.
- Strengthen disaster preparedness capacity at Union Parishad and cooperative levels, including community early warning systems, climate adaptation funds, and emergency response protocols.

**Table 17.8: Chapter-level Results Framework**

| Outcome Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Rural poverty headcount ratio (%) | ~26% (2022) | 22% | 18% | BBS HIES |
| Rural Gini coefficient | ~0.32 (est.) | Stable or declining | 0.29 | BBS HIES |
| RNFE employment (million workers) | ~35 (derived) | 38* | 42* | BBS LFS |
| RNFE share of rural household income (%) | ~40-45% | 45% | 50% | BBS HIES |
| Women's formal credit access-rural (%) | ~35% (est.) | 42% | 55% | Bangladesh Bank / PKSF |
| UP block grant per UP (BDT crore, annual) | ~15-20 (est.) | 38 | 50 | MoLGRD / MoF |
| Functional BRDB cooperatives (% of registered) | TBD from audit | Audit complete | 60%* | BRDB / DoC |
| Drug addiction treatment -rural youth (%) | Negligible | 10% | 20% | MoSW / DoNC |
| Rural population with arsenic-safe water (million) | ~130 (est.) | 140 | 150 | DPHE / JMP |

*Source: * RNFE employment target conditional on BRDB cooperative reform (Phase 1) and OPOP scaling (Phase 2). Cooperative % from 180-day audit. BBS HIES 2022; BBS LFS 2022; MoLGRD; GED FYSF (2026).*

### Implementation Arrangements

RDCD, MoLGRD is the lead ministry for the implementation of rural revitalisation. BRDB is the primary RNFE and cooperative programme delivery agency under MoLGRD following the Cabinet directive. Mahila Samity cooperatives are the women's programme group formation vehicle where audit-verified functional. Union Digital Centres are the integrated service access points for citizen-facing services across all six strategic dimensions.

The National Rural Youth Employment Framework cross-ministerial committee, chaired by Rural Development and Cooperatives Division, coordinates Ministry of Youth, Ministry of Labour and Employment, Ministry of Social Welfare, and Ministry of Home Affairs.

A DoC-BRDB Cooperative Revitalisation and Rural Enterprise Cell should be established at the national level under the Rural Development and Cooperatives Division. Its mandate will include functional audit

of cooperative societies, maintenance of a digital cooperative registry, issuance of model by-laws, facilitation of financing linkage, UDC-based cooperative registration, and monitoring of cooperative governance standards across all rural development programmes. At the district and upazila levels, DoC should be formally included in OVOP cells and RNFE implementation committees alongside BRDB, DAE, Department of Fisheries, Department of Livestock, Department of Youth Development, Department of Women Affairs, SME Foundation, banks, MFIs, and private-sector actors.

### Policy Matrix & Implementation Targets (2026–2031)

| Strategic Priority | Key Initiative / Recommendation | Lead/Collabourating Agencies | Expected Performance Target (by 2031) |
|---|---|---|---|
| Agriculture & Livelihood Diversification | Deploy climate-smart agricultural toolkits, solar irrigation, cooperative insurance portfolios, GAP certification, and 6-crop market/financial linkage networks. | Ministry of Agriculture, RDCD, RDA Bogura, and Agricultural Extension Agencies. | Complete integration of climate-resilient practices across target cooperatives; comprehensive adoption of safe, high-yield food standard protocols. |
| Value Addition, Processing & PPP Infrastructure | Launch a Rural PPP Framework for constructing community cold storages, private sector buyback cold chains, sorting hubs, and build-own-operate (BOO) solar processing networks. | RDCD, PPP Authority Bangladesh, Local Government Engineering Department (LGED), Ministry of Industries, and Union Parishads. | At least 30% of secondary agro-processing hubs and specialized cold storage networks funded, built, or managed via active PublicPrivate Partnerships. |
| Rural Infrastructure, Governance & Poverty Alleviation | Roll out farm/non-farm skill training; deploy microcredit lines; delegate small-to-medium project operations to Union Parishads, allocate ringfenced ADP/Revenue budgets for the 10 poorest districts. | RDCD, BRDB, Local Government Engineering Department (LGED), Ministry of Finance, BARD, RDA, and Union Parishads. | Drastic reduction in servicedelivery leakages; fully selfsustaining village market hubs managed directly by community cooperatives; targeted poverty metrics reached in lagging districts. |
| Agricultural Mechanisation (SP03) | Establish domestic assembling plants, light engineering workshop capacity building, and spare-parts manufacturing corridors. | Ministry of Agriculture, Ministry of Industries, RDA Bogura, Research Institutes, and Universities. | Complete dependency reduction on imported spare parts; set up operational local maintenance workshops across primary agricultural corridors. |
| Human Capital Building & Women's Empowerment | Fund local/foreign PhD/ Masters for RDCD officers; scale up tailored cooperative asset and credit legal desks for women. | RDCD, Ministry of Public Administration, Ministry of Education, Ministry of Women and Child Affairs, Local Government Division, and RDA. | 100% capacity milestone for certified officers; substantial expansion of women's credit access, leadership roles, and economic inclusion. |

# CHAPTER 18

# FOOD SECURITY AND NUTRITION

## 18.1 Background

**The production-nutrition paradox:**

Bangladesh has achieved near rice self-sufficiency– producing 41.92 million metric tonnes of food grains in FY2023-24 and ranking among the world's top three rice producers– yet 15.5 million people remain in acute food insecurity and approximately 35 million in chronic food insecurity. Stunting affects 24 per cent of children under five; wasting 12.9 per cent; and anaemia 25.8 per cent of women of reproductive age (BDHS, 2022). An exhaustive district-level analysis by IFPRI confirms that food insecurity is not uniformly distributed: the most food-insecure districts cut across coastal chars, haor areas, hill tracts, and urban slums. The food security challenge Bangladesh faces is primarily, a distribution, access, dietary quality, and governance problem. Food production is addressed comprehensively in the Agriculture chapter , that addresses what happens between the farm gate and the household plate.

**The access and utilisation crisis:**

Rice accounts for approximately 70 per cent of caloric intake across all income quintiles including the top quintile, demonstrating that dietary diversification has not tracked income growth. Vitamin A intake is below recommended levels for approximately 60 per cent of women aged 15 to 49; iron intake is inadequate for approximately 65 per cent of women of reproductive age; zinc intake is insufficient for approximately 40 per cent of children under five. These are structural features of a food system that has succeeded in producing enough calories and failed to produce enough nutritional quality. There are significant targeting failures in the current social protection system: 30 to 40 per cent of benefits from major safety net programmes reach non-poor households, establishing the evidential case for the Family Card consolidation. Food price volatility compounds access failures: the lean-season rice price spike of 8 to 12 per cent above the annual average is the empirical basis for calibrating this chapter's parametric food inflation trigger. The Sectoral Projection further shows nominal food price growth continuing across the years, sustaining the pressure on wage-dependent households whose real agricultural wages have been declining relative to rice prices since 2020.

## 18.2 PFDS Reform and Food Price Stabilisation

The Public Food Distribution System (PFDS) is Bangladesh's primary food security governance instrument. It encompasses Open Market Sales (OMS), the Vulnerable Group Development (VGD) programme, the Vulnerable Group Feeding (VGF) programme, the Food Friendly Programme (FFP), and employment-linked food transfers. OMS– selling subsidised rice and wheat flour at fixed prices through government-authorised dealers – proved the most responsive instrument during the 2022-2024 inflationary crisis, expanding to 12.2 million families at peak deployment.

The PFDS has been structurally mismatched with Bangladesh's current food security challenge since at least the early 2010s. It was designed for a food-deficit, predominantly rural Bangladesh; Bangladesh

is now near self-sufficient in rice, increasingly urban, and facing food insecurity driven by price volatility, dietary quality deficits, and urban informal sector exclusion rather than aggregate production shortfall. PFDS closing stocks of rice and wheat have frequently fallen below the minimum operational level and that major programme benefits reach 30 to 40 per cent of non-poor households. The Family Card consolidation directly addresses the targeting failure; the minimum buffer stock regulation directly addresses the stock adequacy failure, Additionaly the parametric food inflation trigger directly addresses the response lag that has historically allowed price spike episodes to become food access crises before government action activates.

### Table 18.1: PFDS and Food Price Stabilisation -Situation at a Glance

| Indicator | Status (FY2023-24) |
|---|---|
| OMS coverage (peak deployment) | 12.2 million families; target 15 million by FY2031 |
| Buffer stock levels | Frequently below minimum operational level; no legally binding floor (IFPRI 2024; DGFood data) |
| PFDS targeting effectiveness | 30-40% of benefits reaching non-poor households; significant targeting leakage (IFPRI 2024) |
| Food CPI peak (July 2024) | 14.1% year-on-year– highest in a decade; lean-season rice price spike: 8-12% above annual average (IFPRI 2024) |
| PFDS transfer basket | Predominantly rice; does not address micronutrient deficiencies documented across all income groups |
| Urban OMS dealer coverage | ~20% of city corporation wards (est.); rural-centric design systematically excludes urban informal settlements |
| Family Card | Launched 10 March 2026; consolidates 99 programmes across 25 ministries; registered in female household head's name; PFDS reform delivery platform |

*Source: DGFood administrative data; BBS CPI (2024); IFPRI (2024)[1], Ministry of Food.*

### Box 18.1: The Family Card as the PFDS Reform Platform

Launched 10 March 2026. Consolidates 99 social protection programmes across 25 ministries under a single digital beneficiary registry registered in the female household head's name.

**The Family Card serves three specific food security and nutrition applications in this chapter:**

- Nutrition-sensitive transfer basket delivery: Digital specification and disbursement of the revised PFDS basket (pulses, fortified edible oil; SIS component subject to Phase 1 feasibility) to verified card-holding households, replacing manual beneficiary lists that generate 30-40% non-poor leakage.
- Urban OMS targeting: Family Card registration as the primary OMS eligibility credential in urban areas, enabling the urban OMS dealer network to serve verified low-income households rather than general populations.
- Parametric trigger delivery: When the parametric food inflation trigger activates, enhanced OMS benefits are delivered through the Family Card system to registered beneficiaries without separate application or verification–reducing response lag from weeks to days

1 Minot, Nicholas; Hossain, Shahadat; Kabir, Razin; Dorosh, Paul A.; and Rashid, Shahidur. 2024. Assessing the impact of rice price stabilisation policies in Bangladesh: Results from a stochastic spatial equilibrium model. IFPRI Discussion Paper 2252. Washington, DC: International Food Policy Research Institute.

**Key Challenges**

- PFDS rural design: OMS network reaches rural beneficiaries; urban informal settlement households, industrial zone workers, and seasonal migrants systematically excluded.
- Targeting leakage: IFPRI (2024) documents 30-40% of safety net benefits reaching non-poor households -- the evidential case for Family Card consolidation.
- Buffer stock inadequacy: no legally binding minimum floor; PFDS closing stocks have repeatedly fallen below operational minimums (IFPRI 2024).
- Transfer basket quality: rice-only PFDS does not address micronutrient deficiencies across all income groups as documented in IFPRI (2024).
- Urban OMS gap: approximately 20% of city corporation wards covered; garment workers, construction workers, and informal settlement households are not reached.

**Policy Objectives**

- Develop minimum buffer stock regulation (16 lakh MT floor; 12 lakh MT automatic import trigger) within 1 years.
- Develop parametric food inflation trigger regulation by 1 year, calibrated against IFPRI lean-season price spike data.
- Expand OMS coverage from 12.2 million to 15 million families by FY2031 -- additional 2.8 million predominantly urban.
- Develop nutrition-sensitive PFDS transfer basket specification by Phase-1; reduce targeting leakage from 30-40% toward 15% through Family Card digital verification.

**Programme: PFDS Reform and Food Price Stabilisation -- Strategies 1 to 2**

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| SP1: Establish minimum buffer stock and parametric food inflation trigger | • Develop16 lakh MT minimum buffer stock regulation with 12 lakh MT automatic import trigger within Phase 1 (1 Year); automatic trigger removes Cabinet decision lag from emergency import response<br>• Develop parametric food inflation trigger: when food CPI exceeds 8% year-on-year for 2 consecutive months (calibrated against IFPRI FY2016-FY2024 lean-season price spike documentation), enhanced OMS protocol activates - 30% volume increase, temporary distribution points, 10% consumer price reduction<br>• Pre-authorise DGFood to mobilise buffer stocks and deploy temporary dealers under parametric trigger without separate procurement approval<br>• Government-to-government import agreements with Vietnam, Thailand, India, and Myanmar for rice; Ukraine/Australia for wheat - standing arrangements for rapid activation when 12 lakh MT trigger is crossed<br>• O&M trust fund model to the buffer stock: A new Operations and Maintenance trust-fund model to capitalise an emergency grain reserve of BDT 1,500-2,000 crore, operating as a revolving fund outside the regular ADP cycle subject to domestic resource mobilisation and transparency and accountability. | Ministry of Food (DGFood, MoF, MoC) |

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| SP2: Reform PFDS targeting and transfer basket through Family Card | • Develop nutrition-sensitive PFDS transfer basket specification by Phase 1: pulses (50g per household per distribution) and fortified edible oil replacing a portion of rice; SIS dried fish component as a Phase 1 feasibility study (procurement volume, shelf life, logistics, consumer acceptance)<br>• Family Card as primary OMS eligibility credential: replace manual beneficiary lists with digital verification; target reduction in leakage from 30-40% toward 15% of benefits to non-poor by FY2031<br>• Develop urban OMS dealer network<br>• Industrial zone and EPZ distribution points at Adamjee, Chattogram EPZ, KEPZ, and BEPZ for garment and industrial workers<br>• Integrate OMS distribution data with Food Security Coordination Unit (FSCU) monthly monitoring dashboard; leakage rate tracked quarterly through sample-based beneficiary verification | Ministry of Food (DGFood, FSCU, Cabinet Division) |

**Table18.2: PFDS Reform and Food Price Stabilisation -- Performance Targets**

| Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Public grain buffer stock (lakh MT, minimum maintained) | ~15 (variable; DGFood) | ≥16 at all times | ≥16 at all times (regulatory floor) | DGFood quarterly |
| OMS coverage (million families, peak deployment) | 12.2 | 13.5 | 15.0 | Ministry of Food / DGFood |
| Urban OMS dealer coverage (% of city corporation wards with ≥3 dealers) | ~20% (est.) | 80% | 100% | DGFood / City Corporations |
| PFDS targeting leakage (% benefits to non-poor) | 30-40% (IFPRI 2024) | 25% | <15% | IFPRI / GED sample verification |
| Parametric trigger regulation gazetted and tested | Not operational | Activated at least once tested | Operational and responsive | Ministry of Food / FPMU |

*Source: Baseline: DGFood administrative data; IFPRI (2024) for targeting leakage figure (Figure 4.21); BBS CPI. Urban OMS ward coverage estimated from DGFood dealer location data.*

## 18.3 Nutrition Security and Dietary Diversification

The nutrition profile reflects a structural paradox: caloric availability is not the binding constraint, but dietary quality is across all income groups in Bangladesh. The rice accounts for approximately 70 per cent of caloric intake not only among low-income households but also among the top income

quintile. The Dietary diversification has not tracked income growth, and that supply-side food availability improvements alone will not resolve micronutrient deficiencies. Vitamin A intake is below recommended levels for approximately 60 per cent of women aged 15 to 49; iron intake is inadequate for approximately 65 per cent of women of reproductive age; zinc intake is insufficient for approximately 40 per cent of children under five (IFPRI, 2024).These deficiencies are concentrated in lower income groups but are not absent from middle-income households.

Resolving these deficits requires an explicit Nutrition-Sensitive Agriculture (NSA) framework that connects agricultural production decisions to nutritional outcomes. Key nutrition-dense food groups — fruits, vegetables, pulses, oilseeds, spices, and small indigenous fish species (SIS) — are currently absent from production targets and extension service priorities, despite their centrality to dietary diversity. This section integrates NSA principles across its strategies: promoting diversified crop and fish production through the Department of Agricultural Extension (DAE), linking school feeding programmes with local farmers through an Applied Nutrition in Schools initiative, and embedding nutrition modules into the Family Card system and women's development programmes through a Women's Nutrition and Empowerment Programme (WNEP).

There is aprovides critical evidence regarding women's empowerment as a nutrition pathway: women with higher scores on the Women's Empowerment in Agriculture Index (WEAI) demonstrate better child dietary diversity and improved child nutrition outcomes. This means that the women's economic empowerment programme is an indirect nutrition intervention as well as an economic development programme a cross-chapter synergy that should be explicitly recognised in this strategy. The emerging double burden of malnutrition undernutrition persisting at high levels while overweight and diet-related non-communicable diseases rise in urban and higher-income populations requires a nutrition programme that simultaneously addresses deficiency and excess, which no previous plan period has done.

**Table 18.3: Nutrition Security -- Situation at a Glance**

| Indicator | Status (BDHS 2022 unless noted) |
|---|---|
| Stunting (children under 5, % below -2SD HAZ) | 24%; highest burden in Sylhet (38%), Rangpur, and Mymensingh divisions (IFPRI 2024, district data) |
| Wasting (children under 5, % below -2SD WHZ) | 11% |
| Anaemia (women 15-49, %) | 36.7%; iron intake inadequate for ~65% of women of reproductive age |
| Rice share of total caloric intake | ~70% across all income quintiles including top quintile diversification has not tracked income growth |
| Vitamin A intake adequacy | Below recommended for ~60% of women aged 15-49 |
| Zinc intake adequacy (children under 5) | Insufficient for ~40% of children under 5 |
| School feeding coverage | ~6 million primary children of 17 million enrolled; meal predominantly rice-based |
| Double burden | Undernutrition and overweight coexist; NCD rising in urban and higher-income populations while undernutrition persists in low-income and rural populations |
| WEAI-nutrition linkage | Higher women's empowerment score significantly associated with better child dietary diversity and nutrition outcomes |

*Source: BDHS 2022; IFPRI (2024), MoPME (2024) for school feeding coverage.*

Box 18.2: IFPRI Evidence on Nutrient Intake Gaps and the Rice Dependency Trap

Three findings are directly relevant to district level programme design:

- The rice dependency trap: Rice accounts for approximately 70% of total caloric intake across ALL income quintiles. Higher income does not translate to dietary diversification in Bangladesh's food environment of Bangladesh. This means diversification requires active supply-side and demand-side interventions -- biofortification and school feeding.
- Geographic concentration of burden: Sylhet division has the highest stunting rate at 38% (IFPRI 2024, district data); Rangpur and Mymensingh are also high-burden. The nutrition supplementation programme in Strategy 3 is geographically targeted to these divisions in Phase 1.
- Women's empowerment as nutrition pathway: Higher WEAI scores are significantly associated with better child dietary diversity and nutrition outcomes. The Rural Development chapter's women's economic empowerment programme Therefore an indirect nutrition intervention -- a cross-chapter synergy to be explicitly tracked in the FSCU M&E framework.

Biofortification evidence: Evidence on the zinc-deficiency-plus-rice-dependency intersection directly justifies the accelerated deployment of zinc-enriched BRRI rice varieties (Strategy 4): the specific nutrient gap (zinc) is the primary product being biofortified through existing rice production channels.

**Key Challenges**

- **Rice dependency trap:** 70% of calories from are derived rice across all income groups; dietary diversification has not tracked income growth -- passive income improvement is insufficient.
- **Micronutrient deficits concentrated in women and children:** vitamin A, iron, and zinc deficiencies are documented across all income quintiles.
- **Double burden:** Standard nutrition programmes address undernutrition only; the rise of overweight and Non-communicable Diseases (NCDs) in urban populations requires simultaneous response.
- **School feeding:** 6 million out of 17 million primary children covered; meal predominantly rice-based -- contributing to caloric coverage without adequate nutritional quality.
- **Inter-ministerial coordination failure:** 8 ministries deliver nutrition programmes independently; FSCU is the required governance fix.
- NSA framework gap: agricultural production targets and DAE extension services do not currently prioritise fruits, vegetables, pulses, oilseeds, and small indigenous fish species (SIS) as nutritionsensitive crops, despite their critical role in dietary diversity and micronutrient adequacy.
- Minimum Dietary Diversity not tracked: the Minimum Dietary Diversity (MDD) standard for women and children is not currently used as a measurable programme outcome, leaving a critical gap in accountability for dietary quality improvements.

**Policy Objectives**

- Stunting below 15% and wasting below 5% for under-five children by FY2031 (from 24% and 11% respectively).
- Anaemia in women aged 15-49 from 36.7% to below 20% by FY2031.
- School feeding scaled from 6 million to 17 million primary children with nutritionally diversified meal by FY2031.

- National dietary diversity baseline survey: rapid sentinel assessment by Month 6; full national survey by Month 12.
- Adopt Minimum Dietary Diversity (MDD) for Women and MDD for children as formal, measurable programme outcome indicators;
- Integrate Nutrition-Sensitive Agriculture (NSA) into DAE extension service priorities: include production targets for pulses, oilseeds, vegetables, fruits, spices, and small indigenous fish species (SIS) within agricultural planning; Operationalise Applied Nutrition in Schools as a formal school farm linkage strategy;
- Launch Women's Nutrition and Empowerment Programme (WNEP): integrate nutrition education and counselling modules into the Family Card system and women's development programmes under MoWCA, recognising WEAI-nutrition linkage as a formal cross-chapter programme synergy.

**Programme: Nutrition Security - Strategies 3 to 4**

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| SP3: Scale multi-sectoral nutrition programme: supplementation, first 1,000 days, and school feeding | • Universal iron-folic acid supplementation for pregnant women and adolescent girls through community health workers and community clinics; micronutrient powder for children under five in high-burden districts<br>• First 1,000 days programme: complementary feeding support for children 6-23 months, geographically prioritised to Sylhet, Rangpur, and Mymensingh divisions in Phase 1; scale nationally in Phase 2<br>• Integrate nutrition behaviour change communication into community health worker cadre and community clinic counselling; WEAI-linked module on women's empowerment as nutrition pathway<br>• Scale-up school feeding from 6 million to 17 million primary children: offer a nutritionally diversified meal incorporating locally procured pulses (50g per meal), eggs (twice weekly), and seasonal vegetables; PFDS procurement supply chain , value-added fish products as the backbone; as the backbone; The MoPME will serve as the delivery agency with DGFood and FSCU coordination<br>• Commission national dietary diversity baseline survey: rapid sentinel assessment in 6-8 districts (sampling IFPRI's high-burden divisions) by Month 6; full national survey by Month 12; results inform Year 3 programme targeting | MoHFW (FSCU, MoPME, DGFood, MoWCA) |

| | | |
|---|---|---|
| SP4: Advance biofortification and double burden response | • Accelerate zinc-enriched BRRI rice variety deployment through DAE extension system (Agriculture chapter cross-reference, Strategy 1); institutional procurement of biofortified rice for school feeding programme and PFDS basket -- creating demand-side pull for biofortified variety adoption<br>• Biofortification Expansion Programme: scale up production and distribution of Zinc rice, Iron-rich lentil, Vitamin A sweetpotato, biofortified foods of (i) zinc-enriched rice (BRRI dhan62/dhan72), (ii) iron-rich lentil varieties, and (iii) Vitamin A orange-fleshed sweet potato through DAE preferred variety lists and Farmer Card subsidy incentives. Mandate inclusion of biofortified foods in school feeding meal specifications and PFDS transfer basket by Phase 2, creating sustained institutional demand that incentivisesIncentivises farmer adoption at scale<br>• Orange-fleshed sweet potato (vitamin A) and iron-biofortified lentil through Agriculture chapter extension channels; preferred variety designation in Farmer Card subsidy list<br>• Gazette mandatory nutritional labelling standards for all packaged and processed foods sold in Bangladesh (BFSA/ FDCA and BSTI joint development); enforce from Phase 2<br>• Public education campaign on dietary diversity and NCD risk: 30-second spots through community radio, mobile SMS, and UDC digital platforms; integrate a secondary school curriculum module on healthy eating; IFPRI Women's Dietary Diversity Score used as monitoring metric<br>• The integrate nutrition behaviour change communication into secondary school curricula (Ministry of Education lead); include WEAI-linked content on women's agency and child nutrition connection | MoHFW (FSCU, Ministry of Agriculture, BFSA, MoE) |

**Table18.4: Nutrition Security - Performance Targets**

| Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Stunting (% children under 5) | 24% (2025) | 20% | 15%* | BDHS (biennial) |
| Wasting (% children under 5) | 12.9% (2025) | 10% | 9%* | MICS, BDHS (biennial) |
| Anaemia (% Pregnant women 15-49) | 25.8% (2025) | 22% | 19.5% | MICS, BDHS (biennial) |
| School feeding coverage (million primary children) | ~6 (MoPME 2024) | 10 | 17 | MoPME / Ministry of Food |
| Undernourishment prevalence (%) | 11.9% (FAO/BBS 2024) | ≤10.5% | <8%* | FAO / BBS HIES |
| Dietary diversity score -- women (% meeting ≥5 food group threshold) | ~35% (est. from IFPRI data) | 42% | 55% | National dietary diversity survey |

*Source: * Conditional on FSCU constituted and operational by Day 45 with binding inter-ministerial coordination. Anthropometric targets measured biennially through BDHS (approximately FY2027 and FY2029). Undernourishment target conditional on food price stability within parametric trigger thresholds. Dietary diversity baseline from 180-day survey. BDHS 2022; IFPRI (2024); MoPME (2024).*

## 18.4 Urban Food Security

Bangladesh is approaching 50 per cent urbanisation during the strategy period, with Dhaka's estimated 22 million residents in Dhaka and secondary city populations representing a food security challenge that is structurally different from the rural challenge and has been systematically ignored by food security policy. Urban food insecurity is not a production problem: cities have market access to food from across Bangladesh. It is an income and distribution problem: wage-dependent urban households spend 50 to 65 per cent of income on food; a 14 per cent food price spike reduces real food access by an amount that cannot be compensated through short-term income adjustment. The food insecurity vulnerability map confirms that districts hosting urban industrial zones and informal settlements score in the moderate-to-high food access vulnerability range -- yet these populations are systematically excluded from the PFDS which was designed for rural delivery.

Three urban population groups face the highest acute food insecurity risk and are all currently outside the PFDS architecture. Garment and industrial workers in export processing zones have fixed nominal wages; food price spikes directly reduce their real food consumption. The documents that NEET (Not in Education, Employment, or Training) youth -- concentrated in urban industrial zones and informal settlements -- represent a significant and growing food security-vulnerable group whose exclusion from safety nets is both a welfare failure and an economic productivity loss. Informal settlement residents -- estimated 35 to 40 per cent of Dhaka's population -- have no land for own-production, are entirely dependent on retail food markets, and are geographically concentrated in areas where OMS dealer density is among the lowest in the country. Designating DGFood as the urban food security lead under FSCU coordination, with a dedicated urban OMS budget line and network, is the minimum institutional response to this documented structural exclusion.

### Table 18.5: Urban Food Security - Situation at a Glance

| Indicator | Status (FY2023-24) |
|---|---|
| Urban population share | ~43%; approaching 50% during strategy period; Dhaka ~22 million residents |
| Urban OMS dealer coverage | ~20% of city corporation wards (est.); rural-centric design; lowest density in informal settlement areas |
| NEET youth in urban areas | Significant share of working-age youth not in education, employment, or training; concentrated in industrial zones and informal settlements; highest acute food insecurity risk |
| Informal settlement population | ~35-40% of Dhaka population; entirely market-dependent for food; not served by current PFDS architecture |
| EPZ worker food access | Garment and industrial workers with fixed nominal wages; food price spikes directly reduce real food consumption; no OMS access points in EPZ zones |
| Urban food insecurity vulnerability (IFPRI district map) | Districts hosting major industrial zones and informal settlements score moderate-to-high on the national food access vulnerability index |
| Institutional lead for urban food security | None: no ministry currently responsible for food security of urban informal settlement households |

*Source: BBS; IPC Bangladesh (2024-25); IFPRI (2024) ; DGFood dealer location data.*

**Key Challenges**

- Institutional vacuum: no ministry is responsible for urban informal settlement food security -- the most significant structural blind spot in Bangladesh's food security policy architecture.
- OMS urban gap: approximately 20% of city corporation wards covered; the most food-insecure urban populations are in areas with lowest dealer density.
- EPZ workers excluded: garment workers in Bangladesh's most important export sector have no food access safety net during price spike episodes.
- NEET youth concentration: IFPRI documents a significant urban NEET youth population facing acute food insecurity without employment income or social protection coverage.

**Policy Objectives**

- Designate DGFood as the urban food security lead under FSCU coordination by Phase 1.
- Establish an urban OMS dealer network: 100% of city corporation wards with at least 3 active dealers by FY2031.
- Establish Industrial zone distribution points at all major EPZs by Phase 1.
- Ensure an Informal settlement community nutrition programme operational in Phase 2 in all 12 city corporations.

### Programme: Urban Food Security -- Strategy 5

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| Develop dedicated urban food security strategy and distribution network | • Designate DGFood as the urban food security lead under FSCU coordination; develop an urban food security strategy (Phase 1) covering OMS network architecture, EPZ worker food access, informal settlement nutrition, and urban community gardens on available municipal land | Ministry of Food / DGFood (FSCU, MoHFW, MoWCA, City Corporations) |
| Develop dedicated urban food security strategy and distribution network | • Urban OMS dealer network: Ensure distribution is operational in all 12 city corporations (Dhaka North, Dhaka South, Chattogram, Narayanganj, Rajshahi, Khulna, Sylhet, Gazipur, Barishal, Mymensingh, Rangpur, Cumilla)<br>• Establish EPZ industrial zone distribution points at Adamjee, Chattogram EPZ, KEPZ, and BEPZ serving garment and industrial workers; Family Card as the eligibility credential; time distribution match to shift change schedules<br>• Community-based nutrition programme in the 5 largest Dhaka informal settlements (Korail, Karail, Bauniabadh, Boldha, Rayer Bazar) in Phase 1: provide community nutrition workers, dietary counselling, micronutrient supplement distribution and MoHFW maternal and child health referral<br>• Scale the informal settlement nutrition programme to all city corporation areas in Phase 2; Establish a MoHFW-MoWCA-DGFood joint operational protocol; FSCU coordination | |

### Table 18.6: Urban Food Security - Performance Targets

| Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Urban OMS dealer coverage (% of city corporation wards with ≥3 dealers) | ~20% (est.) | 80% | 100% | DGFood / City Corporations |
| EPZ distribution points operational | 0 | 4 (Day 180) | All major EPZs | DGFood / BEPZA |
| Informal settlement nutrition programme coverage (city corporations) | 0 | Phase 1: 5 Dhaka settlements | All 12 city corporations | MoHFW / DGFood |
| Urban food security strategy published | Not developed | Phase 1 (Month 8) | Operational and updated annually | DGFood / FSCU |

*Source: Urban OMS ward coverage estimated from DGFood dealer location data; subject to revision upon formal census. BEPZA: Bangladesh Export Processing Zones Authority. Baseline: DGFood; IPC Bangladesh (2024-25).*

## 18.5 Food Safety Governance

Bangladesh's food safety regulatory architecture underwent significant reform with the Safe Food Act 2013 and the establishment of the Bangladesh Food Safety Authority (BFSA). The legislative framework is in place; however the operational capacity to enforce is not. With approximately 500 inspectors nationally (BFSA, 2024) -- against a food business operator universe of hundreds of thousands– systematic food safety governance across the supply chain is not feasible at current staffing levels. IFPRI (2024) documents food adulteration, pesticide residue violations in fresh produce, heavy metal contamination in processed foods, and microbiological contamination at the retail and restaurant level as documented concerns in Bangladesh's food environment. These are consumer protection failures and they are also export market failures: the EU rejection rate for Bangladesh's shrimp and finfish exports is directly traceable to food safety compliance gaps for fisheries export earnings target depends on resolving.

The proposed Food and Drug Control Authority (FDCA)– consolidating food safety and drug regulatory functions under a single adequately resourced body– is the institutional reform required to close the gap between the Safe Food Act's mandate and BFSA's operational reality. The Food and Drug Control Authority (FDCA) will ensure integration between DGDA and BFSA to address food safety risks such as heavy metal contamination and pesticide residues. However, the FDCA requires either a new Act of Parliament or an amendment to the Safe Food Act 2013 to carry enforcement authority over food businesses: a gazette notification of establishment is insufficient. The legislative pathway must be initiated in Phase 1, with Parliamentary tabling by Month 6 and enactment by the end of Year 1, to enable Phase 2 operationalisation. This is the critical enabling condition for Strategy 6.

### Table 18.7: Food Safety Governance -- Situation at a Glance

| Indicator | Status (FY2023-24) |
|---|---|
| BFSA food safety inspectors | ~500 nationally (BFSA 2024); required minimum 2,000 for systematic governance |
| Food adulteration and contamination | Documented: pesticide residue violations in fresh produce; heavy metal in processed foods; microbiological at retail level (IFPRI 2024). Overuse of synthetic pesticides and fertilisers is a primary driver of residue violations– a binding constraint not yet addressed in extension services or regulatory enforcement. Good Agricultural Practices (GAP) adoption remains low due to an extension gap: DAE capacity to train and certify farmers in GAP is inadequate relative to the scale of the food safety compliance challenge |

| Indicator | Status (FY2023-24) |
|---|---|
| EU shrimp export rejection rate | Persists; directly constrains Agriculture chapter fisheries export earnings target of USD 750-800 million |
| FDCA establishment | Not yet established; requires Parliamentary action (new Act or Safe Food Act amendment) -- gazette notification alone insufficient for enforcement authority |
| Food business operator database | Not established; inspections cannot be efficiently targeted without national operator registry |
| Divisional food safety labouratories | Not present in all 8 divisional capitals; rapid testing capacity absent in most districts |
| Processing centre and cold storage | Post harvest processing centre and cold storage facilities for fruits & vegetables and other perishable nutrition-sensitive crops are currently concentrated on potatoes; cold chain and processing infrastructure for mangoes, leafy vegetables, tomatoes, and pulses remains critically underdeveloped, contributing to high post-harvest losses and reduced availability of nutrition-sensitive foods in lean seasons |
| | create farmers profits and ensure safe, affordable, nutritious food |

*Source: BFSA Annual Report 2023-24; IFPRI (2024); DoF/MoFL for EU rejection rate; MoHealth.*

**Key Challenges**

- Inspector capacity gap: approximately 500 BFSA inspectors nationally vs. minimum 2,000 requirement for systematic governance across the food supply chain.
- FDCA legislative gap: gazette notification alone is insufficient; enforcement authority requires Parliamentary action– Safe Food Act amendment or new Act.
- Export market compliance failure: EU rejection rate for shrimp and finfish directly constrains the Agriculture chapter's fisheries export target.
- Food business operator database absent: cannot efficiently target inspections or enforce compliance without a national registry.
- Good Agricultural Practices (GAP) extension gap: pesticide and fertiliser overuse is a binding constraint on food safety, yet DAE extension services lack the trained personnel and farmer certification systems to close the GAP adoption gap at national scale– directly causing documented pesticide residue violations in fresh produce.
- Sanitary and Phytosanitary (SPS) responsibility gap: no explicit mandate currently assigns the Ministry of Agriculture responsibility for SPS standards, creating fragmented governance that undermines both export market access and safe food import oversight.

**Policy Objectives**

- FDCA legislation enacted by end of Year 1; gazette establishment notification on enactment.
- FDCA inspectors: 1,200 trained by Year 3; 2,000 by FY2031.
- Food business operators registered in national database: 150,000 by Year 3; 350,000 by FY2031.
- Divisional food safety labouratories in all 8 divisional capitals by FY2028.
- Strengthen Sanitary and Phytosanitary (SPS) responsibilities of Ministry of Agriculture for SPS standard-setting and compliance to enhance agricultural export market access and ensure safe food imports; establish a joint MoA-FDCA SPS coordination mechanism.
- Development and roll out a national Good Agricultural Practices (GAP) certification programme by DAE for fresh produce farmers on pesticide-use reduction in fruit and vegetable supply chains; integrate GAP compliance as a condition for premium procurement under school feeding and PFDS contracts.

### Programme: Food Safety Governance -- Strategy 6

| Strategy | Key Activities | Lead Ministry |
|---|---|---|
| SP6: Establish FDCA and strengthen national food safety governance capacity | • Table FDCA legislative instrument in Parliament by Phase 1 (new Act or Safe Food Act amendment granting FDCA enforcement authority over food businesses); gazette establishment notification on enactment; FDCA Phase 2 operationalisation begins Year 2<br>• FDCA inspector recruitment and training: 1,200 trained inspectors by Year 3; 2,000 by FY2031; training through BFSA existing capacity and FDCA-BSTI joint programme<br>• National food business operator database: mandatory registration of all food businesses above a defined minimum threshold; 150,000 operators by Year 3; 350,000 by FY2031; registration prerequisite for FDCA enforcement targeting; Draft registration and licensing regulation under approval process<br>• Divisional food safety labouratory network: fully equipped labouratories in all 3 divisional capitals by FY2031; district-level rapid testing units in 32 priority districts by FY2031<br>• Export food safety alignment: Codex Alimentarius and EU/GCC import standard harmonisation; EU rejection rate for shrimp and finfish as quarterly FDCA-DoF key performance indicator; joint MoHealth-MoFL export food safety compliance programme<br>• Food adulteration enforcement: FDCA Enforcement Division with annual targets (10,000 inspections by FY2028; 25,000 by FY2031); enforcement results published in FSCU annual report as public accountability instrument<br>• Food import process will be made corruption free, and importers will gradually be reduced to make the country self-sufficient in food.<br>• Strengthen the linkage and collabouration among food-producing and processing agencies/departments to accelerate the capacity of food safety governance | MoHealth / MoLaw<br>(FSCU, BFSA, BSTI, MoFL/DoF) |

### Table 18.8: Food Safety Governance -- Performance Targets

| Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| FDCA legislation enacted | Not enacted | Enacted | Fully operational | Parliament Secretariat / MoLaw |
| FDCA food safety inspectors trained (cumulative) | ~500 (BFSA) | 1,200 (New 298 personnel recruitment by 2028) | 2,000 | FDCA / MoHealth /MoFood |
| Food business operators registered (cumulative) | Negligible, Draft regulation under approval | 150,000 | 350,000 | FDCA, MoFood |
| Divisional food safety labs in all 3 capitals | Mini labouratories | - | 3 | MoFood |
| Annual food safety inspections (FDCA Enforcement) | 10,000 | - | 25,000 | MoFood |

*Source: Ministry of Food.*

### Food Security Coordination Unit (FSCU)

The FSCU will be constituted by Cabinet decision by 1 year with a dedicated budget line, binding ADP alignment authority across the eight relevant ministries (MoFood, MoHFW, MoAg, MoWR, MoC, MoFL, MoWCA, MoEnvironment), and secretariat function for the reformed Food Planning and Monitoring Committee (FPMC). Three successive plan periods have set ambitious nutrition targets and missed them consistently– not because interventions were poorly designed but because the inter-ministerial coordination required to deliver them simultaneously did not exist. The FSCU is the structural response to this documented failure.

FSCU conditionality: If the FSCU is not constituted and operational with binding ADP alignment authority, all four strategic dimensions of this chapter are designated at-risk at the first Steering Committee review. Convening authority alone– a coordination forum without resource authority -- has failed across three plan periods. This designation is the strategy's mechanism for preventing a fourth repetition of the same governance failure.

Three enabling conditions specific to this chapter must be in place for the strategy's targets to be achievable: (i) the national nutrition data-sharing protocol between GED/FSCU, MoHFW, BBS, and NIPN, specifying format standards, access rights, and update frequencies– to be signed by Phase 1; (ii) the FDCA legislation enacted by Phase 2 before FDCA operationalisation begins; and (iii) the IFPRI (2024) district vulnerability map integrated into the FSCU geographic targeting tool for urban and rural food insecurity programme allocation in Phase 3.

### Monitoring and Evaluation

M&E for this chapter faces a fundamental timing constraint: the primary anthropometric indicators (stunting, wasting, anaemia) are measured through the biennial BDHS survey, meaning that Year 3 and Year 5 data points will be available approximately at FY2027 and FY2029. Programme activity and coverage indicators including supplementation rates, school feeding enrolment, community nutrition worker caseloads– serve as annual proxies between BDHS survey years and should be reported quarterly by MoHFW through the FSCU digital platform.

Three M&E features are specific to this chapter. First, the national dietary diversity baseline survey commissioned in Phase 1 (rapid sentinel assessment by 1 year; full national survey by year 2) provides the sub-national and demographic disaggregation that BDHS alone cannot supply for targeting and programme design. Second, the parametric trigger activation history– how many months in each year the enhanced OMS protocol was activated, at what price threshold, and with what distribution volume response will be reported in the FSCU annual report as a food price stability accountability indicator. Third, DGFood's quarterly buffer stock reports will be published publicly alongside the FSCU monthly dashboard, creating citizen-level accountability for the legally mandated buffer stock floor.

**Table 18.9: Chapter-level Results Framework**

| Outcome Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Prevalence of undernourishment (%) | 11.9% (FAO/BBS 2024) | ≤10.5%* | <8%* | FAO / BBS HIES |
| Stunting (% children under 5) | 24% (2025) | 20% | 15%* | MICS, BDHS (biennial) |
| Wasting (% children under 5) | 12.9% (2025) | 10% | 9%* | MICS, BDHS (biennial) |
| Anaemia (% women 15-49) | 36.7% (BDHS 2022) | ≤30% | <20% | BDHS (biennial) |

| Outcome Indicator | Baseline FY2024 | Year 3 Milestone | Target FY2031 | Data Source |
|---|---|---|---|---|
| Buffer stock (lakh MT, minimum maintained) | ~15 (variable) | ≥16 at all times | ≥16 (regulatory floor) | DGFood quarterly (public) |
| OMS coverage (million families, peak) | 12.2 | 13.5 | 15.0 | Ministry of Food / DGFood |
| PFDS targeting leakage (% non-poor) | 30-40% (IFPRI 2024) | 25% | <15% | GED sample verification / IFPRI |
| School feeding (million primary children) | ~6 | 10 | 17 | MoPME / Ministry of Food |
| FDCA inspectors trained (cumulative) | ~500 (BFSA) | 1,200 | 2,000 | FDCA / MoHealth |
| FSCU constituted with binding ADP authority | Not established | Day 45 (conditionality trigger) | Sustained; annual report published | Cabinet Division |

*Source: * Conditional: undernourishment conditional on food price stability within parametric trigger thresholds. Anthropometric targets conditional on FSCU operational with binding inter-ministerial authority by Day 45. BDHS 2022; IFPRI (2024); FAO/BBS; DGFood.*

**Implementation Arrangements**

The Ministry of Food is the lead ministry for PFDS, OMS, buffer stock, and price stabilisation under SP1. MoHFW is the lead ministry for nutrition programmes under SP2. DGFood is the urban food security lead under FSCU coordination for SP3. MoHealth (with MoLaw) leads FDCA legislative and institutional development for SP4. FSCU provides strategic oversight, inter-ministerial coordination, and M&E for all four strategic dimensions.

The Family Card system -- registered in the female household head's name and administered through Union Digital Centres -- is the shared delivery platform across SP1, SP2, and SP3. Its integration with DGFood's OMS targeting system and MoHFW's nutrition beneficiary registration is a Phase 1 operational priority specified in the data-sharing protocol. Coordination between this chapter's Family Card applications and the Rural Development chapter's broader Family Card programme design is managed through a joint FSCU-MoLGRD working group in Phase 1.

# ANNEX A: PRIORITY ACTION MATRIX

## PFDS Reform and Food Price Stabilisation

| Action | Lead Agency | Supporting Agency | Milestone |
|---|---|---|---|
| Constitute Food Security Coordination Unit (FSCU) in MoFood with dedicated budget and binding ADP alignment authority | Cabinet Division | Ministry of Food / MoHFW / MoAg | Phase 1 |
| Develop minimum buffer stock regulation: 16 lakh MT floor and 12 lakh MT automatic import trigger | Ministry of Food | MoF / FSCU | Phase 1 |
| Develop PFDS nutrition-sensitive transfer basket specification (pulses and fortified edible oil Phase 1: SIS component Phase 1 feasibility study with Phase 2 conditional commitment) | Ministry of Food / FSCU | MoHFW / BFSA / DGFood | Phase 2 |
| Issue urban OMS dealer network tender for all 12 city corporation areas; appoint dealers; operationalise distribution including EPZ industrial zone points | DGFood / Ministry of Food | City Corporations / MoLGRD / BEPZA | Phase 1 |
| Develop parametric food inflation trigger regulation (8% food CPI two-consecutive-month threshold; enhanced OMS protocol specifications; pre-authorisation to DGFood) | Ministry of Food | FPMU / MoF / FSCU | Phase 1 |

## Nutrition, Urban Food Security, and Food Safety

| Action | Lead Agency | Supporting Agency | Milestone (Days/ Months) |
|---|---|---|---|
| Sign national nutrition data-sharing protocol between FSCU, MoHFW, BBS, and NIPN specifying format standards, access rights, and update frequencies | FSCU | MoHFW / BBS / NIPN | Phase 1 |
| Commission national dietary diversity baseline survey: rapid sentinel assessment (6-8 districts covering high-burden divisions per IFPRI 2024 data) | MoHFW / FSCU | BBS / NIPN / IFPRI | Phase 2 |
| Table FDCA legislative instrument in Parliament (new Act or Safe Food Act amendment); gazette FDCA establishment notification on enactment | MoHealth / MoLaw | BFSA / DGDA / Parliament Secretariat | Phase 1/Phase 2 |

# ANNEX B: CONDITIONAL TARGET REGISTER

| Conditional Target | Strategy | Enabling Condition Required | Mid-term Review Trigger |
|---|---|---|---|
| Stunting <15% and wasting <5% by FY31 | Strategy 3 | FSCU constituted Day 45 with binding inter-ministerial coordination authority; nutrition programme operational Phase 1 | If FSCU not constituted by Day 45 → anthropometric targets designated at-risk; Year 3 revised to monitoring only pending FSCU operationalisation |
| Undernourishment <8% by FY31 | Strategies 1-2 | Food price stability maintained within parametric trigger thresholds; buffer stock floor not breached | If major external commodity shock occurs → Year 3 milestone may require downward revision at mid-term review |
| PFDS leakage reduced to <15% by FY31 | Strategy 2 | Family Card OMS targeting methodology operational; digital verification replacing manual beneficiary lists by Phase 1 | If Family Card integration not operational by Phase 1 end → leakage reduction target revised to 20% |
| SIS dried fish in PFDS transfer basket by Phase 2 | Strategy 2 | Phase 1 feasibility study completing by Month 8 demonstrating procurement viability, logistics, and consumer acceptance | If feasibility negative → SIS basket component dropped; basket specification revised to pulses and fortified oil only |
| FDCA food business operators: 350,000 registered by FY31 | Strategy 6 | FDCA legislation enacted by Year 1; FDCA operational in Phase 2 | If legislation not enacted by Year 1 → registration target revised to 150,000 by FY2030; full target deferred to next strategy period |

## CLUSTER 7

# CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

# CHAPTER 19

# CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

## 19.1 Introduction and Strategic Vision

Bangladesh is confronting a rapidly changing environmental reality. While the economy grows, temperatures are rising — the average climbed about 1.06°C between 2011 and 2019 compared with the previous 30 years. Rainfall has become more erratic, with fewer rainy days but heavier downpours and frequent cloudbursts, increasing the risk of sudden, destructive flash floods. Sea levels are also rising, at roughly 3.2 mm per year, threatening about 13% of land located within two meters of mean sea level. As storm warnings grow more frequent, fishing communities face fewer workable days each year. Compounding these climate pressures, pollution is severe: industrial discharge has driven dissolved oxygen in rivers like the Balu to near zero, and urban air quality remains among the worst globally. Together, these trends pose urgent threats to people and their livelihoods nationwide.

### 19.1.1 Strategic vision

Facing this reality, the new government has pledged to rebuild and restore the fragile economy by promoting balanced and inclusive growth. Its proposed strategies focus on: (a) environmental conservation and sustainable development; (b) waste management and pollution control; (c) natural resource conservation; and (d) climate change, water resources, and disaster management. The document also pledges to create 1,000,000 jobs every year. Given the changing nature of economic activity, many sectors have shown very slow employment growth over the past decades.

Because Bangladesh sits on a low-lying delta, climate threats are especially urgent. Adaptive Delta Management (ADM) emphasises long-term, transformational projects—regional "super-dykes," river restoration, and integrated waste systems that can produce fuel and organic fertiliser. These investments are vital for the country's most vulnerable people and are included in the water sector planning of the government. However, these are cross-cutting issues that has implications for approximately 19.9 million internal climate migrants, who face worsening salinity intrusion and the loss of the natural resources they rely on to survive and are part of the overall environmental and climate action strategies.

This strategy also opens new economic possibilities, like earning roughly $1 billion a year from carbon credits. By focusing on pro-poor resilience—examples include Alternate Wetting and Drying (AWD) in rice farming and community-led tree planting—environmental protection can become a source of jobs and social stability. In doing so, the plan links stewardship of the land with the country's goal of reaching high-income status by 2041, helping ensure the delta stays a thriving, secure home for all Bangladeshis. This chapter also presents a new pathway for creation of green jobs in the economy.

## 19.2 Environmental Status and Vulnerability Assessment

Bangladesh faces severe environmental and climate risks, with millions living in poverty. A Union-level Climate Vulnerability Index by the Local Government Division shows nearly two-thirds of Unions are classified as "very high" vulnerability. As a result, millions are exposed to floods, flash floods, cyclones,

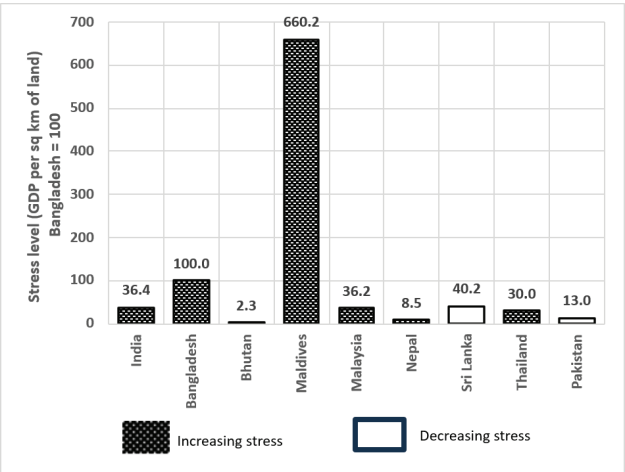
storm surges, erosion, landslides, salinity intrusion, and droughts. Climate science also predicts shifting and uncertain seasonality that will disrupt crop calendars and threaten agricultural systems—early floods or unusually low winter temperatures, for example, could harm Aman and Boro harvests.

### 19.2.1 A Macro view

**Environment**

As countries pursue economic growth to improve social welfare, their environments often suffer. We measure this impact as GDP per square kilometre of land — how much economic output is generated per unit of land. Rising values indicate increasing pressure on land and the environment; falling values indicate reduced pressure or environmental improvement. Figure 1 compares this pressure in Bangladesh with neighbouring countries. It shows that, between 2021 and 2024, stress is rising in Bangladesh and most neighbours except Pakistan and Sri Lanka, and that all countries except the Maldives place less stress on their land overall. Two planning implications follow for Bangladesh: (1) economic growth is increasing pressure on land resources, so protecting environmental quality and prioritising stewardship of nature are essential; and (2) with proper environmental care, land can sustain higher levels of use, as the Maldives demonstrates. Better care for the environment requires more than an attitude shift; it demands a professional approach and clear policies for "stewardship of nature." Government's election manifesto indicates, implementing such policies will create demand for new types of jobs across the economy.

*Figure 19.1: Comparison of Environmental Stress in Selected Countries*

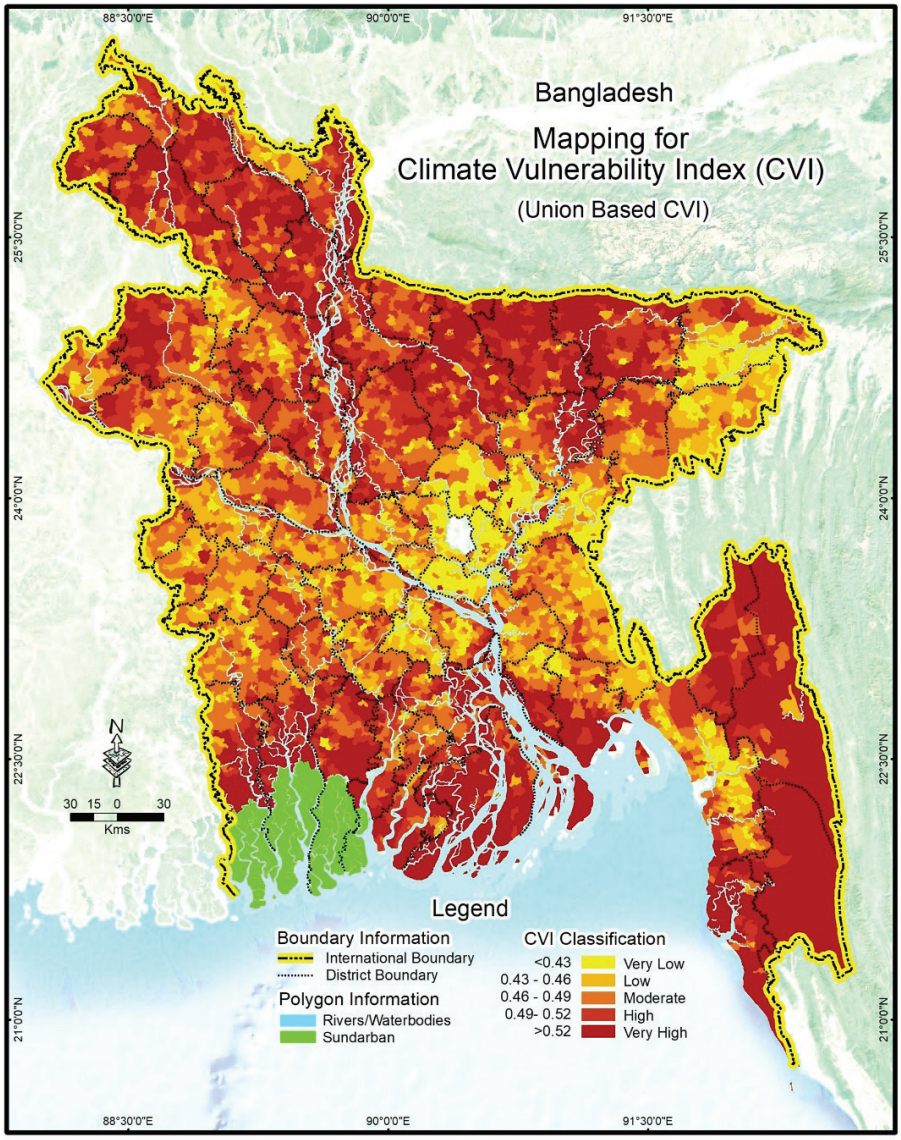



*Source: Calculated using the World Bank data (2021 and 2024)*

**Climate Change**

Estimates from the Climate Vulnerability Index (CVI) indicate that most part of the country—at the Union level—falls into "high" or "very high" vulnerability, including coastal, hill, riverine plain, and haor regions. As a result, any major disaster would severely strain the government's capacity to protect and assist poor and marginalised populations.

*Map 19.1: Union based Map of Climate Vulnerability Index 2025*




*Source: UNDP, Bangladesh.*

## 19.2.2 Environmental Condition at the Household

The Household Based Environmental Survey (HBES) 2024, conducted by the Bangladesh Bureau of Statistics (BBS), provides the first comprehensive baseline data on household-level environmental behaviors from rural and urban areas. According to this latest survey, 5.9% live in apartments/flats, 19.4% in pucca (concrete) buildings, 34.3% in semi-pucca houses, 40.03% in kancha (tin and thatched) houses, and 0.5% in raw huts (jhupris) and nearly 98.2% people have access to electricity.

Household water, sanitation, and hygiene in Bangladesh show mixed progress. About 88.7% of households rely on tube-wells for drinking water, while only around 8.2% have piped supply, and families spend roughly 244 taka a month on drinking water. This heavy dependence on raw water sources underscores why keeping surface water clean matters—nearly everyone depends on these sources directly or indirectly. Surface waters also feed poultry and livestock that produce our eggs, milk, and meat, so contamination can quickly trigger disease outbreaks and affect the food we eat.

About 61.3% of households have separate handwashing facilities with soap and water, spending roughly 82 taka per month on handwashing. Sanitation coverage is relatively high—85.2% use improved toilets—but nearly 19.2% share facilities. Formal waste collection is limited to just 14.2% of households (34.8% in Dhaka, 0.9% in Rangpur), so many resort to unsafe disposal: 44.1% dump organic waste into nearby water bodies and 51.6% leave daily refuse in open spaces behind homes. These conditions raise serious health risks, disproportionately affecting poor and marginalised communities in rural, urban, and hard-to-reach areas. Priorities should include behavior change through awareness and motivational communication, alongside improvements in water and sanitation services.

About 41% of households still cook with biomass fuels like straw, leaves, and rice husks, while 34.8% use Liquified Petroleum Gas (LPG). On a positive note, roughly one in five households plant fruit trees each year. Pollution concerns are widespread: nearly 75% report water pollution, 74% report air pollution, and about 66% identify waste dumping as a major cause. All these lead uses to conclude that combating air and water pollution shall be of high priority for the government.

**Table19.1: Environmental Conditions at the Household in Bangladesh**

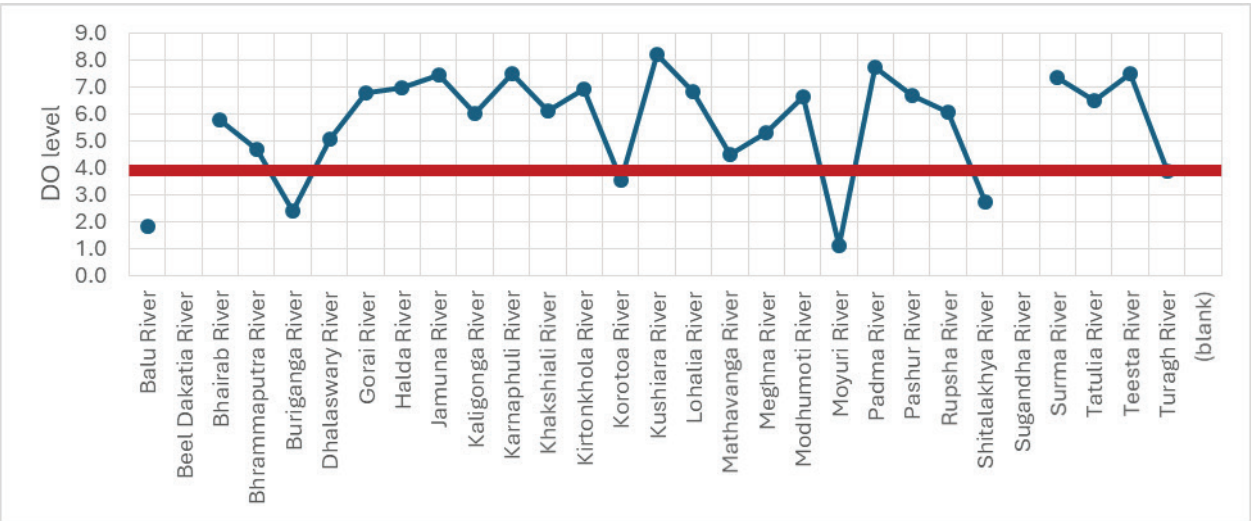
| Indicator Category | Description | Measurement Unit | National Value | Rural Value | Urban Value |
|---|---|---|---|---|---|
| Housing Structure | Households living in Kutcha (Raw) houses | Percentage | 40.03 | 48.16 | 22.17 |
| | Households living in Semi-pucca/ Concrete houses | Percentage | 34.25 | 36.34 | 29.67 |
| | Households living in Pucca/Concrete buildings | Percentage | 19.42 | 13.88 | 31.56 |
| | Households living in Apartments/Flats | Percentage | 5.85 | 1.16 | 16.16 |
| Sanitation Facilities | Households with improved toilet facilities | Percentage | 85.19 | 89.63 | 75.45 |
| | Households with separate handwashing facilities (Soap and water) | Percentage | 61.26 | 55.54 | 73.82 |
| | Average yearly household expenditure for handwashing | Taka | 981 | 831 | 1311 |
| Water Management | Tube-well as main source of drinking water | Percentage | 88.68 | 96.13 | 72.33 |
| | Supply water as main source of drinking water | Percentage | 8.19 | 1.08 | 23.81 |
| | Per capita yearly use of water | Litre | 31032 | 31184 | 30683 |
| Waste Management | Per capita per year organic waste generation | Kg. | 180 | 206 | 120 |
| | Per capita per year solid waste generation | Kg. | 15 | 13 | 18 |
| | Yearly waste collection expenditure per household | Taka | 1375 | 972 | 1447 |
| Fuel Management | Electricity as main source of light | Percentage | 98.24 | 97.93 | 98.94 |
| | Straw/leaf/tush/bhusi as source of cooking fuel | Percentage | 40.77 | 50.97 | 18.36 |
| | LPG gas as source of cooking fuel | Percentage | 34.71 | 33.59 | 37.15 |

*Source: HBES (2024)*

### 19.2.3 Environmental Impacts

Fresh water quality is monitored by the Department of Environment by its monitoring stations along major rivers. Figure19. 2: Fresh Water Quality by Major Rivers provides level of dissolved oxygen (DO) by rivers (average of the monitoring stations). According to figures, all rivers around Dhaka like Buriganga, Shitalakhya, Balu, and Turag are in red zone or below the safe limit. Similarly, Mayur river in Khulna, Korotoa river in Bogura are also found have DO level below the safe limit. Low DO level means that the water is not only useable for human use, it is also not safe for aquatic animals to live, and the water is also not safe for irrigation and other non-human use. Given the nature of concerns found in the survey, quality of water on these rivers should be of high priority in the future policy of the government.

*Figure19. 2: Fresh Water Quality by Major Rivers*




*Source: Analysis based on data from Department of Environment*

Dhaka is one of the most polluted cities on the planet in terms of air quality. But this is not just a bad title—it is something that people live with every day, and it is making them sick. Tiny, invisible particles from car exhaust, brick kilns, factories, construction dust, trash burning, and seasonal smoke get stuck in the city's hot, crowded air. Because buildings are packed closely together and there is little breeze, the dirty air just hangs around as suspended particles. The result is more cases of asthma, bronchitis, heart disease, and children whose lungs do not grow as they should. The hardest hit are the poorest: kids, the elderly, street vendors and labourers, and families living next to busy roads or factories.

**The harm goes beyond health:** families incur higher medical bills, workers lose pay from missed days, and productivity and learning decline, pushing some households deeper into poverty. Women, who often provide most caregiving at home, are frequently traumatized when family members fall ill. Tackling air pollution requires action across many fronts — cleaner vehicles and fuels, stronger traffic management, greener public transport and safer walking/cycling options, cleaner technologies for brick kilns and industry, controls on dust and open burning, and expanded urban green space. Given the government's Nationally Determined Contributions (NDC) commitments under the United Nations Framework Convention on Climate Change (UNFCCC), prioritising public transport is essential. Short-term measures such as real-time air monitoring, early warnings, targeted health outreach, and public guidance; for example, mask use on bad days) can reduce immediate harm. Policies must also protect high-risk

neighborhoods and support workers in polluting sectors to transition to safer livelihoods. Without bold, coordinated action, Dhaka's air will continue to damage health, equity, and economic progress. Equally neglected is noise pollution, which affects children and the working population and is contributing to early hearing loss for many city residents.

### 19.3 Strategic Priorities and Election Manifesto Alignment

Drawing on the brief situation analysis and key national documents and the government's election manifesto 2026—seventeen strategic goals are proposed. These goals prioritise sustainability, since growth that does not follow a sustainable development path is unlikely to be lasting. Strategic priorities are described below:

#### SP 1 — Massive Afforestation and Green Employment

Implement a nationwide afforestation programme with annual planting drives, geo-tagging, nursery engagement, and carbon-trading clusters to protect riverbanks and degraded lands, mobilise private investment, create maintenance and recreational enterprises, and generate youth and women employment through income-sharing, carbon finance, and market mechanisms.

During the Recovery Phase (1 Year) develop a clear afforestation plan, promote fruit-tree plantations on riverbanks/canals/embankments during June–July, geo-tag and register planters, design a clustered carbon-trading strategy, and set rules for local nursery engagement and maintenance.

In the Restoration Phase (1-3 Years) adopt sustainability rules to mobilise private investment, continue annual plantations with Upazila-level awards, register clusters for carbon trading and offsets, establish tripartite income-sharing and local-investment guidelines, and engage nurseries and organic input producers.

In the Reconstruction Phase (3-5 Years) scale to attract research, private investment, expand recreational uses of forest patches, create youth jobs, introduce village awards, develop carbon auction/offset mechanisms, and promote private recreational facilities along the waterways.

#### SP 2 — Integrated Waste Management and Waste-to-Wealth Systems

Establish Integrated Waste Management Strategy incorporating the 'circular economy' concept to reduce pollution and to develop pollution reduction strategy. This will include establishment of a national waste valorization framework—mandatory source separation, decentralised composting, Extended Producer Responsibility (EPR) for recyclables, repair/refurbishment hubs, landfill and e-waste rules, financing windows, incentives, and capacity building—to formalize informal recyclers, attract entrepreneurs, create jobs, and develop markets for compost and certified recyclates. All these policies will contribute towards pollution prevention.

In Recovery Phase (1 year) create a policy package and institutional framework in the areas of Environment, Local Government, Forestry/Agriculture, Finance for waste valorization; mandate source-separation; Incentivise decentralised composting with standards, certification, and finance; draft EPR and support rules for small recyclers; promote repair/refurbish businesses and reuse campaigns; limit single-use plastics and set procurement rules; enable local collection enterprises and require waste plans in land development; and set up a Waste Valorization Fund and financing/incentive rules.

In Restoration Phase (1-3 years) finalise circular-economy rules, EPR and recycled-content targets, importer take-back or recycle-charge schemes, a Recycling Promotion Fund to channel revenues, tax/permit incentives, fast-track approvals, market-making measures, and Research and Development (R&D) and skills support; municipalities and factories should contract accredited recyclers and implement tiered subsidies and recycle-charges.

In Reconstruction Phase (3-5 years) institutionalise funding, scale recycling and remanufacturing as formal sectors, expand financing instruments and procurement quotas, and sustain market-creation, skills, and innovation for a mature waste-to-wealth economy. The polluter-pays principle, phasing out fossil-fuel subsidies, introducing green taxes and emission fees, and offering tax rebates or recycling-related charges. A careful consideration will be given for policy intervention regarding polluter-pays principle, imposing green taxes and initial fees as well as recycling related charges will be done by the concerned ministry/division.

### SP 3 — Waterfront Development and and Green Riverbank and Canal Model eco-tourism

Pilot and scale bio-engineered riverbank restoration and recreational riverfronts managed by youth and women entrepreneurs—raised walkways, floating facilities, decentralised waste treatment, fish sanctuaries, and finance linkages—to restore aquatic ecosystems, boost local livelihoods, and attract private recreation investments.

In Recovery Phase create a model 3–5 km facility in Dhaka with MOUs among Memorandums of Understanding (MOUs) among Bangladesh Inland Water Transport Authority (BIWTA), Forest Department, and municipality; pilot floating-restaurant/service-zone agreements, raised wooden walkways, and youth/women-preference operations.

In Restoration Phase expand similar eco-tourism facilities across divisional cities, promote riverbank and canalbank plantations, fish sanctuaries, floating recreation on canals and riverbanks, waste integration, finance linkages, and skills training for youth and women entrepreneurs.

In Reconstruction Phase scale facilities to district cities, implement environment-friendly investment strategies and youth/women-friendly finance including equity-sharing with PKSF, add houseboats and cultural programming, and institutionalise recreational riverfront enterprises.

### SP 4 — Scientific Plantation Management (GIS-guided Land Inventory)

Build a Geographic Information System (GIS) and blockchain-based land and tree inventories, mobile apps, and Artificial Intelligence (AI) monitoring to map plantable lands, match youth-run nurseries with sites, detect illegal loss, and create a transparent carbon-stock registry and digital trading platform for scalable, verifiable afforestation and carbon finance.

In Recovery Phase establish GIS monitoring for two pilot zones, digitize ~30% land records, partner Forest Dept, Local Government, and Bangladesh Space Research and Remote Sensing Organisation (SPARRSO), develop a Mobile GIS inventory app, and pilot blockchain "Tree Ownership Certificates."

In Restoration Phase scale GIS inventory to ~20% of the country, integrate socio-economic data, launch a Digital Atlas of Plantable Lands, match youth-run nurseries to parcels, and prepare for tree stock/carbon trading.

In Reconstruction Phase expand coverage to all Upazilas, deploy AI-driven change detection and 30-day satellite alerts, integrate blockchain-ledgers with a fintech carbon-trading app, complete a land-cover master inventory, and overlay climate risks to guide adaptive management.

### SP 5 — Green Certification Sustainable Urban Infrastructure

Create a national green certification and rating system for buildings and developments, linked to incentives, financing, public procurement, and youth consultancy hubs, to drive climate-resilient, resource-efficient urban infrastructure, local green innovation, and new green jobs.

In Recovery Phase complete stakeholder consultations and validate a green rating framework (Bronze–Platinum), define technical specs across energy, water, materials, resilience and health, and design financing/guidelines to keep certified projects competitive.

In Restoration Phase Operationalise certification with discounted-credit access, amended public procurement favoring certified projects, Green Building Consultancy Hubs for youth consultants, a Green Fund, simplified certification for small projects, and mobile app inspection workflows.

In Reconstruction Phase promote national adoption of the green standard for public buildings, expand youth employment via certified auditing and consultancy, and attract investment for green construction and technologies.

### SP 6 — Drone-based services for Technological Greening of Remote Areas

Pilot, regulate, and scale drone-supported planting and targeted spraying with training, supply chains, certification, and financing to institutionalise safe, gender-neutral drone services for restoration, pest control, and rapid response—creating tech-enabled green jobs and enterprises.

In Recovery Phase launch governance and pilots via a multi-stakeholder task force, issue interim operational guidelines for safety, environmental safeguards, data privacy and community consent, and start training/capacity-building for certified drone operators and youth.

In Restoration Phase evaluate pilots, finalize regulatory frameworks for licensing/no-spray buffers/approved chemicals and scale accredited training, subsidized start-up windows, local supply chains for seed cartridges and parts, and research early-warning protocols.

In Reconstruction Phase mainstream drone greening into national restoration and coastal Programmes, mainstream budgeting and procurement, mobilise private blended finance, finish regulatory and certification ecosystems, formalize workforce via Technical and Vocational Education and Training (TVET), and sustain a commercial drone greening market to create gender-neutral jobs.

### SP 7 — Environmental Literacy and Youth Engagement

Develop and roll out curricula, youth hubs, trainings, media campaigns, internships, micro-grants, and institutional pathways to mainstream environmental education and mobilise youth into green enterprises, volunteer corps, and paid restoration and resilience Programmes with sustained financing and impact monitoring.

In Recovery Phase form a national task group (Environment, Education, Youth, NGOs, Universities), rapidly develop curricula/modules for grades 6–12 and non-formal Programmes, pilot district training and media campaigns, and train initial cohorts of trainers and youth leaders.

In Restoration Phase roll out the new curriculum nationally, adapt modules for TVET, establish Youth Environmental Hubs, expand media engagement and competitions, implement accredited volunteer and internship pathways, and partner with private sector for skills and seed funding.

In Reconstruction Phase embed environmental training into national standards and vocational curricula, institutionalise Youth Green Corps with paid placements, build sustained financing (challenge funds, blended finance), measure long-term impacts, and scale incubators and exchange networks to sustain youth-led environmental enterprises.

### SP 8 — Developing Carbon and Carbon Offset Markets

Establish a credible domestic carbon market with a coordinating taskforce, , Monitoring, Reporting and Verification (MRV) and registry systems, pilot projects, formal regulations, blended finance windows, safeguards and benefit-sharing, and market instruments to mobilise private finance for nature-based mitigation and community co-benefits. A domestic carbon market, carbon-auction/offset arrangements, green and blue bonds, equity-sharing support for youth initiatives, and disaster/index-insurance pilots. Development of a domestic carbon market and related financial instruments will be coordinated with concerned ministry/division/agency.

In Recovery Phase for first 1 year form a Carbon Market Taskforce, audit legal/regulatory gaps for registry and MRV, draft interim guidelines (voluntary vs compliance choices, safeguards), launch diverse pilot projects (afforestation, blue carbon, landfill gas, anaerobic digestion, efficiency), and build MRV/registry capacity.

In Restoration Phase convert pilots into formal regulations, establish national registry, accreditation for validators/verifiers, clear permanence/leakage/additionality rules, marketplace mechanisms, expand seed financing and safeguards, mobilise banks and corporates, and launch public registries and dashboards.

In Reconstruction Phase institutionalise the market nationally, scale eligible project pipelines (blue carbon, large renewables), introduce advanced market instruments and liquidity facilities, deepen international linkages, leverage carbon revenues into revolving funds, scale MRV institutions and oversight, and mainstream socio-environmental co-benefit verification and gender-responsive measures.

### SP 9 — Transition to Renewable Energy 20% by 2030

Set governance, incentives, and regulatory reforms to accelerate nuclear power, rooftop and utility renewables, streamline grid integration, mobilise blended international finance and local manufacturing, build skills, and scale procurement and market mechanisms to reach a 20% renewable share while ensuring safeguards and transparency.

In Recovery Phase set governance and targets, establish a Renewable Energy (RE) Steering Committee, reform tariff/financing/permit/grid rules, launch fast-track rooftop solar on public buildings with competitive bidding and subsidy windows, provide fiscal incentives, mobilise blended finance, and start capacity building for regulators and developers.

In Restoration Phase scale procurement across divisional cities, expand standardised financing on-bill and green loans, Operationalise net-metering and grid codes, implement forecasting and permitting for hybrids, scale blended finance and local supply incentives, promote workforce development, pilot community-benefit schemes and village solar grids regulated by Bangladesh Energy Regulatory Commission (BERC), and strengthen monitoring.

In Reconstruction Phase mainstream RE into national planning to reach/maintain 20%, complete transmission/regional interconnections, develop markets for flexibility and storage, undertake nuclear power programme expand manufacturing, use green bonds and private capital, ensure social/ environmental safeguards, and maintain transparent dashboards for progress.

### SP 10 — Climate-Smart Agriculture and Technologies

Launch Community Supported Agriculture (CSA) governance, baseline mapping, pilots, finance mechanisms, extension and digital advisory services, resilient inputs and mechanisation, and scaling pathways—including landscape interventions, insurance, and agri-preneurship Programmes—to mainstream climate-resilient production and create rural green jobs.

In Recovery Phase form a national CSA Steering Group, map climate-vulnerable zones and priority crops, launch pilots for CSA practices (solar pumps, micro-irrigation, moisture sensors, biofertilisers), bundle training and demonstration plots, set up pilot finance windows, and collect baseline indicators.

In Restoration Phase scale successful pilots to district Programmes, institutionalise extension and training, strengthen supply chains for seeds and equipment, promote appropriate mechanisation and rental services, deploy agro-meteorological and advisory digital tools, pilot sensing and index-insurance, and create green loan products and market linkages. Concurrently, develop Programmes to address coastal salinity so farmers in the 19 coastal districts can grow salt-tolerant crops and maintain canal and river flows to prevent rising salinity due to threat of sea level rise.

In Reconstruction Phase mainstream CSA nationally across landscapes, mobilise large blended finance (green bonds, carbon/water credits), institutionalise crop/climate insurance, scale aggregation and TVET/agripreneurship, invest in R&D and digital decision-support, and ensure inclusive access and monitoring.

### SP 11 — Conservation of Natural Resources

Convene a national taskforce to assess biodiversity risks, institute emergency protections, community co-management, restoration Programmes, legal and financing frameworks, monitoring systems, and nature-based livelihood transitions for creating conservation-linked jobs and sustainable financing. In addition, with rising income there is a growing demand for recreational activities.

In Recovery Phase, convene a National Biodiversity Taskforce, conduct rapid biodiversity and resource-status assessments, fast-track temporary protection for critical areas with joint enforcement, issue emergency development guidelines, start community consultations, seed a Biodiversity Emergency Fund, and train frontline enforcement and community stewards with pilot community-based conservation agreements.

In Restoration Phase, consolidate legal and institutional frameworks, strengthen protected area management and financing mechanisms, expand community co-management and livelihood transitions, formalize traditional rights with Free, Prior, and Informed Consent (FPIC) and benefit-sharing, invest in large-scale restoration and invasive-species control, and build nursery/networks and restoration capacity. Establish wildlife rehabilitation centres in wildlife reach areas.

In Reconstruction Phase period, mainstream biodiversity into sectoral planning, require cumulative-impact assessments, mobilise large-scale finance (green/blue bonds, Payments for Environmental Services (PES), biodiversity credits), strengthen monitoring and science partnerships, institutionalise multi-stakeholder governance to district/union levels, and scale nature-positive livelihoods to sustain ecological connectivity and community resilience.

### SP 12 — Nature-Based Solutions and Ecosystem Conservation

Scale coastal afforestation, forest restoration, wetland protection, riparian and urban blue-green space restoration to restore natural drainage, enhance biodiversity, mitigate heat and floods, and integrate ecosystem-based adaptation across landscapes and cities.

In the Recovery Phase, develop plan for climate resilient coastal afforestation and reforestation and restoration programme in the degraded and new accreted chars and islands.

Develop and implement plans for climate-resilient coastal afforestation and reforestation/restoration of degraded state forests, protect and sustainably manage wetlands (rivers, khals, beels) to restore drainage and biodiversity, and carry out integrated riparian habitat restoration and urban blue-green space development to mitigate heat islands and manage stormwater across during reconstruction and growth phases. Remember to use drone-based technologies for these Programmes.

### SP 13 — Disaster Risk Management and Hard Infrastructure (Adaptation)

Implement prioritised hard-infrastructure measures—super-dykes, embankments, multi-purpose shelters, and urban stormwater and landslide protection—to reduce flood, cyclone, and urban waterlogging risks across coastal and vulnerable riverine and urban areas. Substantial hard-adaptation investments, including super-dykes, river restoration and embankments, as well as a paid Youth Green Corps, consultancy hubs and wildlife rehabilitation facilities. Multi-year cost projections and sustainable financing arrangements before fiscal clearance will be considered to achieve all of the targets.

In the Recovery Phase, rationalise flood management systems and construction of embankments along the Padma and Jamuna rivers.

In the Restoration Phase, implement rationalised flood management and construct embankments for major rivers (Jamuna-Padma and internal systems), build super-dykes and multi-purpose disaster shelters in priority coastal areas, and improve urban stormwater drainage and city protection projects focusing on flood and landslide risks in selected cities (e.g., Sylhet, Chattogram).

In the Reconstruction Phase continue construction of super-dykes and shelters across other coastal areas and replicate urban drainage and protection projects in other waterlogged/at-risk cities

### SP 14 — Mitigating Air and Water Pollution in cities

This goal calls for immediate review (1 Year) of existing air-quality Programmes and piloting revised urban pollution interventions in Dhaka and Chattogram within the first year, while planning to scale up nationally. It targets key pollution sources—vehicle emissions and dirty cooking fuels—by strengthening public transport, promoting fuel switching (CNG, EVs, solar vehicles), and expanding LPG use through shared LPG cooking-stove Programmes in urban slums. For water, DPHE and WASA will lead clean drinking water provision by implementing Water ATMs across cities with NGO partners, with the goal of expanding the programme to additional urban areas.

In Recovery Phase (1 Year) review and evaluate existing air-quality Programmes and plan urban clean-water supply (Water ATMs).

In the Restoration Phase, pilot revised urban air-pollution Programmes in Dhaka and Chattogram focusing on vehicular emissions and household cooking fuels—promote cleaner public transport, fuel switching (CNG/EV/solar), LPG and shared cooking stoves for slums, and assign DPHE/WASA responsibility for clean-water infrastructures with NGO partnerships.

In Reconstruction Phase expand these pilots to other cities, implement water-ATM networks, and scale pollution-reduction measures.

### SP 15 — Knowledge, Policy, and Institutional Strengthening (Cross-cutting)

Strengthen data, modelling, multi-hazard early warning and insurance systems, land-use planning, and institutional capacities—developing river/estuary models, disaster insurance, comprehensive zoning, and integrated policies to underpin effective, evidence-based climate adaptation and resilience.

Develop physical models for rivers and estuaries to predict morphological changes and erosion, design multi-hazard early warning systems and disaster insurance Programmes for climate-vulnerable areas, and prepare comprehensive physical plans and sustainable land-use zoning to prevent unplanned growth in high-risk flood zones; strengthen these knowledge, institutional and planning systems through iterative recovery, reconstruction, and growth phases.

## 19.4 Financing Strategy

Meeting the 2030 targets will require an investment which can be financed through a blended financing strategy in which around 40 per cent of funding comes from public sources, 30-50 per cent from private investment, 9-20 per cent from bilateral/multilateral aid and grants, and 4-10 per cent from carbon-market revenues. The estimates are described as rough. Year-wise financial policy based on he given fiscal space will be programmed. Private investment funds may include green bonds and tax rebates to encourage private investment in renewable energy and waste recycling. Multilateral funds will mean to include the Green Climate Fund (GCF), which is available for both mitigation and adaptation activities. Respective ministry/division will develop appropriate financing strategy.

## 19.5 Conclusion

In the Recovery phase (1 year) we focus on getting the foundations right: planning, pilots, regulations, taskforces and quick capacity building. This early stage (about 10–15% of total funding) pays for practical, visible actions — tree planting with geo-tagging, early carbon-market and MRV pilots, community compost hubs, drone pilots and basic environmental education — that build momentum and learning.

During Restoration Phase (1-3 Years) we scale what works. With roughly 30–35% of funds, we roll out medium-scale infrastructure and institutions: city waste-to-wealth facilities, cleaner urban transport and rooftop solar on public buildings, expanded GIS inventories, riverbank eco-tourism pilots, seed funds for recycling and carbon projects, youth hubs, and a wider roll-out of drone services. This phase is about turning pilots into reliable systems that communities and investors can trust.

The Reconstruction Phase (3-5 Years) is where the big investments happen — about 55–60% of funding — to deliver lasting change: nationwide afforestation and carbon trading, formal recycling industries, and scaled social Programmes like a Youth Green Corps. That's also when private capital, carbon finance and market instruments should be fully mobilised to carry the work forward.

Throughout, we should use blended finance wisely: public seed funding and enabling support in Recovery; grants, concessional finance and guarantees during Reconstruction to reduce risk; and large-scale private finance plus carbon and green bonds in Growth. Technical Assistance remains valuable for early MRV setup. This staged, people-centred approach directs funds to the moments that unlock the public and private investment and deliver tangible environmental, social and economic benefits by 2030.

To ensure accountability across all three phases, a robust monitoring framework must accompany implementation. A mandatory annual Green Growth Review (GGR) report with independent third-party verification, will track progress against quantified targets for each Strategic Priority. A formal Mid-Term Review in 2028 — with the authority to reallocate funds between SPs based on demonstrated performance — will allow course correction before the Reconstruction Phase reaches full scale.

# APPENDIX:
# POLICY MATRIX WITH STRATEGIC PRIORITIES

| Strategic priorities | Details | Relevant ministry/division/ agencies |
|---|---|---|
| SP 1 — Massive Afforestation and Green Employment | • Implement nationwide annual afforestation drives (250 million trees will be planted in five years)<br>• Promote fruit-tree plantations on riverbanks, canals, and embankments<br>• Geo-tag and register planters<br>• Develop carbon-trading clusters and offset mechanisms<br>• Mobilise private investment and create youth and women employment through maintenance, recreational enterprises, income-sharing, and carbon finance<br>• Promote mangrove plantation forests along the coastal belt to protect coastal ecosystems and enhance climate resilience.<br>• Promote plantation and conservation of native species in hill tracts and plain lands to support wildlife habitats and food resources.<br>• Encourage the cultivation, conservation, and sustainable utilisation of local medicinal plants.<br>• Development of a new policy framework on Green Employment<br>• Selection of climate-resilient species | Ministry of Environment, Forest and Climate Change; (Lead Ministry) Bangladesh Forest Department; (Lead Agency) Local Government Division; Ministry of Land; Ministry of Youth and Sports; Ministry of Women and Children Affairs; Ministry of Water Resources<br>Ministry of Science and Technology<br>Ministry of Agriculture |
| SP 2 — Integrated Waste Management and Waste-to-Wealth Systems | • Establish a national waste valorization and circular economy framework<br>• Mandate source separation and decentralised composting<br>• Introduce EPR, recycled-content targets, and take-back or recycle-charge schemes<br>• Formalize informal recyclers and promote repair/ refurbishment businesses<br>• Create a Waste Valorization Fund and Recycling Promotion Fund<br>• Scale recycling, remanufacturing, compost, and certified recycle markets<br>• Adopt Sustainable Procurement Policy<br>• Establish Regional Material Recovery Facility.<br>• Establishment of Environment Friendly Landfill Sites.<br>• Establish a Domestic Carbon Market<br>• Build MRV, registry, and accreditation systems<br>• Pilot projects in afforestation, blue carbon, landfill gas, anaerobic digestion. Renewable energy and energy efficiency.<br>• Promotion of Green finance<br>• Include a waste-to-energy project to generate electricity from municipal and organic waste. | Ministry of Environment, Forest and Climate Change; Local Government Division; Department of Environment; Ministry of Finance; Ministry of Industries;<br>Ministry of Science and Technology<br>Ministry of Agriculture<br>Ministry of Commerce |

| Strategic priorities | Details | Relevant ministry/division/ agencies |
|---|---|---|
| | • Promote environmentally friendly alternatives to single-use plastics and encourage circular economy approaches.<br>• Integrate waste management practices with sustainable marine and coastal eco-tourism development.<br>• Launch a modern waste management framework | |
| SP 3 — Waterfront Eco-tourism | • Pilot 3–5 km green riverbank and canal model in Dhaka<br>• Develop raised walkways, floating facilities, service zones, and decentralised waste treatment<br>• Expand eco-leisure facilities to divisional and district cities<br>• Promote fish sanctuaries, riverbank/canalbank plantations, for ecotourism<br>• Support youth and women entrepreneurs through finance, training, and enterprise management<br>• Incorporate sustainable coastal and marine eco-tourism | Ministry of Shipping; BIWTA; Bangladesh Forest Department; Local Government Division; Ministry of Civil Aviation and Tourism; Ministry of Youth and Sports ; Ministry of Water Resources<br>Ministry of Science and Technology |
| SP 4 — Scientific Plantation Management | • Build GIS-based land and tree inventories<br>• Digitize land records and develop a Digital Atlas of Plantable Lands<br>• Pilot blockchain-based Tree Ownership Certificates<br>• Match youth-run nurseries with available plantable land<br>• Use AI-driven change detection and satellite alerts to monitor illegal loss<br>• Develop transparent carbon-stock registry and digital trading platform | Ministry of Environment, Forest and Climate Change; (Lead Ministry)<br>Bangladesh Forest Department; (Lead Agency)<br>Ministry of Land; Local Government Division; SPARRSO; ICT Division; Forest Department |
| SP 5 — Sustainable Urban Infrastructure | • Create a national green certification and rating system for buildings and developments<br>• Introduce Bronze–Platinum certification standards<br>• Link certification with financing, incentives, procurement, and inspection systems<br>• Establish Green Building Consultancy Hubs for youth consultants<br>• Promote national adoption of green standards in public buildings<br>• Generate employment in auditing, consultancy, green construction, and green technologies<br>• Accountability for Builders" and "Planned urban infrastructure | Ministry of Housing and Public Works; RAJUK and other development authorities; Local Government Division; Ministry of Finance; Bangladesh Public Procurement Authority; Ministry of Youth and Sports; City Corporations |

| Strategic priorities | Details | Relevant ministry/division/ agencies |
|---|---|---|
| SP 6 — Technological Greening of Remote Areas | • Pilot drone-supported planting and targeted spraying<br>• Issue guidelines on safety, safeguards, data privacy, and community consent<br>• Train and certify drone operators, including youth<br>• Develop supply chains for seed cartridges, drone parts, and services<br>• Mainstream drone greening into restoration and coastal Programmes<br>• Build gender-neutral drone-service enterprises and TVET-based workforce pathways | Ministry of Environment, Forest and Climate Change; (Lead Ministry)<br>Bangladesh Forest Department; (Lead Agency)<br>Ministry of Agriculture; ICT Division; Civil Aviation Authority of Bangladesh; Technical and Madrasah Education Division |
| SP 7 — Environmental Literacy and Youth Engagement | • Develop environmental curricula for grades 6–12 and non-formal education<br>• Create youth environmental hubs and training Programmes<br>• Run media campaigns, competitions, internships, and volunteer pathways<br>• 50,000 Youth Green Corps placements by 2030<br>• Establish 500 Youth Environmental Hubs by 2030<br>• Provide micro-grants, challenge funds, and blended finance for youth-led green enterprises<br>• Monitor long-term environmental learning and employment impacts | Ministry of Environment, Forest and Climate Change; Ministry of Youth and Sports; Technical and Madrasah Education Division ; NCTB |
| SP 8 — Developing Carbon and Carbon Offset Markets | • Form a Carbon Market Taskforce<br>• Build MRV, registry, and accreditation systems<br>• Pilot projects in afforestation, blue carbon, landfill gas, anaerobic digestion, and energy efficiency<br>• Establish rules on safeguards, permanence, leakage, and additionality<br>• Launch public registries, dashboards, and marketplace mechanisms<br>• Mobilise private finance through carbon revenues, blended finance, and revolving funds<br>• Bangladesh has already established a DNA Governing Board, Technical Committee, and Governing Secretariat. Technical carbon market affairs. The Article 6 DNA Governing Board has approved the Bangladesh Carbon Market Framework (BCMF). Within the BCMF, the registry, MRV system, and relevant validation, verification, and guideline provisions are clearly defined. The DNA Secretariat has also issued Non-Binding Letters of Support for nine projects, demonstrating the country's readiness to participate in the carbon market | Ministry of Environment, Forest and Climate Change; Department of Environment; Ministry of Finance; Bangladesh Bank; Sustainable and Renewable Energy Development Authority; Bangladesh Forest Department<br>Ministry of Science and Technology |

| Strategic priorities | Details | Relevant ministry/division/ agencies |
|---|---|---|
| | • Conduct comprehensive assessments of blue carbon stocks in the Bay of Bengal, including mangroves, salt marshes, and sea grass ecosystems<br>• Training for relevant persons on carbon trading/ market<br>• Scaling up Bangladesh Carbon Registry (BCR), launching a domestic Voluntary Carbon Market (VCM) platform | |
| SP 9 — Transition to Renewable Energy | • Target 20% renewable electricity generation by 2030<br>• Establish a Renewable Energy Steering Committee<br>• Reform tariff, financing, permit, and grid rules<br>• Fast-track rooftop solar on public buildings<br>• Operationalise net-metering, grid codes, forecasting, and hybrid permitting<br>• Expand green bonds, blended finance, local manufacturing, storage, and regional interconnections | Power Division; Sustainable and Renewable Energy Development Authority; Bangladesh Energy Regulatory Commission; Bangladesh Power Development Board; Ministry of Finance; Bangladesh Bank<br>Ministry of Science and Technology |
| SP 10 — Climate-Smart Agriculture and Technologies | • Form a national CSA Steering Group<br>• Map climate-vulnerable zones and priority crops<br>• Pilot solar pumps, micro-irrigation, moisture sensors, biofertilisers, and demonstration plots<br>• Scale climate-smart extension, agro-meteorological advisories, index insurance, and green loans<br>• Promote salt-tolerant crops in 19 coastal districts<br>• Maintain canal and river flows to reduce rising salinity risks<br>• Promote salt-tolerant fodder in 19 coastal districts<br>• Scale Climate-smart livestock extension, cattle insurance, and creation of a disaster risk mitigation fund.<br>• Promote climate-resilient local genetics to the priority areas of the hotspots.<br>• Strengthen the research and development programme for conservation of climate-adapted breeds, varieties, and fodder germplasm for reducing enteric methane emissions<br>• Reduce irrigation groundwater use for agricultural use via AWD and surface water channel<br>• Expansion of Climate adaptation techniques in Char land, Haor land<br>• Simplify Environmental Clearance<br>• Expansion of Green Financing | Ministry of Agriculture; Department of Agricultural Extension; Bangladesh Agricultural Research Council; Bangladesh Rice Research Institute; Ministry of Water Resources; Bangladesh Water Development Board; Ministry of Fisheries and Livestock; Bangladesh Bank |

| Strategic priorities | Details | Relevant ministry/division/ agencies |
|---|---|---|
| SP 11 — Conservation of Natural Resources and Eco-tourism | • Establish a National Biodiversity Taskforce<br>• Conduct biodiversity and resource-status assessments<br>• Fast-track protection of critical areas with joint enforcement<br>• Create a Biodiversity Emergency Fund<br>• Expand protected-area management, restoration, invasive-species control, and community co-management<br>• Establish wildlife rehabilitation centres in Sreemangal, Chattogram Hill Tracts, Madhupur, and Bhawal<br>• Develop eco-tourism facilities with local community participation<br>• Legal reform of Bangladesh's Wildlife (Conservation and Security) Act 2012<br>• Update of National Biodiversity Strategy and Action Plan (NBSAP)<br>• Develop a sustainable generating for forest-dependent communities from eco-tourism.<br>• Establish dedicated marine wildlife rehabilitation and rescue centres for injured and stranded marine species. | Ministry of Environment, Forest and Climate Change; (Lead Ministry)<br>Bangladesh Forest Department; (Lead Agency)<br>Department of Environment; Ministry of Civil Aviation and Tourism; Ministry of Land; Local Government Division<br>Ministry of Science and Technology |
| SP 12 — Nature-Based Solutions and Ecosystem Conservation | • Develop climate-resilient coastal afforestation and reforestation plans<br>• Restore degraded forests, newly accreted chars, and islands<br>• Protect and manage wetlands, rivers, khals, and beels<br>• Restore riparian habitats and urban blue-green spaces<br>• Use drone-based technologies for restoration and monitoring<br>• Reduce heat islands, improve stormwater management, and restore natural drainage | Ministry of Environment, Forest and Climate Change; (Lead Ministry)<br>Bangladesh Forest Department; (Lead Agency)<br>Department of Environment; Ministry of Water Resources; Bangladesh Water Development Board; Local Government Division; City Corporations |
| SP 13 — Disaster Risk Management and Hard Infrastructure | • Rationalise flood management systems<br>• Construct embankments along the Padma, Jamuna, and major internal river systems<br>• Build super-dykes and multipurpose disaster shelters in coastal areas<br>• Improve urban stormwater drainage and city protection systems<br>• Address flood and landslide risks in cities such as Sylhet and Chattogram<br>• Replicate drainage and protection projects in other at-risk cities<br>• Earthquake and rehabilitation activities after the Earthquake. Preparing volunteers for coping with the rehabilitation activities | Ministry of Disaster Management and Relief; Ministry of Water Resources; Bangladesh Water Development Board; Local Government Division; Department of Disaster Management; City Corporations; Ministry of Housing and Public Works |

| Strategic priorities | Details | Relevant ministry/division/ agencies |
|---|---|---|
| SP 14 — Mitigating Air and Water Pollution in Cities | • Modernising industrial stacks, enforcing Continuous Emission Monitoring Systems (CEMS),<br>• mandatory the adoption of Best Available Technologies (BAT) to control factory emissions. •<br>• Accelerating the mandatory phase-out of traditional, highly polluting kilns and subsidizing the transition to energy-efficient, eco-friendly, brick production methods (such as tunnel kilns and non-fired blocks).<br>• Upgrade national fuel quality standards, enforcing rigorous fitness and roadside emission testing, and introducing fiscal incentives for electric and low-emission vehicles.<br>• Eliminate the open-air incineration of municipal solid waste through the deployment of integrated circular waste collection systems and controlled waste-to-energy technologies.<br>• Establish strict, legally binding mandatory dust-suppression protocols including mandatory green barriers, continuous water sprinkling, and covered material transport — at all active construction and transit corridors.<br>• Scale up national clean cooking initiatives by expanding grid access, distributing advanced biomass cookstoves, and promoting Liquefied Petroleum Gas (LPG) to lower household and indoor air exposure. | Ministry of Environment, Forest and Climate Change; Department of Environment; Local Government Division; DPHE; WASA; Road Transport and Highways Division; Bangladesh Road Transport Authority; City Corporations, EMRD, Power Division, SREDA, PDB |
| SP 15 — Knowledge, Policy, and Institutional Strengthening | • Develop river and estuary models to predict erosion and morphological change<br>• Build multi-hazard early warning systems<br>• Design disaster insurance Programmes for climate-vulnerable areas<br>• Prepare physical plans and sustainable land-use zoning<br>• Prevent unplanned growth in high-risk flood zones<br>• Strengthen data, modelling, planning, and institutional capacity across recovery, reconstruction, and growth phases | Bangladesh Planning Commission; Ministry of Disaster Management and Relief; Ministry of Water Resources; Bangladesh Water Development Board; Bangladesh Meteorological Department; Ministry of Land; Local Government Division; Insurance Development and Regulatory Authority; SPARRSO |

# PART III

## REGIONAL BALANCED DEVELOPMENT

### CLUSTER 8

## INTEGRATED REGIONAL DEVELOPMENT NETWORK

# CHAPTER 20
# BALANCED REGIONAL DEVELOPMENT

## 20.1 Background

Bangladesh's development trajectory has been shaped by a high degree of spatial concentration, with economic activity, investment, infrastructure, and services clustered around Dhaka, Chattogram, and a few adjoining industrial districts. This concentration supported rapid growth during earlier phases of industrialisation, particularly through the expansion of ready-made garments, construction, logistics, and urban services. However, over time, it has emerged as a structural constraint, increasing congestion costs, straining land and urban services, and limiting the spread of growth across regions.

The country's economic geography reflects a pronounced centre–periphery imbalance. While industry contributes about 34 per cent of GDP, it remains heavily concentrated along the Dhaka–Chattogram belt. Subnational disparities reinforce this uneven pattern of development. Districts in the northwest exhibit significantly weaker living standards and lower human capital outcomes compared to national averages, while major urban centres—particularly Dhaka and its surrounding industrial belt—show better social indicators but face extreme population density and infrastructure pressure. Similar divergences are evident in the southeast, where Chattogram performs relatively well, but surrounding districts lag behind. Employment patterns further highlight structural weaknesses: while the industrial core shows lower employment rates relative to its population, peripheral regions exhibit higher employment largely in informal, low-productivity activities, limiting their contribution to sustained poverty reduction and economic transformation.

The government emphasises equity-based balanced development by promoting region-specific industrialisation, revitalising economic zones, EPZs, and BSCIC industrial areas, and attracting domestic and foreign investment through improved infrastructure, investment-friendly policies, and single-service windows.

Chattogram is proposed to be developed as the country's commercial capital and a major employment hub. For the northern region, the focus is on agriculture-based industrialisation through specialized agricultural production, preservation, and export zones to generate employment and reduce regional backwardness. In haor and wetland areas, the priority is to strengthen water-centric infrastructure, disaster management, communication, electricity, health, education, fisheries, duck farming, tourism, and biodiversity conservation. Coastal development will focus on climate adaptation, safe livelihoods, embankments, cyclone shelters, early warning systems, blue economy, modern fisheries, SME development, and the creation of a Coastal Development Board.

The urban agenda seeks to build planned, productive, environmentally friendly, and liveable cities. Key priorities include zoning, land-use mapping, modern and safe cities, digital services, sustainable transport, integrated waste and water management, empowered local governments, digital land and

planning portals, citizen service corners, and expanded social protection for the urban poor. Housing policy will focus on planned urbanisation, affordable housing for low-income and slum dwellers, rehabilitation of floating and homeless populations, improved services in informal settlements, and the establishment of a Land Bank to reduce corruption and land fraud.

For Dhaka, the agenda includes satellite towns, monorail systems, women-only bus services, electric vehicles, intelligent transport systems, CCTV expansion, shared parking, planned rickshaw operations, ring roads, circular waterways, and a Metropolitan Transport Authority. The tourism agenda focuses on updating national tourism policy, improving tourist safety and services, streamlining visa and banking facilities, launching an online tourism portal, promoting eco-tourism, community tourism, ethnic tourism, water tourism, smart tour guides, and culinary tourism through events such as the Dhaka Food and Culture Festival.

## 20.2 Importance of Balanced Regional Development

Balanced regional development is not about dispersing investment thinly across all districts; rather, it is about building a coherent national economic geography in which secondary cities, border districts, production clusters, ports, and rural hinterlands are effectively connected to markets, services, and logistics systems. This shift has become increasingly important as Bangladesh's existing growth model approaches both spatial and sectoral limits. The continued concentration of economic activity around Dhaka and Chattogram, while historically instrumental in driving rapid industrialisation, is now generating rising congestion, infrastructure stress, environmental degradation, and escalating land and housing costs. Without complementary growth in other regions, these pressures will increasingly erode productivity and constrain future expansion. A more distributed growth structure can enable firms to locate in areas where land, labour, and local resources are more efficiently utilised, while remaining connected to national and global markets.

Balanced regional development is also central to addressing Bangladesh's persistent challenge of export and production diversification. Expanding into new sectors requires more than identifying priority industries; it requires creating the enabling conditions, serviced land, reliable utilities, skilled labour, testing and certification facilities, efficient transport, digital connectivity, and predictable local governance across multiple regions. Currently, these conditions remain unevenly distributed, limiting the emergence of non-RMG sectors outside the existing industrial belt. By addressing these spatial disparities, Bangladesh can unlock the potential of sectors such as agro-processing, fisheries, light engineering, pharmaceuticals, ICT-enabled services, tourism, and renewable energy, thereby broadening its production base and strengthening resilience. At the same time, a more regionally balanced development pattern can enhance inclusion by expanding local employment opportunities, particularly for women and youth, reducing reliance on migration to already congested urban centres, and linking lagging regions more effectively to value chains.

The importance of balanced growth is further reinforced by considerations of resilience. Bangladesh faces a combination of climate risks, external trade shocks, LDC graduation challenges, and urban environmental pressures. A development model concentrated in a few locations and sectors is inherently vulnerable to such shocks. In contrast, a more diversified spatial and economic structure can distribute risk, strengthen domestic demand, and enhance the economy's capacity to absorb disruptions. Achieving this requires a coordinated approach that goes beyond infrastructure expansion. While investments in roads, railways, ports, power, and digital connectivity are necessary, they must be complemented by cluster-based development aligned with regional comparative advantages, the strengthening of secondary cities as economic hubs, and the strategic use of gateways—seaports, land ports, and multimodal logistics nodes—to connect domestic production with regional and global markets.

## 20.3 Strategic Framework : Integrated Growth Network

Achieving the national vision of a trillion-dollar economy by 2034 will require not only faster growth, but a more competitive economic structure and stronger integration of lagging regions into national and regional value chains. A cluster based Integrated Growth Network (IGN)[1] initiative could be instrumental to Government's primary spatial and macroeconomic framework to support this structural transformation. The initiative organises transport, industrial clusters, logistics gateways, cities, and service ecosystems into a single integrated national growth and connecting network linking the Northwest, Dhaka, and the Southeast region of Bangladesh. The government plans to implement a part of the IGN initiative in the next five years. Therefore, the IGN initiative has been discussed in details in this chapter.

The initiative is a multisectoral upstream knowledge and planning effort which is closely aligned with the Government's election manifesto and core reform priorities, including economic democratisation, private investment-led growth, regulatory modernisation, financial sector stability, export diversification, and enhanced policy predictability. Its strategic advantages are rooted in the initiative's ability to link regions both internally and externally:

- **Internal Integration and Spatial Rebalancing:** Currently, economic activity is concentrated along the Dhaka-Chattogram belt, causing severe urban congestion. high logistics costs and environmental degradation. The Integrated Growth Network (IGN) acts as a functional spine, internally linking the agricultural surplus and agro-based livelihoods of the Northwest directly to the industrial clusters, consumption/service hubs of Dhaka and the maritime gateways of the Southeast. This reduces internal transaction costs, accelerates farm-to-port logistics, and integrates marginalised regions into the national supply chain and provides an opportunity to plug into regional and global production networks
- **External and Regional Integration:** Externally, the IGN positions Bangladesh as a critical connector economy between South and Southeast Asia. By integrating northern land ports like Banglabandha and Burimari with southern seaports (Chattogram, Matarbari, Mongla), the network serves as a strategic transit and transshipment corridor for landlocked Nepal and Bhutan. This aligns seamlessly with SASEC, BBIN, and BIMSTEC connectivity frameworks, allowing Bangladesh to capture high-value regional trade, logistics, and port-services revenue.

## 20.4 Strategic Priorities

### SP1: A Multisectoral and Integrated Paradigm

Infrastructure alone cannot drive structural transformation. The IGND initiative is an explicitly multisectoral platform that synchronizes investments across eight core sectors to create a unified economic ecosystem:

1. **Transport and Logistics:** Shifting from road-dominant freight (>60%) to a multimodal system integrating rail (e.g., Dhaka-Cumilla chord line) and inland waterways through Multimodal Logistics Hubs (MMLHs).
2. **Industry and Economic Zones:** Reorganising 53 fragmented economic zones into specialized, cluster-based ecosystems.
3. **Energy and Power:** Ensuring energy security via dedicated industrial substations, smart grids,

1 Based on ERD and ADB's Northwest-Dhaka-Southeast Integrated Growth Network Development Initiative, ERD record no.:09.00.0 000.000.123.14.0001.25.109, Date: 21/05/2026

and renewable energy (solar/hybrid microgrids) to mitigate depleting domestic gas reserves.

4. **Urban and Utilities Infrastructure:** Developing integrated industrial townships with affordable housing, water supply, and waste management to ensure livable, decongested city regions.
5. **Agriculture and Natural Resources:** Transforming the agrarian base through modern agro-processing, cold-chain logistics, and climate-resilient livelihoods.
6. **Health Systems and Services:** Developing health as economic infrastructure, capturing regional medical tourism, and protecting workforce productivity from climate and health shocks.
7. **Entrepreneurship and Skill Development:** Deploying a hub-and-spoke TVET model aligned with Industry 4.0 demands to transition labour from low-skill agriculture to high-value manufacturing.
8. **Digital Transformation and Smart Systems:** Deploying high-speed rural fiber, cloud infrastructure, and Intelligent Transport Systems (ITS) to create a "Smart Growth Network" managed by a Growth Network Digital Management System (GNDMS).
9. **Institutional and Regulatory Framework:** The IGN initiative will span across sectors, geographies and will need to wade through the complex web of ministries and agencies. A strong governance framework is needed to overcome institutional fragmentation. This framework, when embedded on a digital platform, will not only facilitate ease of doing business and ease of living but more importantly will improve delivery of services to all stakeholders.
10. **Regional Growth Centers and Secondary Cities:** Priority will be given to developing regional Growth Centers and Secondary Cities to reduce the pressure of excess population, industries, logistics, and service activities on Dhaka.
11. **Industrial and Economic Relocation:** When relocating industrial zones, logistics hubs, and heavy economic activities, environmental clearance, land-use planning, communication infrastructure, workers' housing, and waste management will be considered collectively.
12. **Reducing Dhaka-Centric Development:** To mitigate Dhaka-centric development, planned urban expansion, housing, employment, and civic amenities will be ensured in an integrated manner across DAP (Detailed Area Plan) and adjacent areas, including Purbachal, Jhilmil, Uttara, Savar, Keraniganj, Gazipur, and Narayanganj.

### SP2: Network of Growth Clusters

To prevent the dilution of capital and foster agglomeration economies, the IGND concentrates investments into strategic hubs identified through a rigorous framework assessing land, connectivity, environment, market, and utilities. While the network spans the entire country, it establishes specialized clusters to drive regional competitiveness. The spatial-economic development framework identifies nine integrated growth clusters along a multimodal transport spine running from the Northwest through Dhaka to the Southeast coastal region, including the Sylhet economic zone and a tourism zone. A growth cluster is a strategic economic centre formed by the geographic and functional clustering of industrial zones—where ecosystems develop around shared logistics assets (ports, airports, highways), labour markets, utility networks, and adjacent urban centres. Priority interventions for Chattogram and the

Northern Region, with public investment, SME-finance and infrastructure implications. Cluster-specific fiscal incentive, tariff measure, subsidy, credit-support arrangement or tax expenditure will be targeted. See the table below and the map in Appendix.

### Table 20.1: Growth Nodes and Opportunities

| Cluster | Growth Nodes | Key Economic Activities |
|---|---|---|
| 1 | Moheshkhali | Shipbuilding, ship repair/recycling; energy; steel and heavy engineering |
| 2 | Chattogram* | Port-centric logistics hub; medical tourism; RMG and leather manufacturing |
| 3 | Mirsharai | Diversified manufacturing (chemicals, electronics); IT/BPO; warehousing |
| 4 | South Dhaka | Mature EPZs (Adamjee 98% occupied, Cumilla 95%); pharmaceuticals; food processing |
| 5 | North Dhaka | G2G economic zones (e.g. Japanese EZ); IT, R&D, electronics (Hi-Tech City) |
| 6 | Northwest (Bogura-Rangpur) * | Agro-processing hub (potatoes, maize, jute); cold storage; light engineering, cross-border trade |
| 7 | Southwest | Port-led manufacturing linked to Mongla Port; agro-processing; RMG/textiles |
| 8 | Tourism | Coastal tourism hubs (Naf, Sabrang); eco-tourism; beach resorts |
| 9 | Northeast (Sylhet) | Agro-processing; cross-border logistics (Tamabil, Sheola); IT/ITES; tourism |

** Recommended for prioritisation during the initial phase. Clusters 7 and 9 are in addition to the NW-D-SE IGND initiative.*
*A detailed map is attached in Appendix .*

**Development impact:**

Operationalising the initiative is projected to generate an additional 2 percentage points of economic growth annually over 10 years, contribute over 20% toward the Government's trillion-dollar economy target by 2034, create approximately 10 million jobs, and lift about 12 million people out of poverty.[2]

**Integrated Growth Network Development to Regional Balanced Development:**

The IGN initiative Operationalises the government's commitment to regional balanced development by moving beyond a Dhaka-centric growth model toward a network of interconnected growth nodes. By strategically linking lagging and leading regions through multimodal connectivity, coordinated investment planning, and node-level economic specialization, the initiative creates a platform for spreading productivity, jobs, and services across regions in line with the election manifesto.

### SP3: Chattogram as the Commercial Capital

The initiative directly supports the manifesto vision of Chattogram as the commercial capital by positioning it as the country's primary maritime, logistics, and industrial gateway within the integrated growth network. Targeted investments in port-centric logistics, industrial upgrading, export manufacturing, digital trade facilitation, and skills development enhance Chattogram's role as a high-capacity node that anchors national and regional trade through a world class logistics hub. Importantly, Chattogram's growth is designed to benefit surrounding regions by serving as the export outlet and logistics backbone for agro-processing, manufacturing, and services produced across the IGN. Strengthened connectivity between Chattogram, Dhaka, and the northwest ensures that inland producers, SMEs, and industrial

2 Preliminary estimates based on computable general equilibrium modeling.

clusters gain reliable access to global markets. By reinforcing Chattogram's role while embedding it within an integrated network, the initiative avoids concentration risks and ensures that commercial dynamism in the southeast translates into broader national economic gains.

**Table 20.2 : Indicative Initiatives for Chattogram as the Commercial Capital (FY2027–FY2031)**

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Prepare a Chattogram Cluster Master Plan to integrate port and gateway expansion, multimodal rail–port–ICD connectivity, industrial upgrading, urban decongestion, energy security, and digital trade systems, positioning Chattogram as an efficient, resilient commercial capital serving the Dhaka–Chattogram network and the national economy. | Ministry of Shipping; Chattogram Port Authority; Ministry of Railways; Ministry of Road Transport and Bridges; Local Government Division; Ministry of Industries; BEZA; BIDA; Power Division; ICT Division; National Board of Revenue | FY 2027 |
| 2 | Port and Gateway Capacity Enhancement Program, anchored on Bay Terminal construction (PPP), Laldia and New Mooring Container Terminals (PPP), Bay Terminal breakwater and navigational channel, and Chattogram Port and Logistics Infrastructure Development | Ministry of Shipping; Chattogram Port Authority; PPP Authority; Economic Relations Division; Finance Division; Bangladesh Customs; Ministry of Road Transport and Bridges; Ministry of Railways | FY 2027–FY 2031 |
| 3 | Multimodal Rail–Port–ICD Connectivity Program, including the Laksam–Chattogram double-track railway, Kalurghat rail-cum-road bridge, and ICD development at Dhirasram and Khanpur | Ministry of Railways; Ministry of Shipping; Chattogram Port Authority; Ministry of Road Transport and Bridges; Bangladesh Customs; PPP Authority | FY 2027–FY 2030 |
| 4 | Urban Decongestion and Industrial Logistics Redistribution Initiative, supported by Dhaka–Chattogram Highway (6-lane + SMVT), SASEC Port Access Roads, and relocation of container handling to ICDs and multimodal hubs | Ministry of Road Transport and Bridges; Ministry of Shipping; Chattogram Port Authority; Ministry of Railways; Local Government Division; BEZA; National Board of Revenue | FY 2027–FY 2030 |
| 5 | Energy Security and Green Power Programme for Ports and Industry, including dedicated substations, grid strengthening, and renewable energy integration for port, logistics, and industrial zones | Power Division; Bangladesh Power Development Board; Power Grid Bangladesh PLC; SREDA; Bangladesh Energy Regulatory Commission; Ministry of Shipping; Chattogram Port Authority; BEZA; Ministry of Industries; Ministry of Environment, Forest and Climate Change | FY 2027–FY 2029 |

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 6 | Digital Port, Trade Facilitation, and Smart Logistics Systems, covering port digitalisation, customs automation, rail and highway ITS, and integration with the Digital Management System for Integrated Growth Network Development (DMS-IGND) | ICT Division; Ministry of Shipping; Chattogram Port Authority; National Board of Revenue; Bangladesh Customs; Ministry of Commerce; Ministry of Railways; Ministry of Road Transport and Bridges | FY 2028–FY 2031 |

### SP4: Development of the Northern Region

Development of the Northern Region is one of the key pillars of the initiative and closely aligns with the manifesto's focus on correcting regional imbalances and advancing inclusive growth. The Northern growth node is prioritised as a strategic cluster, reflecting its role as the country's agricultural heartland, a major contributor to national food security, and a region with high exposure to climate and riverine vulnerability. Targeted investments focus on agro-processing, cold-chain infrastructure, multimodal logistics, cross-border trade links, skills development, digital connectivity, and climate-resilient livelihoods. Strengthened road and rail connectivity integrates northern farmers, SMEs, and producers with Dhaka and Chattogram markets, while node-level planning and char-focused interventions ensure employment creation, income diversification, poverty reduction, and durable correction of long-standing structural disadvantages in northern districts.

**Table 20.3: Indicative Flagship Initiatives for the Northern Region (FY2027–FY2031)**

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Northern Growth Node Master Plan, integrating agro-processing zones, cold storage, multimodal logistics hubs, secondary cities, land use, river systems, and climate-resilient planning across Northern Region | Local Government Division; Ministry of Agriculture; Ministry of Industries; Ministry of Food; Ministry of Railways; Ministry of Road Transport and Bridges; Ministry of Water Resources; Local Government Division Bangladesh Water Development Board; BEZA; BSCIC; SME Foundation; | FY 2027 |
| 2 | Agro-Processing Development Program, including multi-crop cold storage, pack houses, food processing clusters, and quality certification facilities to reduce post-harvest losses and enable value addition | Ministry of Agriculture; Ministry of Food; Ministry of Industries; Ministry of Commerce; BSCIC; SME Foundation; Bangladesh Standards and Testing Institution; Bangladesh Food Safety Authority; | FY 2027–FY 2031 |
| 3 | Dhaka–Northwest Multimodal Connectivity Program, anchored on SASEC Dhaka–NW Road Phase 3 and the Western Region Railway Improvement Project to connect northern producers with Dhaka and Chattogram markets | Ministry of Road Transport and Bridges; Ministry of Railways; Ministry of Shipping; | FY 2027–FY 2030 |

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 4 | Multimodal Logistics Initiative, including Saidpur logistics Hub, ICD near Bazar Yard Sirajganj and associated road and rail interfaces to support aggregation, storage, and efficient freight movement | Ministry of Railways; Ministry of Shipping; Ministry of Road Transport and Bridges; | FY 2027–FY 2030 |
| 5 | River Restoration, Canal Re-excavation, and Integrated Water Management Program, covering the Jamuna–Teesta river system, canal excavation, drainage improvement, and water retention to support agriculture, inland navigation, and flood resilience | Ministry of Water Resources; Bangladesh Water Development Board; Ministry of Shipping; BIWTA; Ministry of Agriculture; Local Government Division; LGED; Ministry of Disaster Management and Relief | FY 2027–FY 2031 |
| 6 | Char and Riverine Livelihood Resilience Program, scaling interventions to support erosion-prone and flood-affected char areas through climate-resilient agriculture, fisheries, livestock, and market linkages | Ministry of Disaster Management and Relief; Ministry of Agriculture; Ministry of Fisheries and Livestock; Ministry of Water Resources; Local Government Division; | FY 2027–FY 2031 |
| 7 | Digital Infrastructure and Connectivity Program, expanding rural fiber networks, 4G/5G coverage, community anchor connectivity (schools, health centres, market hubs), and cloud access to support digital inclusion across northern and char areas | ICT Division; Bangladesh Telecommunication Company Limited; Ministry of Primary and Mass Education; Health Services Division; Local Government Division | FY 2028–FY 2031 |
| 8 | Digital Finance and SME Access-to-Credit Program, integrating digital payments, e-KYC, supply-chain finance, SME credit scoring, and interoperable platforms to improve working-capital access for farmers, traders, and agri-processors | Finance Division; Bangladesh Bank; ICT Division; SME Foundation; PKSF; Microcredit Regulatory Authority; Ministry of Commerce; Ministry of Agriculture; | FY 2028–FY 2031 |
| 9 | Skills, Market Access, and Rural–Urban Integration Program, aligned with agro-processing, logistics, and light engineering, including TVET, digital skills uplift, entrepreneurship support, and SME integration into national value chains | Technical and Madrasah Education Division; National Skills Development Authority; Ministry of Youth and Sports; Ministry of Labour and Employment; SME Foundation; BSCIC; Ministry of Industries; Ministry of Commerce; ICT Division; | FY 2027–FY 203 |

### SP5: Development of the Haor and Wetland Regions

The Integrated Growth Network supports haor and wetland regions through connectivity-led inclusion. While the central haor belt lies outside the main alignment, targeted investments in feeder connectivity, inland waterways, digital infrastructure, and service delivery link haor communities to nearby growth nodes. This enables participation in agricultural value chains, fisheries, seasonal labour markets, and services, helping reduce isolation, stabilise incomes, and strengthen resilience. By combining market access with environmentally sensitive livelihoods, the approach ensures that haor and wetland areas benefit from national growth while preserving their unique ecological character.

### Table 20. 4: Indicative Initiatives for Haor and Wetland Regions (FY2027–FY2031)

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Rail Connectivity Upgrade, including the Tongi–Akhaura Railway, improving affordable and climate-resilient mobility for people and goods from haor-adjacent districts | Ministry of Railways; Ministry of Road Transport and Bridges; Local Government Division; LGED; Ministry of Disaster Management and Relief | FY 2027–FY 2030 |
| 2 | Inland Waterway Connectivity and River Transport Enhancement, to strengthen navigation for passengers, fisheries, and agricultural produce during monsoon and flood seasons | Ministry of Shipping; BIWTA; Ministry of Water Resources; Ministry of Fisheries and Livestock; Ministry of Agriculture | FY 2027–FY 2031 |
| 3 | Growth-Node Linkage to Sylhet, supported by BEZA NMP: Sylhet economic zone Road Network improvements, enabling haor populations to connect with industrial employment, agro-processing, and services without large-scale development inside sensitive wetlands | BEZA; Ministry of Industries; Ministry of Road Transport and Bridges; Local Government Division; LGED; Ministry of Environment, Forest and Climate Change; Ministry of Labour and Employment; | FY 2028–FY 2031 |
| 4 | Dhaka–Sylhet Multimodal Connectivity Initiative, anchored on the SASEC Dhaka–Sylhet Corridor Road Investment Project, to provide reliable all-season access for haor communities to markets, services, and employment | Ministry of Road Transport and Bridges; Ministry of Railways, Local Government Division; LGED; | FY 2027–FY 2031 |

### SP6: Development of Coastal Regions

The growth network advances coastal region development by positioning the southeast, including Chattogram, Cox's Bazar, and the Teknaf belt, as a hub for maritime trade, blue economy activities, tourism, and climate-resilient services. Strategic infrastructure investments in ports, logistics, energy, tourism services, and disaster-resilient systems transform the coastal region into a growth engine while enhancing national resilience. Crucially, coastal development is linked to inland regions through freight corridors, supply chains, and labour markets, ensuring that coastal investments generate spillover benefits for northern and central districts. This integrated approach supports the manifesto's goal of unlocking coastal potential while preventing unequal concentration and managing climate risks proactively.

### Table 20 5: Indicative Flagship Initiatives for Development of Coastal Regions (FY2027–FY2031)

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Multimodal Coastal Transport and Logistics Program, anchored on the Dhaka–Chattogram 6-lane highway, Laksam–Chattogram double track, coastal highways, and inland waterways to shift freight from road dominance toward rail–port–IWT integration | Ministry of Road Transport and Bridges; Ministry of Railways; Ministry of Shipping; BIWTA; Chattogram Port Authority; Payra Port Authority; Mongla Port Authority; Local Government Division; LGED | FY 2027–FY 2031 |
| 2 | Coastal Industrial Cluster Development Program, reorganising fragmented coastal EZs into specialized ecosystems, with Moheshkhali for energy-intensive industry, Matarbari for port-linked logistics, and Chattogram–Mirsharai for diversified manufacturing | BEZA; Ministry of Industries; Ministry of Commerce; Ministry of Shipping; Chattogram Port Authority; Power Division; Energy and Mineral Resources Division; Ministry of Environment, Forest and Climate Change | FY 2027–FY 2030 |

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 3 | Moheshkhali–Matarbari Energy Security and Power Infrastructure Program, building on LNG terminals, power generation, grid strengthening, smart substations, and renewable integration to ensure reliable energy for ports, industry, and coastal cities | Power Division; Energy and Mineral Resources Division; Bangladesh Power Development Board; Power Grid Bangladesh PLC; Petrobangla; SREDA; Bangladesh Energy Regulatory Commission; BEZA; Chattogram Port Authority; Ministry of Shipping; Ministry of Environment, Forest and Climate Change | FY 2027–FY 2031 |
| 4 | Coastal Urban and Utilities Upgrading Program, supporting port-city and tourism growth through integrated townships, worker housing, drainage, water supply, and solid-waste systems in Chattogram and Cox's Bazar | Local Government Division; Chattogram Development Authority; Cox's Bazar Development Authority; LGED; Ministry of Housing and Public Works; Ministry of Disaster Management and Relief | FY 2027–FY 2031 |
| 5 | Coastal Agriculture, Fisheries, and Natural Resource Value-Chain Program, modernising marine fisheries, aquaculture, salt-tolerant agriculture, and cold-chain logistics linked to Chattogram and Cox's Bazar gateways | Ministry of Fisheries and Livestock; Ministry of Agriculture; Ministry of Food; Ministry of Commerce; Bangladesh Food Safety Authority; BSTI; SME Foundation; PKSF; BSCIC; Chattogram Port Authority; | FY 2027–FY 2030 |
| 6 | Coastal Health, Medical-Wellness, and Workforce Productivity Program, positioning Chattogram–Cox's Bazar as an integrated medical and wellness hub through development of climate-resilient tertiary hospitals, trauma and emergency care, rehabilitation and wellness services, digital health platforms, and PPP-based investment models to reduce outbound medical travel, protect workforce productivity, and support service-sector export growth | Health Services Division; Medical Education and Family Welfare Division; Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; PPP Authority; BIDA; ICT Division; Local Government Division; Chattogram City Corporation; Cox's Bazar Development Authority; Ministry of Disaster Management and Relief; | FY 2028–FY 2031 |
| 7 | Coastal Skills and Social Infrastructure Program, deploying a hub-and-spoke TVET system aligned with ports, logistics, energy, tourism, shipbuilding, and marine services to ensure local and inland labour access to coastal jobs | Technical and Madrasah Education Division; National Skills Development Authority; Ministry of Labour and Employment; Ministry of Youth and Sports; Ministry of Industries; Ministry of Shipping; Chattogram Port Authority; BEZA; SME Foundation; | FY 2027–FY 2031 |
| 8 | Digital Port, Smart Energy, and Coastal Management Systems Program, covering port digitalisation at Matarbari, smart energy systems at Moheshkhali, digital tourism platforms in Cox's Bazar, and ITS integrated through the Growth Network Digital Management System | ICT Division; Ministry of Shipping; Chattogram Port Authority; Payra Port Authority; Power Division; Power Grid Bangladesh PLC; Bangladesh Power Development Board; SREDA; Ministry of Road Transport and Bridges; Ministry of Railways; Bangladesh Tourism Board; Cox's Bazar Development Authority | FY2028–FY2031 |

### SP7: Urbanisation and Housing

The initiative contributes to balanced urbanisation and housing by strengthening secondary cities and emerging urban centres along the growth network, reducing excessive migration pressure on Dhaka. Growth-node development integrates employment generation with planned urban services, housing, and transport, enabling people to live closer to jobs. Investments in regional cities support affordable housing, urban infrastructure, and livability, helping distribute population growth more evenly across regions. By synchronizing industrial, logistics, and urban planning at the node level, the network promotes orderly urbanisation aligned with the manifesto's commitment to improved living standards and inclusive cities.

**Table 20.6: Indicative Flagship Initiatives for Urbanisation and Housing (FY2027–FY2031)**

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Secondary City Strengthening Program, upgrading municipal infrastructure, basic services, and governance capacity in regional cities and emerging urban centres along the growth network to absorb population growth and reduce excessive migration pressure on Dhaka | Local Government Division; LGED; Ministry of Disaster Management and Relief; | FY 2027–FY 2031 |
| 2 | Integrated Industrial Township Development Program, developing planned townships near major economic zones (e.g., Mirsarai, Matarbari, Bogura EZ, Cumilla–Daudkandi belt) that integrate employment, affordable housing, social services, and mobility | BEZA; Ministry of Housing and Public Works; Ministry of Industries; Local Government Division; LGED; Ministry of Road Transport and Bridges; Power Division; PPP Authority | FY 2027–FY 2031 |
| 3 | Affordable Workforce Housing Initiative, providing serviced land, rental housing, and mixed-income residential options near industrial and logistics hubs through PPP and land-pooling models to reduce informal settlements and commuting burdens | Ministry of Housing and Public Works; RAJUK, BEZA; Ministry of Industries; Local Government Division; PPP Authority; Finance Division; Ministry of Labour and Employment; | FY 2028–FY 2031 |
| 4 | Transit-Oriented and Compact Urban Development Program, to plan, service, and regulate high-density, mixed-use urban nodes along rail stations, mass-transit corridors, and strategic highways, so that housing, jobs, and services are physically co-located, reducing sprawl, commuting time, and infrastructure costs. | Ministry of Housing and Public Works; RAJUK, Ministry of Road Transport and Bridges; Ministry of Railways; Dhaka Transport Coordination Authority; Local Government Division; LGED; | FY 2027–FY 2031 |
| 5 | Urban Services and Livability Upgrading Program, expanding water supply, sanitation, drainage, solid waste management, public spaces, and neighborhood facilities in high-growth secondary and peri-urban areas | Local Government Division; LGED; Ministry of Housing and Public Works; Ministry of Disaster Management and Relief; Ministry of Water Resources; Bangladesh Water Development Board; | FY 2027–FY 2031 |
| 6 | Using land readjustment/Guided land development/ urban re-development instead of 'site and services' development in housing sector | Local Government Division; LGED; Ministry of Housing and Public Works; Ministry of Land | FY 2027–FY 2031 |

### SP8: Safe and Sustainable Development of Dhaka

The NW–D–SE growth network supports the safe and sustainable development of Dhaka by deliberately shifting heavy industrial growth, logistics functions, and labour-intensive activities to other nodes. The Initiative directly addresses the hyper-concentration in the central core (where Narayanganj reaches a density of 4,867 persons/sq. km). By deploying a network of 12 decentralised Multimodal Logistics Hubs (MMLHs) in secondary cities like Bogura, Sirajganj, Cumilla, and Feni, the IGN forces a modal shift of freight from roads to rail and waterways. This reduces congestion, environmental stress, and unplanned sprawl in the capital. By integrating Dhaka within a network rather than positioning it as the sole growth pole, the initiative addresses one of the core manifesto priorities: making Dhaka safer, more livable, and economically efficient while sustaining national growth.

**Table 20.7: Indicative Flagship Initiatives for Safe and Sustainable Development of Dhaka**

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Rail-Based Decongestion and Chord Connectivity Initiative, anchored on the Dhaka–Cumilla chord line and complementary rail upgrades to enable faster cross-network movement and shift commuters and freight from roads to rail | Ministry of Railways; Economic Relations Division; Ministry of Road Transport and Bridges; Chattogram Port Authority | FY 2027–FY 2031 |
| 2 | Urban Rail and Monorail Integration Program, expanding metro rail and introducing monorail corridors to improve safe, high-capacity connectivity between Dhaka and nearby urban centres | Road Transport and Highways Division; Dhaka Mass Transit Company Limited; Dhaka Transport Coordination Authority; Ministry of Road Transport and Bridges; Ministry of Railways; Local Government Division; | FY 2028–FY 2032 |
| 3 | Smart Urban Mobility, ITS, and Safety Enhancement Program, deploying Intelligent Transport Systems on major Dhaka corridors alongside expanded CCTV coverage, digital tracking, and tolling to improve traffic flow and public safety | Ministry of Road Transport and Bridges; Dhaka Transport Coordination Authority; Bangladesh Road Transport Authority; Bangladesh Police; Dhaka Metropolitan Police; ICT Division; Local Government Division; | FY 2027–FY 2030 |
| 4 | Electric Mobility and Clean Transport Program, piloting electric vehicles for public transport and municipal fleets to reduce air pollution and improve urban environmental quality | Road Transport and Highways Division; Bangladesh Road Transport Authority; Ministry of Environment, Forest and Climate Change; Local Government Division | FY 2028–FY 2031 |

### SP9: Development of Tourism

The Integrated Growth Network will help develop a renewed and diversified approach to tourism development in Bangladesh by structuring tourism as a growth network-linked services economy anchored around heritage tourism, agro-tourism, and coastal tourism. Rather than treating tourism as a stand-alone sector concentrated in a few destinations, the IGND integrates tourism nodes with transport, urban services, logistics, and skills development to ensure geographically dispersed benefits and income diversification. Heritage tourism is promoted by linking historical, cultural, and religious sites across the corridor with improved connectivity, visitor services, and local enterprise development, supporting secondary cities and small towns. Agro-tourism is embedded within northern and central growth nodes, allowing farm-based

experiences, agri-processing clusters, and rural hospitality to complement agricultural value addition and generate non-farm incomes. Coastal tourism, anchored in Cox's Bazar, Teknaf, Naf, and Sabrang, focuses on high-value, climate-resilient and eco-tourism development integrated with health, wellness, and service industries. By connecting these tourism typologies to growth nodes and urban centres, the IGN ensures tourism contributes to regional balanced development, employment creation, and resilience, while reducing pressure on Dhaka and aligning with the government's manifesto on inclusive and sustainable growth.

**Table 20.8: Indicative Flagship Tourism Development Initiatives (FY2027-2031)**

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 1 | Preparation of Tourism Node Master Plans for priority IGN nodes (Northwest heritage belt, Central river tourism zone, Cox's Bazar coastal zone), including zoning, carrying capacity, and investment packaging | Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Ministry of Cultural Affairs; Department of Archaeology; Local Government Division; LGED; Cox's Bazar Development Authority; | FY 2027–FY 2028 |
| 2 | Agro-tourism Pilot Programme in northern growth nodes (Rangpur–Bogura–Rajshahi), covering orchard tourism, farm stays, Rajshahi silk industries, tea garden tourism, and branding of local produce | Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Ministry of Agriculture; Ministry of Commerce; SME Foundation; PKSF; BSCIC; Bangladesh Parjatan Corporation; Local Government Division; | FY 2027–FY 2029 |
| 3 | Heritage Circuit Development Programme linking Paharpur–Mahasthangarh–Kantajew–Old Dhaka–Sonargaon, Rupganj, Narayanganj including site conservation, interpretation centres, and visitor facilities | Ministry of Cultural Affairs; Department of Archaeology; Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Local Government Division; LGED; Ministry of Housing and Public Works; | FY 2027–FY 2029 |
| 4 | Nature-Based (NbS) and Wetland Tourism Initiatives (riverfronts, boardwalks, bird-watching, eco-trails) aligned with NbS and water management projects | Ministry of Environment, Forest and Climate Change; Forest Department; Ministry of Water Resources; Ministry of Shipping; BIWTA; Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Local Government Division; LGED; | FY 2028–FY 2031 |
| 5 | Adaptive Reuse of Heritage Assets through PPPs (zamindar estates, Mughal sarais, colonial buildings) as heritage hotels, museums, and cultural hubs | Ministry of Cultural Affairs; Department of Archaeology; Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Ministry of Housing and Public Works; Local Government Division; | FY 2028–FY 2030 |
| 6 | Cox's Bazar and Southeast Coastal Tourism Upgrading Program, focusing on eco-resorts, waste management, zoning enforcement, and climate-resilient facilities | Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Bangladesh Parjatan Corporation; Cox's Bazar Development Authority; Ministry of Environment, Forest and Climate Change; Local Government Division; LGED; Ministry of Disaster Management and Relief; Ministry of Water Resources; | FY 2027–FY 2031 |

| Sl. | Flagship Initiative | Responsible Ministries/ Divisions/ Agencies | Period |
|---|---|---|---|
| 7 | Digital Tourism Platform Development for the IGN (smart ticketing, integrated circuits, digital marketing, diaspora outreach) | ICT Division; Ministry of Civil Aviation and Tourism; Bangladesh Tourism Board; Bangladesh Parjatan Corporation; Ministry of Cultural Affairs; Department of Archaeology; Ministry of Foreign Affairs; Ministry of Commerce; | FY 2028–FY 2030 |

## 20.5 Investment and Layered Financing Strategy

Indicative investment needs are estimated at approximately $80 billion. In the next 5 years from FY2027 - FY2031 investment requirements are approx. $40 billion (comprising short term and Phase 1 of the medium term). Public funding and sovereign guarantees will be reserved for strategic infrastructural intervention. However, private financing in this connection will be harnessed. The short-, medium- and long-term needs are as follows:

| Phase | Period | Amount ($ billion) | Share |
|---|---|---|---|
| Short Term | FY2027–2029 | 20 | 25% |
| Medium Term | FY2030–2036 | 46 | 58% |
| Of which: | | | |
| *Phase 1* | FY 2030-2033 | *20* | |
| *Phase 2* | FY 2033- 2036 | 26 | |
| Long Term | FY2037–2046 | 14 | 17% |
| Total | | 80 | 100% |

A layered financing architecture is strictly required to ensure fiscal sustainability:

1. **Public Finance (Anchor & De-risk):** Government resources and sovereign guarantees will fund trunk infrastructure (rail chords, highway upgrades), resilient embankments, and core utilities to de-risk nodes.
2. **Private Finance (Scale & Operations):** The financing strategy relies on PPPs, concessional external finance, Land Value Capture, user fees, Green Bangladesh Bonds and municipal bonds. The fiscal risks of PPPs and sovereign guarantees will be assessed and managed under the applicable fiscal-risk and PPP framework. PPPs, corporate investment, and project finance will drive revenue-generating assets, including seaport terminals (e.g., Laldia and New Mooring), MMLHs, digital platforms, and industrial townships.
3. **External Finance (Early Big Push):** Multilateral Development Banks (MDBs) and bilateral partners will provide concessional loans and blended finance for complex gateway infrastructure and early-stage institutional reforms.
4. **Innovative & Market-Based Finance:** Long-term sustainability will rely on Land Value Capture (LVC), user fees, and the issuance of "Green Bangladesh Bonds" and municipal bonds to fund urban services and climate resilience.

## 20.6 Institutional mechanism

To support effective delivery of the IGND Initiative, a phased four-tiered institutional mechanism under the Prime Minister's direct leadership is proposed. The structure comprises: (i) an apex tier led by the National Steering Committee on Integrated Growth Network Development; (ii) a coordination unit at the central level; (iii) Technical Working Groups for sectoral and cross-sector integration; and (iv) Node-based Management Groups to coordinate implementation at priority growth nodes. The proposed

architecture creates a disciplined interface between national policy direction, investment coordination, technical review, financing readiness, and node-level problem solving.

A Digital Management System for Integrated Growth Network Development (DMS-IGND) should serve as the digital backbone of the institutional architecture. It would integrate project, spatial, sector, financing, safeguards, and performance data into a shared platform available to four institutional tiers.

The DMS-IGND should begin as a practical implementation dashboard rather than a fully developed digital observatory. Its first functions should include investment pipeline tracking, readiness-gate status, growth node-level bottleneck reporting, risk alerts, and progress monitoring. Over time, it can evolve into a more advanced platform integrating geospatial data, transport and logistics indicators, utility service data, energy reliability, land readiness, climate risk layers, environmental compliance, private sector issue tracking, and development outcome indicators.

**Proposed Four-Tier Institutional Architecture**

| Tier | Body | Primary mandate |
|---|---|---|
| Apex | National Steering Committee on Integrated Growth Network Development (NSC-IGND) | Provide strategic direction, align ministries and agencies, review implementation progress, resolve high-level bottlenecks, and guide major investment and policy decisions.<br><br>Chaired by the Prime Minister (or responsibility delegated to appropriate Minister or Principal Secretary as appropriate) and anchored at the apex of government, with the Cabinet Division serving as the formal secretariat. |
| Coordination | Coordination Unit for Integrated Growth Network Development (CU-IGND) | Serve as the central secretariat and delivery coordination unit for pipeline management, readiness tracking, development partner coordination, financing alignment, risk monitoring, reporting, and escalation.<br><br>Hosted by the Economic Relations Division (ERD), Ministry of Finance, with formal coordination links to the Planning Commission, Finance Division, and relevant implementing agencies. |
| Technical integration | Technical Working Groups for Integrated Growth Network Development (TWG-IGND) | Provide sectoral and cross-sector technical review, identify dependencies, support project preparation, apply readiness criteria, and recommend sequencing across sectors and nodes.<br><br>Coordinated by the Planning Commission in collabouration with ERD and relevant agencies, with sector-specific TWGs chaired or co-chaired by the relevant lead ministries, divisions, or agencies. |

| Tier | Body | Primary mandate |
|---|---|---|
| Growth node delivery | Node-based Management Groups for Integrated Growth Network Development (NMG-IGND) | Coordinate local implementation, track land and utility readiness, resolve node-level bottlenecks, support investor facilitation, monitor risks, and provide field-level reporting.<br><br>Convened by the relevant Divisional Commissioner, Deputy Commissioner, or designated local lead authority, with participation from local governments, sector agency field offices, utilities, economic zone or port authorities, and private sector representatives. NMGs report to the IGN-CU and receive planning guidance from the Planning Commission. |

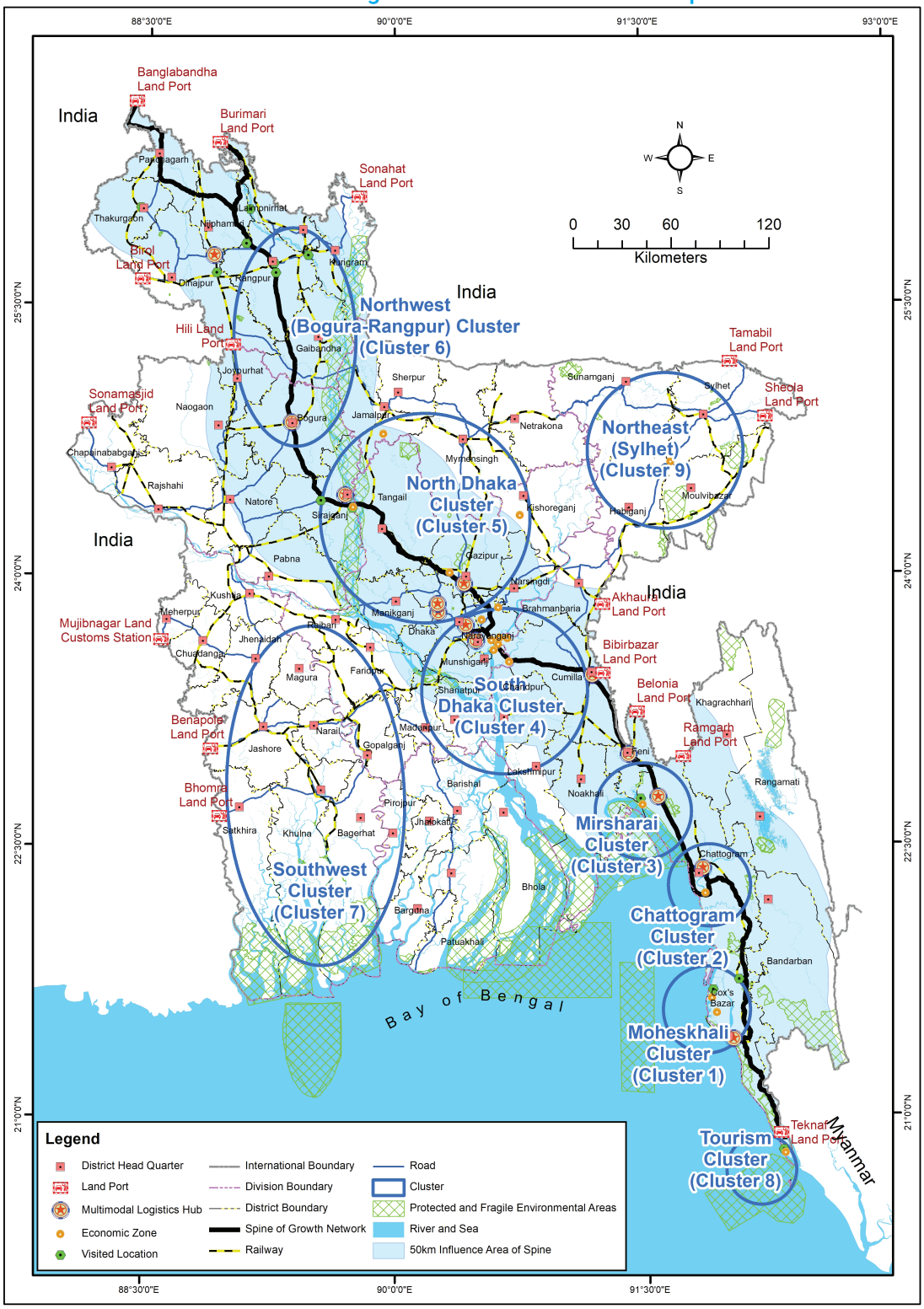
*Source: NW–D–SE Integrated Growth Network Development Initiative.*

## 20.7 Conclusion

Within this broader framework, the Northwest–Dhaka–Southeast Integrated Growth Network Development initiative is viewed as a strategic national programme for rebalancing growth and strengthening economic integration. The IGND initiative aims to connect production centres, labour markets, industrial zones, logistics hubs, and trade gateways into a unified economic system. By linking lagging regions with globally connected and congested regions, the initiative can facilitate more efficient resource allocation, reduce trade costs, improve market access, and enable stronger linkages between firms, suppliers, and exporters. The potential development impact is substantial. ADB estimates suggest that such an integrated growth network could contribute 20 per cent to achieving a trillion-dollar economy, generate 10 million jobs in 10 years, and lift 12 million people from poverty. The simulations also suggest that Bangladesh's exports could increase by around 5 per cent in the early years, with gains becoming larger over time as logistics systems improve, ports operate more efficiently, and production linkages strengthen across the country and the wider region. More importantly, IGND offers a pathway to align infrastructure investment with inclusive growth, regional balance, and long-term structural transformation, positioning Bangladesh for a more resilient and competitive future.

# APPENDIX

## Growth Nodes: Integrated Growth Network Development



# CHAPTER 21

# URBAN DEVELOPMENT AND MIGRATION

## 21.1 Introduction

Bangladesh has been experiencing one of the fastest rates of urbanisation in South Asia, transforming its economic and social landscape. According to Population Census 2022, the country's urban population accounted for about 31.66% of the total population. This marks a dramatic increase from just over 20% in the early 1990s, reflecting sustained rural-to-urban migration, natural population growth, and reclassification of urban areas.

The major policy challenges of the Strategic Plan FY2027-2031 stem from the tradeoffs between benefits of agglomeration and costs of congestions in urban areas. It is evident that the balance has shifted for Dhaka city: while the city remains the economic heart of the country, the intensity of congestion suggests that it is exceeding its optimal size in certain dimensions. Chattogram, while less congested than Dhaka, is also experiencing similar pressures, particularly related to port congestion.

The trade-off between agglomeration and congestion has important implications for policy and planning in Bangladesh. First, it underscores the need to manage rather than simply accommodate urban growth. Second, it highlights the importance of developing secondary cities and regional growth centres. Third, it points to the need for separate analysis of Dhaka and Chattogram - the cities that have already or nearly exhausted their agglomeration benefits from rest of the urban spaces such as municipalities.

## 21.2 Defining Urban Areas and Migration Problem

Bangladesh's urban migration problem is not simply that too many people are moving to cities, but that migration is being absorbed by the wrong urban structure. Greater Dhaka has become excessively concentrated, generating severe congestion, land misallocation, infrastructure pressure, and productivity losses estimated at 6–10 per cent of GDP. At the same time, secondary cities such as Khulna, Chattogram, Narayanganj, Barishal, Cumilla, Mymensingh, and Sylhet are failing to grow as strong alternative economic centres. As a result, migrants continue to cluster disproportionately around Dhaka and a few districts, while many potential growth centres remain underdeveloped. The problem is worsened by flawed urban definitions: dense peri-urban settlements around major cities are often classified as rural, making them invisible to urban planning, infrastructure investment, and fiscal transfers. Instead of creating productive secondary-city agglomerations, Bangladesh is seeing industry and workers disperse into low-productivity rural and peri-urban areas. This weakens the benefits of urbanisation, fragments production networks, and increases pressure on Dhaka. Addressing urban migration therefore requires planned deconcentration, stronger secondary cities, corridor-based development, corrected urban classification, and better municipal governance.

## 21.3 Urban Development Challenges

Bangladesh is undergoing a profound transformation in its spatial and socio-economic structure, driven by rapid urbanisation. Urban areas—comprising city corporations, municipalities (pourashavas), and emerging towns—have become central to the country's development trajectory. The country's urbanisation process reflects a transitional phase, where the pace of growth has outstripped the capacity of infrastructure and governance. The performance of urban sector is described below.

### 21.3.1 Primate City–Dominated Spatial Structure

A defining characteristic of urban development in Bangladesh is the dominance of a single primate city—Dhaka: about one-fourth of total urban population. This concentration has intensified over time, resulting in a highly centralised urban system where Dhaka significantly outweighs other cities in terms of economic output, infrastructure, and services. The implications of this primacy are multifaceted. While it facilitates agglomeration economies, it leads to severe congestion, pressure on housing and infrastructure, and environmental degradation. Moreover, the dominance of Dhaka limits the growth potential of other urban centres, reinforcing regional disparities.

### 21.3.2 Fragmented and Weak Urban Governance

Governance challenges are a critical aspect of urban development in Bangladesh. The institutional framework for urban management is characterized by fragmentation, with multiple agencies operating at different levels of government and often with overlapping responsibilities. City corporations and municipalities are tasked with delivering a wide range of services, but they frequently lack the financial resources, technical expertise, and administrative autonomy required to fulfill these responsibilities effectively. At the same time, central government agencies retain significant control over key aspects of urban planning and infrastructure development, leading to coordination challenges and inefficiencies. The absence of clear accountability mechanisms and integrated planning processes further complicates urban governance.

### 21.3.3. Inadequate Infrastructure and Services

Urban infrastructure in Bangladesh has expanded considerably over recent decades, yet it remains insufficient in both coverage and quality. Water supply systems often fail to provide continuous and safe access, particularly in smaller municipalities. Sewerage networks are limited to a few major cities, leaving the majority of urban areas dependent on on-site sanitation systems that are often poorly managed. Solid waste management represents another major challenge, with inadequate collection, disposal, and recycling systems contributing to environmental and health risks. Urban transport infrastructure is similarly underdeveloped, resulting in chronic congestion and inefficiencies in mobility. These deficiencies reflect both resource constraints and limitations in planning and implementation capacity.

### 21.3.4 Environmentally Stressed and Climate-Vulnerable Urbanisation

Environmental stress and climate vulnerability are defining features of urban development in Bangladesh. Rapid urbanisation has placed significant pressure on natural resources and ecosystems, leading to issues such as air and water pollution, loss of wetlands, and degradation of urban green spaces. In

addition, the country's exposure to climate risks—including flooding, cyclones, and sea-level rise—poses serious challenges for urban areas. Many cities experience frequent waterlogging due to inadequate drainage systems, while coastal towns face heightened risks from storm surges and salinity intrusion.

### 21.3.5 Urban Growth with Inequality

A salient characteristic of urban development in Bangladesh is the prevalence of inequality and informality. Rapid urban growth has not been matched by adequate provision of affordable housing and basic services, leading to the proliferation of informal settlements and slums. These areas are typically characterized by high population density, substandard housing conditions, and limited access to water, sanitation, and other essential services. While cities offer opportunities for upward mobility, these opportunities are unevenly distributed, resulting in significant disparities in income and living conditions. Addressing inequality and improving urban liveability is central to achieving inclusive urban development, as emphasised in national planning frameworks.

### 21.3.6 Major Challenges of Urban Service Delivery

The delivery of basic urban services in Bangladesh—including water supply, sanitation, drainage, solid waste management, urban transport, and primary urban health services—is marked by expansion in coverage but persistent deficiencies in quality, equity, and sustainability.

#### Water Supply Constraints

Urban water supply systems face multiple challenges and these include limited piped water coverage, particularly outside major metropolitan areas, intermittent supply, with many households receiving water only a few hours per day, quality concerns, including contamination due to aging infrastructure and leakage, and heavy dependence on groundwater extraction, especially in Dhaka.

#### Poor Sanitation and Sewerage Systems

Sanitation is one of the weakest areas of urban service delivery in Bangladesh. Sewerage networks are extremely limited, covering only a small portion of urban areas. Most households depend on on-site sanitation systems (e.g., septic tanks, pit latrines). Faecal sludge management systems are underdeveloped, leading to unsafe disposal. The absence of integrated sewerage and treatment systems is a major gap in urban infrastructure.

#### Inefficient Solid Waste Management

Solid waste management systems face serious operational and institutional challenges. These include incomplete waste collection coverage, especially in low-income and peri-urban areas, lack of segregation at source, limited recycling and resource recovery and reliance on open dumping or poorly managed landfill sites. Waste management services are also constrained by limited equipment, inadequate financing, and weak institutional capacity.

#### Drainage and Waterlogging Problems

Urban drainage systems in Bangladesh are often inadequate and poorly maintained, resulting in frequent waterlogging, particularly during the monsoon season. Key issues include encroachment on natural drainage channels and wetlands, insufficient drainage infrastructure, and blocked drains due to solid waste accumulation.

### Urban Primary Health Care

Urban primary health care system is one of the most neglected public service in urban areas. The urban healthcare system in Bangladesh is defined by a decentralised model where the Ministry of Local Government partners with NGOs to provide primary services, while the Ministry of Health manages larger hospitals. A critical shortcoming is the severe lack of coordination between these governing bodies, which results in fragmented care and the absence of a formal referral system. Primary centres are short in supply, often underutilised and poorly equipped, forcing patients to overwhelm tertiary hospitals for even basic medical needs.

**Table 21.1: Urban statistics on patterns and services**

| 1. Sub-Sector: Urbanisation Pattern | | |
|---|---|---|
| **Performance Indicator** | **Baseline** | **Source** |
| Share of urban population in total Population (%) | 31.66 (2022) | Population Census 2022 |
| Share of Dhaka Metropolitan City in total urban population (%) | 26.8% (2022) | Population Census 2022 |
| Share of 7 other primary cities in total urban population (%) | 12.95% (2022) | Population Census 2022 |
| **2. Sub-Sector: Basic Urban Services** | | |
| Share of urban population having access to safe drinking water. | 44.7 (2019) | https://sdg.gov.bd/ndcc-data-report-view |
| Share of urban centres with modern waste disposal facilities | 2.23% (2020) | Bangladesh Bureau of Statistics (BBS) |
| Share of urban centres with wastewater treatment facilities | 97.13% (2022) | Department of Environment (DoE) |
| Share of urban population having access to public health service | 54% (2019) | WHO |

## 21.4 Strategic Framework — Vision, Mission & Architecture

### The Commitments of the Government

Here is a summary of the key commitments in urban development:

- **Local Government:** Comprehensive decentralisation and empowering local government institutions to operate independently without partisan or executive interference.
- **Waste Management and Pollution Control:** A "Circular Future Model" that treats waste as an economic resource. Adopting a strict 3R policy (Reduce, Reuse, Recycle), they aim to cut plastic waste by 30% within five years, and convert waste into electricity and bio-fertiliser.
- **Communication and Transport:** Implementing smart traffic control systems, rationalising bus routes, and establishing a National Expressway Grid. To reduce severe urban congestion, they propose excavating circular waterways around cities for modern "water highways" and enacting strict road safety laws. Promote Blue-Green Networks and climate-resilient urban ecosystems.
- **Urbanisation and Housing:** To prevent the depletion of agricultural land, the government has promised land zoning, planned national master plan featuring multi-story and cluster housing. It pledges to provide affordable housing and flats for low-income groups. A land bank will be established as well. Urban regeneration, redevelopment, and infrastructure upgradation must be incorporated for old and densely populated areas.

- **Safe and Sustainable Development of Dhaka:** To alleviate the immense population and infrastructure pressure on the capital, the government plans to develop secondary cities by relocating major hospitals and universities to regional hubs. Implementation of DAP 2022–2035, the preservation of water bodies, canals, and lakes, the creation of a Blue-Green Network, urban regeneration, TOD-based (Transit-Oriented Development) development, and open space protection is essential for Safe and Sustainable Development of Dhaka .

### Urban Vision of the Strategic Plan

Following the commitments of the government, the Strategic Plan envisions planned, inclusive, efficient, and sustainable urbanisation within the next five year.

### Mission

To develop urban spaces as the engines of economic growth and higher productivity, vehicles for improved livability and service delivery, nodes of balanced regional development, and platforms for climate resilience and environmental sustainability.

- **Decentralised urban growth:** secondary cities and regional growth centres
- **Improved urban services:** transportation, water, sanitation, waste reforms
- **Environment and climate resilience:** air and water pollution control, green infrastructure, "Green Dhaka". Protect and restore canals, lakes, ponds, flood-flow zones, retention areas, and water bodies. Implement mandatory rainwater harvesting in government and institutional buildings.
- **Institutional strengthening:** governance and fiscal reforms
- **Inclusive development:** low-cost quality health care and housing for low income people, female-friendly transportation

## 21.5 Strategic Priorities and Key Interventions

### SP 1: Balanced and Decentralised Urban Growth

- Develop a integrated smart city technologies with disaster resilience, climate adaptation, and citizen-centred service delivery systems.
- Develop secondary cities, satellite towns and regional growth centres. Expand and develop all divisional cities first.
- Prepare district level spatial plans with specific land-use zoning and infrastructure layouts (e.g., Structure Plan and Detailed Area Plan)
- Increase planned parks, walkways, lakefronts, and public spaces.
- Invest in economic corridors and growth hubs. Develop city centres at the sub-district level which will create local employment and discourage migration to cities.
- Incentivise RMG factories to move to rural and peri-urban areas with road connection. Earmark industrial land in every sub-district.
- Create "Land Bank" by crafting legal and institutional framework (Land Bank Act, Land Bank Authority) which will allow land acquisition, management and allocation efficiently, following international best practices.

### SP 2: Local Level Institutional Strengthening

- Improve capacity of the ULGs to raise more revenue locally. Introduce modern digital technologies (e.g., satellite images for structure to fix holding tax) by involving experts from regional universities.

- Invest in capacity building of local government to enhance managerial, technical, financial and regulatory capabilities.
- Invest in data-driven planning tools (e.g., GIS)
- Improve urban planning capacity at the local levels through adequate staffing of urban planners. 'A' class Pourashavas should be the priority.

### SP 3: Improving Urban Service Delivery

#### Transportation

- **Integrated Land Use and Transport Planning:** Ensure that urban development occur along mass transit corridors to manage rapid growth and promote TOD based mixed use development.
- **Prioritisation of Mass Transit:** Shift the focus from private vehicle infrastructure to high-capacity public transport (e.g., electric buses, BRT metro rails, LRT and mono rails). Disincentivise the use of private vehicles through new taxes (e.g., congestion tax).
- **Promotion of Sustainable and Non-Motorized Transport (NMT):** Place high priority on pedestrians and cyclists by developing women and child-friendly, walkable environments and safe sidewalks.
- **Affordability and Social Equity:** Design transportation systems that are accessible by female commuters and affordable for low-income residents and the urban poor. This includes exploring subsidies for public transport fares who hold family cards, for example.
- **Smart and Intelligent transport System:** Improve Smart mobility and Implement Smart and Intelligent transport System

#### Water, sanitation and waste management

- **Ensuring water quality and preventing leakages:** Shifting the focus from mere "access" to "safe access" by implementing Water Safety Plans (WSPs) across all supply systems. Repair leakages in piped networks (non-revenue water reduction Programmes). A regulation of groundwater abstraction (especially in Dhaka) will be formulated.
- **Improving urban drainage system:** Invest in expanding and modernising existing systems that are outdated, designed decades ago for much smaller populations and lower rainfall intensities.
- **Implementing "circular future model":** Based on reduce, use and recycle policy, invest in establishing material recovery centres at the sub-district level.
- **Moving up the sanitation ladder:** Transitioning from basic latrine coverage to "safely managed" sanitation. Key actions include establishing Faecal Sludge Management (FSM) and integrated solid waste management to prevent environmental contamination in dense urban areas.
- **Sorting urban waste:** Incentivise separation of kitchen waste from other urban waste to ensure efficient recycling.
- **Engaging private sector and NGOs in waste management:** Expand waste collection coverage by moving from informal waste pickers into formal system (contract-based). Prioritise private sector and NGOs who are interested in converting waste into energy or fertiliser.

**Institutional strengthening and sector governance:** Digitise building approvals, land-use clearances, GIS monitoring, and public service delivery. Enhancing the capacity of city corporations and municipalities (Pourashavas) to manage their own services. This includes improving cost recovery mechanisms (tariffs), increasing transparency, and encouraging private sector and NGO participation in service delivery.

## SP4: Urban Housing: Extent of the Problem and Strategies

Bangladesh's urban housing problem is one of the most serious development and planning challenges facing the country. Rapid urbanisation, weak land governance, limited public housing provision, low housing affordability, and climate-induced migration have combined to produce a large and growing housing deficit. The problem is not only a shortage of housing units, but also a crisis of access, tenure security, infrastructure, and institutional coordination.

The extent of the housing shortage is substantial. Recent studies suggest that Bangladesh's total housing deficit is around 6 million units and may rise to 10.5 million by 2030 if current trends continue. This indicates not only a quantitative shortage, but also the inability of formal systems to respond to growing need. A key dimension of the crisis is affordability. Even where land is publicly developed, provision for low-income households remains minimal. RAJUK reserved only 1.2 per cent, 4.3 per cent, and 7.5 per cent of land for low-income groups in the Purbachal, Uttara Third Phase, and Jhilmeel projects respectively. This reflects a structural bias in urban land development toward middle- and upper-income groups.

Housing crisis is tied to institutional and regulatory failures. Land titling, registration, and transfer processes are complex and costly. Public and private housing actors operate in fragmented ways, with weak coordination among planning agencies, development authorities, municipalities, and finance providers. The housing finance system is also shallow.

### Solutions: A Three-Horizon Strategy

### Short-Term Interventions (1 Year)

Immediate, high-impact measures must focus on unlocking existing bottlenecks and protecting the most vulnerable.

- **Mortgage market reform:** Bangladesh Bank should introduce targeted credit lines for first-time and middle-income buyers, raise loan-to-value ratios, and mandate fixed-rate home loan products to provide predictability.
- **Regulatory streamlining:** Simplify land titling, registration procedures, and approval processes for affordable housing projects to reduce transaction costs and time delays.
- **Emergency upgrading of slum infrastructure:** Scale up Programmes like the Livelihoods Improvement of the Urban Poor Communities (LIUPC) project, which has enhanced resilience for over 4 million people across 19 cities. Immediate investment in water, sanitation, drainage, and secure tenure documentation can dramatically improve living conditions without requiring full redevelopment.
- **Rent control and tenant protections:** Introduce enforceable rental regulations to prevent exploitative pricing in low-income settlements, alongside eviction moratoria for informal settlers until alternative resettlement is available.

### Medium-Term Solutions (1–3 Years)

These require building institutional capacity and unlocking new supply channels.

- **Public-private partnerships at scale:** Operationalise the PPP framework by creating dedicated affordable housing zones on government-owned land. Incentivise private developers through density bonuses, tax breaks, and reduced compliance costs in exchange for committing a minimum percentage (e.g., 20–30%) of units to low- and middle-income buyers.

- **Expand the National Housing Authority (NHA) model:** The NHA project, providing housing for 24,000 urban poor, must be scaled to reach millions by building new units for extremely poor families in secondary cities and supporting more families through housing finance facilities.
- **Develop secondary towns and cities:** Decongest Dhaka by channelling investment into secondary large cities in districts around Dhaka city such as Gazipur, Narayanganj, Munshiganj and Manikganj. Also, develop secondary cities in districts such as Rajshahi, Barisal, Rangpur, etc. from where the flow of migration to Dhaka is substantial. Strengthen municipal planning capacity, improve connectivity, and create economic anchors to absorb rural–urban and climate migrants more evenly.
- **Expand housing microfinance:** Establish specialized housing finance facilities for low-income households, combining microfinance principles (small, flexible loans) with technical assistance for incremental house-building.

### Long-Term Structural Reforms (3-5 Years)

These require fundamental shifts in governance, finance, and urban planning.

- **Comprehensive national urban housing policy:** Replace the current fragmented approach with a unified, legally enforceable National Housing Policy that mandates minimum affordable housing quotas in all major urban development projects, sets clear targets for slum upgrading, and establishes an independent regulator for housing delivery.
- **Metropolitan planning authorities:** Create empowered, multi-stakeholder metropolitan planning bodies for Dhaka, Chattogram, and other major cities, with authority over land-use planning, infrastructure coordination, and affordable housing mandates—integrating the currently siloed efforts of RAJUK, city corporations, and the NHA.
- **Deepen the mortgage market:** Develop a secondary mortgage market and a housing finance corporation to provide long-term, low-cost liquidity. Target raising the housing-loan-to-GDP ratio from 2.7% to at least 10–15% over a decade, in line with other Asian emerging economies.
- **Climate-resilient urban design:** Embed green building codes, disaster risk management standing orders, and climate adaptation standards into all urban housing projects.
- **Land value capture and public land banking:** Implement land value capture mechanisms to finance infrastructure, and establish a public land bank that acquires and reserves strategic parcels for affordable housing before urban expansion drives prices out of reach.

### SP5: Rural-to-Urban Migration and Urban Development Strategies

Rural-to-urban migration is one of the primary engines of urban growth in Bangladesh, and it sits at the intersection of economic transformation, environmental vulnerability, and urban planning failure. It is both an opportunity and a crisis: while migrants contribute enormously to urban economies, the urban systems that receive them remain fundamentally unprepared to absorb them in a sustainable and equitable way. Understanding the full extent of this migration, its drivers, and its urban consequences is essential to any meaningful urban development strategy.

Bangladesh has experienced one of the highest urbanisation rates in the world. The country's urbanisation rate averaged 3.03% annually between 1975 and 2009—one of the highest in the world—driven in large

part by rural-to-urban migration, which is estimated to account for between three-fifths and two-thirds of total urban population growth. According BBS data, about 5% of all rural households have domestic migrants, of which 85% migrated to Dhaka and Chattogram alone.

Understanding the structural drivers of rural-to-urban migration in Bangladesh requires examining both the conditions that push people out of rural areas and the opportunities that pull them toward cities. On the push side, poverty and lack of employment opportunities compel migrants to leave their villages, while land scarcity and the declining agricultural sector further erode rural livelihoods and force households to seek alternatives. Environmental pressures intensify these economic hardships: river erosion, flooding, cyclones, and salinity intrusion destroy homes and productive assets, with climate-vulnerable households being more likely to migrate internally. Educational advancement compounds these pressures, as more educated rural households—four times more likely to leave than illiterate ones—possess both the aspiration and capability to seek better lives in cities. On the pull side, urban areas exert powerful forces: nearly half of all migrants are attracted by better employment opportunities, particularly in Dhaka's garment manufacturing sector which has drawn millions of workers, especially women. Social networks amplify this pull, as the presence of relatives, friends, or known employment prospects reduces the risk and uncertainty of migration. Additionally, significant differentials in access to quality healthcare, education, and infrastructure between rural and urban areas create persistent incentives for movement. Together, these push and pull factors form a structural system that perpetuates rural-to-urban migration not as a temporary phenomenon but as a fundamental feature of Bangladesh's demographic and economic transformation.

### Consequences for Urban Development: Ethical Management of Influx

The urban consequences of this migration are severe and well-documented. Most migrants, lacking the resources or connections to access formal housing, settle in informal settlements and slums. UNDP's internal migration report notes that migrants account for between 53% and 70% of slum populations across major Bangladeshi cities. Habitat for Humanity, citing World Bank data, reports that by 2020, approximately 52% of the urban population—or 35 million people—were living in slums. These settlements are overcrowded, poorly serviced, environmentally hazardous, and tenure-insecure.

Managing rural-to-urban migration requires simultaneous intervention at both origin and destination, addressing both push and pull factors respectively, as well as across short, medium, and long-term horizons.

### Short-Term Responses

**Migrant reception and integration services:** Urban local bodies should establish migrant reception and orientation services at slums to connect new arrivals with employment, housing, and social services, reducing the risk of immediate exploitation and settlement in hazard-prone areas.

**Preventing forced evictions:** Bangladesh's National Housing Policy recommends incremental upgrading of slums rather than clearance, and where eviction is unavoidable, provides for rehabilitation and compensation.

### Medium-Term Responses

**Secondary city development:** The most widely recommended medium-term strategy is redirecting migration toward intermediate and secondary cities both in and around origins and destinations.

**Expanding affordable housing supply at scale in secondary towns:** NHA's housing Programmes need to be significantly scaled to meet the demand in the secondary towns.

**Regional planning frameworks:** Urban planning must include the critical issues of internal migration – the annual influx a city can afford and how to manage it ethically. It requires establishing planning departments in every city and municipality with clear responsibility for regional coordination, and disaggregating national budgets by region to enable place-based responses to migration pressure.

### Long-Term Responses

**Rural development to moderate push factors:** A balanced spatial development strategy must reduce the economic and environmental drivers of distress migration. Combining agricultural and non-agricultural development, rural electrification, road infrastructure, and secondary town development can reduce the economic pressure to leave rural areas while improving living standards in rural areas.

**Climate adaptation as migration management:** Given that climate risk makes households more likely to migrate internally, large-scale climate adaptation investment in vulnerable coastal and riverine districts—embankments, cyclone shelters, salinity-resistant agriculture, and managed retreat Programmes—is one of the most powerful long-term tools for moderating distress-driven urban migration.

**Integrating migrants into urban resilience planning:** Planning entities must actively learn from the spatial and collective practices of informal settlement dwellers rather than erasing or ignoring them. Community-led adaptation, grassroots tenure arrangements, and participatory urban planning are not alternatives to institutional planning—they are essential inputs into it.

**Land governance reform:** At the structural level, urban land governance must be reformed to allow informal settlements to be materially integrated into the urban fabric through transparent ownership, tenure, and social value frameworks, across multiple agencies and scales.

Rural-to-urban migration in Bangladesh is large-scale, structurally driven, and accelerating in response to both economic and climate pressures. It is neither a temporary anomaly nor a problem that can be resolved by restriction. What is needed is a comprehensive, multi-scalar strategy: protecting and integrating migrants already in cities; investing in secondary cities to redistribute future flows; reforming urban land and housing systems to make formal and semi-formal housing accessible; and reducing the environmental and economic push factors that turn migration from choice into necessity.

## 21.6 Monitoring & Evaluation Framework with Key Indicators

### I. Recovery Phase (1 Year)

**Objective:** Restore and stabilise basic urban service delivery

| Outputs | Indicators (KPIs) | 1 year Targets | Means of Verification | Responsible Agencies |
|---|---|---|---|---|
| Improved inter-agency coordination | # of cities with functional coordination taskforce | ≥10 major cities | Administrative records | LGD, City Corporations |

| Outputs | Indicators (KPIs) | 1 year Targets | Means of Verification | Responsible Agencies |
|---|---|---|---|---|
| Emergency water supply restored | % reduction in supply interruptions | 20% reduction | WASA reports | Dhaka Water Supply and Sewerage Authority, Chattogram Water Supply and Sewerage Authority |
| Drainage systems functional before monsoon | % of drains cleaned | ≥80% priority drains | City reports | City Corporations |
| Waste collection improved | % increase in collection coverage | +15% in low-income areas | Municipal data | Municipalities |
| Service gap mapping initiated | # of cities with GIS-based mapping | ≥10 cities | Project reports | LGD, Planning Commission |
| Emergency funding mobilised | Amount of funds disbursed | 100% of allocated emergency funds | Budget reports | Ministry of Finance |

## II. Reconstruction Phase (1-3 Years)

**Objective:** Strengthen systems and Institutionalise reforms

| Outcomes | Indicators (KPIs) | 1-3 Years Targets | Means of Verification | Responsible Agencies |
|---|---|---|---|---|
| Improved urban governance | Metropolitan governance frameworks established | Dhaka & Chattogram operational | Govt. gazettes, policy documents | LGD, RAJUK |
| Better water infrastructure | % households with reliable piped water | +15 percentage points | WASA data | WASA, City Corporations |
| Sanitation improvements | % urban population covered by FSM systems | ≥50% in major cities | sanitation data | LGD, municipalities |
| Waste management efficiency | % wards practicing waste segregation | ≥30% in large cities | City reports | City Corporations |
| Reduced waterlogging | No. of days water-logged | -30% | City reports | City Corporations |
| Enhanced local revenue | Increase in municipal own-source revenue | +20% | Financial statements | Municipalities |
| Capacity strengthened | # of urban planners, trained staffs | ≥ 50% trained staffs, 1 urban planner | Training records | LGD, training institutes |
| Digital systems introduced | Cities using urban data platforms | ≥10 cities | ICT reports | ICT |

### III. Transformation Phase (3–5 Years)

**Objective:** Achieve sustainable, resilient, efficient and inclusive urban systems

| Outcomes | Indicators (KPIs) | 3-5 years Targets | Means of Verification | Responsible Agencies |
|---|---|---|---|---|
| Balanced urbanisation | Share of population living in secondary cities and towns | ≥50% of urban population | BBS data | Planning Commission |
| Urban poverty | Share of urban population living in poverty | Moderate poverty below 10% and extreme poverty below 2% | BBS data | Planning Commission |
| Urban heath | Share of urban population having access to public health service | ≥80% | BBS data | LGD, Ministry of Health |
| Access to safe water | % households with 24/7 safe water supply | ≥80% | WASA data | WASA |
| Sanitation coverage | % population with safe sanitation | ≥90% | Urban surveys | LGD |
| Waste management transformation | % waste collected and processed<br>% of urban centres with modern waste disposal facilities | 100% collection; ≥50% recycled<br>≥30% | City reports | City Corporations |
| Climate resilience | Need to create a urban climate resilient index | 25% improvement from baseline | Urban environment surveys | Department of Environment |
| Smart urban systems | Cities with integrated digital platforms | ≥20 cities | ICT monitoring | ICT Division |
| Sustainable transport | Share of trips via public transport, share of female passengers | ≥50% (Dhaka); ≥40% female passengers | Transport surveys | Dhaka Transport Coordination Authority |
| Slum upgrading | % slum households with basic services | ≥80% | Slum surveys (BBS) | LGD |
| Urban financing strengthened | Municipalities accessing bonds/PPP financing | ≥10 cities | Finance reports | Ministry of Finance |
| Data | A dedicated urban survey conducted in every 4 years | 2 rounds conducted | BBS/BIDS | BBS/BIDS |

### Implementation Structure

| Lead Ministries | Key Implementing Agencies | Supporting Actors |
|---|---|---|
| • Local Government Division<br>• Ministry of Housing and Public Works<br>• Planning Commission | • City Corporations and Municipalities<br>• WASA (Dhaka, Chattogram, Khulna, Rajshahi)<br>• RAJUK and development authorities<br>• Dhaka Transport Coordination Authority | • Private sector (PPP in waste, housing, transport)<br>• NGOs (slum upgrading, service delivery, waste)<br>• Development partners (World Bank, ADB, JICA) |

# PART IV

## RELIGION, SPORTS, CULTURE AND SOLIDARITY

### CLUSTER 9

## REVITALISING CREATIVE ECONOMY

# CHAPTER 22

# RELIGION

## 22.1. Introduction & Situation Analysis

### 22.1.1 Purpose and Alignment

Consecutive strategies, such as the Seventh and Eighth Five-Year Plans, have viewed religion as a source of moral codes, and have emphasised religious education to foster ethical values among citizens. However, Bangladesh is a constitutionally secular country, and its cultural landscape is deeply intertwined with various religious practices and beliefs, making it a vibrant tapestry of faiths. While the predominant religion is Islam, which shapes much of the country's cultural and social norms, Bangladesh is also home to significant communities of Hindus, Buddhists, and Christians.

This strategic framework for religious affairs recalibrates the programmatic and infrastructure-centric approaches of previous plans, positioning religious affairs as a key driver of inclusive governance and social cohesion in Bangladesh. While the key strategic priorities include strengthening religious harmony, improving hajj management, and modernising religious institutions, which were part of past policies, this framework proposes a more holistic approach which connects the well-being of the religious community. The framework proposes strategies from FY 2026-27 to 2030-31, laying the foundations for future development in the religious sector.

### 22.1.2 Religious Affairs in Bangladesh

Bangladesh is a Muslim-dominated country with over 91% of the population identifying themselves as followers of Islam. Around 7% of the population are Hindus, 0.61% are Buddhists, and 0.30% are Christians. In the previous years, the Muslim population has increased steadily, and the minority population have declined, due to a host of reasons.

The Ministry of Religious Affairs (MoRA) is responsible for managing and overseeing a wide range of religious activities and policies in Bangladesh. The ministry primarily addresses the needs of the country's four major religions—Islam, Hinduism, Christianity, and Buddhism—through dedicated institutional frameworks for each faith community.

Key operational arms of the ministry include the Islamic Foundation, which promotes Islamic teachings and welfare; the Office of the Waqf Administrator, responsible for managing religious endowments; and the Hajj Offices located in both Bangladesh and Saudi Arabia, which coordinate pilgrimage logistics for Bangladeshi Muslims. Additionally, the Welfare Trusts for Hindu, Buddhist, and Christian communities provide support to their respective communities.

### 22.1.3 Progress and Emerging Challenges in Religious Affairs

Bangladesh possesses a large and dynamic youth population with immense potential to drive economic growth, innovation, and social transformation. In recent years, progress has been made in expanding access to education, technical training, and youth-focused development pro-grammes. Nevertheless, translating this demographic strength into productive employment and sustainable livelihoods remains a significant national challenge.

As of 2024, approximately 19.54% of young people were not engaged in education, employment, or training (NEET). Graduate unemployment remains particularly high, exceeding 28% among cer-tain groups, while around 85% of total employment continues to be concentrated in the informal sector. These trends limit productivity growth, reduce opportunities for decent work, and con-strain upward economic mobility.

The situation is further complicated by persistent skills mismatches. Although access to higher education has expanded considerably, graduate outcomes have not always kept pace with labour market demand. At the same time, shortages of technical, vocational, and digital skills continue to affect the availability of a competitive workforce, highlighting the need for closer alignment be-tween education, training, and employment.

Alongside these economic challenges, a range of social issues continues to affect youth devel-opment. Substance abuse, online gambling, urban violence, and gender-based violence increas-ingly undermine the well-being and productive engagement of young people. Addressing these interconnected challenges will require coordinated action across education, employment, health, social protection, and youth development institutions to fully realise Bangladesh's demo-graphic dividend.

## 22.2. Strategic Framework

### Vision:

To create an inclusive Bangladesh where every citizen, regardless of their religious identity, enjoys equal rights, dignity, and security, fostering a society based on harmony, justice, and a shared national identity.

### Mission:

This strategic framework aims to preserve the foundational ideals of Bangladesh — equality, human dignity, and social justice — by guaranteeing full religious freedom, strengthening institutional support for every religious community, and upgrading religious services. The overarching goal of the framework is to foster harmony, ensure safety, empower religious leaders, and integrate religious education with contemporary skills to create a progressive, inclusive, and unified Bangladesh in which the state is shared equally among all citizens.

### Strategic Architecture

**Strategic Priority 01: Upholding religious freedom and harmony**

The governance of the state is a collective responsibility that encompasses all citizens, irrespective of their beliefs, and it is the state's duty to ensure religious freedom and equal opportunities for every citizen, regardless of their personal religious beliefs.

To uphold these principles, it will be ensured that all individuals can freely practice their faith without facing any form of discrimination or prejudice. This includes safeguarding the rights of every person to openly practice their religion, as well as promoting dialogue and cooperation among different faiths. The

celebration of religious festivals will be encouraged peacefully and inclusively. Communal violence will be resisted by developing a monitoring mechanism and enforcing swift, strict legal action.

It is crucial to establish and enforce measures that prohibit any form of discrimination, violence, or harm arising from differences in religious beliefs. By doing so, not only the individual's rights will be protected, but also an environment of harmony and coexistence, where diversity is viewed as a strength rather than a source of division, will be nurtured.

**Strategic Priority 02: Enhancing Social Status and Capacity of Religious Leaders**

Religious leaders play a vital role in civil society and public discourse. Evidence from around the world indicates that local religious leaders can effectively mobilise communities to counter violent extremism and social hostilities. Despite their contributions to societal development, local religious leaders remain one of the most neglected groups.

Under the strategic framework, improving the quality of life and social standing of all religious leaders will be prioritised to enhance social cohesion. Additionally, there will be a focus on their professional growth and skill enhancement. Obstacles faced by Qawmi certificate holders seeking advanced religious education overseas will be addressed.

The influence of religious leaders in society will be utilised to instil ethical and moral values and to prevent the rise of religious extremism.

**Strategic Priority 03: Affordable and smooth pilgrimage management**

Most people in Bangladesh are Muslims, and for them, the pilgrimage to Mecca, known as Hajj, holds great significance. Besides, other religious communities also embark on pilgrimages throughout the year. Ensuring comfort for pilgrims is thus a priority for the government.

A comprehensive Hajj management plan will be adopted, prioritising the pilgrims' needs and enabling them to fulfil their religious obligations with ease and dignity. The government will also pursue state and diplomatic efforts to lower Hajj costs through better travel packages, subsidies for essential services, and improved logistical support. Opportunities will also be explored for other religious communities to ensure a comfortable journey for them.

**Strategic Priority 04: Strengthening Religious Institutions and Knowledge Development**

Strong institutions are crucial for promoting fair religious development, efficient service delivery, and the advancement of knowledge.

Recognising the need for focused efforts, there will be a strong emphasis on religious research, including studies related to Islam, with activities expanded to the upazila level. Religious scholars will be granted the freedom to fulfil their responsibilities in the religious domain without obstruction and with due respect.

The budgets for the Islamic Foundation, Hindu Religious Welfare Trust, Buddhist Welfare Trust, and Christian Welfare Board will increase significantly to enhance their religious, educational, and welfare initiatives. Additionally, the Islamic Foundation will undergo reforms to ensure transparency in service delivery and promote knowledge development by commissioning research.

**Strategic Priority 05: Modernise Religious Education and Recognise Young Talents**

Religious education should be modernised to be contemporary, inclusive, and aligned with national development needs.

Nationwide, Programmes for children and mass education based in mosques will be enhanced, and madrasas will integrate ICT, science, language, and vocational training into their curriculum. Students in madrasas ought to receive guidance toward pathways in higher education and employment. The government will acknowledge Quran memorisers and eminent scholars and launch initiatives such as "Notun Kuri Quran Recitation" to foster young talent. Besides, in government recruitment, there will be no discrimination against Madrasa students.

Modernising religious education and efforts to nurture young talents from Madrasa background are expected to curb religious extremism.

**Cross-Cutting Enablers**

**Enabler 01: Rule of Law and Accountability**

To maintain religious harmony and protect rights, it is crucial to strengthen legal frameworks that safeguard individuals' freedom to practice their religion without discrimination. Establishing accountability and transparency within religious institutions is essential and requires regular audits and independent oversight to build public trust. Enhancing coordination among government ministries and agencies will enable a unified approach to religious rights issues, leading to more effective policy-making and a respectful environment for all religious communities.

**Enabler 02: Digital Transformation and Service Delivery**

To enhance service delivery, it is essential to transform key areas, including streamlining Hajj pilgrimage processes for a smoother experience. To better manage the welfare of religious leaders, maintaining a digital database and integrating mobile financial services for honorarium payments will improve efficiency. Additionally, effective management of Waqf properties through digitisation will enable the ministry to use them efficiently. Digitalisation of Halal certification of Islamic foundation may ensure for access of global Halal Market.

## 22.3 Priorities and Key Interventions

### 22.3.1 Upholding Religious Freedom and Harmony

**Rationale:**

The founding ideals of Bangladesh emphasise equality, dignity, and shared citizenship regardless of religion. Achieving harmony requires legal protections and proactive measures, such as fostering social cohesion, inclusive infrastructure, and community engagement, to build trust among religious groups.

**Objective:**

To institutionalise religious freedom, prevent communal conflict, and promote a culture of coexistence that protects and celebrates diversity.

**Key Interventions:**

1. Enforce strict legal action and fast-track justice mechanisms against communal violence and discrimination.
2. Design a religious-harmony monitoring and early-warning system for any attempt to incite communal violence or violence against any minority community at the national and local levels.
3. Organise interfaith dialogues at the local levels and develop community mediation platforms.
4. Implement special security measures for every religious festival, consulting all stakeholders, including security forces, to promote safe and inclusive celebrations.
5. Accelerate the development and renovation of key religious infrastructure projects, including international and national religious complexes such as the Bangladesh Pagoda and Buddhist Cultural Complex in Lumbini; the Dhakeshwari National Temple; the Hindu Religious Welfare Trust Complex and Sri Sri Lakshmi Narayan Jiu Temple; and the Baitul Mukarram National Mosque.
6. Speed up the implementation of integrated religious infrastructure initiatives, such as establishing Model Mosques and Islamic Cultural Centres, and renovating key religious heritage sites, including the Advaitacharya Temple Complex in Sunamganj.
7. Utilise Model Mosques to host Islamic cultural Programmes and encourage community involvement by inviting people of other faiths to events held on the premises.
8. Promote community-led outreach by religious leaders, especially in conflict-prone regions, to strengthen social cohesion and reduce social hostilities.
9. Promote environmental sustainability and enhance communal well-being by implementing extensive afforestation programmes across Waqf properties.
10. Provide financial assistance for the development and renovation of temples and monasteries to preserve religious heritage and improve community facilities.

### 22.3.2 Enhancing Social Status and Capacity of Religious Leaders

**Rationale:**

Improving the living standards and capacity of religious leaders, and thus enhancing their well-being, will help transform them into agents of peace and will be beneficial in driving religious development and social stability.

**Objective:**

To elevate the socio-economic status, professional capacity, and institutional role of religious leaders across all faiths.

**Key Interventions**

1. Enhance the welfare and financial stability of religious leaders by providing regular honorariums and festival allowances for Imams, Muazzins, and Khadems through coordinated institutional arrangements.

2. Create a detailed digital database of all religious infrastructures and the responsible religious leaders to enhance governance, monitoring, and service delivery.
3. Introduce structured skills development and alternative livelihood programmes for priests, monks, imams, Khadems and other religious leaders.
4. Establish specialised training centres within Model Mosques for leadership, ethics, and community engagement.
5. Improve the skills and institutional capabilities of priests and sevayats through specialised training and development initiatives.
6. Provide mentoring opportunities to religious leaders willing to study abroad and remove obstacles to accessing higher education for religious education degrees, such as Dawra-e-Hadith.
7. Integrate mosque-based child and mass education teachers and staff into the formal revenue framework to ensure sustainability and improved service delivery.
8. Religious and Moral Education programme will be strengthened and enhanced.

### 22.3.3 Affordable and Smooth Pilgrimage Management

**Rationale**

Pilgrimage is a fundamental religious obligation and spiritual aspiration, yet affordability and logistical inefficiencies create barriers. A reformed, citizen-focused system is essential to ensure equitable access, transparency, and dignity for all pilgrims.

**Objective**

To develop a cost-effective, transparent, and efficient pilgrimage management system accessible to all citizens, including expatriates and minority communities.

**Key Interventions**

- Reform Hajj management with greater government participation (target: up to 50%) to control costs and improve quality by removing the barriers and obstacles experienced by pilgrims every year.
- Digitise the pilgrimage service delivery systems, from registration to grievance redress, and design an effective mechanism for swift response.
- Enhance logistic support for Hajj Pilgrimage Registration at the grassroot levels
- Introduce performance-based grading systems for private Hajj agencies.
- Strengthen diplomatic negotiations to reduce the costs of performing Hajj.
- Provide financial assistance and logistical support for pilgrims from different religious communities.
- Enhance understanding by creating a thorough pre-departure training programme for pilgrims that provides a clear overview of the journey and ways for seeking assistance if they encounter difficulties.

### 22.3.4 Strengthening Religious Institutions and Knowledge Development

**Rationale**

Strong, transparent, and knowledge-driven institutions are essential for inclusive religious development. Expanding research, improving governance, and investing in institutional capacity will enable religious bodies to serve as centres of learning, welfare, and innovation.

**Objective**

To transform religious institutions into transparent, research-driven, and service-oriented entities that contribute to national development and knowledge creation.

**Key Interventions**

1. Increase funding for the Hindu, Buddhist, and Christian Religious Welfare Trusts and enhance the institutional capacity to help them support their respective communities.
2. Establish research centres within Upazila Model Mosques and develop a comprehensive database of scholars to strengthen knowledge production and informed religious discourse.
3. Modernise Waqf administrative processes by implementing robust digital platforms for the collection and management of contributions, ensuring the integration of at least two comprehensive online systems to enhance governance efficiency.
4. Create a comprehensive, up-to-date list of all Dawah centres and Waqf properties across the country, and develop revenue-generating infrastructure on selected urban lands to ensure the financial sustainability of the Office of the Waqf Administrator and utilise excess revenues for development purposes.
5. Promote sustainable resource management by expanding the use of renewable energy and utilisation of underutilised Waqf assets.
6. Enrich Islamic libraries across all Waqf properties and Dawah centres with books on Islam and comparative religious studies to strengthen access to religious knowledge and learning resources.
7. Establish 10 Dawah centres, alongside enriched library facilities, within Waqf properties to expand access to religious knowledge and foster community engagement by 2030.
8. Redesign the mechanisms for Zakat collection and administration, concurrently developing revenue-generating infrastructure on Foundation-owned land to ensure financial sustainability.
9. Strengthen institutional capacity at the Upazila level by creating and deploying essential manpower for Islamic Foundation offices, including administrative and field-level positions.

### 22.3.5 Modernise Religious Education and Recognise Young Talents

**Rationale**

To remain relevant in a rapidly evolving world, religious education must integrate modern knowledge and skills. Bridging traditional learning with contemporary education will ensure that students are equipped for employment, innovation, and global engagement while preserving religious values.

**Objective**

To modernise religious education systems, expand access to quality learning, and nurture young talents for national and global opportunities.

**Key Interventions**

1. Pursue the eighth phase of mosque-based child and adult education initiatives, along with other similar temple-based and pagoda-based programmes, to achieve a higher literacy rate and enhance educational outcomes.

2. Advance religious literacy and participation through the establishment of 'Islamic Foundation Corners' in educational institutions at the school, college, and university levels nationwide.
3. Modernise madrasa education curricula by integrating ICT, science, language, and vocational education.
4. Facilitate economic empowerment through the introduction of skills development and vocational education programmes for Madrasa students, thereby creating avenues for self-employment.
5. Ensure recognition of Qawmi certificates for all government jobs and remove barriers to higher education abroad.
6. Upgrade religious educational infrastructure by renovating eight Imam Training Academies, establishing a Model Hifzkhana in Dhaka, and founding an Arabic Language Institute.
7. Launch and scale initiatives such as "Notun Kuri Quran Recitation" and recognise talented Quran memorisers.
8. Broaden the dissemination of Islamic scholarship through the increased publication and widespread distribution of religious texts and literature.

### 22.4 Monitoring & Evaluation Framework with Key Indicators

| Strategic Priority | Actions | Outcome | Impact |
|---|---|---|---|
| Ensuring Religious Freedom and Harmony | Promote religious harmony, legal enforcement against communal violence, early-warning systems, interfaith dialogues, infrastructure development, community outreach, and afforestation programmes | • Nationwide early-warning system<br>• 100+ interfaith dialogue platforms | Stronger social cohesion, measured by the SHI score of the Pew Research Centre |
| Enhancing Social Status and Capacity of Religious Leaders | Honorariums for religious leaders, a digital database including all religious leaders, training programmes on life skills, livelihood support initiatives, and education integration | • Database of all religious leaders<br>• Regular allowances to religious leaders<br>• Train additional skills to religious leaders | Improved socio-economic status of religious leaders and lower GRI score in Pew Research Centre |
| Affordable and Smooth Pilgrimage Management | Hajj reform, digitisation, agency grading, diplomatic negotiation to make hajj accessible and affordable, training programmes, and financial support for other religions. | • Fully digitised pilgrimage system<br>• Performance grading for private Hajj agencies | Comfortable journey for all pilgrims |

| Strategic Priority | Actions | Outcome | Impact |
|---|---|---|---|
| Strengthening Religious Institutions and Knowledge Development | Funding support for all religious welfare bodies, creation of research centres, digitised Waqf management, Dawah centre expansion, renewable energy deployment, Zakat reform, and enriched libraries across the countries with new books. | • New Dawah centres<br>• Digital Waqf management systems<br>• Solar energy from Waqf properties<br>• Digital Zakat Management<br>• New books added to libraries | Strong and self-sufficient religious institutions |
| Modernising Religious Education and Recognising Young Talents | Education reform, ICT integration, vocational training, infrastructure upgrades, talent recognition programmes | • Renovation of all Imam Training Academies<br>• One Model Hifzkhana established<br>• Notun Kuri Quran Recitation scaled | Better employed and educated madrasa students |

## 22.5 Implementation Arrangements, Risks & Governance

### 22.5.1 Institutional Framework

The Ministry of Religious Affairs (MoRA) will lead implementation by coordinating with relevant bodies and ministries, and leveraging available resources, to align with national priorities.

Key implementing bodies under the ministry include the Islamic Foundation, the Office of the Waqf Administrator, the Hajj Offices (both domestic and overseas), and the Hindu, Buddhist, and Christian Welfare Trusts. They will be responsible for implementing various programme components, including modernising religious education, improving pilgrimage management, developing infrastructure, and supporting the welfare of religious leaders.

### 22.5.2 Coordination Mechanisms

The Ministry of Rural Affairs (MoRA) will work with other government departments, including the Ministry of Finance, the Ministry of Education, the Ministry of Youth and Sports, and the Ministry of Foreign Affairs, to achieve the strategic priorities through the implementation of planned actions.

Additionally, the MoRA will integrate these strategic priorities into its Annual Performance Agreements, which will be signed with each ministry. To maintain a data-driven approach to implementing the strategies, the MoRA will collabourate with the Bangladesh Bureau of Statistics and various research institutions to collect field data and assess progress before each financial year.

### 22.5.3 Key risks and mitigation strategies

The effective execution of the strategic framework is at risk due to operational and systemic challenges that, if not addressed proactively, could affect outcomes and impacts. Major strategic risks include gaps in data and evidence, shortages of human resources at decentralised levels, poor inter-agency collabouration, and funding limitations. These risks are interconnected and may result in delays, inefficiencies, and diminished effectiveness of the intended interventions.

Acknowledging these risks is crucial for maintaining credibility and preparedness. Therefore, the following framework employs a risk-informed strategy that integrates institutional enhancement, digital innovation, improved coordination mechanisms, and creative financing approaches to mitigate potential disruptions and support ongoing progress across all key areas.

| Risk Description | Probability/Impact | Mitigation Measures |
|---|---|---|
| Data and evidence gaps may adversely impact effective decision-making | Medium/Medium | Develop integrated digital databases, enhance monitoring and evaluation systems, and collabourate with independent research groups to ensure data accuracy. |
| Human resource shortages and capacity gaps at the local levels may delay implementation | Medium/Medium | Recruit and deploy efficient staff at the upazila level through transparent, merit-based recruitment, establish training centres, and digitise administrative work. |
| Lack of financing may limit project implementation | High/High | Prioritise high-impact interventions and partner with the private sector, while utilising revenue generated from Waqf assets. |

# CHAPTER 23

# CULTURE

## 23.1 Introduction and Situation Analysis

### 23.1.1 Purpose of the framework

Situated at the confluence of three major river networks, Bangladesh boasts a vibrant cultural heritage shaped by millennia of history. The enduring ruins of Wari-Bateshwar, Mahasthangarh, and Somapura Mahavihara testify to the region's long-standing cultural evolution. In subsequent eras, the spread of Islam significantly influenced the nation's cultural landscape, with most people incorporating Islamic practices into daily life. Meanwhile, ethnic minority groups in the Chattogram Hill Tracts and plains have maintained their distinct traditions over time.

The seventh and eighth five-year plans in Bangladesh (2016–2025) recognised culture's foundational role in shaping national identity and societal values, prioritising cultural development for heritage preservation and moral instilling. The promotion of the Bengali language and literature was emphasised, along with support for fine and performing arts. However, these plans primarily focused on preserving and promoting culture through continuous state support rather than viewing it as a driver of economic growth. The idea of developing a creative economy was largely ignored. Additionally, the plans overlooked challenges such as online cultural aggression, the needs of Generation Z, and the promotion of Bangladeshi arts on digital platforms, thereby failing to leverage cultural diplomacy for economic development.

This strategic framework aims to facilitate the development of a creative economy by providing policy support and incentives for artists and creative industries, including film, music, theatre, animation, gaming, and digital content. The strategy focuses on leveraging Bangladesh's rich cultural heritage to generate jobs and drive economic growth. By promoting the arts, crafts, music, and performing arts, this initiative seeks to create sustainable employment, enhance the nation's presence in the global cultural landscape, and encourage innovation and entrepreneurship. The goal is to position Bangladesh as a leader in the creative economy by 2030.

### 23.1.2 Cultural Development in Bangladesh

In Bangladesh, the Ministry of Cultural Affairs (MoCA) leads cultural development initiatives, focusing on promoting the arts, literature, and folk traditions, and on preserving cultural heritage. It oversees departments responsible for archaeological sites and historical documents, as well as academies dedicated to both Bengali and ethnic minority cultures.

Despite these efforts, the economic contribution of the arts and culture sector remains low, accounting for only 0.17% of GDP as of 2025. This figure has remained stagnant at around 0.16% over the last decade, while the global creative economy accounts for about 3% of GDP, indicating significant growth potential for Bangladesh's cultural sector. The strategic framework aims to lay the groundwork to increase this contribution to 1.5% by 2035.

With a proper strategic framework, Bangladesh has the potential to harness its talent through educational institutions and other bodies, guide talented artists and artisans to contribute to the creative economy, and thus increase the sectoral share of GDP to meet the target.

### 23.1.3 Progress of Cultural Development from 2016 to 2025

To review sector performance, the objectives of the seventh and eighth five-year plans were used as a baseline for measuring progress from 2016 to 2025. The cultural development goals outlined in these two consecutive five-year plans can be categorised into four main thematic areas.

One key objective was promoting Bengali as a language, alongside efforts to enhance community knowledge by nurturing reading habits and publishing high-quality books. The spirit of Amar Ekushey was also emphasised. However, statistics from the Bangla Academy indicate a decline in average daily sales at the Ekushey Book Fair since 2020. Technological disruptions, such as the rise of audiobooks and digital copies of books online, are expected to further impact the publishing industry.

Preservation of archaeological and historic sites has been a priority over the past decade. Efforts were made to add more sites to the UNESCO World Heritage List through research and documentation, as well as to amend the Antiquities Act. Unfortunately, no sites were added to the list in the last ten years, and the Antiquities Act has not been amended. Many sites remain at risk from climate change, erosion, flooding, and salinity. UNESCO has identified 46 vulnerable archaeological sites in the southern region affected by rising sea levels. The Shat Gambuz Mosque in Bagerhat faces threats from soil salinity, while sites like Mahasthangarh, Sompur Mahavihara, and Panamnagar are endangered by various environmental challenges.

To encourage fine and performing arts, it was suggested that music, painting, crafts, recitation, acting, dancing, and theatrical performances be incorporated into educational institutions. Additionally, more facilities were proposed to support cultural growth. Aside from the inclusion of a book on arts and crafts, most of these goals remained unfulfilled. The previous interim government even removed the decision to hire music teachers in schools. Without meaningful efforts to engage students with Bangladesh's culture, youth, and adolescents may be susceptible to foreign cultural influences due to easy access to the internet. The objective of revising the national cultural policy also did not materialise.

Another key goal was to strengthen national unity and foster social cohesion by instilling values rooted in Bangladesh's rich culture among citizens. Despite these efforts, social cohesion remains low; the Bertelsmann Stiftung has noted weak social capital and trust among citizens. Although a decade-long resistance against Sheikh Hasina's authoritarian rule briefly united diverse groups, divisions based on religion and political beliefs resurfaced and intensified after the regime's fall.

## 23.2 Strategic Framework — Vision, Mission & Architecture

### Vision

By 2030, Bangladesh will be a globally recognised hub for the creative economy, generating quality jobs and contributing significantly to GDP, while preserving its cultural heritage and promoting cultural diversity.

### Mission

The strategic framework seeks to cultivate an ecosystem for creative industries, including film, music, theatre, animation, gaming, and digital content, through targeted investments, policy incentives, and institutional support. The initiative emphasises promoting equity, celebrating cultural diversity, and

enhancing international competitiveness. Furthermore, it aims to empower artists, youth, entrepreneurs, and ethnic minority groups to engage in sustainable, high-value creative professions.

## Strategic Priorities

### Strategic Priority 01: Unlocking Bangladesh's Creative Economy's Potential

The immense potential of the country's creative industries will be nurtured, enabling the sector to contribute significantly to economic growth and people's well-being.

Creative industries, including film, music, theatre, digital content creation, animation, visual effects (VFX), and gaming, will benefit from a set of policy supports and incentives. A comprehensive 10-year plan, involving collabouration with the private sector, will be implemented to establish modern studios, production facilities, and innovation labs across the country. This initiative aims to create new job opportunities within the sector over the next decade. Additionally, regional creative hubs will be developed nationwide, and startups in this industry will have access to performance-based grants.

### Strategic Priority 02: Facilitating the development of artists and skilled professionals

Artists and skilled professionals are the driving force behind creative industries and cultural sectors. To cultivate a new generation of artists and skilled workers across various creative fields, we must develop environments in educational institutions and other safe spaces nationwide that support the practice of healthy culture and entertainment.

Youth and teenagers from Generation Z and Alpha will be equipped with the skills needed to pursue careers and entrepreneurial opportunities across various cultural and creative fields. Funds will be created to provide scholarships, stipends, and subsidies to help them develop advanced software skills. The state will regularly recognise aspiring young artists and cultural leaders for their contributions to cultural development through awards, similar to the Ekushey Padak and Shwadhinota Padak, and talent hunt initiatives such as Notun Kuri. Modern performing arts, such as stand-up comedy, street dance, and hip-hop music, will also be included as categories for these awards.

### Strategic Priority 03: Accessing Global Markets and National Branding

To enhance international competitiveness and gain global recognition, a national brand will be developed under the theme "Creative in Bangladesh", and initiatives will focus on increasing representation in international cultural forums and marketplaces while also helping export-oriented creative enterprises integrate into global value chains.

Policy and financial assistance will be provided to Bangladeshi content creators and enterprises in this sector to help them enter international markets. A specialised body will be established to lead strategic initiatives to ensure global market access for Bangladeshi individuals and firms.

Accessing global markets through a national brand is expected to contribute to economic development by attracting investment and remittances.

### Strategic Priority 04: Preservation of Cultural Diversity and Heritage

Despite the nation's homogeneity, with the majority of the population being Bengali-speaking, Bangladesh is home to more than 50 unique ethnic groups, each representing around 1% of the total population and possessing its own cultural identities, which enhance the nation's cultural richness. Additionally, Bengali communities across various districts and regions have their own unique cultural traditions, further enriching the country's cultural legacy.

A special directorate will lead the cultural preservation and development of all ethnic minority groups in Bangladesh. Language, literature, cultural practices, and folk traditions of all languages of Bangladesh will be promoted with equal vigour, and efforts will be made to ensure the equitable participation of underrepresented communities in all aspects of national development. Archaeologically, historically, and culturally significant sites will be preserved through the development of a comprehensive plan, and the sites will be promoted as destinations for cultural and archaeotourism.

Preserving and promoting cultural practices, diversity, and heritage can protect against foreign cultural aggression and help unlock the immense potential of cultural tourism.

### 23.2.4 Cross-cutting enablers

**Enabler 01: Governance and Institutional Framework**

To effectively lead and oversee the development of a creative economy and realise its potential, it is essential to establish a comprehensive governance and institutional framework. This will enhance coordination among relevant ministries, the private sector, and cultural institutions to foster collabouration and maximise the impact of creative initiatives. Additionally, it will ensure transparent and accountable policy implementation by establishing robust monitoring and evaluation systems.

**Enabler 02: Comprehensive financing mechanism**

To implement comprehensive policy measures that boost the dynamism and global competitiveness of the creative industries while preserving cultural heritage, targeted financial support and fiscal incentives are necessary. Public-private partnerships and the expansion of opportunities for venture capital investment in creative enterprises and entrepreneurial ventures need to be facilitated by the relevant ministries.

## 23.3 Priorities and Key Interventions

### 23.3.1 Accelerating economic growth through the creative economy

**Rationale**

Despite the immense potential of the creative economy, Bangladesh has lagged behind, with arts, culture, and recreation contributing only 0.17% of GDP, due to shortcomings in previous policies that ignored the sector's economic potential. The development of a creative economy will not create employment opportunities and accelerate economic growth.

**Objective**

Strengthen the institutional and policy environment to under potential of Bangladesh's creative economy as a driver of innovation, employment and sustainable economic growth.

**Key interventions**

1. Establish the Bangladesh Creative Development Authority to lead the efforts to develop a creative economy that can contribute to economic growth.
2. Review the National Cultural Policy 2006 and amend it using guidance and policy frameworks to transform Bangladesh into a creative economy, with sector-specific targets and action plans.
3. Establish regional creative hubs and cultural centres in every district, with modernised training facilities in music, dance, animation, visual effects (VFX), filmmaking, and game development.
4. Build innovation hubs in the divisional towns with modern studios, high-end software, and advanced training facilities.

5. Award startups in the creative industry and cultural fields with performance-based grants and 100% tax rebates as policy support if they attract foreign direct investments.
6. Draft a comprehensive 10-year investment plan to fund the establishment of creative and innovation hubs, modernise the existing facilities and provide scholarships and stipends to the trainees.

### 23.3.2 Utilising artistic potential for employment generation

**Rationale**

Artists and creative professionals remain an underutilised workforce in Bangladesh, with limited structured pathways to employment, entrepreneurship, and income generation. Despite strong cultural traditions and a growing youth population, the absence of formal training systems, financing mechanisms, and industry linkages has constrained their economic participation. Harnessing artistic potential—particularly among Generation Z and Alpha—can significantly expand employment, foster entrepreneurship, and strengthen the creative economy.

**Objective**

Develop a skilled and employable creative workforce by equipping at least 200,000 youth with market-relevant artistic and digital creative skills by 2030, enabling increased participation in creative industries and contributing to job creation, self-employment, and export-oriented services.

**Key interventions**

1. Launch a comprehensive skill development programme designed to train 200,000 youth on music, theatre, dance, filmmaking, animation, visual effects, gaming, and digital content production through accredited courses available at educational institutions and specialised training facilities.
2. Establish a fund to expand scholarships, stipends, and financial assistance for aspiring artists and creative professionals, such as sound engineers and cinematographers, empowering them to develop advanced technical and artistic competencies, including proficiency with software-driven creative tools.
3. Embed structured arts and creative skills education within school and college curricula, in partnership with the National Curriculum and Textbook Board, and appoint teachers for relevant subjects.
4. Introduce summer camp programmes focused on specific creative skills to nurture students' creative potential in schools and colleges, utilising the summer vacation breaks, where students from both mainstream schools and madrasas can participate together.
5. Hold annual nationwide cultural festivals encompassing film, jatra, theatre, recitation, dance, and music by collabourating with leading institutions, organisations, and artists. These festivals should include screenings, performances, competitions, and upskilling opportunities, celebrating Bangladesh's diverse artistic heritage and promoting talent across all major creative disciplines.
6. Harmonise recognition criteria with those of prestigious national awards, including the Shilpakala Padak, to encompass modern art forms such as stand-up comedy, street dance, and hip-hop.

7. Design and implement apprenticeship and mentorship schemes linked to industry, connecting emerging artists with seasoned professionals, production companies, and cultural organisations to ease their entry into the workforce.
8. Provide policy support to universities to launch accredited courses in creative vocations—such as animation, sound engineering, and cinematography—to validate skills and enhance job opportunities both nationally and internationally.
9. Link the Child Development Centres and madrasas with training initiatives on creative vocations.
10. Offer support to youth-driven creative enterprises by providing seed capital, incubation services, and market linkage initiatives, thereby promoting self-employment and entrepreneurial activity in the creative industries.

### 23.3.3 Branding Bangladesh's Culture and Creativity for the Global Market Access

**Rationale**

Bangladesh's creative industries are underrepresented in global markets, despite having strong cultural assets and a growing pool of creative talent. Factors such as limited international visibility and a lack of a unified national brand have hindered the sector's ability to compete globally. To effectively position Bangladesh as a recognised source of high-quality creative content and services, a coordinated approach to branding, market access, and export promotion is essential.

**Objective**

Strengthen global market integration of Bangladesh's creative industries by increasing exports of creative goods and services, establishing a recognised national brand "Creative in Bangladesh," and enabling creative enterprises and local musical bands, theatrical troupe, dance groups and other professionals to access international markets and perform at global platforms by 2030.

**Key interventions**

1. Launch a "Creative in Bangladesh" branding initiative to highlight Bangladeshi creative works on international platforms, such as festivals, trade shows, and digital media.
2. Explore and pursue cultural exchange opportunities to build bridges with local artists, authors, and creative professionals, as well as their counterparts in other countries.
3. Provide targeted financial and policy support, including export grants, travel funding, and tax relief, to help creative enterprises and content producers compete in global markets and participate in international events.
4. Protest the Intellectual Property of all original works, by strict enforcement of relevant laws and swift legal actions against piracy.
5. Encourage participation in global cultural events and marketplaces, such as film festivals, art biennials, and gaming conventions, to enhance international visibility and expand professional networks.
6. Translate 2,000 contemporary literary works produced in Bengali and in other languages of ethnic communities, and help the authors discuss their works at global book fairs such as the Frankfurt Book Fair, the London Book Fair, etc.

7. Promote integration with global platforms by providing policy support and helping them enter into partnerships with international streaming providers such as Netflix, Amazon Prime, and Disney+ to stream at least one hundred (100) Bangladeshi films, animated movies, stand-up comedy shows and documentaries on these platforms.
8. Mobilise the Bangladeshi diaspora in fifty countries to act as cultural representatives and market facilitators to access the global markets.
9. Expand Creative Economy by 1.5% of GDP and create 500,000 new jobs by FY2031.

### 23.3.4 Preservation of Cultural Diversity and Heritage Sites

**Rationale**

Cultural diversity and heritage are among the nation's valuable cultural assets, providing a sense of belonging and national identity. The preservation and promotion of cultural practices can protect against foreign cultural aggression.

Apart from that, cultural traditions of different communities and heritage sites have immense economic potential. Around 39% of global tourism is driven by cultural motivations. The preservation of cultural diversity and heritage sites in Bangladesh, which are at risk of decay and erosion, can be economically beneficial with proper strategies and, at the same time, help strengthen social cohesion and national unity.

**Objective**

Preserve and promote the cultural heritage of all communities in Bangladesh by ensuring equitable cultural participation, safeguarding linguistic and intangible heritage, and developing at least 40 priority heritage sites as cultural and archaeotourism destinations by 2030.

**Key interventions**

1. Modernise all major museums, including the national museum, and renovate sites of immense cultural and historical value, to upgrade the museum complex to global standards.
2. Establish the Ethnic Minority Communities Development Directorate to preserve the linguistic, literary, and cultural distinctiveness of ethnic minority communities.
3. Introduce translation and publication initiatives to make literary works from ethnic communities accessible in Bengali and other major languages, fostering cross-cultural understanding.
4. Develop and implement a comprehensive heritage conservation and management plan under the Department of Archaeology, Bangladesh, to safeguard archaeological and historical sites, including climate-resilience measures, for all 46 sites facing climate-induced risks.
5. Upgrade priority heritage sites such as Ahsan Manzil, Lalbagh Fort, Musa Khan mosque, etc., with modern visitor facilities, interpretation systems, and accessibility features to enhance cultural tourism.
6. Promote community-led cultural preservation initiatives through grants and technical support for local festivals, crafts, and oral traditions, ensuring grassroots ownership of heritage.
7. Develop cultural and archaeotourism circuits linking key heritage sites and cultural landscapes, integrating infrastructure, storytelling, and local economic participation.
8. Strengthen public awareness and education programmes through exhibitions, museum outreach, and school engagement to foster appreciation of Bangladesh's diverse cultural

heritage.

9. Host the Dhaka Food and Culture Festival every year, to promote local foods and transform Dhaka into the "capital of taste and culture."
10. Undertake the modernisation of galleries at the Liberation War Museum and Zia Memorial Museum to preserve historical narratives, and inaugurate the July Uprising Memorial Museum to disseminate the spirit of the 2024 Bangladesh uprising.
11. Introduce the Heritage Award (Oitijjo Padak) to recognise individuals and institutions contributing to the preservation and promotion of tangible and intangible cultural heritage.
12. Ensure inclusive infrastructure in libraries and cultural institutions, including dedicated seating for persons with disabilities and the collection of books in ethnic mother tongues.

### 23.4 Monitoring & Evaluation Framework with Key Indicators

| Strategic Priority | Actions | Outcome | Impact |
|---|---|---|---|
| Unlocking Bangladesh's Creative Economy's Potential | Establishing the Bangladesh Creative Development Authority, creating creative and innovation hubs across districts and divisions, and a 10-year investment plan. | • One BCDA<br>• 8 Innovation hubs<br>• 64 creative hubs | Sectoral share of arts, culture and recreation to increase significantly |
| Facilitating the development of artists and skilled professionals | Train youth in creative skills, integrate creativity and culture in education, host national festivals, recognise the best artists, and support creative entrepreneurship through funding and incubation. | • 200,000 trained youth<br>• 1,000 entrepreneurs in creative sector<br>• 30 international and national festivals | Employment opportunities to be created for youth in cultural sectors |
| Accessing Global Markets and National Branding | Launch the "Creative in Bangladesh" brand, provide export incentives to entrepreneurs, enhance participation in global festivals, stream films and stand-up comedy on global streaming platforms, expand literature translation, and strengthen diaspora cultural diplomacy. | • 2,000 books translated<br>• 50 movies, shows, and documentaries streamed<br>• 50 diaspora communities engaged | Enhanced global recognition of Bangladeshi culture and creative industries. |

| Strategic Priority | Actions | Outcome | Impact |
|---|---|---|---|
| Promoting Cultural Diversity, Inclusion, and Heritage Preservation | Modernise museums, promote development of ethnic minority communities, climate-proof 46 vulnerable sites, renovate 40 heritage tourism sites, foster cultural tourism, support community-led heritage preservation, and promote food tourism. | • 40 museums and cultural sites renovated<br>• One directorate for ethnic minorities<br>• Heritage award introduced<br>• 5 Food and Culture festival<br>• 46 vulnerable heritage sites protected | Increase in cultural tourism activities and better awareness of cultural heritage among youth |

## 23.5 Implementation Arrangements, Risks & Governance

### 23.5.1 Institutional Framework

The execution of this strategic framework will be overseen by the Ministry of Cultural Affairs (MoCA), which will serve as the central authority responsible for guiding policy, providing strategic oversight, and coordinating efforts among various ministries. MoCA will ensure that all initiatives align with the strategic development priorities specified in the framework.

At the implementation level, three primary departments, along with two academies and the institutes, centres, and foundations under the ministry's purview, will formulate their own short- and long-term strategies to address strategic priorities and carry out the required actions.

The Department of Archaeology will spearhead efforts in heritage preservation and site management. At the same time, national academies and cultural organisations will concentrate on promoting the arts, offering training, and organising cultural events. Moreover, the newly proposed Bangladesh Creative Development Authority (BCDA) will serve as the primary agency to advance the creative economy. This agency's duties will encompass coordinating investments, nurturing innovation hubs, and strengthening collabourations with the private sector.

### 23.5.2 Coordination Mechanisms

The MoCA, along with the departments, academies and other relevant bodies, will collabourate with other ministries, such as the Ministry of Finance, the Ministry of Education, the Ministry of Labour and Employment, the Ministry of Commerce, the Ministry of Youth and Sports and the Ministry of Foreign Affairs to achieve the objectives of the strategic priorities by implementing the planned actions. Besides, the MoCA will incorporate the strategic priorities in its Annual Performance Agreements, which will be signed with each ministry.

To ensure a data-driven approach to implementing the strategies, the MoCA will coordinate with the Bangladesh Bureau of Statistics and other research groups to collect field data and review progress before each financial year.

### 23.5.3 Key risks and mitigation strategies

Implementation of the strategies may be affected by various risk factors, including climate change, natural disasters, weak coordination, cultural aggression, and disruptions caused by political and religious actors.

Climate change and natural disasters pose a significant threat to heritage sites, especially in coastal areas, accelerating their degradation or loss. Cultural aggression—manifested through polarisation, intolerance, or competing narratives—can discourage youth from engaging in cultural activities. Institutional challenges may also complicate the delivery of strategies. Weak coordination among ministries and agencies can delay projects and reduce their impact. Besides, political disruptions may hinder implementation, especially in areas where cultural initiatives intersect with sensitive social or ideological issues.

| Risk Description | Probability/Impact | Mitigation Measures |
|---|---|---|
| Climate change and natural disasters may lead to depletion of heritage sites. | High/High | Prioritise designing strategies to withstand climate change, integrating global responses by 2027 and start implementing by 2027. |
| Cultural aggression may impact participation in cultural activities by youth | Medium/High | Incentivise participation in cultural activities, competitions, and festivals by involving local influencers. |
| Disruptive activities from political and religious actors to implement the strategies | High/High | Engage with the local community, including religious leaders, before designing implementation strategies. |

# CHAPTER 24

# SPORTS

## 24.1 Introduction & Situation Analysis

### 24.1.1 Purpose and Alignment

Sports development in Bangladesh is characterised by strong public interest but uneven progress across various disciplines. While cricket remains the dominant sport, others like football and hockey have been struggling to make progress. Other sports, both indoor and outdoor, remain underfunded and lack adequate professional structures, which limits their competitiveness on the international stage.

Historically, sports have been viewed primarily as a recreational activity. Consequently, past strategies focused mainly on developing sports infrastructure and renovating facilities, rather than on ensuring athletes' well-being and creating a robust sports ecosystem to nurture young talent. Efforts to tap into the potential of a sports economy were not prioritised in the Seventh and Eighth Five-Year Plans.

The strategic framework seeks to transform sports into a structured, inclusive, and economically viable sector, laying the foundation for a sports economy. The integration of sports within the education system is emphasised to facilitate talent identification and youth development. A professional sports ecosystem is intended to be developed by creating career opportunities, strengthening industries, and enhancing international competitiveness. Improved governance, institutional capacity, and coordination are highlighted, along with leveraging sports to foster social cohesion, promote health, and build national image. These efforts are expected to contribute to broader human capital and socio-economic development goals.

### 24.1.2 Sports Development in Bangladesh

The Ministry of Youth and Sports is responsible for driving sports development in Bangladesh. It leads initiatives with support from the National Sports Council, which oversees national sports federations, manages stadiums and sports facilities, and organises competitions and training Programmes. Additionally, the Bangladesh Krira Shikkha Protishtan (BKSP) plays a central role through integrated education, specialised coaching and long-term athlete development programme operates under the ministry and focuses on nurturing sports persons.

Prior strategies, the Seventh and Eighth five-year plans, focused on creating and strengthening well-equipped regional sports institutions and upgrading the national cricket and football stadiums in Dhaka. To promote decentralisation of sports infrastructure, plans were outlined to establish sports facilities at the Upazila and Zila levels, including indoor stadiums and swimming pools at the district level. Furthermore, the establishment of more than 1,000 playgrounds was proposed at the union level. Construction of Women's Sports Complexes was also planned for every division, along with sports facilities for youth and individuals with disabilities in key cities.

### 24.1.3 State of Sports Development in Bangladesh

Bangladesh has made steady progress in sports through investments in infrastructure, institutional develop-ment, and wider participation across different disciplines. While these efforts have strengthened the sector's foundation, improvements in international competitiveness and consistent high-level performance remain une-ven, highlighting the need for a more integrated and performance-oriented sports ecosystem.

Cricket remains Bangladesh's strongest sport, with several notable achievements over the years, although con-sistent success against higher-ranked teams and major international titles remain important aspirations. In football, while the men's team continues to face challenges, the women's team has demonstrated encouraging progress through regional achievements, reflecting the benefits of sustained investment in talent development.

Bangladesh continues to participate in major international sporting events, yet its overall performance indicates considerable scope for improvement. Strengthening athlete development systems, sports science, coaching, and long-term performance programmes will be essential to improve competitiveness at the highest level.

Despite recent progress, structural constraints—including limited financial support beyond a few major sports, uneven access to quality training facilities, and weak athlete career pathways—continue to affect performance. Addressing these challenges through stronger institutions, better governance, and sustained investment will be critical to developing a more competitive, inclusive, and sustainable sports ecosystem.

## 24.2 Strategic Framework

### Vision

To build a vibrant, inclusive, and globally competitive sports ecosystem in Bangladesh, where sports is integrated into education, accessible to all, and recognised as a driver of human development, national pride, and economic growth.

### Mission

To institutionalise sports within the education system, expand equitable and climate-resilient infrastructure, and develop a professional sports ecosystem that creates sustainable career pathways. The strategy will strengthen governance, human resources, and high-performance systems, while promoting inclusion and mass participation. Through coordinated public and private efforts, it will enhance international competitiveness and leverage sports as a tool for social cohesion, youth development, and national image building.

### Strategic Architecture

**Strategic Priority 01: Developing a Professional Sports Ecosystem**

The transformation of sports from a recreational activity into a structured profession with clear career pathways is central to the strategic framework for sports development. By establishing professional leagues across various sports, implementing athlete welfare Programmes, and ensuring financial stability through salaries, sponsorships, and incentives, sportsmen will be incentivised to pursue sports as a career.

This approach is expected to address the existing lack of incentives and recognition for athletes, which hinders long-term engagement. By formalising sports careers, it is anticipated that talent will be preserved, youth will be drawn in, and economic contributions will be enhanced.

**Strategic Priority 02: Integrating Sports into Education and Talent Management**

The integration of sports into the formal educational framework is imperative for cultivating early-stage talent pipelines and ensuring the long-term sustainability of the sports sector. The introduction of mandatory sports education curricula at the primary level, the implementation of systematic talent identification and mentoring initiatives, and the provision of performance-based scholarships for high-potential youth athletes will collectively help establish a robust foundation for athletic excellence.

This approach addresses the existing disconnect between education and sports development, where potential talent often remains undiscovered and unsupported. Embedding sports within the curriculum promotes holistic development while enabling systematic talent nurturing from an early age.

**Strategic Priority 03: Expanding Inclusive and Accessible Sports Infrastructure**

Decentralising sports infrastructure is crucial for ensuring fair access and widespread participation across the nation. By establishing sports villages, stadiums, and community recreation grounds at both the district and upazila levels, along with improving access within urban wards, we can create a more inclusive environment for sporting activities.

This strategy addresses the ongoing disparity in infrastructure distribution, where limited and uneven access restricts participation and hinders talent identification, especially in rural and underserved communities. Expanding grassroots facilities will allow for greater engagement, encourage community participation, and enhance public health outcomes.

**Strategic Priority 04: Promoting Democratic Governance and Accountability**

Democratic governance and the upholding of institutional integrity are essential to creating a credible and high-performing sports ecosystem. Developing participatory governance within sports institutions, implementing comprehensive anti-harassment and safeguarding protocols, and reinforcing accountability frameworks all contribute to transparency, equity, and protection for all stakeholders, with a particular focus on gender inclusivity.

This strategy directly addresses deep-rooted institutional limitations, such as political interference, which can undermine confidence, operational effectiveness, and sustained engagement. Enhancing governance frameworks is expected to promote merit-based selection processes, optimise resource allocation, and develop secure, inclusive environments for athletic participation.

**Strategic Priority 05: Developing Global Competitiveness**

The advancement of high-performance sports systems is essential for enhancing athletes' competitiveness and preparing them to succeed in international sports events. To achieve this, investment in modern training methodologies that leverage scientific research and technology is essential.

Collabourating with global sports organisations and experts can provide valuable insights for development. Besides, engaging experienced international coaches and adopting data-driven training systems will enable personalised strategies, allowing athletes to track their progress and make informed adjustments with the support of their coaches.

### Cross-cutting Enablers

**Enabler 01: Governance and Institutional Coordination**

Effective coordination among ministries, federations, and local governments is key to a unified policy implementation for sports development. This requires effective communication and collabouration to align initiatives with policy goals. Regular assessments across sectors will ensure coherent execution and address priorities.

**Enabler 02: Data, Research, and Innovation Systems**

Implementing evidence-based planning is essential for improving decision-making and outcomes across sectors. This requires collabouration with research institutions for rigorous data analysis. By integrating digital systems for efficient data collection and incorporating performance analytics, stakeholders can track progress and identify trends. Together, these elements form a robust framework that enhances strategic planning and optimises results.

## 24.3 Priorities and Key Interventions

### 24.3.1 Developing a Professional Sports Ecosystem

**Rationale**

Sports in Bangladesh often lack structured career pathways and financial security, leaving athletes uncertain about their careers. This results in premature dropouts and underperformance on both national and international stages.

**Objectives**

Developing sports as a formal sector by creating structured career pathways, ensuring financial stability for athletes, and establishing a sports economy supported by both public and private investment.

**Key Interventions**

1. Revitalise competitive sports by regularly organising Premier and First-Class leagues for hockey, basketball, chess, and other sports.
2. Introduce a transparent digital application system for the National Sports Allowance for 1,750 athletes who are insolvent, injured, or disabled, ensuring direct bank transfers upon verification to enhance transparency and efficiency in programme delivery.
3. Formulate and implement comprehensive salary and financial benefit policies for athletes and officials.
4. Engage financial institutions and corporate entities through Corporate Social Responsibility (CSR) frameworks to support sports development, along with clear beneficiary selection policies.
5. Provide medical assistance to athletes through a careful selection process, finalising beneficiary lists every three to four months through evaluations conducted by specialised committees.
6. Assess market demand, strengthen raw materials supply chains, and facilitate the establishment of production units in industrial parks to support sports and related industries.

### 24.3.2 Integrating Sports into Education and Talent Management

**Rationale**

Incorporating sports into the formal education curriculum will help address the existing disconnect between the education system and sports development, which results in underutilised youth potential and weak talent pipelines.

**Objectives**

Establish a comprehensive talent development ecosystem by embedding sports within the education system, enabling early identification, structured training, and continuous athlete development pathways.

**Key Interventions**

1. Draft standardised sports training curricula and coordinate with the Ministry of Education to integrate sports and skills development within formal education systems and appoint sports teachers at every school.
2. Implement "Notun Kuri Sports", a nationwide talent identification programme from the Union to the National level and connect the selected sports enthusiasts with structured pathways to training and scholarships at the Bangladesh Krira Shikkha Protishthan (BKSP).
3. Provide performance-based scholarships to 1,100 talented and emerging athletes across sectors to support their skill development and career progression.
4. Organise structured competitions from Union to National level, creating clear pathways for talent identification, selection for advanced training at BKSP, and providing the best performers with scholarships.
5. Host district and national-level competitions to identify and form divisional teams for higher-level participation and international representation.
6. Establish new sports training centres in Mymensingh and Rangamati, including targeted support for ethnic minority communities.

### 24.3.3 Expanding Inclusive and Accessible Sports Infrastructure

**Rationale**

Sports infrastructure in Bangladesh is unevenly distributed, with rural and underserved communities facing limited access to quality facilities. This restricts participation, talent discovery, and community engagement, while also contributing to broader public health challenges.

**Objectives**

To ensure equitable access to modern sports infrastructure across all regions, promoting mass participation, grassroots development, and inclusive engagement in sports.

**Key Interventions**

1. Carry out a thorough audit of the existing conditions of sports facilities in 64 districts, ensuring that every area has fair opportunities to develop its sports infrastructure.
2. Set up a National Sports Academy in a major city to help athletes train at a high level, support their professional growth, and connect with international partners.

3. Establish Sports Villages in each of the 64 districts and connect them to the main Sports Academy, so that athletes can train, talent can be discovered, and facilities can be improved, bringing them closer to home for everyone.
4. Launch playground development projects across the country to provide kids and adults in both cities and villages with better places to play sports, and establish local sports committees to manage and guide these activities.
5. Ensure public sports facilities are protected for authorised users, maintained in good condition for all, and that every facility occupied by encroachers is reclaimed.

### 24.3.4 Promoting Democratic Governance and Accountability

**Rationale**

Weak governance structures, political interference, and lack of transparency have undermined the credibility and effectiveness of sports institutions. Issues such as irregular elections, lack of safeguarding policies, and limited accountability mechanisms hinder fair participation and institutional performance.

**Objectives**

To strengthen governance systems in sports institutions by ensuring transparency, accountability, inclusivity, and protection for all stakeholders.

**Key Interventions**

1. Update the National Sports Policy to address the contemporary challenges and align with international standards.
2. Hold open and fair elections for sports associations at the district and upazila levels to build trust and responsibility.
3. Restructure national sports bodies through open, democratic elections to hold the leadership more accountable to the electorate, and organise credible periodic elections.
4. Political interference will be prevented across the sector to establish effective leadership in sports organisations and institutions.
5. Draft policies to stop harassment in sports arenas and enforce the policies to stop harassment in sports, and design awareness Programmes, safety measures, and training to keep everyone safe.
6. Set up sports offices in every upazila and hire the staff needed to manage and support local sports activities.
7. Digitise administrative work across the sector to track the progress in real time.

### 24.3.5 Developing Global Competitiveness

**Rationale**

Bangladesh's performance in international sports remains constrained by limited exposure, a lack of scientific training systems, and insufficient collabouration with global institutions. The absence of research-driven training and high-performance systems prevents athletes from competing effectively on the global stage.

**Objectives**

To enhance international competitiveness by developing high-performance training systems, strengthening global partnerships, and institutionalising research and innovation in sports.
Key Interventions:

1. A National Sports Research Institute will be established that will use scientific research, modern technology, and data analysis to help athletes reach international standards.
2. Implement data-driven, technology-enabled training systems and hire coaches and mentors to improve athletes' performance.
3. Strengthen international cooperation by signing Memoranda of Understanding (MoUs) with foreign governments and global sports organisations.
4. Develop central and regional high-performance training academies in all divisional cities nationwide.
5. Establish a modern National Olympic Academy to help prepare Bangladeshi athletes in multi-sport events, including the South Asian Games, Asian Games, Commonwealth Games, and Olympic Games.
6. Enhance the physical abilities of children with special needs through training and skill development, preparing them for the Paralympics.

## 24.4 Monitoring & Evaluation Framework with Key Indicators

| Strategic Priority | Actions | Outcome | Impact |
|---|---|---|---|
| Developing a Professional Sports Ecosystem | Organise first-class leagues, introduce a digital athlete allowance system, salary and benefit policies, mobilise CSR financing, provide medical support, and develop sports-related industries. | • 1,750 salaried sports professionals<br>• Accessing CSR funds from 50 organisations | Emergence of sports as a full-time profession |
| Integrating Sports into Education and Talent Management | Integrate sports into school curricula, launch a talent hunt, provide scholarships, establish BKSP pathways, upgrade and digitise the athlete database, and expand training centres targeting indigenous communities. | • Organise 5 Notun Kuri Sports competition<br>• Identify 2000 national talents in 20 different sports<br>• 1100 young talents to receive a stipend<br>• 2 new training facilities | Strong national talent pipeline leading to sustained excellence |
| Expanding Inclusive Sports Infrastructure and Access | Audit facilities nationwide, establish National Sports Academy and Sports Villages, develop playgrounds, reclaim encroached facilities, build upazila-level infrastructure, and form local sports committees. | • One national sports academy<br>• 64 Sports Villages<br>• 1000+ playgrounds | An inclusive sports ecosystem |
| Promoting Democratic Governance and Accountability | Update the National Sports Policy, ensure fair elections in sports bodies, prevent political interference, enforce anti-harassment policies, digitise administration, and establish upazila sports offices | • Periodic elections in every federation<br>• Digitisation of administrative work<br>• 450+ Upazila sports offices | Strong, credible sports institutions |

## 24.5 Implementation Arrangements, Risks & Governance

### 24.5.1 Institutional Framework

The Ministry of Youth and Sports (MoYS) will provide overall policy stewardship, strategic direction, and resource allocation for the sector. The Ministry will align the sports development agenda with strategic priorities.

The National Sports Council will act as the primary implementing and regulatory body, overseeing national federations, managing sports facilities, and coordinating competitions and training programmes. Talent development, high-performance training, and athlete pipeline management, including integration with education-based talent identification systems, will be led by the Bangladesh Krira Shikkha Protishthan (BKSP).

### 24.5.2 Coordination Mechanisms

The Ministry of Youth and Sports will work together with the Ministry of Education, the ICT Division, the Ministry of Foreign Affairs, and the Local Government Division to execute the strategies.

### 24.5.3 Key risks and mitigation strategies

Achieving the objectives of the strategic priorities requires proactive identification and management of significant risks that could impede progress. It is essential to tackle coordination issues and financial limitations to sustain progress. Specific mitigation strategies, such as enhanced institutional structures and creative financing methods, will help ensure prompt execution and lasting results in key initiatives.

| Risk Description | Probability/Impact | Mitigation Measures |
|---|---|---|
| Weak coordination across ministries and agencies may lead to delays | Medium/Medium | Establish a special coordination cell for manifesto promises with the support of the Prime Minister's Office. |
| Insufficient financing may lead to a delay in implementing the strategies | Medium/Medium | Prioritise high-impact programmes, and engage more private organisations to access the CSR funds. |

# PART V

## REFORMING ECONOMY AND THE STATE

### CLUSTER 10

## GOVERNANCE AND INSTITUTIONS

# CHAPTER 25

# DEMOCRATISATION OF THE ECONOMY: A FRAMEWORK FOR INSTITUTIONAL REFORM AND EQUITABLE GROWTH

## 25.1 Strategic Vision: The Mandate for Economic Democratisation

Economic democratisation refers to a transition from an archaic system of concentrated wealth and exclusive patronage to a modern framework defined by broad market participation. For Bangladesh, this is not merely a social ideal but a strategic imperative. As Bangladesh enters the next phase of inclusive development, it is pivotal to search for a new model that prioritises social justice and global competitiveness. The objective is to Institutionalise a system where resources and opportunities are accessible to the many rather than reserved for the few.

### 25.1.1 Dividends from Economic Democratisation

Economic Democratisation is instrumental to achieve three types of dividends: Democratic Dividend, Longevity Dividend, and Demographic Dividend. Economic democratisation refers to broadening economic opportunities, assets, markets, finance, and decision-making power so that economic benefits are shared widely across society rather than concentrated among a few groups. It promotes inclusive growth, competition, entrepreneurship, and equal access to opportunities.

### 25.1.2 Economic Democratisation and Democratic Dividend

A democratic dividend emerges when democratic governance leads to improved economic performance, social stability, and public trust.

Economic democratisation contributes by:

- Reducing economic inequality, thereby strengthening social cohesion and political stability.
- Expanding economic participation, allowing citizens to become stakeholders in economic growth.
- Increasing accountability and transparency by reducing rent-seeking and monopoly power.
- Strengthening the middle class, which is often a key supporter of democratic institutions.
- Enhancing trust in government when citizens perceive that economic opportunities are distributed fairly.

### 25.1.3 Economic Democratisation and Demographic Dividend

A demographic dividend occurs when a country has a large share of working-age population relative to dependents and can productively employ this workforce.

**Economic democratisation supports this by**

- Creating opportunities for youth employment and entrepreneurship.
- Improving access to education, skills training, and finance.
- Supporting small and medium enterprises (SMEs), which generate large numbers of jobs.
- Encouraging labour-intensive industries and regional economic development.
- Increasing women's participation in the labour force through equal access to economic opportunities.

### 25.1.4 Economic Democratisation and Longevity Dividend

A longevity dividend refers to the economic and social benefits arising from longer, healthier lives.

**Economic democratisation contributes through:**

- Broadening access to quality healthcare and social protection.
- Increasing incomes and living standards, which improve health outcomes.
- Creating opportunities for older citizens to remain economically active through flexible employment and lifelong learning.
- Promoting pension reforms and financial inclusion that enhance retirement security.
- Encouraging investments in health, nutrition, and preventive care.

## 25.2 Identifying Structural Barriers to Market Participation

Identifying and dismantling systemic bottlenecks is critical to ensuring that national growth remains inclusive rather than exclusionary. Without targeted intervention, the economic landscape naturally tilts toward established entities, creating a cycle where the majority of the population is systematically sidelined.

| Barrier Type | Impact on Economic Democracy |
|---|---|
| Regulatory Complexity | Specifically hinders "Starting a Business" and "Obtaining Construction Permits," effectively barring entry for new, un-connected entrepreneurs. |
| Contract Enforcement | Weak enforcement mechanisms increase the "informal tax" of doing business, leaving those without political protection unable to defend their interests. |
| Administrative Inefficiency | Protracted bureaucratic delays and licensing hurdles act as a gatekeeping mechanism that favors large conglomerates over agile SMEs. |

These structural inefficiencies do more than cause delay and they facilitate market capture. By maintaining high entry barriers, the current system forces Small and Medium Enterprises (SMEs) to remain in the informal sector. This status denies them access to formal credit and legal protections, effectively trapping them in a state of dependency. Simultaneously, these barriers serve as a protective moat for politically connected groups, stifling the competitive pressure necessary for a healthy entrepreneurial ecosystem. This reality dictates the urgent necessity for an aggressive deregulation agenda.

## 25.3 Strategic Priorities

### SP1: Ease of Doing Business through Deregulations

Bangladesh must deploy deregulation as the primary mechanism for dismantling the oligopolistic structures currently stifling businesses. By lowering entry barriers, the state can catalyse a "bottom-up" economic recovery that leverages the untapped potential of the broader population.

**Mechanisms for Reform**

1. Simplification of Registration: Overhauling the business startup process to integrate the informal economy into the formal sector.
2. Licensing Burden Reduction: Eliminating redundant bureaucratic requirements and multi-layered permit processes.
3. Investment Liberalization: Streamlining procedures to ensure that capital flows are dictated by market opportunity rather than administrative discretion.
4. Credit Democratisation: Improving access to formal finance for small-scale actors to break the cycle of high-interest informal lending.

However, the removal of restrictive rules must not be mistaken for the removal of oversight; deregulation requires a parallel commitment to sophisticated governance to prevent the rise of private monopolies. A detailed matrix on deregulatory measures to be undertaken in the next five years is given in the appendix of this chapter.

### SP2: Institutional Governance and the Rule of Law

Without robust governance institutions, market liberalization is inevitably subverted into a tool for "rent-seeking" and monopolization. It must be ensured that the retreat of the state from market interference is matched by the advancement of the state as a neutral arbiter.

**Core Governance Requirements**

- Transparent Institutions: Mandating visibility in all public and regulatory processes to eliminate backroom deal-making.
- Rule of Law: Enforcing a legal environment where the same rules apply to a village entrepreneur as they do to a national conglomerate.
- Judicial Efficiency: Reducing the timeframe for dispute resolution to instill market confidence and protect contract rights.
- Accountable Administration: Implementing strict consequences for public officials to prevent the weaponisation of regulation.

As highlighted by the Corruption Perceptions Index, weak governance transforms economic freedom into a privilege for the elite. Without institutional accountability, "deregulation" simply allows influential groups to consolidate power without even the pretense of state oversight. Therefore, governance is the only shield against the total capture of the market. This demand for institutional independence leads directly to the necessity of fiscal equity; a state cannot be a neutral arbiter if it is fiscally captured by the very interests it is meant to regulate.

### SP3: Tax Reform and Fiscal Equity

A significant increase in the tax-to-GDP ratio is a strategic necessity. The country requires a stable, independent revenue stream to fund the social infrastructure—education and healthcare—that makes a democratic market possible.

The following fiscal shifts are required to ensure the state is no longer reliant on a narrow group of influential sectors:

- Broaden the tax base to alleviate the disproportionate and stifling burden currently placed on a small segment of formal taxpayers.
- Remove preferential exemptions for influential sectors, ensuring that "winners" are chosen by market competition rather than fiscal favouritism.
- Institutionalise expenditure transparency to guarantee that public funds are utilised for collective social investment rather than private enrichment.
- Modernise tax administration to eliminate the discretionary power of collectors, which currently fuels corruption and discourages compliance.

Fiscal health is the prerequisite for institutional independence. Only a fiscally solvent state has the power to enforce anti-monopoly measures effectively.

### SP4: Anti-Monopoly Measures and Competition Policy

The concentration of market power in critical sectors—specifically banking, energy, and import trade—is a direct threat to national stability. These monopolies do not just increase costs for citizens; they actively "crowd out" the innovative small firms that drive long-term growth.

**Strategic Directives for Competition:**

1. Strengthen Anti-Monopoly Regulations: Empower the state to break up concentrations of power that prevent fair market entry.
2. Independent Regulatory Bodies: Oversight agencies must be insulated from political interference to ensure they serve the public interest rather than sectoral lobbies.
3. Transparent Procurement: Government contracts must be awarded through open, competitive bidding to end the era of patronage-based procurement.

By enforcing a level playing field, it is possible to transition the economy from a Dhaka-centric concentration to a dynamic environment that supports regional administrative empowerment.

### SP5: Decentralisation and Regional Economic Integration

The over-concentration of economic activity in Dhaka creates a fragile national structure susceptible to localised shocks. True economic democratisation requires that growth be geographically distributed, empowering regional centres to become self-sustaining economic hubs.

**Decentralisation Framework:**

- Fiscal Decentralisation: Shifting budgetary authority to local governments, allowing them to address specific regional infrastructure gaps.
- Administrative Devolution: Empowering local authorities to manage investment approvals and service delivery, reducing the need for "Dhaka-centric" lobbying.
- Localised Investment Stimulation: Creating regional incentives to encourage community-level entrepreneurship and rural industry.

Localised governance is the most efficient method for developing the primary national asset: the human

capital residing in rural heartlands.

## 25.4 Foundational Requirements: Human Capital and Financial Stability

Structural reforms will remain ineffective if the population lacks the capability to participate in the new market or if the financial system is unstable. These requirements are the safeguards of the entire reform agenda.

Human Capital Development We must aggressively invest in vocational training, quality public education, and digital infrastructure. This is particularly vital for rural youth and women, who must be equipped with the technical skills required to thrive in a deregulated, competitive economy.

Financial Oversight The banking sector currently exhibits critical vulnerabilities that threaten national self-reliance. To prevent systemic collapse, Bangladesh must address:

- Banking Sector Vulnerabilities: Resolving the crisis of Non-Performing Loans (NPLs) and ending the culture of "capital flight" that drains domestic resources.
- Central Bank Independence: Ensuring that monetary policy and banking supervision are insulated from political pressure to combat inflation and maintain currency stability.
- Rigorous Supervision: Implementing transparent, non-discretionary oversight to restore public confidence in financial institutions.

### 25.5.4 Integrated Framework

Economic democratisation acts as a bridge connecting all three dividends:

| Dividend | Role of Economic Democratisation | Outcome |
|---|---|---|
| Democratic Dividend | Inclusive opportunities, reduced inequality, stronger accountability | Stable and effective democracy |
| Demographic Dividend | Productive employment, entrepreneurship, skills development | Higher growth from youthful workforce |
| Longevity Dividend | Better health, social protection, active aging | Productive and healthy older population |

Economic democratisation transforms citizens from passive recipients of growth into active participants in economic development. By ensuring that opportunities, assets, and economic power are widely distributed, it enables countries such as Bangladesh to simultaneously harness the democratic dividend through stronger institutions, the demographic dividend through productive employment of youth, and the longevity dividend through healthier and economically active aging populations. Together, these three dividends create a foundation for sustainable, inclusive, and long-term national development.

## 25.5 Conclusion: A Unified Strategy for Equitable Prosperity

The vision for a democratized economy in Bangladesh requires a precise balance: market-oriented reforms to unleash growth, and institutional strengthening to ensure that growth is fair. Deregulation is the engine of this strategy, but the rule of law and competition policy are the steering mechanisms.

By adopting this framework, Bangladesh will move toward an open, competitive, and accountable system. This structural shift is the only path to long-term stability and true national self-reliance. It is time to act to ensure that the dividends of growth provide prosperity for every citizen, creating an inclusive economy that can withstand the pressures of the global market.

# APPENDIX

## DEREGULATION REFORM MATRIX

### Phase 1 — Recovery (Year 1 / FY2026–27)

| SL | Reform Commitment | Lead Agency | By | Service Standard | Baseline | KPI |
|---|---|---|---|---|---|---|
| 1 | Digital Single Window: all start-up approvals via one platform, ≤7 days | BIDA | FY27 | ≤7 days; | No fixed timeline | 100% ≤7 days |
| 2 | Company registration ≤48 hrs; provisional approval for new firms | RJSC, BIDA | FY27 | Registration ≤48 hrs | Multi-day manual | ≤48 hrs, 100% |
| 3 | e-Filing & automated faceless tax/VAT refunds; risk-based audit selection | NBR | FY27 | Year-round e-filing; auto refunds | Manual filing/ refunds | 100% e-filing |
| 4 | Deregulation Task Force + public complaints/monitoring website — Accountable Administration | Cabinet Division, Finance Division BIDA | FY27 | Task force + website operational | No dedicated oversight mechanism | Website live; complaints tracked |

### Phase 2 — Restoration (Years 1–3)

| SL | Reform Commitment | Lead Agency | By | Service Standard | Baseline | KPI |
|---|---|---|---|---|---|---|
| 1 | Trade-licence integration with investment system | LGD, City Corps, BIDA | Y1–3 | Online end-to-end | Manual, office-based | 100% online |
| 2 | Plug-and-Play industrial zones; time-bound inter-agency clearance — Investment Liberalization | BEZA, BSCIC, BEPZA | Y1–3 | Pre-arranged land/utilities/ approvals | Ad hoc provisioning | Set-up time cut |
| 3 | Integrated Single Window for construction/fire/ environment/land approvals — Licensing Burden Reduction | BIDA, DoE, Fire Service, RAJUK | Y1–3 | Single app; risk-tiered processing | 5+ separate clearances | 100% risk-classified |
| 4 | Fully online, time-bound IPO process | BSEC, DSE/ CSE, CDBL | Y1–3 | End-to-end online approval | Paper-based process | Cycle time reduced |

### Phase 3 — Reconstruction (Years 3–5)

| SP | Reform Commitment | Lead Agency | By | Service Standard | Baseline | KPI |
|---|---|---|---|---|---|---|
| 1 | Nationwide single-window roll-out; deemed approval institutionalized, Licensing Burden Reduction, Administrative Devolution | BIDA, Cabinet Division, Finance Division | Y1–5 | End-to-end digital, nationwide | Partial roll-out | 100% integration |

# CHAPTER 26

# GOVERNANCE, INSTITUTIONS AND HUMAN RIGHTS

## 26.1 Introduction and Strategic Approach

Good governance is an indispensable prerequisite for macroeconomic stability, sustainable and inclusive economic growth, and shaping development outcomes. It encompasses the effective management of public resources, adherence to the rule of law, transparency, accountability, and the establishment of robust institutions. When governance structures function efficiently, they create a stable economic environment characterised by prudent fiscal and monetary policies, low inflation, and investor confidence. A widely used framework for measuring governance quality is the Worldwide Governance Indicators (WGI) developed by the World Bank.

The WGI for Bangladesh covering six key dimensions of governance are shown in figure 1.

*Figure 26.1: Worldwide Governance Indicators (WGI) Trend for Bangladesh (World Bank Group, 2026)*

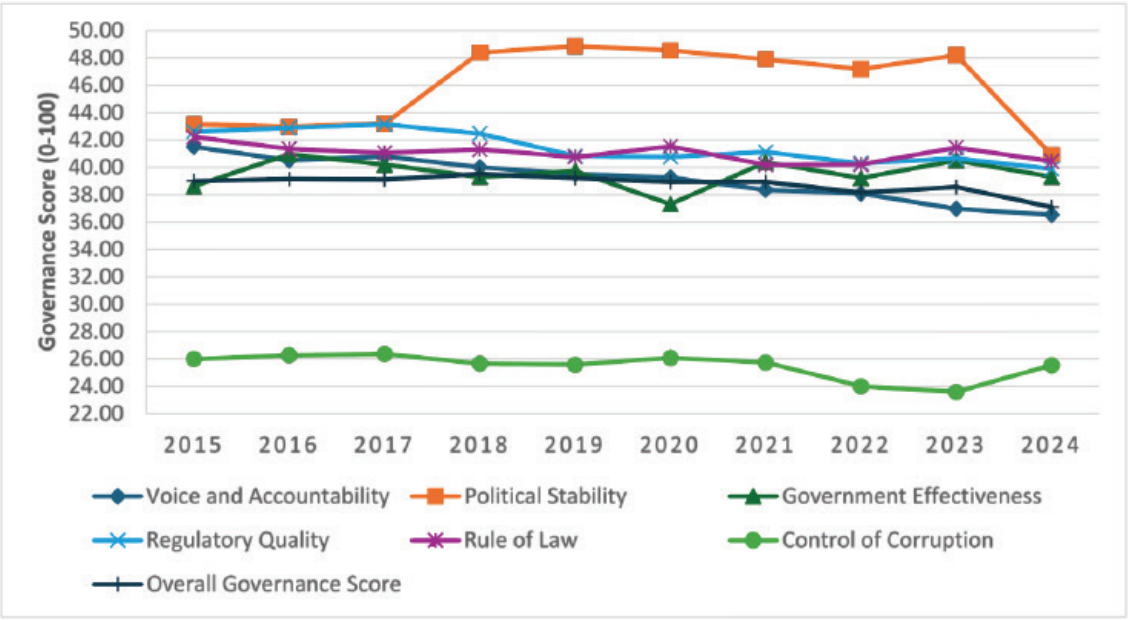



Figure 1 depicts the annual trend of the Worldwide Governance Indicators (WGI) and the overall governance score for Bangladesh from 2015 to 2024. The data demonstrate that Bangladesh has consistently scored below the midpoint (50) across all six governance dimensions, and that the aggregate WGI score has remained below this threshold throughout the period. Among the indicators, Control of Corruption (CC) stands out as the most concerning, with scores persistently below 30, reflecting significant challenges in addressing both petty and grand corruption. Additionally, Political Stability (PV) declined in 2024, likely due to the political transition period of the country. On a regional scale, governance performance of Bangladesh remains comparatively weaker than that of several

neighbouring countries, including India, Nepal, Bhutan, and Sri Lanka. This relative underperformance underscores the necessity for substantial institutional and policy reforms. To better align with global governance standards, the Government of Bangladesh will prioritise enhancements across all WGI dimensions, with particular emphasis on strengthening anti-corruption measures.

Bangladesh's current governance landscape reflects a combination of structural weaknesses, institutional fragmentation, and emerging macroeconomic pressures that collectively constrain effective public administration and economic performance. Key global indicators highlight persistent challenges: low scores in voice and accountability (36.53), control of corruption (25.55), and government effectiveness (39.31) signal weak transparency, limited institutional integrity, and gaps in enforcement capacity. These governance deficits are particularly visible in sectors such as infrastructure, banking, power and energy, and social protection, where fragmented institutional arrangements, weak oversight, and politicised decision-making contribute to inefficiency, resource misallocation, and corruption.

Large-scale infrastructure projects continue to experience high cost and time overruns due to corruption, while the banking sector faces deep vulnerabilities, evidenced by a non-performing loan ratio exceeding 30 per cent in 2025. At the same time, weaknesses in public safety, judicial capacity, and enforcement mechanisms are reflected in declining rule-of-law indicators and limited investment in security and justice institutions, which undermine business confidence and contract enforcement. Public service delivery remains constrained by bureaucratic inefficiencies, low administrative capacity, and inadequate resource allocation in critical sectors such as health and education. Centralised governance structures and weak sub-national coordination further limit responsiveness to local needs, contributing to service delivery gaps, duplication, and leakage in social protection programmes. These governance challenges are increasingly interacting with external shocks, particularly the ongoing energy crisis, which has exposed deficiencies in policy coordination, subsidy management, and regulatory transparency. Rising fuel prices, supply disruptions, and inconsistent policy signals have amplified inflationary pressures and public uncertainty. Overall, the current state of governance in Bangladesh is characterised by weak institutional coordination, limited accountability, and insufficient investment in capacity building, all of which hinder efficient service delivery, weaken the investment climate, and pose risks to sustainable and inclusive economic growth.

## 26.2 Governance, Investment Climate, and Service Delivery Linkages

When law and order enforcement is weak and receives inadequate attention, the economy's internal functioning is disrupted, as it fails to provide a stable and secure environment for business operations and investment. A globally recognised dataset in this regard is the Business Ready (B-Ready) index, which evaluates the regulatory framework and public services affecting firms, as well as the efficiency with which these regulatory mechanisms and services are implemented in practice. It is structured around three dimensions: (i) Regulatory Framework, (ii) Public Services, and (iii) Operational Efficiency.

Figure 2 presents the scores for these three dimensions for the years 2024 and 2025. The data show that the Regulatory Framework score declined from 56.99 in 2024 to 53.01 in 2025, indicating a deterioration in regulatory conditions. In contrast, the Public Services score improved from 41.64 to 45.14, reflecting gradual progress in service delivery, although it remains the weakest among the three indicators.

*Figure 26. 2: Business-ready Scores of Bangladesh (World Bank, 2025)*

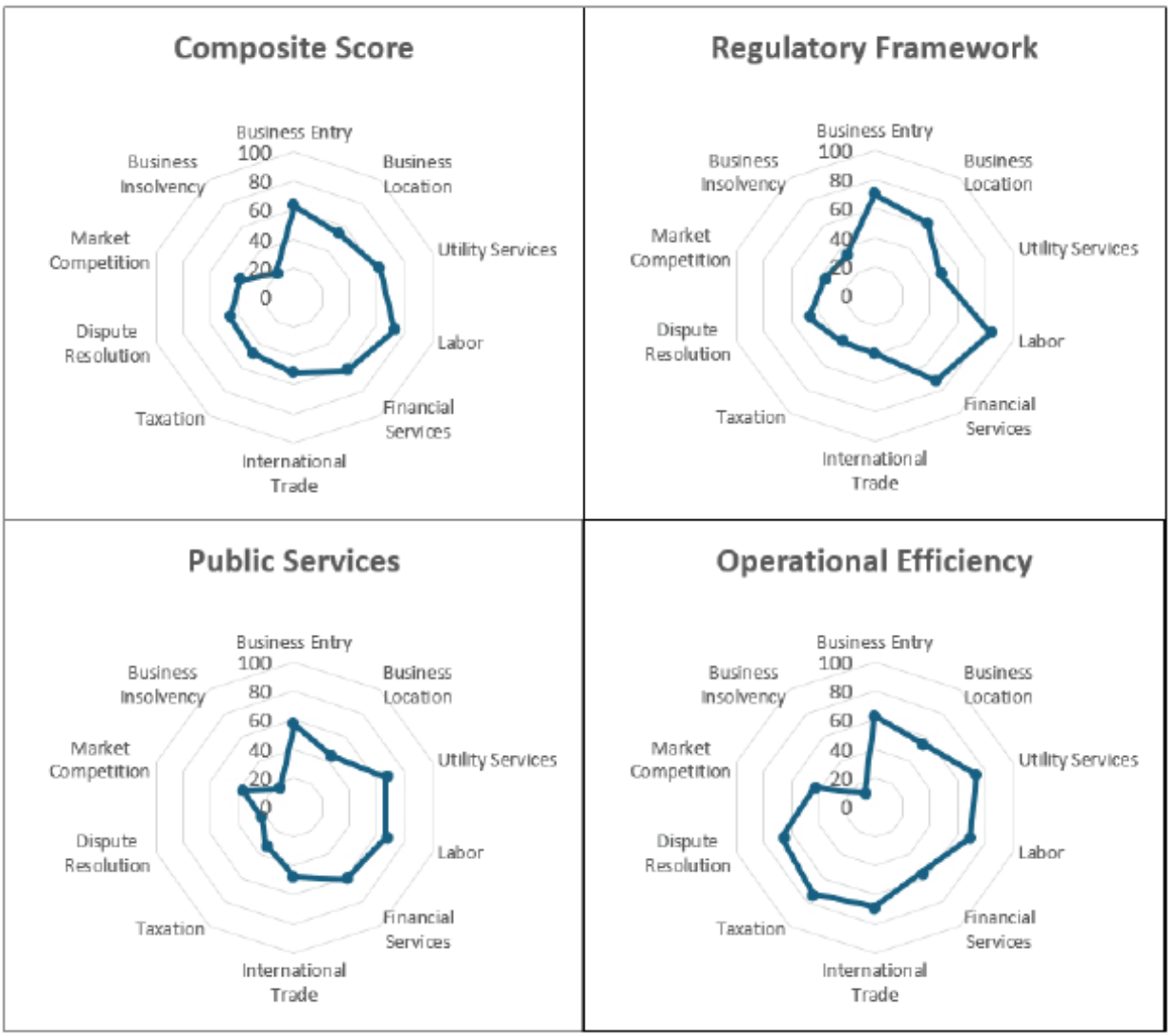
Meanwhile, the Operational Efficiency score decreased significantly from 70.49 to 57.77. In the B-Ready report 2025, Bangladesh was in the fifth, fourth, and third quantiles for the regulatory framework, public services, and operational efficiency, where averages were 66.32,53.97, and 60.03, respectively.

The more comprehensive assessment of security-related constraints to investment and business, contract enforcement, and dispute resolution is illustrated in Figure 3, where 10 topics for these three dimensions are presented with a composite score figure.

The Business Entry topic evaluates the process of registering and starting operations of new limited liability companies across three pillars. The first pillar assesses the regulatory framework for business entry. The second pillar examines the availability of digital services and the transparency of information. The third pillar measures the time and cost required to register domestic and foreign firms. Business entry performs relatively well, with 63.26 in the composite score, 69.25 in the regulatory framework, 57.17 in public services, and 63.36 in operational efficiency, suggesting that starting a business is comparatively efficient across both rules and practice.

The Dispute Resolution topic measures the efficiency and quality of resolving commercial disputes between firms across three pillars. The first pillar assesses the legal framework governing court procedures and ADR, including rules for case management, cross-border disputes, alternative forums, and institutional trust. The second pillar evaluates institutional capacity and service delivery, including court organisation, digitalisation, transparency, and ADR services, reflecting actual implementation. The third pillar measures the reliability, time, and cost of dispute resolution and enforcement of decisions. Dispute resolution is moderate overall, with 45.81 in the composite score and 47.34 in the regulatory framework, but it drops to 23.04 in public services and rises to 67.04 in operational efficiency, indicating stronger practical workarounds than formal institutional performance.

*Figure 26.3: GED's Illustration on Bangladesh's Performances across Different Business Ready Topics in 2025 using B-Ready Data, 2025*




The Business Insolvency topic evaluates insolvency systems across three pillars. The first pillar assesses the legal framework for judicial insolvency, including liquidation and reorganisation rules. The second pillar examines the institutional and operational capacity to implement insolvency proceedings. The third pillar measures the time and cost required for in-court insolvency processes. Business insolvency is consistently very weak, with scores of 20.59 in the composite measure, 33.83 in the regulatory framework, 16.25 in public services, and 11.68 in operational efficiency, showing major gaps, especially in real-world implementation. The Dispute Resolution and Business Insolvency pillars require greater policy attention to strengthen public safety and security and to reduce security-related constraints on investment and business activity.

## 26.3 Strategic Framework — Vision, Mission & Architecture

### Vision:

A transparent, accountable, and efficient governance system that will enable inclusive growth and effective public service delivery by embedding integrity, coordination, and performance across all institutions. This vision emphasises strengthening transparency and anti-corruption systems, reforming public service delivery and bureaucratic efficiency, and reinforcing the rule of law and justice systems to ensure fairness and trust. It also promotes enhanced sub-national governance and decentralisation to improve local responsiveness, alongside better governance for investment and private sector development. Together, these pillars aim to build a resilient governance framework that supports equitable development, investor confidence, and citizen-centric service delivery.

### Mission

To strengthen institutions, improve accountability, enhance service delivery efficiency, and foster a conducive environment for investment and development through targeted governance reforms. The mission prioritises combating corruption and increasing transparency, streamlining bureaucratic processes and improving public service delivery, ensuring effective enforcement of laws and justice systems, empowering local governments and improving coordination across tiers, while creating a predictable and transparent regulatory environment to support private sector growth. Through these strategic priorities, the mission seeks to build capable, responsive, and inclusive governance systems that drive sustainable economic development.

**Strategic Architecture**

- SP1: Strengthening Transparency and Anti-Corruption Systems
- SP2: Reforming Public Service Delivery and Bureaucratic Efficiency
- SP3: Strengthening Rule of Law and Justice Systems
- SP4: Enhancing Sub-national Governance and Decentralisation
- SP5: Improving Governance for Investment and Private Sector Development

## 26.4 Priorities and Key Interventions

### SP1: Transparency and Anti-Corruption

Transparency and anti-corruption remain central to improving governance in Bangladesh, yet persistent weaknesses in accountability, institutional effectiveness, and corruption control continue to hinder progress. Governance challenges are widespread across key sectors such as infrastructure, banking, power and energy, and social protection. Infrastructure projects are often affected by cost overruns, delays, Defective Planning and Design, Land Acquisition Hurdles Bureaucratic and Regulatory Delays, Technical and Contractual Issues, Funding and Inflation Crises and procurement irregularities due to weak coordination. The banking sector faces high non-performing loans driven by weak regulation and political interference. In power and energy, limited transparency and weak monitoring increase risks of inefficiency and resource leakage. The social protection system remains fragmented, leading to duplication and exclusion errors. Overall, weak enforcement, limited accountability, and opaque decision-making undermine efficiency, public trust, and sustainable development.

## Objectives

- Improve governance performance by increasing Bangladesh's score in control of corruption and government effectiveness indicators (WGI) by at least 10–15 per centile points.
- Reduce corruption and leakages in public expenditure, particularly in procurement-intensive sectors, by lowering cost overruns and irregularities in major public projects by at least 20 per cent.
- Strengthen accountability and oversight systems by ensuring that all major public institutions adopt transparent reporting, audit compliance, and grievance redress mechanisms.

## Key Interventions

### 1. Comprehensive public procurement reform

- Secure public spending by enforcing a comprehensive rollout of mandatory e-GP platforms across all ministries and agencies.
- Introduce open contracting standards and mandatory public disclosure of procurement data to reduce opacity and collusion.

### 2. Strengthening audit and oversight institutions

- Enhance the independence, capacity, and digital capabilities of audit institutions (e.g., Comptroller and Auditor General).
- Introduce real-time expenditure tracking and risk-based audits for large infrastructure and energy projects.

### 3. Digital transparency and data systems

- Develop integrated digital platforms for public financial management, project tracking, and service delivery monitoring.
- Establish publicly accessible dashboards on government spending, project progress, and procurement outcomes.

### 4. Anti-corruption enforcement and legal reforms

- Strengthen enforcement capacity of anti-corruption bodies through legal reforms, staffing, and technology.
- Fast-track corruption-related cases through dedicated judicial mechanisms and stricter penalties for high-level corruption.

### 5. Institutional coordination and governance reforms

- Establish inter-agency coordination mechanisms to reduce fragmentation in sectors such as infrastructure and social protection.
- Introduce performance-based accountability systems for public officials linked to service delivery outcomes.
- Developing qualified personnel for various organisations and placing them in appropriate roles.

### 6. Financial sector governance strengthening

- Enhance regulatory independence and supervision in the banking sector.
- Enforce stricter loan classification, reduce discretionary loan rescheduling, and improve transparency in credit allocation.

### 7. Citizen engagement and grievance redress mechanisms

- Strengthen whistleblower protection frameworks and citizen feedback systems.
- Expand digital complaint and grievance platforms to improve accountability in service delivery.

## SP2: Improving the Rule of Law and Justice Systems

A strong rule of law and an effective justice system are Indispensable for ensuring equitable justice and public safety, yet Bangladesh continues to face weaknesses in law enforcement, judicial efficiency, and institutional coordination. A significant barrier to justice and security is the minimal resource allocation and skilled manpower provided to the judiciary and police.These issues are compounded by case backlogs, slow judicial processes, and weak inter-agency coordination. Consequently, contract enforcement remains weak, and dispute resolution is often delayed and costly. Addressing these challenges requires targeted investments in institutional capacity, legal reforms, and digital transformation to enhance efficiency, transparency, and accessibility.

### Objectives

- Improve rule of law performance by increasing Bangladesh's ranking and score in rule of law and judicial effectiveness indicators.
- Enhance judicial efficiency by increasing the case disposal rate, systematically reducing existing backlogs, and decreasing the average case disposal time by 30%, while ensuring a substantial reduction in cases pending for ten years or more and expediting the disposal of cases involving violence against women and children.
- Strengthen institutional arrangements for Alternative Dispute Resolution (ADR mechanisms, pre-litigation dispute resolution through legal aid services by effectively mitigating challenges.
- Ensure a supportive, inclusive, and accessible environment for litigants, particularly women, children, older persons, persons with disabilities, and individuals with health related vulnerabilities.
- Strengthen the institutional capacity of the judiciary through increased development investment, modernisation, capacity building and improved coordination mechanisms.

### Key Initiatives

### 1. Judicial system modernisation and case management reform

- Introduce e-judiciary systems, digital case filing, and automated case tracking.
- Establish time-bound case management and fast-track courts for commercial and high-priority cases, where appropriate.

### 2. Reduction of case backlog and delay

- Expand alternative dispute resolution (ADR) mechanisms, including arbitration and mediation, as well as pre-litigation dispute resolution and legal consultation services through legal aid offices.
- Increase the number of judges, courts, and support staff, particularly in high-demand areas.
- Develop and implement a dedicated strategic plan for reducing case backlogs and delays.

### 3. Capacity building and infrastructure investment

- Increase development allocations for judiciary, law enforcement, and legislative institutions.
- Invest in modern court infrastructure, digital system, and capacity-building programmes.

**4. Law enforcement reform and professionalisation**

- Strengthen training, accountability, and oversight mechanisms for police and security agencies.
- Introduce data-driven policing and integrated crime information systems.

**5. Legal and regulatory reforms**

- Review and update outdated laws and improve alignment with international standards.
- Strengthen enforcement mechanisms and reduce discretionary practices.

**6. Improved coordination and governance in justice delivery**

- Establish coordination platforms among police, judiciary, and prosecution services.
- Integrate justice sector data systems for better monitoring, evaluation and evidence-based policy planning.

### SP3: Public Service Reform

Efficient and accountable public service delivery is essential for improving citizen welfare and supporting economic development, yet Bangladesh continues to face persistent bureaucratic inefficiencies, procedural delays, and weak performance management systems. Although service coverage has expanded, these gains are undermined by governance concerns, including human rights issues and declining public trust. Citizen dissatisfaction with poor services in key sectors such as health, education, and infrastructure reflects deeper problems of corruption, politicisation, and weak accountability. Public sector capacity remains constrained by fiscal limitations, low development spending, and a relatively small administrative workforce. Limited budgetary focus on institutional reforms indicates weak prioritisation of capacity building. Structural challenges such as workforce shortages, gender imbalance, and disparities in compensation further affect motivation and service quality.

**Objectives**

- Improve public service efficiency and quality by reducing service delivery time and administrative delays across key sectors by at least 30 per cent.
- Strengthen performance management and accountability through the adoption of results-based systems across all major public institutions.
- Enhance citizen satisfaction and accessibility of services by expanding digital and citizen-centric service delivery mechanisms.

**Key Initiatives**

**1. Administrative process simplification and digitisation**

- Streamline bureaucratic procedures and reduce approval layers across ministries.
- Expand e-governance platforms for service delivery (e-services, one-stop service centres).

**2. Performance management and accountability reform**

- Introduce results-based performance evaluation systems linked to service delivery outcomes.
- Establish clear service standards and performance benchmarks for public institutions.

**3. Public sector incentive and compensation reform**

- Rationalise public sector pay structures to improve competitiveness and reduce distortions.
- Introduce performance-based incentives and rewards for efficiency and integrity.

**4. Human resource capacity strengthening**

- Expand recruitment in critical service delivery sectors (health, education, law enforcement).
- Promote gender balance and diversity in public sector employment.

**5. Citizen-centric service delivery systems**

- Develop integrated service delivery platforms (one-stop centres, digital portals).
- Strengthen grievance redress mechanisms and citizen feedback systems.

**6. Anti-corruption and integrity measures in public service**

- Strengthen internal controls and reduce discretionary decision-making.
- Increase transparency in resource allocation and service delivery processes.

**7. Institutional strengthening and resource allocation**

- Increase development spending for public administration reform and capacity building.
- Invest in training, digital infrastructure, and organisational reforms.

### SP4: Strengthening Sub-national governance

Effective service delivery in Bangladesh depends on the capacity and coordination of sub-national institutions, yet local government institutions face constraints such as limited technical capacity, inadequate staffing, weak administrative systems, and restricted fiscal autonomy. These challenges create misalignment between central planning and local needs, resulting in duplication and inefficiencies. Despite relatively higher development allocations, resource utilisation remains weak due to corruption, bureaucratic inefficiencies, and limited accountability, with many beneficiaries facing irregularities such as informal payments and delays. Centralised control over finances and decision-making further limits local responsiveness. Fragmentation in programme design, particularly in social protection, leads to duplication, exclusion errors, and resource leakages. Weak targeting and internal governance issues, including concentration of authority and limited participation, reduce transparency and inclusiveness. Strengthening local capacity, coordination, and fiscal decentralisation is therefore essential for improving service delivery.

**Objectives**

- Strengthen local government capacity and performance by improving planning, staffing, and administrative efficiency across LGIs.
- Enhance fiscal decentralisation and resource utilisation by increasing local discretion over development funds and improving budget execution efficiency.
- Improve coordination and accountability across government tiers to reduce duplication, leakage, and inequities in service delivery.

**Key Initiatives**

**1. Capacity building and institutional strengthening of LGIs**

- Expand technical staffing and training in planning, financial management, and service delivery.
- Develop standardised administrative systems and operational guidelines.

**2. Fiscal decentralisation and financial management reform**

- Increase discretionary funding authority for local governments.
- Simplify fund release procedures and strengthen local-level public financial management systems.

**3. Improved intergovernmental coordination mechanisms**

- Establish formal coordination platforms between central, regional, and local governments.
- Align national development priorities with local planning processes.

**4. Strengthening transparency and accountability at the local level**

- Introduce digital financial tracking and public disclosure of local budgets and expenditures.
- Strengthen audit systems and anti-corruption measures within LGIs.

**5. Streamlining social protection and service delivery systems**

- Consolidate overlapping programmes and develop integrated beneficiary databases.
- Improve targeting mechanisms to reduce duplication and exclusion errors.

**6. Enhancing citizen participation and inclusiveness**

- Promote participatory planning and community monitoring mechanisms.
- Strengthen representation and decision-making roles of elected members beyond chairpersons.

**7. Reducing leakage and improving service integrity**

- Introduce digital payment systems and beneficiary verification tools.
- Strengthen grievance redress systems and monitoring frameworks at the local level.

## 26.5 Policy Matrix

The Policy Matrix is designed as a structured pathway through which the government can fulfil the pledges outlined in its election manifesto by translating broad policy pledges into a clear, time-bound, and actionable reform agenda. Recognising that governance challenges are both immediate and structural, this framework adopts a phased Recovery, Restoration, and Reconstruction (3R) approach to address short-term constraints while laying the foundation for long-term institutional transformation. The strategic rationale of the 3R framework lies in its sequencing. The first phase focuses on stabilisation by addressing urgent governance bottlenecks that directly affect economic activity, such as corruption risks, administrative delays, and law-and-order constraints. The second phase shifts towards restoring institutional functionality by tackling enforcement gaps, improving public service delivery, and strengthening coordination across government entities. The final phase emphasises reconstruction and growth acceleration through deeper systemic reforms, including enhancing transparency and accountability, reforming public administration, and strengthening decentralisation. By aligning immediate priorities with medium-term structural reforms, the Policy Matrix ensures coherence between policy intent and implementation. It provides a practical roadmap for advancing governance reforms across key strategic priorities, enabling the government to move from pledge to execution while supporting sustainable economic growth and improved service delivery.

## Policy Matrix using the 3R Framework

| Strategic Priorities | Phase 1 Recovery & Stabilisation (1year) | Phase 2 Restoration (1-3 years) | Phase 3 Reconstruction & Acceleration (1–5 years) |
|---|---|---|---|
| SP1: Strengthening Transparency and Accountability Systems | 1. Digitise court infrastructure, expand judicial capacity, and reduce backlogs to ensure accessible justice<br>2. Digitise financial oversight, strengthen anti-corruption legislation, and align grievance systems with international standards | 1. Reduce judicial backlogs through open contracting, district mediation, and an autonomous Anti-Corruption Commission with independent project monitoring<br>2. Empower the Auditor General, modernise audits with risk-based digital tools, and institutionalise inter-agency coordination and independent project appraisals | 1. Establish a Judicial Commission, fast-track courts, performance-based accountability, and MLATs with key partner countries.<br>2. Implement the Total Digital Concept, e-land registration, open data dashboards, and citizen oversight mechanisms |
| | 3. Expand digital procurement, implement real-time expenditure tracking, and strengthen SARD. | 3. Reform banking supervision, refine macroeconomic forecasting, and finalise international legal treaties for asset repatriation. | 3. Embed anti-corruption safeguards across all policies and strengthen Finance Division–NBR–Bangladesh Bank coordination. |
| SP2: Rule of Law and Justice Systems | 1. Digitise court services through e-judiciary initiatives<br>2. Build a service-oriented police force aligned with UN standards<br>3. Take initial steps to strengthen ADR mechanisms, pre-litigation dispute resolution, and legal consultation services.<br>4. Adopt the Case Management Manual and the Case Backlog Reduction Strategic Framework. | 1. Roll out e-judiciary systems nationwide, expand Alternative Dispute Resolution (ADR) and mediation mechanisms, reform commercial laws, and strengthen forensic and investigative capacity<br>2. Establish specialised human rights tribunals, increase human rights personnel, and improve police-judiciary-prosecution coordination<br>3. Prevent violence and corruption through community-level awareness campaigns | 1. Operationalise the Judicial Commission<br>2. Promote online dispute resolution and public legal information sevices, review laws and policies to eliminate discriminatory provisions, and sustain community-level anti-corruption and violence prevention initiatives.<br>3. Operationalise the Ombudsman office with full institutional capacity |

| Strategic Priorities | Phase 1 Recovery & Stabilisation (1year) | Phase 2 Restoration (1-3 years) | Phase 3 Reconstruction & Acceleration (1–5 years) |
|---|---|---|---|
| | | 4. Ensure effective implementation of the Case Management Manual<br>5. Achieve substantial progress in reducing case backlogs under the Case Backlog Reduction Strategie Framework. | 4. Substantially reduce case backlogs and fully expand ADR mechanisms, pre- litigation dispute resolution, and legal consultation services.<br>5. Ensure full implementation of the Case Management Manual<br>6. Achieve significant progress under the Case Backlag Strategic Framework. |
| SP3: Public Service Reform | 1. Expand digital one-stop services, integrate agency platforms, establish a digital single window, and automate work permits<br>2. Introduce merit-based recruitment, transfer, and promotion systems with transparent performance recognition<br>3. Enact a Civil Service Act through an Administrative Reform Commission<br>4. Decentralised govt. services to divisional level as appropriate | 1. Automate approvals through D-Nothi, and develop the Bangladesh Investment Portal for unified investment service delivery<br>2. Fill all vacant positions through merit-based recruitment<br>3. Develop a skilled accountable administration through a Civil Service Act and e-governance | 1. Develop the Banglabiz single window portal in three phases, achieve 100% digital approvals through D-Nothi and One Stop Service Centres, and establish a fully functional digital single window for all licenses and approvals<br>2. Sustain a merit-based administration by filling all vacant positions on merit<br>3. Implement minimum wage rates across all BEPZA-governed EPZ sectors<br>4. Expand police capacity with 32,954 new positions and new units |
| SP4: Strengthening Sub-national Governance | 1. Simplify local service procedures<br>2. Initiate legal reforms, conduct governance and financial audits for electoral integrity, launch annual open development meetings, and publicly display all local service and social safety net information on boards and digital platforms | 1. Expand LGI technical staffing, introduce performance-based management, and implement integrated e-governance platforms and one-stop service centres across districts and upazilas<br>2. Strengthen fiscal decentralisation, improve local public financial management, and restructure the Public Service Commission | 1. Fully implement interoperable LGI-central digital systems, expand unified social protection beneficiary databases, and ensure real-time public disclosure of all budgets and expenditures<br>2. Embed ward committees, community monitoring, and social audits, and align LGI governance with international decentralised governance standards |

| Strategic Priorities | Phase 1 Recovery & Stabilisation (1year) | Phase 2 Restoration (1-3 years) | Phase 3 Reconstruction & Acceleration (1–5 years) |
|---|---|---|---|
| | | 3. Institutionalise participatory planning, citizen feedback mechanisms | 3. Prioritise merit and integrity over political affiliation, develop a skilled civil service through recruitment reforms, and institutionalise continuous electoral and governance reform cycles |
| SP5: Governance for Investment Climate | 1. Implement the Bangladesh Single Window for unified digital trade and investment services.<br><br>2. Amend the Companies Act 1994 and Trade Organisations Rules 2025.<br><br>3. Establish BFTI as an autonomous body through legislation to ensure independent, high-quality policy research. | 1. Establish the Bangladesh Single Window and a common digital platform for license renewal.<br><br>2. Establish Credible, Evidence-Based Information for Improving Project Design, Management and Implementation including introducing Microsoft Project and Oracle Primavera P6 tools. | 1. Establish the Bangladesh Single Window and a common digital platform for license renewal. |

## 26.6 Monitoring and Evaluation Framework with Key Indicators

### Monitoring and Evaluation Framework

| Indicator | Target by 2030 | Measurement Frequency |
|---|---|---|
| Control of Corruption Index | Significant improvement toward the regional average | Every 2 years |
| Rule of Law Index | Sustained upward trajectory | Every 2 years |
| Corruption Perceptions Index (CPI) | Meaningful improvement above baseline | Annual |
| Government Effectiveness Index | Improved effectiveness across public institutions | Every 2 years |
| Citizens reporting bribery in public services | Substantial reduction from baseline | Every 3 years |
| Public procurement through e-GP | Near-universal adoption across all ministries | Annual |
| Court case backlog clearance rate | Significantly higher clearance rate | Annual |
| Citizens accessing e-government one-stop services | The majority of eligible citizens are using digital services | Annual |
| LGI budget execution rate | Improved execution | Annual |
| ACC cases investigated and prosecuted | Increased caseload with a higher conviction rate | Annual |
| Grievance redress cases resolved within timeframe | Majority resolved within the mandated period | Annual |
| Female representation in civil service (officer grade) | Increased representation toward parity | Annual |

| Indicator | Target by 2030 | Measurement Frequency |
|---|---|---|
| Ombudsman complaints registered and resolved | Fully operational with a growing caseload | Annual |
| Ministries with real-time expenditure tracking | All ministries covered | Annual |
| Judges per 100,000 population | Increased toward the regional benchmark | Annual |
| Effective implementation of ADR, Pre-case dispute Resolutio, legal consultation service. | Significantly and widely achieved | Annual |
| Districts with fully operational e-judiciary systems | All 64 districts covered | Annual |
| Civil servants trained through structured in-service programmes | Substantial increase in trained officials | Annual |
| LGIs with functioning internal audit units | A large majority of LGIs covered | Annual |
| Police trained under UN minimum use-of-force standards | Nationwide coverage of frontline personnel | Annual |
| Open contracting data published for major contracts | Near-complete publication of major contracts | Annual |
| Public expenditure on justice and public administration | Increased allocation reflecting reform priority | Annual |
| Anti-Corruption Commission budget | Increased to reflect institutional mandate | Annual |
| Local government share of total public expenditure | Increased toward meaningful fiscal decentralisation | Annual |
| e-Government investment | Increased to sustain digital governance transition | Annual |

## 26.7 Implementation Risks and Mitigation Measures

| Risk Description | Probability & Impact Rating | Mitigation Measures |
|---|---|---|
| Fiscal constraints and limited budget availability | High / High | Prioritise high-impact interventions, improve expenditure efficiency, expand domestic revenue mobilisation, and leverage PPPs and external financing |
| Human resource shortages and weak institutional capacity | High / High | Scale up targeted recruitment, strengthen training systems, introduce performance-based incentives, and expand partnerships with training institutions |
| Climate and disaster-related shocks are disrupting implementation | Medium/ High | Integrate climate resilience into planning, strengthen disaster preparedness systems, and develop contingency and rapid response funding mechanisms |
| Fragmentation in governance and weak inter-agency coordination | High/ High | Establish formal coordination platforms, improve inter-ministerial planning alignment, and strengthen digital interoperability across agencies |
| Political transitions and policy discontinuity | Medium/ High | Institutionalise reforms through legal frameworks, strengthen bureaucratic continuity mechanisms, and ensure depoliticised implementation systems |
| Data and evidence gaps for planning, monitoring, and evaluation | High/ Medium-High | Strengthen national statistical systems, improve data integration across agencies, expand real-time monitoring systems, and institutionalise M&E frameworks |
| Corruption, leakage, and weak accountability systems | High/ High | Expand digital service delivery and financial systems, strengthen audit and oversight institutions, improve transparency through public disclosure, and enhance grievance redress mechanisms |

## CLUSTER 11

# REFORM, MONITORING AND IMPLEMENTATION FRAMEWORK

# CHAPTER 27

# IMPLEMENTATION, MONITORING AND EVALUATION FRAMEWORK FOR FYSF

## 27.1 Background

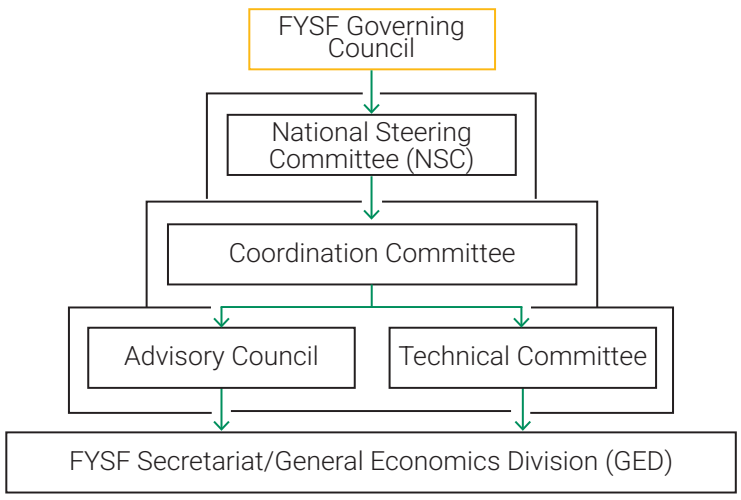
The implementation of the Five-Year Strategic Framework (FYSF) is managed through a multi-tiered governance structure designed to ensure accountability, technical rigor, and alignment with national priorities. At the apex of this mechanism is a High-Level Committee chaired by the Prime Minister, supported by a hierarchy of steering and coordination committees. The General Economics Division (GED) serves as the primary operational engine, responsible for quarterly monitoring of ministry-level progress, synthesizing feedback from advisory and technical bodies, and facilitating a structured reporting cycle that culminates in an annual progress evaluation for the highest levels of government.

## 27.2 Governance and Oversight Structure

The FYSF implementation mechanism utilises a vertical hierarchy of committees to provide strategic direction and oversight. Each level of the structure is assigned specific leadership to ensure political and technical integration:

The General Economics Division (GED) acts as the central coordinating body or Secretariat for the FYSF. In synchronization with the sector divisions of the Planning Commission, the GED is responsible for data collection, inter-agency liaison, and the synthesis of progress reports.

**THE STATIC ARCHITECTURE OF FYSF IMPLEMENTATION**



The Committee's formation is as follows. The members of the Governing Council will be decided by Gazette notifications of the government with approval of the competent authority.

## FYSF COMMITTEE LEADERSHIP MATRIX

| | Functional Tier | Committee | Leadership |
|---|---|---|---|
| | **Tier 1:** Executive Approval | Governing Council on FYSF Implementation | Headed by the Hon'ble Prime Minister |
| | **Tier 2**: Strategic Steering | National Steering Committee (NSC) | Headed by Finance and Planning Minister |
| | **Tier 3:** Operational Alignment | Coordination Committee | Headed by Adviser/State Minister |
| | **Tier 4:** Expert Guidance | Advisory Council | an expert/ eminent economist |
| | **Tier 5:** Operational & Technical Hub | Technical Committee | Headed by GED Member |

### 27.3 Monitoring and Data Collection

The GED is tasked with maintaining a rigorous quarterly engagement schedule with various government entities:

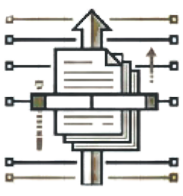
- Quarterly Consultations: The GED meets with respective Ministries, Divisions, and Agencies on a quarterly basis.
- Progress Tracking: These meetings are used to collect quarterly progress data on committed activities.
- Alignment: Collected data is specifically evaluated for its alignment with both the government manifesto and the FYSF.

## THE DUAL MANDATE OF THE GED

### Data Gathering & Tracking

- Conducts monthly meetings with respective Ministries, Divisions, and Agencies.
- Collects monthly progress data on committed activities aligned with the Manifesto and FYSF.

### Report Generation & Orchestration



- Prepares FYSF Implementation Progress Reports based on ministry data.
- Integrates critical feedback from the Advisory Council and Technical Committee.
- Routes synthesized reports upward through the Coordination Committee and NSC.

## 27.4 Synthesis and Feedback Integration

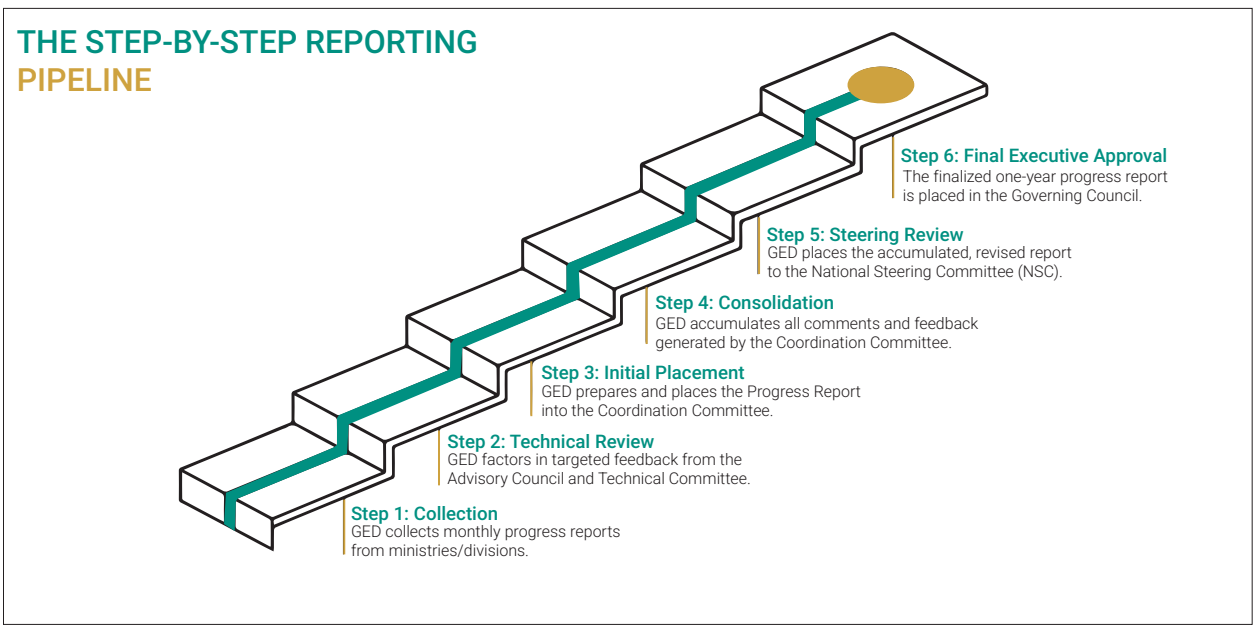
The GED serves as the conduit between technical expertise and executive decision-making:

- **Report Preparation:** Based on the data received from ministries and divisions, the GED prepares a comprehensive Progress Report on FYSF implementation.
- **Expert Integration:** The GED incorporates feedback received from the Advisory Council (headed by Prof. Wahiduddin Mahmud) and the Technical Committee into the progress documentation.
- **Committee Liaison:** The synthesized Progress Report is first placed before the Coordination Committee for review.

## 27.5 Reporting and Accountability Cycle

The implementation mechanism follows a structured reporting flow to ensure that progress data reaches the highest levels of executive oversight:

1. **Agency Level:** Ministries, Divisions, and Agencies provide raw progress data to the GED.
2. **Synthesis Level:** The GED prepares the Progress Report, integrating feedback from the Technical Committee and Advisory Council.
3. **Coordination Level:** The report is presented to the Coordination Committee (headed by the Adviser/State Minister). The committee will meet once in every three months.
4. **Steering Level:** After accumulating all comments and feedback from the Coordination Committee, the GED submits the updated report to the National Steering Committee (NSC). The NSC will meet once in every six months. Mid-term and end-term evaluations will be incorporated in addition to annual reporting. The NSC will arrange extraordinary review meetings if any implementation risks emerge.
5. **Final Executive Review:** A final report detailing the one-year progress of the FYSF is placed before the Governing Council, chaired by the Prime Minister, for ultimate review and accountability. The Governing Council will meet once in a year.



# CHAPTER 28

# IMPLEMENTATION OF 'OPEN GOVERNMENT DATA' AND CAPACITY ENHANCEMENT OF BANGLADESH BUREAU OF STATISTICS

## 28.1 Background

Official statistics are a core component of national development infrastructure. They support development planning, macroeconomic management, public service delivery, local governance, social protection, climate resilience, SDG monitoring and international reporting. As the National Statistics Office, the Bangladesh Bureau of Statistics (BBS) produces official statistics through censuses, surveys, compilation of national accounts, price statistics and SDG-relevant indicators used for priority setting, resource allocation, policy design and performance monitoring.

For the Five-Year Strategic Framework for Reform and Development (2026-2030), official statistics should be treated as a strategic public good rather than an administrative support function. The planning priority is to ensure that Bangladesh has credible, timely, disaggregated, comparable and user-oriented statistics generated through a coordinated National Statistical System (NSS). This requires stronger legal authority, predictable financing, modern data infrastructure, high-quality metadata, administrative data integration and improved access for policy, research and public accountability as well as strong institutional settings.

## 28.2 Weaknesses and Challenges of Current Official Statistics

The current official statistical system faces institutional, technical, financial and operational constraints. Fragmented legal provisions and unclear NSS roles weaken coordination, free microdata sharing and enforcement of common standards. Existing administrative approval system and business-allocation arrangements may affect professional independence, release timeliness and public confidence. Many core statistical products still rely on irregular or ad hoc financing, causing delayed and quality compromised implementation, long data gaps and weak compliance with the Advance Release Calendar. Quality assurance is uneven, and inconsistent concepts, classifications, documentation and metadata reduce comparability. Key product gaps remain in health, education, social-sector, manufacturing, service-sector, national accounts, price, agriculture, disaster and environmental statistics. Statistical infrastructure is incomplete, in absence of population, business and farm registers, limited sub-national level disaggregation and underuse of the National Household Database. BBS also requires reorganisation and implementation of Taskforce reform recommendations to strengthen independence, technical capacity, professional career pathways, accountability and user-oriented service delivery toward a world class National Statistics Office. Following table identifies the key weaknesses and challenges along with remedies of the current official statistics and their system:

| Major items | Weaknesses / Challenges | Way Forward |
|---|---|---|
| 1. Legal mandate & institutional authority | Fragmented legal provisions and unclear authority over OPOS/ODPs weaken coordination, data sharing and enforcement of statistical standards. | • Amend the Statistics Act, 2013 to define the National Statistical System (NSS).<br>• Restructuring BBS through reforming the existing organogram and human resource capacity.<br>• National Statistics Office (NSO), Other Providers of Official Statistics (OPOS) and Other Data Providers (ODP) roles clearly.<br>• Strengthen BBS's coordinating authority and open and free data-sharing mandate. |
| 2. Professional independence & governance | BBS-SID division of labour and approval processes can affect professional autonomy, release timing and public trust. | • Clarify Allocation of Business<br>• Re-empower the Head of NSO for statistical release.<br>• Establish transparent oversight and accountability mechanisms. |
| 3. Core survey financing | Many core surveys face irregular/ad hoc financing, creating delays, data gaps and project-driven priorities. | • Create secured and embargo/capping-free (removing single/double stars) revenue-budget lines for core censuses/surveys.<br>• Prepare and publish pre-announced periodicity and data collection calendars. |
| 4. Release calendar & timeliness | Delayed releases and irregular updates to the Advance Release Calendar reduce predictability and credibility. | • Maintain, publish and strictly follow an updated Advance Release Calendar (ARC).<br>• Monitor release performance and publish metadata with every release. |
| 5. Quality assurance system | No fully embedded quality unit, uneven validation practice and weak documentation culture affect comparability and confidence. | • Institutionalise National Quality Assurance Framework (NQAF) and Generic Statistical Business Process Model (GSBPM) following international standards.<br>• Create product-level quality reports, independent validation by professional body avoiding conflict of interest (post enumeration check surveys for censuses), audit trails and quality gates before release. |
| 6. Harmonisation across NSS | Duplicate outputs, inconsistent concepts/ classifications and weak inter-agency coordination create conflicting statistics. | • Establish methodological advisory/technical committees.<br>• Harmonise definitions, classifications, standards and calendars across National Statistical System of the Country. |
| 7. Quality Administrative data for GDP and statistics | Secondary data quality, manual data transfer and limited transparency on sources affect national accounts and other derived statistics. | • Sign data-sharing MoUs, automate data flows/ API exchange, publish source-and-methods notes, revision policy and quality checks for administrative data.<br>• Empowering BBS for inspecting and accessing secondary data sources for validation/authentication those are used as input for official statistics. |

| Major items | Weaknesses / Challenges | Way Forward |
|---|---|---|
| 8. Integrated registers and frames | Survey frames become outdated; business, population and farm registers are not yet fully institutionalised. | • Develop and regularly update National Population Register (NPR) according to legal mandate linking with other government databases ensuring interoperability.<br>• Develop Statistical Business Register and Statistical Farm Register using census, administrative and geospatial data. |
| 9. Digital data infrastructure | Absence of fully integrated API, microdata/metadata units, data warehouse and shared platforms limits interoperability. | • Build an integrated data platform with Access Protocol Interface (API), Statistical Data and Metadata Exchange (SDMX), metadata repository, anonymised microdata portal (data.gov.bd) and secure data warehouse. |
| 10. Field operations and coverage | High cost, coverage/ content error risk, manual processes and field infrastructure gaps affect survey and census quality. | • Expand CAPI/GIS, geo-fencing, 24/7 dashboard monitoring, field back-checks, PEC/independent validation and expanded permanent field infrastructure. |
| 11. Disaggregation and local statistics | Limited district/upazila-level estimates reduce usefulness for local planning and targeted policy. | • Apply small area estimation, improved sample design, geospatial integration and district-level dissemination for priority indicators. |
| 12. Free and Open Microdata access and user service | In-person access, priced/ fee-based data sharing, limited explanatory notes and delayed microdata release reduce utility for research use and transparency. | • Create one-stop data window, research data lab, online anonymised microdata access, data request tracking and user-friendly documentation. |
| 13. Human capacity and career pathway | Vacancies, cadre/non-cadre dissection, frequent transfer across thematic units/wings and weak specialization cause talent loss and institutional memory gaps. | • Implement professional career pathways, HR reforms through unification by encadrement of non-cadre services, specialization streams, retention incentives and performance-based development.<br>• Clustering human resources and their deployment within the thematic units/wings for bridging specialization and institutional memory gaps. |
| 14. Training and statistical literacy | No dedicated specialized statistical academy and limited data literacy among users, media and local officials affect production and use. | • Establish a Dedicated specialized Statistical Academy under the leadership of national statistics office; run regular training, data leadership courses, media/user literacy and methodological certification. |
| 15. Communication and trust | Low public data literacy, weak policy briefs and reluctance to share disaggregated data can erode trust in official statistics. | • Adopt free and open-data operating model; publish dashboards, policy briefs, plain-language notes, quality flags and stakeholder feedback mechanisms.<br>• Regularize user-producer dialogues and media briefing on latest releases and emerging issues.<br>• Establish dedicated unit and spokesman on behalf of National Statistics Office to communicate with media and users. |

## 28.3 REMEDY AND WAY FORWARD

The reform and development agenda for official statistics during 2026–2030 should aim to transform the Bangladesh Bureau of Statistics (BBS) into a modern, professionally independent, digitally enabled and internationally recognised National Statistics Office (NSO). The strategic focus should be on strengthening institutional foundations, improving statistical quality, expanding data coverage, modernising production systems, enhancing accessibility and building public trust. Simultaneously, priority should be given to modernising core statistical products and establishing a fully integrated National Statistical System (NSS) capable of supporting evidence-based planning, SDG monitoring and national development management.

### Strengthening the Legal and Institutional Foundation

The Statistics Act, 2013 should be amended to clearly define the National Statistical System (NSS), the role of BBS as the National Statistics Office (NSO), and the responsibilities of Other Producers of Official Statistics (OPOS) and Other Data Providers (ODPs). Consistent with the National Strategy for the Development of Statistics (NSDS), the revised legal framework should strengthen system-wide coordination, establish clear institutional accountability and provide a legal basis for harmonised production and dissemination of official statistics across government. The revised legal framework should provide BBS with stronger authority to coordinate official statistics, access administrative records, enforce statistical standards and promote free and open data sharing across government. Implementation of the approved recommendations of the Statistics Reform Taskforce should be prioritised, including modernisation of the organisational structure, strengthening of professional independence, enhancement of statistical coordination mechanisms and development of a modern data ecosystem.

### Ensuring Professional Independence and Good Governance

Professional independence should be strengthened through clarification of the Allocation of Business and establishment of clear statistical release protocols for removing political and administrative interference in statistical release. Technical decisions relating to methodology, compilation and dissemination should remain under the professional authority of the Head of the NSO backstopped by domain wise technical and expert committees. Transparent governance arrangements, accountability mechanisms and regular performance reporting should be institutionalised to safeguard credibility and public confidence.

### Securing Sustainable Financing for Core Statistics

Core surveys and statistical programmes should be financed through secured and protected revenue-budget allocations rather than relying on irregular project-based financing. Dedicated economic codes should be created for NSO budget allocation removing the embargo/capping the allocation releases. A medium-term financing framework should be established to guarantee continuity of key statistical operations. Pre-announced survey periodicity, data collection schedules and publication calendars should be adopted to reduce data gaps and ensure predictable production of official statistics.

### Improving Timeliness and Release Discipline

BBS should maintain and publicly disseminate a comprehensive Advance Release Calendar (ARC) covering all major statistical products. Compliance with the ARC should be monitored regularly, and performance indicators should be incorporated into institutional accountability frameworks. Every statistical release should be accompanied by metadata, methodological notes and revision policies to enhance transparency and predictability.

Timeliness improvements should extend to all major statistical products. Fixed publication schedules should be established for HIES, LFS, HMSS, MICS, Literacy Assessment Survey, Agriculture Census, Survey of Manufacturing Industries (SMI), Survey of Service Industries (SSI), and Citizen Perception Survey. Pre-announced periodicity and release calendars should be strictly followed, while anonymised microdata and supporting metadata should be released within a defined timeframe after publication of final reports. Priority should be given to reducing long gaps between survey rounds and shortening the time lag between data collection and dissemination.

### Institutionalising Statistical Quality Assurance

Quality management should become an integral component of statistical production. The UN National Quality Assurance Framework (UN-NQAF) and the Generic Statistical Business Process Model (GSBPM) should be fully institutionalised across all statistical programmes following international standards. Product-level quality reports, independent validation mechanisms, audit trails, post-enumeration surveys, quality gates and documentation requirements should be systematically applied before dissemination. Quality assurance mechanisms should be tailored to the specific requirements of different statistical products. Population and Housing Census operations should incorporate Post Enumeration Checks (PEC) and independent validation surveys. Sample Vital Statistics System (SVSS) should introduce routine quality audits, ICD-aligned cause-of-death coding and standardised modules. HMSS should adopt ICD-11 classifications, while Labour Force Survey concepts should be aligned with the latest ILO standards. Agricultural statistics should be supported through validation committees, crop-cutting experiments and remote sensing integration. Product-level quality indicators should be disseminated alongside all major statistical outputs.

### Enhancing Harmonisation Across the National Statistical System

To eliminate inconsistencies and duplication, methodological advisory committees and technical coordination mechanisms should be established across the NSS. Standard concepts, definitions, classifications, metadata standards and statistical calendars should be harmonised among ministries, departments and agencies. Regular peer reviews and inter-agency consultations should be conducted to ensure coherence and comparability of official statistics. Special attention should be given to harmonising concepts, classifications and methodologies across demographic, social, economic and agricultural statistics. Harmonisation should be ensured among BBS, DGHS, DGFP, BANBEIS, DPE, DAE, DLS, DoF, NBR, RJSC and other data-producing agencies. Statistical classifications should be aligned with international standards including ISIC, CPC, ICD, ILO, UNESCO, SDG and Sendai Framework requirements to ensure comparability and international reporting consistency.

Implementation of the NSDS requires strengthening coordination among all producers of official statistics. Sectoral statistical units within ministries and agencies should be progressively strengthened and integrated into the NSS through common standards, classifications, metadata protocols and reporting systems. A National Statistical Coordination Council and thematic technical working groups should be institutionalised to promote coherence and reduce duplication across the NSS. Regular NSS assessments should be conducted to identify data gaps, duplication and capacity constraints.

### Strengthening Administrative Data for GDP and Official Statistics

Administrative data should become a major pillar of official statistics production. BBS should establish formal data-sharing arrangements with key ministries and agencies through Memoranda of Understanding (MoUs) and automated Application Programming Interface (API) systems. Transparent source-and-method documentation, revision policies and quality-assurance procedures should be

introduced for administrative data used in national accounts compilation and other derived statistics. BBS should also be legally empowered to inspect and validate source data used in official statistical production.

Administrative data integration should be progressively expanded to support national accounts, labour market statistics, health statistics, education statistics and agricultural statistics. Integration of NBR, VAT, customs, RJSC, trade license, utility, CRVS, education and health management information systems should be prioritised. Automated data exchange mechanisms should replace manual reporting processes wherever feasible. Administrative records should also support continuous updating of the Statistical Business Register, National Population Register and Statistical Farm Register.

### Developing Integrated Statistical Registers and Frames

Modern statistical production requires robust statistical infrastructure. Priority will be given to establishing and regularly updating a National Population Register (NPR), Statistical Business Register (SBR) and Statistical Farm Register (SFR) using census, survey, administrative and geospatial data sources. These registers should be interoperable with other government databases and serve as the foundation for future censuses, surveys and administrative-data integration. The National Population Register should be developed as a long-term foundation for register-based population statistics. The Statistical Business Register should be established using Economic Census 2024, NBR, RJSC, VAT and other administrative sources. Similarly, a Statistical Farm Register should be developed by integrating Agriculture Census, DAE, DLS, DoF and geospatial information. These registers should become the primary statistical infrastructure supporting censuses, surveys, sample design and administrative data integration.

The next Agriculture Census should ensure comprehensive coverage of crop, livestock and fisheries farms and establish a foundation for the Statistical Farm Register. Detailed sub-sector information should be generated to support agricultural transformation, food security monitoring and local-level planning.

### Accelerating Digital Transformation and Data Infrastructure

BBS should develop an integrated statistical data ecosystem that includes API-based data exchange, SDMX-compliant metadata systems, secure data warehouses, metadata repositories, automated validation systems and online microdata dissemination platforms. Such infrastructure should support interoperability, real-time monitoring, efficient data management and evidence-based decision making across the NSS. Digital transformation should encompass all stages of statistical production. Online reporting systems, CAPI platforms, dashboard-based monitoring systems, geospatial technologies, remote sensing applications, web scraping and scanner data should be progressively integrated into official statistics production. Data repositories should support anonymised microdata dissemination, metadata management, revision tracking and machine-readable data exchange through APIs and SDMX standards. BBS should progressively adopt innovative data sources and methods, including earth observation data, remote sensing, scanner data, web scraping, big data analytics and artificial intelligence-assisted statistical processing where appropriate and consistent with international standards.

### Modernising Field Operations and Statistical Production

Digital technologies should be fully integrated into field operations. Expansion of Computer-Assisted Personal Interviewing (CAPI), GIS-based mapping, geo-fencing, real-time dashboards, automated supervision systems and digital quality-control procedures should become standard practice. Digital technologies should be fully integrated into field operations. Expansion of CAPI, GIS-based mapping, geo-

fencing, real-time dashboards, automated supervision systems and digital quality-control procedures should become standard practice. Population Census, Agriculture Census, HIES, LFS, HMSS, SVSS, SMI and future Service Industry Surveys should operate through fully digital data collection systems. Crop statistics should increasingly combine field surveys, crop-cutting experiments and remote sensing technologies. Permanent field infrastructure should be strengthened to improve coverage, reduce non-sampling errors and enhance operational efficiency. Special attention should be given to climate change, disaster risk reduction and environmental sustainability indicators through integration of geospatial information, environmental accounts and disaster statistics aligned with the SDGs, Sendai Framework and SEEA.

### Expanding Local-Level Statistics and Disaggregation

The growing demand for localised planning and SDG monitoring requires greater statistical disaggregation. BBS should strengthen sample designs, geospatial integration and small-area estimation techniques to generate reliable district and upazila-level estimates. Priority indicators should be disseminated through local statistical profiles, dashboards and planning tools to support evidence-based local governance. District and upazila-level estimates should be produced for priority indicators relating to poverty, labour market outcomes, education, health, agriculture, SDGs and governance. Advanced small-area estimation techniques, geospatial integration and larger sample designs should be used to improve local-level precision. District statistical profiles and local development dashboards should be institutionalised to support evidence-based local planning.

### Promoting Open Data and Free Access to Microdata

Official statistics should be recognised as a strategic public good and a national development asset that must be accessible, reusable and trusted by all stakeholders. BBS should adopt a free and open-data dissemination model that ensures timely online access to anonymised microdata, metadata, questionnaires, codebooks, sampling designs, weighting procedures, methodological reports and data-quality statements. Priority datasets including Population Census, HIES, LFS, SVSS, HMSS, MICS, National Hygiene Survey, Literacy Assessment Survey, Violence Against Women Survey, Economic Census, Agriculture Census, SMI and SSI should be made available through a one-stop data portal linked with data.gov.bd. A research data labouratory and tiered-access system should be established to facilitate evidence-based research while protecting confidentiality. The detailed plan has been described in Section E of this Chapter.

The NSDS principle of “data as a public good” should guide dissemination policies. Open data, open metadata and transparent statistical communication should become standard practice. National data portals should serve as integrated access points for official statistics, metadata, SDG indicators and analytical products.

### Strengthening Human Resources and Professional Career Development

A sustainable statistical system requires a skilled and motivated workforce. Human-resource reforms should promote professional career pathways, specialization, merit-based advancement and retention incentives. Measures should also be undertaken to unify human resources through encadrement of non-cadres, reduce excessive transfers across technical domains and strengthen thematic specialization to preserve institutional memory and technical expertise. Specialized technical streams should be developed in demographic statistics, social statistics, labour statistics, national accounts, price statistics, agricultural statistics, environmental statistics, geospatial statistics, data science and statistical methodology. Long-term posting within thematic wings should be encouraged to build

subject-matter expertise and institutional memory. Specialized skills required for emerging areas such as big data analytics, machine learning, geospatial statistics and administrative-data integration should receive priority attention.

### Establishing a National Statistical Academy and Promoting Statistical Literacy

A specialized National Statistical Academy should be established under the leadership of the NSO to provide continuous professional training in official statistics, national accounts, survey methodology, data science, geospatial statistics, quality assurance and communication. Training programmes should also target OPOS, ODPs, policymakers, journalists and local government officials to improve data literacy and evidence-based decision making. The Academy should provide structured certification programmes in official statistics, national accounts, survey methodology, sampling, data science, GIS, SDMX, metadata management, NQAF, GSBPM and communication of statistics. Dedicated training programmes should also support users of official statistics, including policymakers, journalists, researchers, local government officials and development partners to improve data literacy and effective use of statistics.

### Building Public Trust Through Communication and User Engagement

Public trust in official statistics depends on transparency, accessibility and effective communication. BBS should adopt an free and open-data communication strategy supported by policy briefs, dashboards, plain-language statistical notes, quality statements and stakeholder feedback mechanisms. Regular user-producer dialogues, media briefings and public consultations should be institutionalised. A dedicated communication and outreach unit, including an official spokesperson for the NSO, should be established to improve public understanding and trust in official statistics. Public trust should also be strengthened through greater transparency regarding statistical methodologies, revisions, quality assessments and administrative-data use. User-friendly policy briefs, interactive dashboards, statistical explainers and open-data portals should accompany major releases. Regular stakeholder consultations, user satisfaction surveys and public communication campaigns should be institutionalised. Free and responsible access to anonymised microdata should be recognised as a key instrument for enhancing transparency, accountability and public confidence in official statistics.

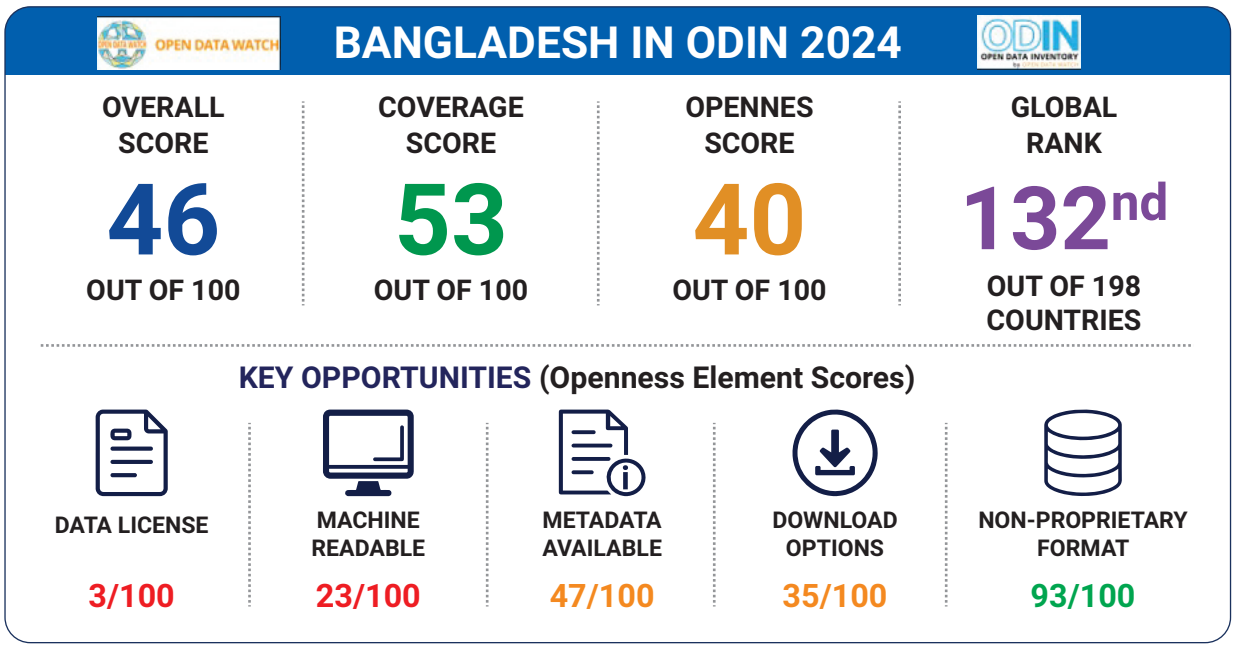
## 28.4 MONITORING, EVALUATION AND REPORTING

A results-based monitoring framework should be established to track implementation of the National Strategy for the Development of Statistics. Progress should be monitored through measurable indicators covering statistical production, data quality, dissemination, administrative-data integration, digital transformation, NSS coordination, user satisfaction and statistical capacity development. Periodic NSS assessments and independent reviews should be conducted to evaluate progress and guide course corrections. The Statistical Council should oversee implementation and provide strategic guidance to ensure achievement of NSDS objectives.

Together, these reforms will establish a modern, integrated, technology-enabled and professionally independent National Statistical System capable of meeting the growing demand for high-quality official statistics. The reform agenda is aligned with the National Strategy for the Development of Statistics (NSDS), the Statistics Reform Taskforce recommendations, SDG monitoring requirements and Bangladesh's long-term development aspirations. Through implementation of these reforms, BBS will evolve into a world-class National Statistics Office capable of producing trusted, timely, disaggregated and internationally comparable statistics as a strategic public good for evidence-based governance, economic transformation and sustainable development.

## 28.5 OPEN GOVERNMENT DATA, FREE MICRODATA SHARING AND PUBLIC TRUST

Open Government Data and responsible microdata sharing should be treated as a core reform area for strengthening transparency, evidence-based planning and public trust in official statistics. BBS produces a large volume of valuable data through censuses, surveys, administrative-data compilation and statistical products, but users often face practical barriers in accessing detailed datasets. In many cases, data is available mainly through PDF reports, scattered web pages or formal request procedures, which limits reuse by policymakers, researchers, media, students, private sector and development partners. A modern official statistics system should therefore ensure that data is not only produced, but also made accessible, understandable, reusable and trusted.




Open and free access to official statistics is increasingly recognised as a cornerstone of evidence-based governance, transparency and public trust. The value of official statistics is realised not only through data production but also through timely dissemination, accessibility and reuse by policymakers, researchers, development partners, businesses, media and citizens. International experience demonstrates that countries with stronger open-data ecosystems benefit from better policy analysis, innovation, accountability and public engagement. The Open Data Inventory (ODIN) 2024 highlights that while Bangladesh has made significant progress in statistical production and data coverage, important gaps remain in data openness, machine-readable dissemination, metadata availability and user access mechanisms. Expanding free access to anonymised microdata, strengthening data.gov.bd and institutionalising open-data practices can substantially improve Bangladesh's international standing, increase the utilisation of official statistics and reinforce public confidence in government data systems.

A key priority should be the 'free online dissemination of anonymised microdata' from major censuses and surveys. BBS should develop a structured microdata-sharing system where public-use datasets are made available after removing all direct and indirect identifiers that may disclose personal or institutional information. Each dataset should be accompanied by complete documentation, including questionnaires, codebooks, sampling design, weighting procedure, methodology note, data-quality

statement, metadata, variable descriptions and terms of use. This will allow users to conduct independent analysis while maintaining confidentiality and professional standards.

At the same time, the national Open Government Data platform, data.gov.bd, should be enhanced as a central gateway for official statistics and government datasets. The platform should provide machine-readable data in formats such as CSV, Excel, JSON and SDMX, supported by search functions, dataset catalogues, update schedules, APIs, dashboards and user feedback mechanisms. BBS, SID and other data-producing ministries should jointly establish a regular data upload protocol so that priority datasets on population, poverty, labour, prices, GDP, health, education, agriculture, gender, climate, disaster and SDG indicators are available through one integrated platform.

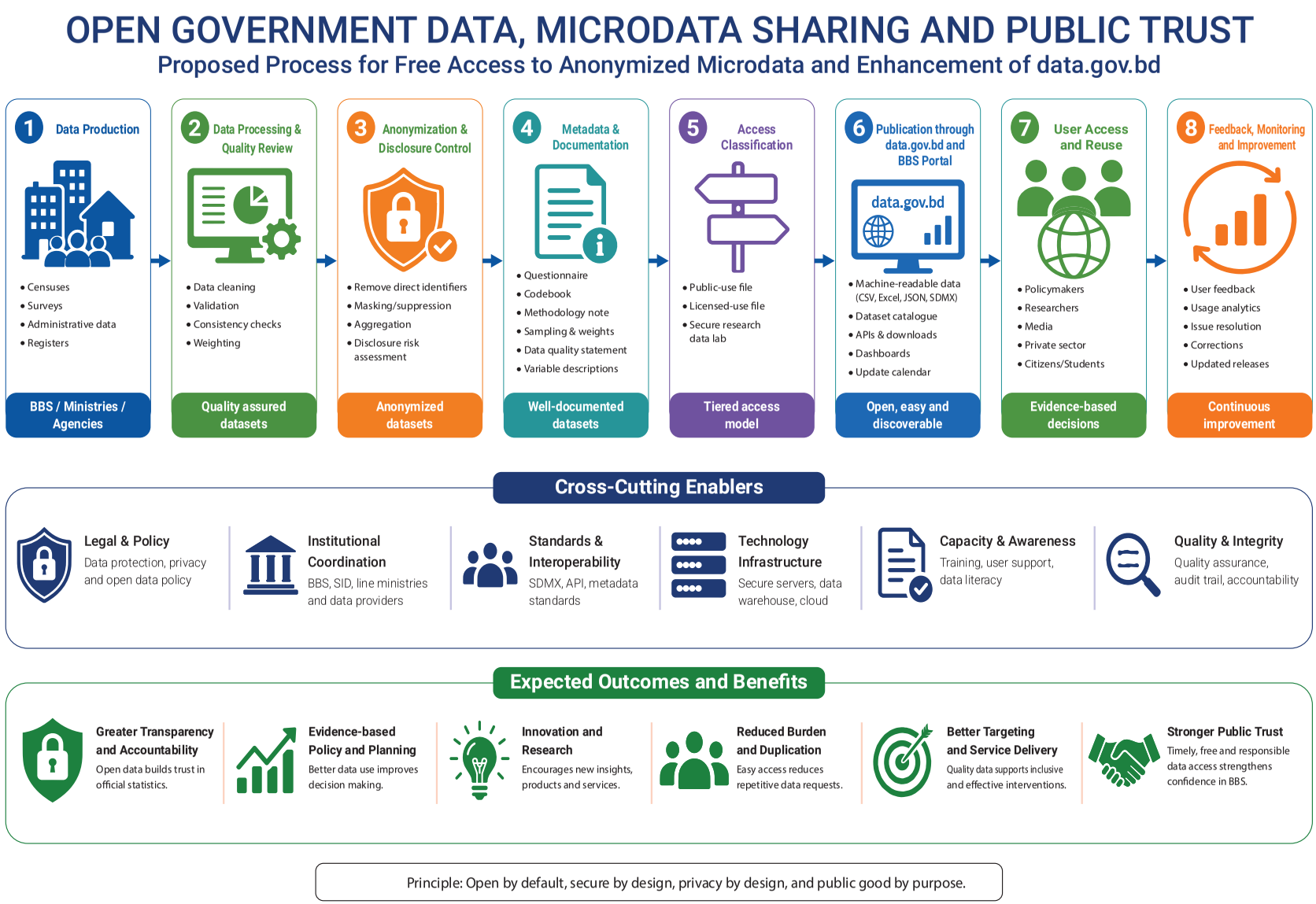
The system should also apply a tiered *access model*. Non-sensitive anonymised datasets may be released as public-use files for free download. More detailed but still anonymised datasets may be provided through licensed access after user registration and agreement to data-use conditions. Highly sensitive datasets may be accessed only through a secure research data lab or controlled environment. This approach will balance openness with confidentiality, ensuring that data is widely used without compromising privacy or legal obligations.

*Figure 28.1: Proposed Open and Free Data Sharing Arrangement*

The reform should be supported by clear institutional arrangements. BBS should establish or strengthen a dedicated microdata and metadata unit responsible for anonymisation, documentation, disclosure-risk assessment, data licensing, user support and monitoring of dataset use. Standard operating procedures should be developed for preparing, approving, uploading and updating datasets. Regular user training, policy briefs and plain-language release notes should also be introduced to improve data literacy and prevent misinterpretation of official statistics.

A credible open-data and microdata-sharing system will reduce administrative delays, avoid duplication of data requests, improve research quality, support innovation and strengthen accountability. Most importantly, it will demonstrate that official statistics are public goods produced for equal use by all stakeholders. By ensuring timely, free and responsible access to anonymised microdata and strengthening data.gov.bd, Bangladesh can build a more transparent, accountable and data-driven governance system.

*Figure 28.2: Proposed Open and Free Data Sharing Arrangement*



## 28.6 ACTIVITY-WISE IMPLEMENTATION WORK PLAN

| Major items | Strategic Action Point | Timebound Action Plan | | | Remarks |
|---|---|---|---|---|---|
| | | 180 Days (2026) | 1 Year (by 2027) | Five Year (by 2030) | |
| 1. Legal mandate & institutional authority | Update legal framework and reorganise BBS as a stronger NSO with clear NSS-wide authority. | • Form legal reform working group.<br>• Prepare amendment concept note and organogram reform outline.<br>• Remove administrative approval steps for official statistics releases. | • Finalize draft amendment to Statistics Act, 2013.<br>• Complete consultations with SID, Cabinet Division, MOPA, Finance and key ministries. | • Operationalise revised Act/ rules.<br>• Implement reorganised BBS structure and clear NSO-OPOS-ODP roles. | Requires high-level inter-ministerial coordination and legal vetting. |
| 2. Professional independence & governance | Clarify BBS-SID division of labour and protect technical release authority. | • Review Allocation of Business and approval steps.<br>• Draft statistical release protocol. | • Approve revised business allocation and release protocol.<br>• Establish oversight and accountability mechanism. | • Apply professional release authority to all core products.<br>• Publish annual accountability and performance reports. | Central to trust, timeliness and credibility of official statistics. |
| 3. Core survey financing | Move core censuses and surveys from ad hoc financing to predictable programme financing. | • Finalize core product list, costing and periodicity.<br>• Identify financing gaps. | • Create revenue-budget lines/MTBF provision for core products.<br>• Publish data collection calendar. | • Ensure all core products are implemented on approved cycle with secured financing. | Should be linked with NSDS and annual budget process. |
| 4. Release calendar & timeliness | Strengthen discipline in publication through an enforceable Advance Release Calendar (ARC). | • Update ARC for all major products.<br>• Define release responsibility and slippage reporting. | • Introduce release monitoring dashboard.<br>• Publish metadata and release notes with outputs. | • Achieve at least 95% ARC compliance for core statistical products. | ARC should be publicly available and regularly updated. |
| 5. Quality assurance system | Institutionalise NQAF and GSBPM across statistical production. | • Select pilot products and prepare quality templates.<br>• Establish quality gate checklist. | • Create/ strengthen quality assurance unit.<br>• Introduce product-level quality reports and audit trails. | • Apply NQAF/ GSBPM to all core products with independent validation where required. | Quality reports should accompany major releases. |

| Major items | Strategic Action Point | Timebound Action Plan | | | Remarks |
|---|---|---|---|---|---|
| | | 180 Days (2026) | 1 Year (by 2027) | Five Year (by 2030) | |
| 6. Harmonisation across NSS | Harmonise concepts, classifications, standards and metadata across data producers. | • Map duplicate outputs and inconsistent definitions.<br>• Identify priority sectors for harmonisation. | • Establish methodological advisory/ technical committees.<br>• Approve common standards manual. | • Implement NSS-wide harmonised definitions, classifications and regular peer review. | Requires participation of ministries, OPOS and ODPs. |
| 7. Administrative data for GDP and statistics | Improve quality, transparency and automated use of administrative and secondary data. | • Map key administrative sources used in GDP and derived statistics.<br>• Identify quality and access gaps. | • Sign data-sharing MoUs and pilot API/data exchange.<br>• Publish source-and-method notes and revision policy. | • Establish automated, audited and quality-checked administrative data flows for national accounts and related statistics. | BBS should have authority to inspect and validate input data. |
| 8. Integrated registers and frames | Develop modern statistical registers as the backbone for censuses, surveys and sampling frames. | • Prepare register roadmap, governance model and data sources.<br>• Prioritise NPR, SBR and SFR. | • Start updating SBR from Economic Census 2024 and administrative sources.<br>• Design NPR/SFR integration plan. | • Operationalise NPR, Statistical Business Register and Statistical Farm Register with regular updates. | Use census, administrative and geospatial data. |
| 9. Digital data infrastructure | Build an integrated statistical data platform for interoperability, metadata and secure storage. | • Prepare system architecture and procurement/ implementation plan. | • Establish metadata repository, secure warehouse pilot and SDMX/API standards. | • Operate full integrated platform with API exchange, SDMX, data warehouse and microdata portal. | Should align with national digital public infrastructure. |
| 10. Field operations and coverage | Standardise digital field operations and strengthen coverage/error control. | • Prepare SOP for CAPI/GIS, geo-fencing, back-checks and dashboard monitoring. | • Deploy digital monitoring and quality back-check system in priority surveys. | • Institutionalise digital field operations across censuses/ surveys and strengthen permanent field infrastructure. | PEC/ independent validation required for census operations. |

| Major items | Strategic Action Point | Timebound Action Plan | | | Remarks |
|---|---|---|---|---|---|
| | | 180 Days (2026) | 1 Year (by 2027) | Five Year (by 2030) | |
| 11. Disaggregation and local statistics | Expand district/upazila-level statistics for local planning and targeted policy. | • Identify priority indicators for local disaggregation.<br>• Prepare SAE and sample design plan. | • Pilot small area estimation and district statistical profiles. | • Disseminate district/upazila dashboards and local statistical compendia for priority indicators. | Supports SDG localisation and local development planning. |
| 12. Free/Open Microdata access and user service | Provide free online access to anonymised microdata and improve user services. | • Approve anonymisation, licensing and access protocol.<br>• Identify priority datasets for release. | • Launch one-stop data window, research data lab and online microdata portal linked with data.gov.bd. | • Release anonymised microdata, metadata and documentation for all core products within defined timeframe. | Must protect confidentiality through disclosure control. |
| 13. Human capacity and career pathway | Develop professional career pathways, specialization streams and retention measures. | • Conduct HR diagnostic and skills-mix assessment.<br>• Identify vacancy and transfer risks. | • Approve HR reform roadmap, specialization streams and performance-based development measures. | • Implement professional career pathways, HR reforms through unification of cadre and non-cadre services, specialization streams, retention incentives and performance-based development. | Requires coordination with MOPA and Finance Division. |
| 14. Training and statistical literacy | Establish dedicated statistical training and improve data literacy across producers and users. | • Prepare Statistical Academy concept, DPP and priority curriculum. | • Launch interim training programme on NQAF, GSBPM, national accounts, data science and communication. | • Fully operationalise Statistical Academy with regular certification, leadership and user-literacy programmes. | Training should cover BBS, OPOS/ODPs, media and local users. |
| 15. Communication and trust | Strengthen public communication, open data and stakeholder feedback mechanisms. | • Prepare communication templates for plain-language notes, dashboards and quality flags. | • Publish policy briefs for major releases and introduce user feedback tracking. | • Institutionalise stakeholder conferences, user satisfaction surveys and routine public communication. | Improves transparency, public understanding and trust in official statistics. |

# ANNEX-1:

# CORE STATISTICAL PRODUCTS: GAP MATRIX WITH WAY FORWARD/REMEDY

## Demographic and Social Core Statistics

| Sl. No. | Core Surveys / Censuses | Key Indicators / Topics | Frequency | Microdata Release | Strengths | Weaknesses / Challenges |
|---|---|---|---|---|---|---|
| 1 | Population & Housing Census | Population, households, housing, literacy, disability, migration, small-area data | 10 years | Soon after Report Publication | Foundational frame for surveys, planning and small-area statistics | High cost, high content error, validation/ timeliness pressure; needs stronger digital QA and metadata |
| 2 | Household Income and Expenditure Survey | Income, consumption, poverty, inequality, food security, CPI weights | 3-5 years | Soon after Report Publication | Flagship welfare source; key for poverty, inequality and CPI weighting, seasonality capture | Limited disaggregation, Long gaps and delayed release; comparability and methodology communication need strengthening, time consuming |
| 3 | Labour Force Survey | Labour force, employment, unemployment, informal work, NEET, wages | Annual / quarterly | Soon after Report Publication | High relevance for jobs, youth, gender and skills policy | Limited disaggregation, informal work measurement, faster microdata access and metadata gaps, concept and metadata contextualization |
| 4 | Sample Vital Surveillance System (former SVRS) | Births, deaths, fertility, mortality, nuptiality, disability, migration, life expectancy, causes of death, 34 SDGs etc. | Annual | Soon after Report Publication | Regular annual demographic evidence between censuses, District representativeness, real-time surveillance | Funding vulnerability, harmonisation issues and CRVS linkage gaps |
| 5 | Health and Morbidity Status Survey (HMSS) | Morbidity, treatment & OOP cost, health behaviour, MCH, tobacco/ intoxicants, impairment, injuries | Irregular; should be 3–5 yrs | Soon after Report Publication | Captures demand-side health burden and service use; complements Health MIS | Outdated; no fixed release calendar; needs stronger ICD coding, metadata, data access and linkage with health admin data |

| Sl. No. | Core Surveys / Censuses | Key Indicators / Topics | Frequency | Microdata Release | Strengths | Weaknesses / Challenges |
|---|---|---|---|---|---|---|
| 6 | Multiple Indicator Cluster Survey (MICS) | Children & women, nutrition, immunization, education, child protection, WASH, disability, SDGs | Approx. 5 yrs; UNICEF-supported | Soon after Report Publication | Internationally comparable UNICEF methodology; strong SDG relevance and rich disaggregation | External dependency; long intervals; subnational precision and integration with national statistical calendar need strengthening |
| 7 | National Hygiene Survey | Handwashing, sanitation, menstrual hygiene, school/ health facility/ restaurant hygiene, food vendor and caregiver practices | Irregular; align with WASH monitoring cycle | Soon after Report Publication | Detailed WASH behaviour data beyond infrastructure access; useful for SDG 6 and public health programming | Outdated; partner/project dependency; needs institutionalization, periodicity, and harmonisation with WASH MIS and MICS |
| 8 | Literacy Assessment Survey / Functional Literacy Assessment | Functional literacy, reading, writing, numeracy, comprehension by age, sex, area and division | Irregular; should be 3–5 yrs | Soon after Report Publication | Measures actual literacy skills beyond school enrolment or self-reporting | Irregular methodology; limited integration with education planning; comparability and dissemination need improvement |
| 9 | Education Household Survey | Attendance, attainment, dropout, household education constraints, private cost, gender and spatial gaps | Irregular; should be 3–5 yrs | Soon after Report Publication | Adds household-side perspective; complements BANBEIS/DPE administrative statistics | Very outdated; overlaps with MICS/LAS; needs harmonised definitions and coordination with education agencies |
| 10 | Violence Against Women Survey (VAW) | Intimate partner and non-partner violence; physical, sexual, emotional and economic violence; help-seeking | Irregular/ periodic | Soon after Report Publication | High policy relevance; nationally representative; supports justice, health and gender-responsive planning | Sensitive data require strong ethics, interviewer training and referral protocols; under-reporting risk; needs regular budget and admin-data linkage |
| 11 | Citizen Perception Survey (CPS) | Public perception on safety, governance, public services, corruption, access to justice, discrimination, political participation and SDG 16 indicators. | 3 years | Soon after Report Publication | Large national sample; direct citizen voice; district coverage; fills governance, justice and trust data gap; complements administrative data. | Perception data are subjective and sensitive; baseline comparability is limited; needs clear release calendar, anonymised microdata access, metadata, sampling-error reporting |

| Sl. No. | Core Surveys / Censuses | Key Indicators / Topics | Frequency | Microdata Release | Strengths | Weaknesses / Challenges |
|---|---|---|---|---|---|---|
| 12 | Time Use Survey (TUS) | Proportion of time spent on Unpaid domestic and care work | Irregular; should be 3–5 yrs | | Internationally comparable ICATUS code, methodology; strong SDG relevance and gender disaggregation | Partner/project dependency; needs institutionalization, periodicity, and harmonization with LFS |

## Economic and Industrial Core Statistics

| Sl. No. | Core Surveys / Censuses | Key Indicators / Topics | Frequency | Microdata Release | Strengths | Weaknesses / Challenges |
|---|---|---|---|---|---|---|
| 13 | Economic Census | Economic units, establishments, sector, ownership, employment, formal/ informal activity | 10 years | Soon after Report Publication | Critical frame for enterprise surveys, statistical business register and sector planning | Long gap after 2013; business register maintenance and informal sector coverage remain weak |
| 14 | National Income Accounts/ GDP | GDP, sectoral growth, quarterly GDP, per capita income, macro aggregates | Quarterly + annual | Soon after Report Publication | Central for fiscal, monetary and development planning; regular output | Need deeper transparency on secondary data, revisions, informal sector estimation and independent review, manual data collection |
| 15 | Survey of Manufacturing Industries | Output, employment, value added, fixed assets, intermediate consumption by industry | 3-5 years | Soon after Report Publication | Principal manufacturing evidence for GDP and industrial policy aligned | Irregular frequency; frame quality, small/informal coverage and comparability across industrial policy |

| | | | | | | |
|---|---|---|---|---|---|---|
| 16 | Survey on Service Industries | Trade, transport, hotel-restaurant, ICT sector, finance, real estate, education, health and professional services | 3-5 years | Soon after Report Publication | Would fill a major gap for Bangladesh's increasingly service-led economy | No regular comprehensive instrument; weak service-sector frame, digital/platform activities and budget needs |
| 17 | CPI / Price & Wage Statistics | Inflation, food/non-food prices, wage rate index, basket weights, regional price trends | Monthly | Soon after Report Publication | High-frequency and policy-critical for households, wages and macro decisions | Outlet sampling, district coverage, rebasing transparency and food basket updating, manual data collection, validation issues |

## Agriculture, Climate and Environment Core Statistics

| Sl. No. | Core Surveys / Censuses | Key Indicators / Topics | Frequency | Microdata Release | Strengths | Weaknesses / Challenges |
|---|---|---|---|---|---|---|
| 18 | Agriculture Census | Holdings, land use, crops, livestock, fisheries, labour, inputs and machinery | 10 years | Soon after Report Publication | Important rural economy frame; supports food security and farm policy | Absent of Agricultural Farms, Shortage of Detailed features of sub-sectoral information, under used in local strategies |
| 19 | Agriculture Crop Surveys / Stats | Crop area, production, yield, seasonal estimates, input use, food balance | Annual + seasonal | Soon after Report Publication | Regular evidence for food security, GDP agriculture and price stabilisation | Harmonisation gaps across BBS, DAE and remote sensing; seasonal timeliness and duplication risks, manual data collection system, irregular validation |
| 20 | Productive and Sustainable Agriculture Survey | Climate impacts, disaster losses, environment accounts, waste, water, land, household environment | 5 years | Soon after Report Publication | Emerging priority for SDGs, Global set standards, Contextualized | Institutionalization, metadata and user literacy, linking with policy |
| 21 | Disaster-Related Statistics | Climate impacts, disaster losses, environment accounts, waste, water, land, household environment | 5 years | Soon after Report Publication | Emerging priority for climate resilience, SDGs and green growth | Fragmented data across agencies; irregular surveys; weak geospatial/ admin/household data integration |

# CHAPTER 29

# SUSTAINABLE LAND MANAGEMENT IN BANGLADESH

## Part-I: Establishing Land Data Governance

### 29.1 Establishment of a Data-driven Land Governance System in Bangladesh

Bangladesh's land management evolved through eight major historical regimes—Ancient, Hindu, Muslim, East India Company, British, Pakistan, and the modern era. A major change in land ownership was brought by the British-era Permanent Settlement Act 1793. The Permanent Settlement Act of 1793, introduced by Governor-General Lord Cornwallis, transformed tax-collecting Zamindars into permanent landowners. By introducing this system, the right to own land was taken away from the common people, and it had a huge negative impact on the socio-economic system. After the partition, the zamindari system was abolished by enacting the State Acquisition and Tenancy Act 1950 and the land rights were returned to the common people. But due to the failure to establish people-friendly land management by not preparing user-friendly, error-free land records and constantly updating them, a substantial number of people are still deprived of the real rights to land. As a result, social conflicts exist at almost all levels. This situation has not only arisen from the weakness of land records but has also largely been caused by the lack of coordination in land management. Land becomes a scarce resource in Bangladesh due to the challenges arising from population growth, rapid urbanisation and economic growth, increasing wealth and household splits, and land losses and migration created by climate change. To get appropriate guidelines, we need to take into consideration the total ecosystem of land administration.

Data-driven Land Governance is a comprehensive approach comprising principles, practices, and tools for managing the Land Ministry's data sets throughout the cycle. By aligning land data-related requirements with governance strategy, land data governance provides superior land data management, quality, visibility, security and compliance capabilities. Implementing an effective land data governance strategy allows the Ministry of Land to make data easily available for data-driven decision-making while safeguarding its data from unauthorised access and ensuring compliance with regulatory requirements. Furthermore, Data-driven Land Governance will help to ensure data integrity and data security by defining and implementing policies, standards and procedures for data collection, ownership, storage, processing and use.

### 29.2 Strategic Priorities

To establish Data-driven Land Governance in Bangladesh, the Ministry of Land has fixed the priorities which are as follows:

A. Conducting a Digitised Cadastral Survey Operation and Developing an Integrated Land Information System across Bangladesh.

B. Establishment of one-stop service through introducing Certificate of Land Ownership for mitigating corruption in the Land Sector.

C. Introducing Market Based Land Valuation System of immovable property for ensuring proper compensation in Land Acquisition and estimate the actual amount of lease fees.
D. Development of land use plans for taking better government decisions.
E. Constructing an updated Land Databank for smooth land service delivery.
F. Updating the current Law, Rules and Circulars

## 29.3 Current Challenges in Land Administration and Land Management

### 29.3.1 Land Dispute/Conflicts

Land disputes represent one of the most critical challenges facing the land administration system in Bangladesh. The large number of pending court cases, the high volume of new disputes each year, and the widespread involvement of households highlight structural weaknesses in land records, cadastral management, and dispute resolution mechanisms. These challenges demonstrate the urgent need for a modern, reliable, and integrated digital land administration system that can improve transparency, reduce conflicts, and strengthen land governance nationwide. The current status of known land disputes is summarized in the table below.

| No | Key Indicator | Description |
|---|---|---|
| 1 | Pending land cases in courts | Approximately 3.7 million land-related cases are currently pending in courts (this estimate reflects only cases that enter the formal legal system). |
| 2 | New land disputes per year | Around 700,000–800,000 new land dispute cases are filed in courts annually, while more than 1 million disputes occur at the community or household level. |
| 3 | Household impact | About 1 in every 7 households (approximately 14–15%) is involved in some form of land conflict, affecting roughly 5 million households nationwide. |
| 4 | Share of legal disputes | Nearly 80% of legal disputes (including both civil and criminal) in the country are related to land issues. |
| 5 | Major types of conflicts | Boundary disputes, fraud, illegal occupation, and ownership disputes. |
| 6 | Social impact | Land conflicts often lead to social tensions and sometimes violence in both rural and urban areas. |

*Source: BBS, 2022*

Bangladesh is currently facing a critical and persistent challenge related to land disputes, which has far-reaching implications for governance, judicial efficiency, and social stability. According to available estimates, approximately 3.7 million land-related cases are presently pending in courts across the country. It is important to note that this figure represents only those disputes formally registered within the legal system. A significantly larger number of conflicts remain unresolved at the community or household level, indicating that the actual scale of the issue is substantially greater.

On an annual basis, around 700,000 to 800,000 new land dispute cases are filed in courts, further contributing to the already overwhelming backlog. In addition, it is estimated that more than 1 million disputes occur informally each year, reflecting systemic weaknesses in land administration, dispute prevention, and resolution mechanisms. These figures highlight the continuous and growing pressure on the judicial system, which struggles to process and resolve cases in a timely manner.

The societal impact of land disputes in Bangladesh is extensive. Approximately 1 in every 7 households (equivalent to about 14–15% of all households) is affected by some form of land-related conflict. In absolute terms, this translates to roughly 5 million households nationwide, demonstrating that land disputes are not isolated incidents but rather a widespread national issue. Such a high level of involvement underscores the central role of land in livelihoods, economic activities, and social identity in Bangladesh.

Land-related issues dominate the legal landscape, accounting for nearly 80% of all disputes handled by the judicial system. This disproportionate share indicates structural inefficiencies and deep-rooted problems within the land administration framework. The major types of conflicts include boundary disputes, fraudulent ownership claims, illegal occupation, and disagreements over land rights and titles. These conflicts are often exacerbated by outdated cadastral maps, inconsistent land records, overlapping ownership claims, and the lack of synchronisation between textual records (such as Khatian) and spatial data (maps).

The consequences of these challenges extend beyond the legal domain. Land disputes frequently lead to social tensions, prolonged conflicts, and, in some cases, violence, affecting both rural and urban communities. In rural areas, disputes may disrupt agricultural activities and local harmony, while in urban areas, they can hinder development projects and investment. The prolonged nature of dispute resolution further erodes public trust in government institutions and discourages efficient land transactions, ultimately impacting economic growth.

Beyond the land sector, these issues generate far-reaching adverse impacts across economic growth, citizenship, and public administration. Inefficient land management and persistent disputes constrain the optimal utilisation of land resources, thereby impeding economic development, industrialisation, and urbanisation. Simultaneously, they erode citizens' rights by weakening tenure security, restricting access to land-related public services, and limiting equal opportunities. Moreover, these challenges undermine governance by reducing transparency, prolonging dispute resolution processes, and diminishing the efficiency and credibility of taxation and administrative systems.

In summary, the scale and severity of land disputes in Bangladesh highlight the urgent need for comprehensive reform. Addressing this issue requires the modernisation of land administration systems, including the development of an integrated and reliable land information system, improvement of data accuracy, and establishment of a transaction-based update mechanism. Such measures are essential to reduce disputes, enhance transparency, and promote sustainable socio-economic development.

### 29.3.2 Lack of effectiveness in Land Data and Management

The current land management system in Bangladesh faces fundamental structural challenges that limit its effectiveness and reliability. Outdated cadastral maps, the absence of a real-time update mechanism, fragmented data governance, inconsistent land information, and limited operational capacity collectively hinder efficient land administration. Addressing these issues is essential to establish a modern, integrated, and transaction-based land information system that can support sustainable development, improve governance, and enhance public service delivery.

#### a. Mouza Maps are not updated

Existing Mouza maps in Bangladesh are not updated on regular basis, with many maps produced 30 to 100 years ago during previous cadastral surveys. These maps no longer reflect current land conditions due to continuous land transactions such as subdivision, inheritance, and urban development. As a

result, parcel boundaries shown on the maps differ from actual ground conditions, particularly in rapidly urbanising areas. This outdated mapping system limits the accuracy of the decision-making process, complicates land transactions, and contributes to frequent boundary disputes.

### b. Lack of 'Real-Time Update' Mechanism

The current land administration system lacks a mechanism to update cadastral maps in real time. Although mutation records (Khatian) are continuously updated to reflect ownership changes, these updates are not synchronised with spatial data. Consequently, cadastral maps remain static while legal records evolve dynamically. This disconnect creates inconsistencies between textual and spatial information, making it difficult to verify land ownership, process transactions efficiently, and maintain a reliable land information system.

### c. Weak Data Governance Framework

Land data in Bangladesh is managed by multiple agencies using different standards, formats, and systems, resulting in a fragmented data environment. There is no unified data governance framework to ensure standardisation, quality control, and interoperability. Integration between cadastral, land registry, and taxation systems is limited, leading to duplication of data and inconsistencies across institutions. Furthermore, the absence of clear data management policies and centralised oversight weakens accountability and reduces the overall efficiency of land data utilisation.

### d. Inaccurate or Inconsistent Land Data

Due to outdated maps, fragmented systems, and lack of synchronisation, land data in Bangladesh is often inaccurate or inconsistent. Discrepancies frequently occur between cadastral maps, Khatian records, and transaction data. These inconsistencies undermine the reliability of land information and create challenges in land administration processes such as ownership verification, taxation, and dispute resolution. In many cases, conflicting records lead to prolonged legal disputes and reduced public trust in the land management system.

### e. Operational Capacity Gaps

The effective operation of a modern land information system is constrained by limited human and technical capacity. There is a shortage of skilled personnel in key areas such as surveying, GIS, database management, and IT system operation. Additionally, digital infrastructure at local administrative levels, including Union Land Offices, remains insufficient. These limitations hinder the implementation of advanced technologies, reduce system efficiency, and pose challenges for long-term sustainability and maintenance of the system.

These five challenges are deeply interconnected and collectively undermine the efficiency, accuracy, and credibility of land administration in Bangladesh. Outdated maps, the absence of real-time updates, weak data governance, inconsistent datasets, and limited operational capacity create a cycle of inefficiency, leading to persistent land disputes, unreliable information, and constrained public service delivery. Addressing these issues requires a fundamental transformation towards an integrated, transaction-based land information system supported by strong institutional frameworks, standardised data management, and enhanced technical capacity. Such a reform is essential to ensure sustainable land governance, improve transparency, and support long-term economic and social development Skills required to manage a modern digital land governance system.

## 29.4 Key strategies in addressing challenges

### 29.4.1 Conduct a Comprehensive and Integrated Reform in Land Management System

To address the fundamental challenges in Bangladesh's land management system, a comprehensive and integrated reform approach is required. This includes modernisation, system integration, and institutional strengthening.

a. The issue of outdated Mouza maps should be resolved through the adoption of advanced technologies such as AI, remote sensing, and orthophoto-based mapping. By introducing the concept of a Mutation Parcel Map (MPM) and applying a phased approach that combines desk-based production with selective field verification, it is possible to rapidly update cadastral maps while ensuring accuracy and administrative usability.

b. The absence of a real-time update mechanism necessitates the establishment of a transaction-based cadastral update system. This system should enable automatic synchronisation between textual records (Khatian) and spatial data (parcel geometry), ensuring that all land transactions—including subdivision, transfer, and amalgamation—are reflected in both legal and spatial datasets in near real time. The adoption of a parcel-based data model with history and version management will further enhance transparency and traceability.

c. To overcome weak data governance, a national land data governance framework must be established. This includes defining clear standards, protocols, and institutional roles for data management, as well as developing an Integrated Land Data Platform that connects cadastral, registration, and taxation systems. Strengthening interoperability, data standardisation, and quality control mechanisms will be essential to ensure consistency and reliability across all land-related datasets.

d. Improving data accuracy and consistency requires the integration of spatial and textual information into a unified parcel-based database. This should be supported by AI-driven data extraction, cross-validation, and continuous quality assurance processes. The introduction of a unique parcel identifier system will enable consistent data linkage and significantly reduce duplication and discrepancies across systems.

e. Addressing operational capacity gaps is critical for the sustainable implementation of the system. This involves strengthening human resources through targeted training in GIS, surveying, and IT system management, as well as upgrading digital infrastructure at local administrative levels such as Union Land Offices. In parallel, the establishment of robust operation and maintenance (O&M) frameworks will ensure long-term system sustainability.

Overall, these improvement directions collectively support a strategic transition toward an integrated, AI-enabled, transaction-based land information system. Such a transformation will enhance data accuracy, improve administrative efficiency, reduce land disputes, and provide more reliable and accessible services to citizens, thereby contributing to improved governance and sustainable national development.

### 29.4.2 Conducting a Digitised Cadastral Survey Operation and Developing an Integrated Land Information System across Bangladesh

The primary objective of this initiative is to establish an efficient, integrated, and sustainable land information system that supports modern land administration across Bangladesh. This will be achieved by transforming the current system—characterised by outdated spatial data, delayed updates,

fragmented data environments, and limited technical capacity—into a dynamic, transaction-based, and digitally integrated system. With this cadastral survey work it will be able to create a true land record for Bangladesh. In particular, this initiative will enable the synchronisation of textual records (Khatian) and spatial data (cadastral maps) by developing integrated land management system for ensuring that land information is continuously updated and accurately reflects real-world conditions.

The key focus of this initiative is to significantly improve the accuracy, consistency, and reliability of land information. Through the application of advanced technologies such as artificial intelligence, remote sensing, and geospatial data processing, this initiative will accelerate the updating of Mouza maps while minimising dependence on time-consuming and costly field surveys. The adoption of a desk-based, technology-driven approach will allow for large-scale data processing and nationwide implementation within a realistic timeframe.

In addition, this initiative aims to establish a centralised and integrated land data environment, enabling seamless data sharing and interoperability across cadastral, registration, Certificate of Land Ownership, land valuation and land taxation systems by developing an integrated automated AI-based system. By creating a single source of land information, this initiative will enhance transparency, support evidence-based decision-making, and reduce administrative inefficiencies.

This initiative also seeks to strengthen institutional capacity and operational sustainability. This includes developing human resources through targeted training programs, improving digital infrastructure, and establishing robust operation and maintenance (O&M) frameworks. By integrating capacity development with system implementation, the project ensures long-term functionality and continuous improvement of the land administration system.

Ultimately, this initiative is expected to contribute to improved land governance, reduce land disputes, enhance public service delivery, and increase public trust. By providing accurate and accessible land information, this initiative will also support broader economic development, investment, and sustainable land use planning in Bangladesh by achieving the following objectives:

- Prepare accurate and sustainable land records
- Strengthen land management capacity through Digitalisation
- Innovative Citizen Service Improvements Using ICT technology
- Enhance government revenue with fairness and transparency
- Promote ICT industrial development to drive Job creation

By implementing these interventions, the Government seeks to establish an integrated, efficient, and technology-driven digital land administration system that can support transparent land management and improved public services. To achieve these objectives, it is required to take some strategies, which are as follows:

- Cadastral Data Modernisation Strategy (Addressing Outdated Mouza Maps)
- Transaction-Based Update Strategy (Addressing Lack of Map Update Mechanism)
- Integrated Data Governance Strategy (Addressing Fragmentation and Inconsistency)
- Development of Systems for Routine Cadastral Operations and Management
- Capacity and Digital Transformation Strategy (Addressing Human Resource and Capacity Gaps)

### i. Cadastral Data Modernisation Strategy

To address the continued reliance on outdated Mouza maps, the Government of Bangladesh aims to implement a comprehensive cadastral data modernisation strategy. This involves developing a nationwide digital cadastral mapping system using advanced technologies such as artificial intelligence, high-resolution aerial imagery, and satellite data. A key component of this approach is the introduction of the Mutation Parcel Map (MPM), which integrates existing Mouza maps, Khatian records, and orthophotos to reflect current land conditions. The strategy adopts a phased implementation approach, where initial map production is carried out through desk-based methods, followed by selective field verification and legal confirmation. This approach is designed to accelerate map updating while ensuring accuracy and administrative usability.

- Timely Access to Updated Cadastral Information
- Parcel-Based Cadastral Data Updating
- Synchronised Update of Records and Parcel Boundaries
- Digitisation of All Existing Cadastral and Land Records
- Establishment and Utilisation of Geodetic Network (CORS-Based)
- Georeferencing and Alignment of Legacy Mouza Maps
- Nationwide Mouza Map Updating within a Defined Timeframe
- Application of Technology-Driven Mapping Methodology

### ii. Transaction-Based Updating' Strategy (Addressing Lack of Map Update Mechanism)

To introduce a timely map update system, which is currently missing, the government plans to transition from a traditional survey-based system to a transaction-based land information system. Under this approach, land transactions such as subdivision, transfer, and amalgamation will automatically trigger updates in both textual records (Khatian) and spatial data (cadastral maps). This ensures synchronisation between legal and spatial information. The system will incorporate a parcel-based data model with history and version management, enabling traceability of land changes over time. By introducing real-time or near-real-time updating mechanisms and shifting to an event-driven approach, this strategy aims to significantly improve the accuracy, consistency, and responsiveness of land information.

- Event-Driven Updating Framework
- Synchronisation of Record of Rights and Cadastral Map Updates
- Parcel History and Version Management

### iii. Integrated Data Governance Strategy (Addressing Fragmentation and Inconsistency)

To resolve the fragmentation and inconsistency of land data, the Government will establish a centralised and integrated data governance framework led by the Ministry of Land (MoL). This includes the development of a National Integrated Land Data Platform/Bank (Land Data Centre) to serve as the central repository and coordination mechanism for all land-related data. The strategy emphasises the standardisation of data structures, coordinate systems, and attribute definitions, as well as the integration of cadastral, registry, and taxation systems. In addition, robust data quality control (QA/QC) and validation mechanisms will be implemented to ensure data reliability. By creating a single, authoritative source of land information, this strategy will enhance interoperability, reduce in consistencies, and support efficient decision-making.

- Data Integration and Land Data Hub
- Integrated Monitoring and Control System

- Land Information Standardisation
- Citizen-Oriented Land Information Service System

### iv. Development of Systems for Routine Cadastral Operations and Management

Develop integrated systems to support routine cadastral operations and management, including modules for day-to-day administrative workflows, field surveying support, cadastral information management (both spatial/geometry and textual data), land price information management, and electronic document management. These systems will collectively enable efficient handling of general cadastral tasks, improve data accuracy and accessibility, and enhance overall land administration performance.

- Data Update System (Transaction-Based Update Engine)
- Business Process Automation and Digitalisation System
- Field Operation Support System
- Electronic Document Management System (EDMS)

### Capacity and Digital Transformation Strategy

To address limitations in human resources and institutional capacity, the Government will pursue a combined strategy of capacity building and digital transformation. This includes strengthening technical skills through targeted training programs in GIS, surveying, and IT system management for staff at both central and local levels. At the same time, digital infrastructure—including hardware, software, and network systems—will be upgraded to support modern land information systems. The strategy also focuses on reducing reliance on labour-intensive processes by introducing AI and automation technologies. Furthermore, sustainable operation and maintenance (O&M) frameworks will be established to ensure long-term system functionality. Through this integrated approach, the government aims to build a resilient and future-ready land administration system.

The Ministry of Land has already formed a 38-member specialised ICT cell that will look after all the software, networking, cyber security and data centre-related tasks. Posts are already created, and now the appointment process is underway. The cell will also maintain the systems and bring about minor developments of the systems to ensure sustainability.

Moreover, a Modern Training Academy will be established to support human resources for ensuring better service delivery.

- Human Resource Capacity Strengthening
- Equipment and Digital Infrastructure Strengthening
- Operation and Maintenance (O&M) Capacity Strengthening

The five strategic directions provide a comprehensive and coherent framework for transforming Bangladesh's land administration system. They focus on modernising outdated cadastral maps, introducing a transaction-based updating mechanism, establishing integrated data governance, developing systems to support daily operations, and strengthening institutional capacity through digital transformation. Together, these strategies address both long-standing structural challenges and emerging operational needs. They enable a transition from a fragmented, static, and survey-based system to a dynamic, integrated, and technology-driven land information system, thereby improving accuracy, efficiency, transparency, and sustainability in land administration while enhancing public service delivery. Furthermore, these strategies serve as a foundational guideline for the design and implementation of future projects.

The Ministry of Land of the People's Republic of Bangladesh and the Ministry of Land, Infrastructure and Transport on behalf of the Republic of Korea have signed a Memorandum of Understanding (MoU) to cooperate in the fields of Digitised Cadastral Survey Operation (DCSO) and integrated land information system development in Bangladesh, and to strengthen collaboration to build a sustainable partnership. Following this signing a pre-feasibility has been conducted. A full-scale feasibility study is required to be conducted in an appropriate manner.

### 29.4.3 Establishment of one-stop service by introducing Certificate of Land Ownership for mitigating corruption in the Land Sector

The three main areas of the land management system in the country are preparation of records, management and registration. Land records are prepared by the office of the Department of Land Records and Survey (DLRS), land management is handled by Field Administration, and registration is handled by the Registration Department (under the Ministry of Law, Justice and Parliamentary Affairs). Involvement of various agencies for updating land-related information poses the biggest obstacle to the creation of a single, unified, updated land information system and harassment-free land services.

The execution of land transfer deeds and land management issues are handled by the two different ministries, which creates inconsistencies in the formulation and updating of policies, laws, rules, etc. It also delays the decision-making process. All the related documents of land ownership are maintained by land offices under the Ministry of Land, while the land registration is done under the Ministry of Law, Justice and Parliamentary Affairs. As a result, it is difficult for the sub-registrars to ascertain the ownership. So, very often false deeds are registered. Sometimes one piece of land is sold two or more times. Therefore, the number of land disputes and lawsuits increases, and the law-and-order situation deteriorates. As a result, people are harassed.

According to Sustainable Development Goal (SDG) 11, it is obligatory to make cities and human settlements inclusive, safe, resilient and sustainable. It is very important for the government to provide harassment-free and quality services to the people in the shortest possible time and at the minimum possible cost. The time has come to change the traditional old method of providing government services following the modern technology-based service delivery process, where the service will be provided in an automated manner, and the human touch will be reduced to almost zero. If it is possible to provide all land services under one umbrella, major progress will be made in providing people-friendly land services. The Ministry of Land is working towards this goal and has already established online platform systems such as online mutation, online land development tax collection, online Record of Rights (RoR) delivery system etc. Overall, to provide modern and people-friendly one-stop land services, it is necessary to have a single platform to prepare and update land records, as well as perform land transfer deed registration.

The Ministry of Land is now conducting a digitised cadastral survey pilot with technical and financial assistance from South Korea. An initiative has already been taken for conducting digitised cadastral survey and develop an integrated land information system across the country so that uniform and true land records are created. The Ministry of Land is considering the 'Torrens System' to establish the title registration of land. Many countries in the world are following this system for better land management.

The 'Torrens System' is a land registration framework where the state guarantees property ownership by issuing a definitive Certificate of Title. Instead of tracing historical deeds to prove ownership, buyers rely solely on the government's registry, which ensures indefeasible title and offers state-backed compensation if fraud or error occurs. The main benefit of the system is to enhance certainty of land title and to simplify dealings involving land.

It is high time to take steps to reduce land litigation and curb corruption. The Ministry of Land can adopt the Certificate of Land Ownership (CLO) system, which will facilitate smooth land service delivery under one umbrella in a one-stop service system.

### 29.4.4 Introducing Market Based Land Valuation System of immovable property for ensuring proper compensation in Land Acquisition and estimate the actual amount of lease fees.

Land is an important asset for a country and its citizens. Over the last decade, the value and importance of land have increased exponentially, leading to serious attention from all facets of society such as government, citizens, business houses, etc. Land administration has a significant impact on the economy of a country, especially in countries where land is a scarce resource.

Bangladesh has made significant strides in land administration, with multiple policy initiatives and modernisation efforts. The digitisation of land records, the introduction of online land services including e-mutation, LD-Tax, etc. and the proposed Bangladesh Land Information System offer an unprecedented opportunity to build a more secure, transparent, and efficient land governance system. These advancements provide the foundation for tackling the formidable challenges associated with land tenure, land market and equitable access to land resources.

Effective land acquisition is essential for developing infrastructure. This requires robust and predictable land systems that support government performance and reduce risks for private investment. In Bangladesh, however, outdated expropriation laws, non-transparent valuation practices, limited recognition of informal and customary tenure, and insufficient attention to livelihood losses and indirect impacts continue to pose challenges. Gaps in institutional capacity for valuation, survey, coordination, grievance management, and monitoring contribute to delays, disputes, and cost overruns—particularly in linear infrastructure projects and in areas of dense or informal settlements.

Due to these challenges, development projects are being delayed, and people are suffering from not getting actual compensation in due time. On the other hand, government also is facing debacle to tackle illegal activities for assessing the asset value and curbing corruption due to the absence of a market-based property valuation system. In addition, the Ministry of Land has also been struggling to calculate the exact value of the non-agricultural Khash land/wetland properly.

If we can establish the land classification updating system on a real-time basis and implement it to assess the market-based land valuation, then the total tax amount in relation to land transfer and land management will be boosted.

The Ministry of Land has undertaken a grant project with the support of the Ministry of Land, Infrastructure and Transport (MoLIT), Korean to introduce a market-based land and property valuation system in Bangladesh on a pilot basis. If the initiative is successful, then the market-based land and property valuation system will be established. This system will contribute not only to the country's economic development but also play a role in curbing corruption, particularly in land acquisition and government land settlement systems.

### 29.4.5 Development of land use plan for taking better government decisions.

In Bangladesh, per capita land is very little. So, proper land use planning is very important for sustainable land management (SLM). Sustainable land management (SLM) encompasses the ecological, economic and socio-cultural dimensions of sustainable development. As a process, it comprises land use planning, land use design and land development. Technologies for the adoption, spread, and implementation of SLM practices rely on approaches that enable and empower people to this end. Furthermore, land use planning, spatial planning, territorial (or regional) planning, and, more recently, ecosystem-based

or environmental land use planning foster sustainable land use and management. Land use planning aspires to coordinate current and future societal needs, while minimizing conflicts [according to UN article: UNCCD Global Land Outlook Working Paper; LAND USE PLANNING].

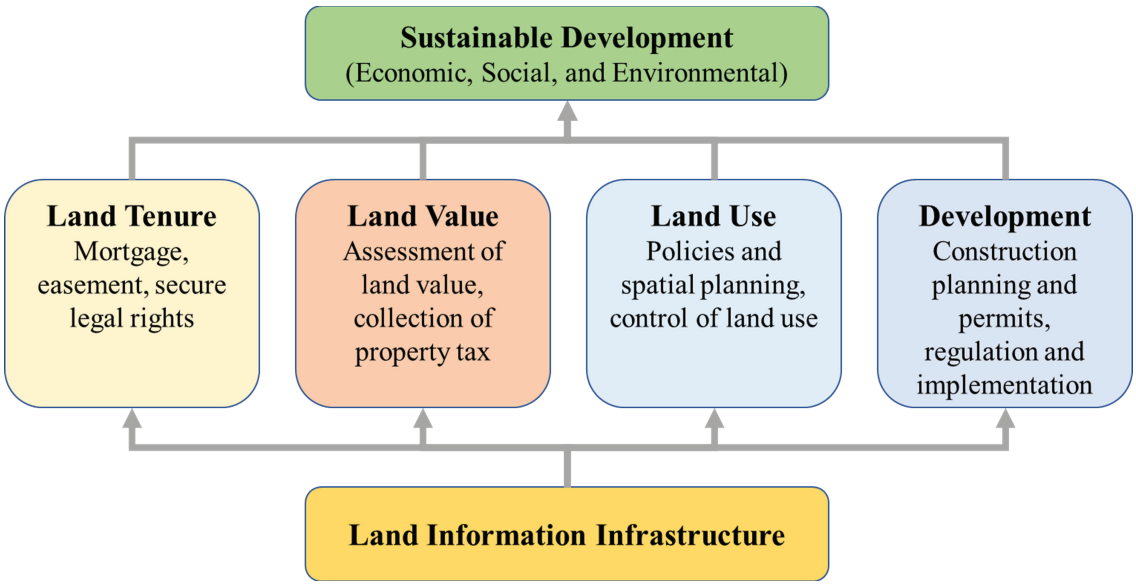



Diagram: Land use planning for Sustainable Development

With these phenomena, the ministry of land has enacted the law named: ভূমি ব্যবহার নিয়ন্ত্রণ ও কৃষিভূমি সুরক্ষা আইন, ২০২৬ to ensure Data-driven Governance System for taking decisions on land use. This law has given a legal basis to the land zoning program. A framework has been created on how to ensure the success of the land zoning program to protect agricultural and other specialised lands. This law states that the land zoning maps must be followed in all development projects of the government and the private sector as well as at the individual levels. The project titled "Mouza and Plot-Based National Digital Land Zoning Project" is ongoing. Through this project, broadly 18 zone-based maps are being prepared based on land use classification and detailed reports are being prepared. The project will end in December 2027.

### 29.4.6 Constructing an updated Land Databank for smooth land service delivery.

Bangladesh has made significant strides in land administration, with multiple policy initiatives and modernisation efforts already underway. The digitisation of land records, the introduction of online land services and the proposed Bangladesh Land Information System offer an unprecedented opportunity to build a more secure, transparent, and efficient land governance system. These advancements provide the foundation for tackling the formidable challenges associated with land tenure, land market and equitable access to land resources. Automation of land management is going on. The main objectives of land services automation are to develop system software for providing hassle-free land services to the people. It is observed that land data in the system is not sufficient, sometimes erroneous and also not up to date. For the sake of smooth service delivery, there is no alternatives to revisit the data entry operation and correct it to ensure smooth land service delivery.

Once the Digitised Cadastral Survey and data entry and correction activities are completed across the country, an accurate land information repository will be available. Based on this, an integrated land management system can be developed. If this Digitised Cadastral Survey is done once, there will be no need for repeated surveys unless exceptionally unwanted situations arise. Only updating the records during mutation will be required. People will be able to view their information online constantly and get a real picture. Land disputes will be reduced to almost zero. Above all, all departments of the government

will be able to work with digitised land information through an interoperable platform and implement business process reengineering. Overall, data-driven land governance will be created. As a result, people will be able to receive all land services together through a one-stop service.

### 29.4.7 Updating the current Law, Rules and Circulars.

To implement the above initiatives, we must have updated Laws, Rules and Circulars so that a favourable ecosystem is ensured. In addition, if it is required institutional reform will be made. Ministry of Land is working on this endeavour.

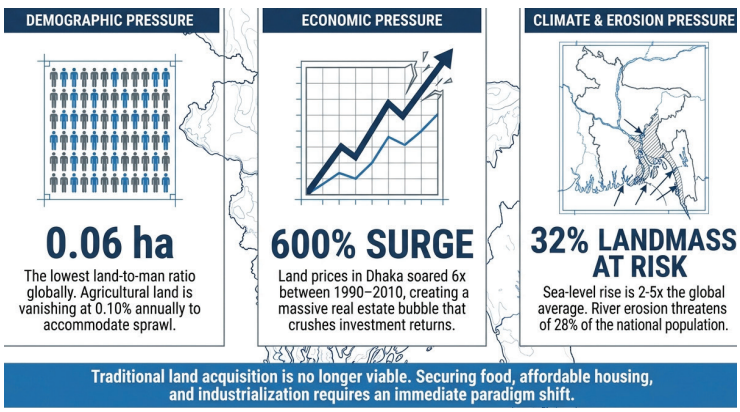
The Ministry of Land has taken numerous initiatives to modernise the land management system. But the core problem in the earlier land-related initiatives has been the lack of a holistic approach to capture all related components of land management. With this new approach by establishing Data-driven Land Governance in land management, it will be possible to strengthen government performance through better land records, clearer ownership information, and more reliable land service delivery, especially at the local level. It will not only pave the way for land services to be faster and simpler by digitising land records, maps, mutation, and introducing CLO systems through integrated one-stop platforms but also raise domestic revenue.

## Part-II: Implementing Land Trust System

### 29.5 Introduction

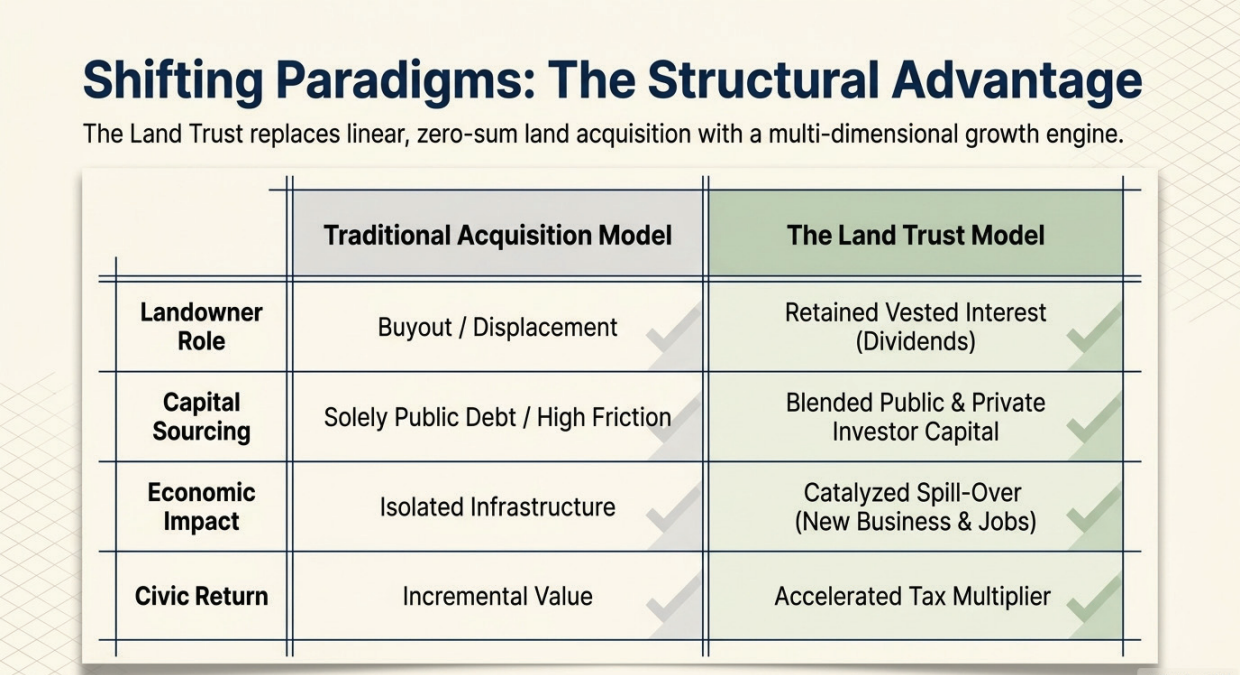
Bangladesh has the lowest land-to-man ratio in the world, at an estimated 0.06 hectares (ha) per person, while being a small but densely populated nation with 1,255 people per square kilometre (FAO, 2013). As demand for land for non-agricultural uses increases, the situation worsens. Every year, a sizable portion of farmland is used to build new residences, roads, schools, and businesses. As a result, Bangladesh has extremely high rates of land conversion and transfer. Currently making up to 84% of all land, agricultural land has been rapidly disappearing (UNDP, 2000). Sustainable land management policies are necessary for the planned and effective use of limited land due to land conversion and degradation driven by climate change. Therefore, Bangladesh might adopt the land trust policy (LTP), widely regarded globally as a sustainable land management (SLM) strategy, to ensure food security, affordable housing, infrastructure development, and industrialisation.

With the lowest land-to-man ratio (0.6 ha) in the world, the rapidly rising demand for non-agricultural land causes anomalous land price increases over time, which hinder people's goals for cheap homes and investment opportunities. Many of the nation's accomplishments are at risk due to climate change vulnerability. Thus, LTP may be a useful method of transferring land that might address many of the nation's land-related issues and thus serve as a means of ensuring Sustainable Land Management (SLM). To reduce land degradation, restore degraded regions, and ensure the optimal use of land resources for the benefit of current and future generations, SLM is essential. Goal number 15 of the United Nations' Sustainable Development Goals (SDGs), "land for life," places a strong emphasis on sustainable land management. The LTP approach can therefore be viewed here as a crucial strategy for ensuring SLM, since SLM approaches require an appropriate policy and regulatory environment that fosters cooperation and partnership among land users, technical experts, and policy-makers to implement corrective measures against degradation and other concerns.




This is new for Bangladesh, even if land trusts are not a novel concept. A land trust's main advantages include reducing the cost of buying land, enabling enforcement of a lease, deferring future taxes, and allowing landowners to retain ownership of their property. Land trusts may be an effective solution with a number of advantages given the nation's ongoing socioeconomic transformation, which includes increased economic growth, rising demand and land prices for housing and industry, the need to encourage private investors to invest in infrastructure and landowners to work with the government in land acquisition, and the rising rate of fallow agricultural land due to labour shifting from farm to non-farm sectors and landowner migration. For instance, land trusts can help lower the cost of purchasing land, share future tax income from the spillover effects of infrastructure improvements, and allow landowners to retain ownership. To encourage private investors to invest in infrastructure and/or real

estate development for the effective use of non-agricultural land, this might be one of the most effective strategies to raise the rate of return. To achieve SLM, this study aims to establish a framework for operationalising LTP in developing nations such as Bangladesh. We use Bangladesh as an example, since it is a prime case of LTP implementation, with expanding infrastructure needs and exposure to climate change threats.




## 29.6 The Context

### 29.6.1 Land Area in Bangladesh

Agricultural land currently comprises 84% of the entire land stock, estimated at 14.84 million hectares (ha) in 2010. The conversion rate of cultivable land is estimated at 0.10 per cent per annum, mostly attributed to its allocation for residential, roadway, and industrial developments. Conversely, from 1973 to 2008, a significant expanse of land was lost. A CEGIS (2008) study found that overall land erosion totalled 156,780 hectares, while land accretion totalled 45,520 hectares along the Jamuna, Ganges, and Padma rivers from 1973 to 2008. In light of this significant land loss, it is imperative to formulate strategies for land reclamation and sustainable land management.

A significant portion of both agricultural and non-agricultural property, characterised by direct or indirect government ownership and referred to as khash land, poses a challenge to sustainable land management in Bangladesh. An estimate indicates that there are around 3.3 million acres of khashland, comprising 0.8 million acres of agricultural khash land, 1.7 million acres of non-agricultural khash land, and 0.8 million acres of khash water bodies. Nonetheless, in the absence of official statistics, the actual area of khash land is likely to exceed the projected figure. A significant percentage of khash land is unlawfully taken by affluent and influential individuals, but some of it has been allocated to landless impoverished individuals.

### 29.6.2 The state of non-agricultural land

The country has experienced significant urbanisation and industrialisation, with non-agricultural land expanding from 1.18 million hectares in 1976 to 2.4 million hectares in 2010. This escalation is

associated with the robust growth and diversification of the economy, which subsequently resulted in a dramatic surge in land values in the country (a 600% increase from 1990 to 2010. The land price imposes additional cost pressures on both private and public investments, resulting in diminished rates of return.

The country has periodic real estate booms. The real estate market in Bangladesh has consistently thrived due to growing urbanisation and heightened demand for housing in major cities. Consequently, prices of both land and residential properties have been consistently rising, indicating the emergence of a real estate price bubble. Various studies show that land prices in Dhaka soared sixfold between 1990 and 2010, and the cost of flats (2-3-room apartments in multi-story buildings) has risen by 20-30% over the past four years. Recent years have witnessed a significant increase in demand for apartment houses, following a consistent rise over the past decade. In conjunction with the heightened demand for residences, the number of real estate developers has also been growing.

Concerning tenancy patterns, it is noted that proprietors occupy merely 10% of apartments, while tenants inhabit 33% of apartments, the majority of which are owned by landowners. Approximately 60% of apartment owners, who purchased their units from real estate developers, live independently. It indicates that, in most cases, real estate development in Dhaka adheres to a 60:40 ratio once the residence is constructed on the property. Land developers transfer their portion to other parties, maintaining an equivalent proportion of the land. This system operates effectively in Bangladesh; nevertheless, without land sales, alternative possibilities are unfeasible within this approach. Nonetheless, as we contend in the latter section of the paper, through a land trust (or community land trust), an owner can receive rental income for a designated period without relinquishing ownership of the land. Furthermore, the existing technique coerces proprietors to divest their land, so exacerbating the escalation of land prices.

### 29.6.3 Status of Land Degradation and Land Erosion

The principal forms of land degradation in Bangladesh are water erosion, soil fertility depletion, salinisation, waterlogging, pan formation, and active floodplain dynamics. Water erosion and soil fertility depletion are the primary factors. A significant portion of land degradation is attributed to population growth and technological advancements in agriculture. Approximately 75% of the hilly regions are highly vulnerable to erosion (BARC 1999). The decline in soil fertility results from reduced soil organic matter and nutrient depletion. This condition necessitates effective management of agricultural land to ensure balanced use of both agricultural and commercial land, along with appropriate conversion.

Rising sea levels are expected to consume a significant portion of Bangladesh's land. Sea-level rise affects the coastal regions of Bangladesh through inundation, erosion, and saline intrusion into aquifers. A recent study indicated that the overall trend of sea-level rise in the coastal zone, comprising 19 districts out of 64 and covering an area of 47,201 sq.km, which constitutes 32 per cent of the nation's total landmass, is between 6 to 20 mm annually, approximately 2 to 5 times greater than the global average (UCAR, 2018). The Chattogram and Cox's Bazar region is expected to be the most impacted area by sea-level rise. Sea-level rise is anticipated to endanger the lives and activities of 28 per cent of the nation's overall population, albeit in phases.

The Bangladesh government, as part of Delta management, has implemented various measures, including the construction of coastal polders, which have facilitated the conversion of 1.2 million hectares of land for agricultural or aquacultural use and have safeguarded the lives and properties of coastal

communities from floods, storm surges, and salinity intrusion. Nonetheless, unforeseen consequences, such river sedimentation and waterlogging, have gradually emerged as significant issues in particular coastal zones during the past three decades. Variations in river salinity and freshwater availability may impact fish habitats and the productivity of freshwater fisheries. Therefore, the issue of soil erosion must be addressed in the context of sustainable land management.

## 29.7 International Experiences of Land Trust

Land trusts have been implemented in numerous nations. communal Land Trusts (CLTs) are extensively utilised in the US and UK, offering housing via rental, cooperative, or mortgage ownership, along with supplementary prospects for commercial and/or communal facilities (Crabtree et al., 2011). The Community Land Trust (CLT) in the United States originated in the 1960s and has undergone significant expansion since then, mostly attributed to its cost-effectiveness and the promotion of secure homeownership for low-income families. Currently, there are more than 240 Community Land Trusts in the United States. The UK's Community Land Trust (CLT) is relatively recent, having developed from interest in the achievements of the US sector. Australia is investigating the potential of Community Land Trusts for the Indigenous housing sector (Table 4).

Japan features four main categories of business trusts: Trusts analogous to deposit-taking and lending institutions, such as loan trusts. Trusts for asset management, such as monetary trusts and securities investment trusts. (3) Trusts for securitisation, such as money claim trusts; and (4) Trusts for business, including land trusts (Kanda 2016). In Japan, trust business may only be conducted by entities regulated under the Trust Business Act (Act No. 154 of 2004, as amended) and financial institutions licensed under the Act for Financial Institutions' Trust Business (Act No. 43 of 1943, as amended). Presently, more than 200 financial institutions and entities are authorised to do trust business in Japan (Kanda 2016).

**Table 29.1: International Evidences of Land Trust**

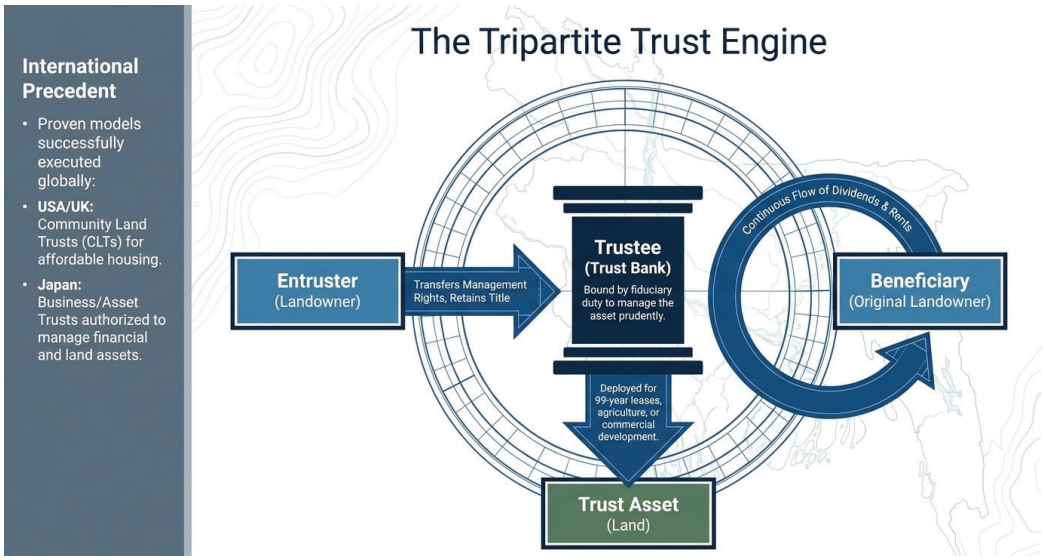
| Country | Types of trust | Applicable |
|---|---|---|
| USA | Community Land Trust | Cooperative Housing, owned housing |
| UK | Community Land Trust | Cooperative Housing, owned housing |
| Australia | Community Land Trust | Housing for indigenous people |
| Japan | Business Trust, Trust for asset management, Loan trust | Financial Instruments, Assets, Business |

*Sources: Kanda (2016); Crabtree et al. (2011)*

## 29.8 Land Trust Structure

A conventional trust structure comprises three parties: the entruster, the entrustee, and the beneficiary (refer to Figure 6). An entruster may retain ownership of assets while designating a beneficiary, but may impose certain requirements on the entrustee regarding the asset to ensure the beneficiary receives the profits. The "entrustee" may be a trust bank, which can either be established as a distinct entity or existing commercial banks can obtain a license under a forthcoming law.

*Figure29.1: The Three Parties of Trust*




Specific regulations are imposed on the entrustee. An entrustee is obligated to administer the trust assets with due diligence and not for personal gain. As noted, land trusts have effectively managed land properties in developed nations. Several developing nations are adopting land trusts to facilitate effective and sustainable land management. Bangladesh lacks a legal framework that authorizes banks or other entities to function as trustees. Consequently, a land trust law is essential to develop and implement, enabling commercial banks to function as trust banks and providing additional legal protections[1].

**Diagnostic Comparison**

| | Status Quo | Land Trust Plus (LTP) |
|---|---|---|
| **Land Acquisition** | Forced sales, high upfront government compensation costs, and frequent landowner resistance. | Voluntary long-term leasing (e.g., 99 years) with zero upfront acquisition cost to the state. |
| **Landowner Outcome** | A one-time payout resulting in the permanent loss of a generational asset. | Retained land ownership coupled with continuous, long-term dividend yields. |
| **Public Financing** | Heavy strain on a weak national tax-to-GDP ratio (~10%) and an overburdened banking sector. | Mobilizes massive private capital by offering shared returns on infrastructure investments. |
| **Urban Real Estate** | Dominant 60:40 developer/owner ratio coerces land sales and drives up apartment costs. | Owners consolidate parcels through the Trust, keeping land while receiving rental income. |

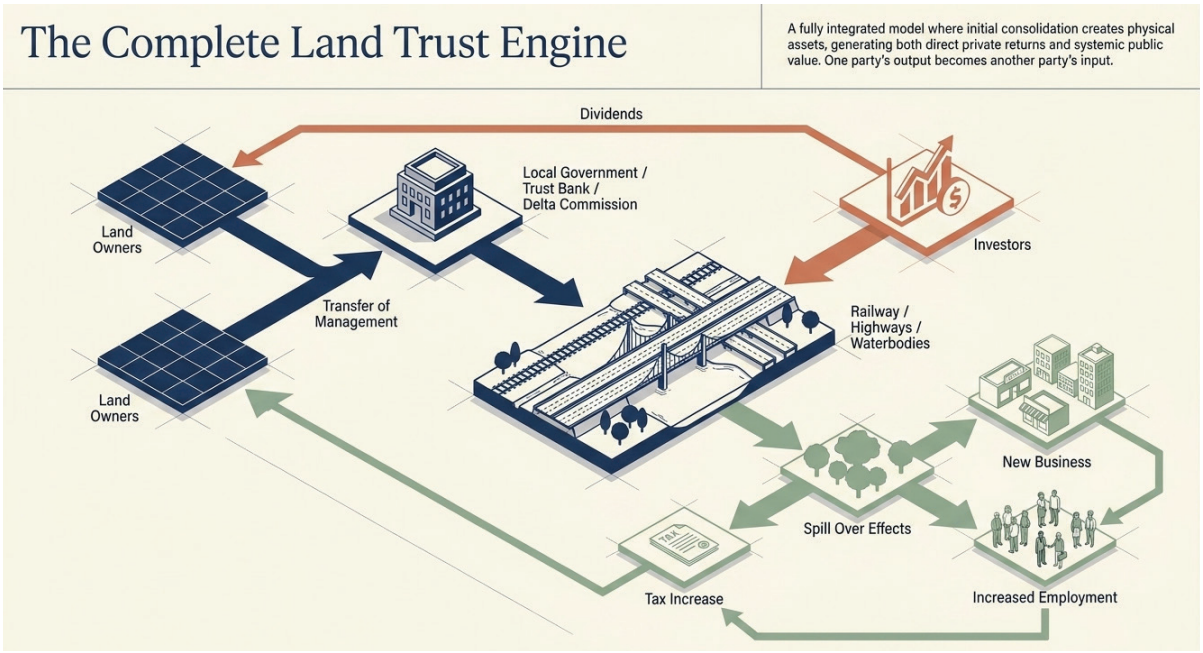
## 29.8.1 Schemes of Land Trust

### a. Trust of Land used for infrastructure

Landowners entrust their land to the trust bank. Numerous developing nations lack trust banks. Trust licenses may be granted to conventional banks provided that a robust trust banking operation is established. Local government can contribute to the trust bank. Landowners delegate their property to either a trust bank or municipal government. They monitor the appropriate utilisation of land for

1 Hossain, M. and N. Yoshino. 2019. Implementing Land Trust in Bangladesh as a Strategy for Financing Infrastructure and Sustainable Land Management. ADBI Working Paper 1035. Tokyo: Asian Development Bank Institute.

infrastructure purposes. They assess the net revenue of the infrastructure firm. A portion of the net profits is disbursed to landowners annually. Landowners retain possession of their property. However, they lease the land to the infrastructure operator for a duration of 99 years. Landowners might collect annual rent.




Based on the nature of land use in Bangladesh, land trust for the following uses can be applied in Bangladesh.

**b. Land Trust for Water Resource Management**

The deltaic water resource management strategy necessitates a substantial financial investment, increasing from the present 0.8% of GDP to 2.5% of GDP (BDP 2100). While in the Netherlands, two-thirds of delta initiatives are financed by local water authorities and government, this approach may be ineffective due of the inadequate institutional and financial frameworks of these entities in Bangladesh. Conversely, akin to the trust plan in (a), delta/water infrastructures may be developed through private investments, with the resultant spillover tax revenue from water bodies and local government entities distributed equally among the investors. Consequently, the land trust strategy may be utilised for water bodies, anticipated to address financial constraints in the execution of the adaptive delta management plan.

**c. Trust of Agricultural Land**

The "Trust of agricultural land" enables landowners to entrust their agricultural land to a trust bank, which subsequently manages the land. The trust bank leases the property to farmers seeking to cultivate broad consolidated areas, while the landowners receive a portion of the profits as dividends. The aggregation of land results in increased income for landowners. Consequently, landowners can retain ownership of the land while augmenting profits by leasing it to younger farmers via a trust bank. A land trust is a mechanism for consolidating assets owned by individuals, entrusting them to a trust bank, and optimising the utilisation of those assets. A land trust will be more effective than acquiring the land from landowners. Agricultural farmers obtain

substantial one-time payments upon selling their land for infrastructure projects; however, land trusts can guarantee a sustained financial influx for landowners derived from net revenues of agricultural production or investments in infrastructure, including roads, railways, water supply, and electricity.

**d. Trust in Real Estate and Housing**

In mega-cities like as Dhaka, consolidating multiple parcels of land is essential for constructing large infrastructures or enhancing dwelling conditions in old Dhaka. Landowners require assistance from a trust bank or trust business for consolidation, which cannot be provided by an individual real estate firm or other entities. The trust bank then constructs a substantial edifice on the property to achieve optimal land utilisation. Landowners may reside in apartments or homes within the building and receive a portion of the profits as dividends from the trust bank, which maintains their ownership. This approach will enable private landowners to increase their profits. The existing issues of congestion and land management in ancient Dhaka city can be effectively addressed by the implementation of a land trust.

**e.Trust of khash Land**

The government retains ownership of khash property, allowing any state-owned commercial bank to serve as the Entrustee of such land for private utilisation, including residential or industrial purposes. This may address the misappropriation of khash land by a dominant faction of individuals.

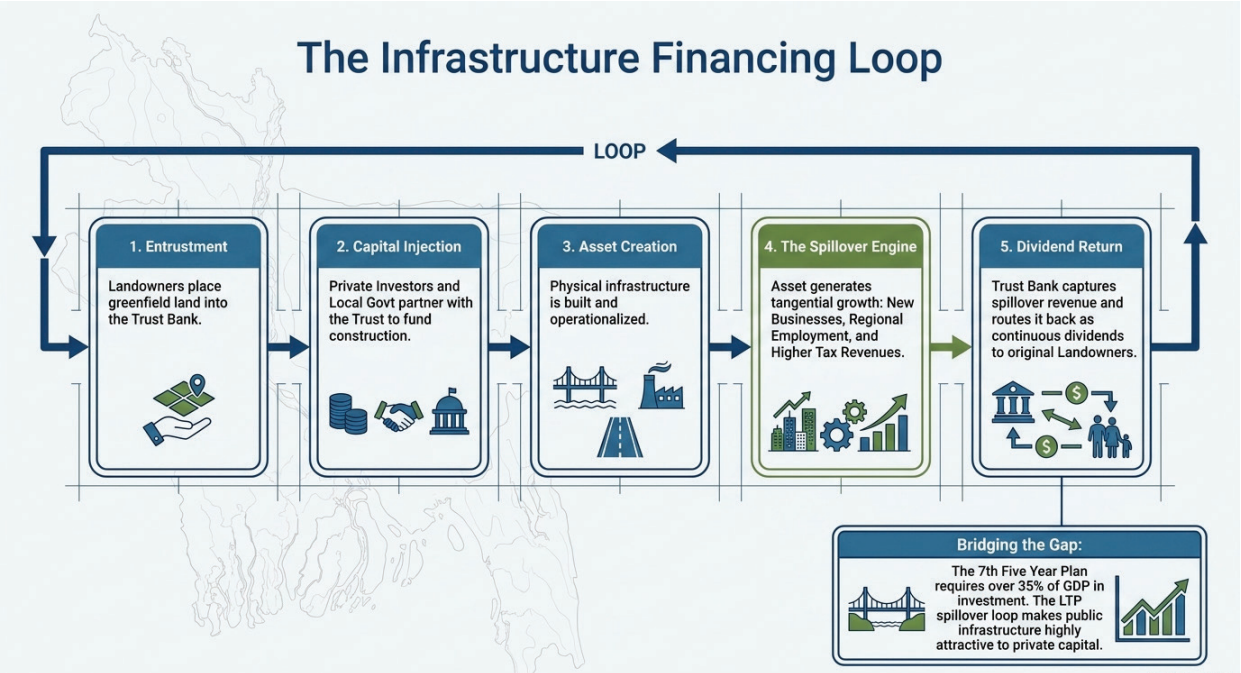
**f. Land use for Infrastructure and Financing Investments**

There is significant demand for infrastructure funding in Bangladesh, corresponding with its substantial economic potential. The economy has had remarkable development, exceeding 6% over the past decade, with the recent GDP growth rate surpassing 7%. Since its independence, Bangladesh has witnessed a consistent rise in the real GDP growth rate, escalating from an average of under 4% annually between 1974 and 1990 to 6.4% during 2010-2014. The FYSF (FY2027-FY2031) anticipates an average annual GDP growth rate of 7.5%. Bangladesh possesses one of the lowest tax-to-GDP ratios globally, approximately 7%. A high interest rate and interest spread, elevated non-performing loan percentage, and inadequate corporate governance seem to be significant barriers to mobilising private finance from the banking industry in Bangladesh. Moreover, in the lack of a robust capital market, the increase in private lending has contributed to the growth of the private sector in Bangladesh. Consequently, it is essential to investigate alternative financing methods for public infrastructure investment.

The projections for investment needs as a percentage of GDP indicates that the country requires an investment of over 35% of GDP, with public investment anticipated to be between 8% and 9%. The remaining investment, representing 26-27% of GDP, is projected to be undertaken by the private sector; however, private sector investment has remained static at approximately 22-23% for the past five years. Therefore, it is essential to formulate policies that may stimulate private investments in both private sector initiatives and infrastructure projects, considering the ineffectiveness of PPP non Bangladesh.

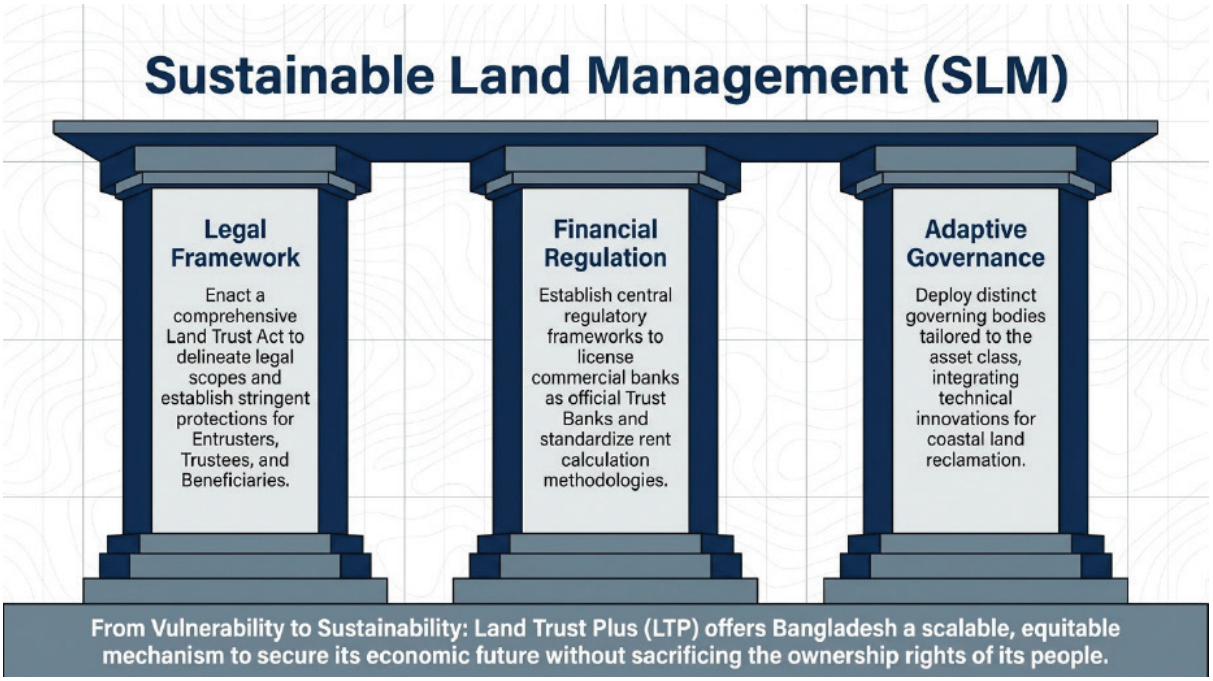
The suggested land trust can also resolve the impediments of private land acquisition for public infrastructure projects. The insufficiency of the regulatory framework governing land acquisition, land pricing, and the associated resettlement process hinders the timely execution of infrastructure projects. Consequently, it presents a barrier when extensive projects are to be executed at greenfield sites,

industrial parks, special economic zones, or export processing zones. Consequently, it is essential to provide an incentive mechanism to encourage private landowners to willingly cede their land for the construction of public infrastructure. The Land Trust may serve as a mechanism for distributing spill-over tax revenue among the relevant parties.




**g. Land Trust Policy for Sustainable Land Management**

The escalating demand for non-agricultural land in a land-scarce nation such as Bangladesh contributes to an anomalous increase in land prices over time, hence hindering investment opportunities. The elevated land prices pose a significant problem for foreign investors, resulting in an inequitable distribution of equity. Furthermore, elevated land prices render housing expensive for middle-class urban residents, while simultaneously allowing real estate firms to achieve excessive profits. Private land is essential for infrastructure investment, necessitating substantial financial compensation from the government to landowners, or in extreme instances, private owners may obstruct land transfer using violent means. A land trust may serve as an efficient mechanism for land transfer, potentially addressing numerous land-related issues. A significant portion of arable land is currently being repurposed for commercial usage. The transition of Labour from agriculture to non-agricultural sectors, coupled with outward migration, precipitates a significant crisis in land management within rural regions. LTP may serve as a mechanism for alternative financing in investments related to flood and water management, as well as other physical and social infrastructures.




## 29.9 Challenges of Implementing Land Trust:

### Some challenges in regard to implementing land trust policy are outlined below:

1. Land Trust may not be suitable for every case, or people may not be interested in its accrued benefits. Proper regulatory framework and benefits will be put in place before its implementation
2. In Land Acquisition, under the current system, people are legally bound to provide their land for any development purpose and, in return, they get compensation. Whenever the State acquires land, it must follow the prescribed legal procedures. This is a legal and constitutional obligation. These constitutional safeguards are outlined in Articles 42(1) and 42(2) of the Constitution of Bangladesh. In most of the cases, people are not willing to provide their land. Land Acquisition laws come into effect there. So, whether the Land Trust will be an alternative to the Land Acquisition system needs to be examined properly, based on the reality of our country and legal points of view.
3. To create Trust, we have the existing Act, The Trust Act, 1882. For all purposes, actors, beneficiaries, and actions can be detailed in the trust deed, and the deed will be registered. So, it is to be examined whether we require a land trust policy or the land trust act again.
4. Accurate and updated digitised cadastral land records are the prerequisite for social harmony, sustainable development and modern land management. The ministry is urgently working to create true digitized land records, which will pave the way to adopt such a new concept in the land management system. Before adopting land trust banks, it is necessary to have truly digitised land records. Land trust policy may therefore be tested on a pilot basis.
5. The concept of a Land Bank proposed in this chapter differs substantially from the Land Bank concept mentioned in the election manifesto of the present government. The proposed Land Trust Policy signifies a major shift from Bangladesh's current land administration system. Both trust and land bank option may be accommodated in an integrated framework. Land Trust system will be preceded by rigorous research, comprehensive stakeholder consultation, and careful evaluation of its long-term legal and social implications, as well as implementation challenges.

Considering the abovementioned challenges, Land Trust Policy will be adopted on a pilot basis and in some selected cases. More research and review of international best practices will be done by concerned organisations before implementation of Land Trust.

## 29.10 Conclusions

Implementing land trusts in a country such as Bangladesh has legal, financial, and governance issues. A robust commitment from the government is necessary to establish a land trust system. The subsequent issues will be addressed to establish a land trust. Fundamental tasks will be undertaken to determine the legislative framework governing the operation of a land trust model within the jurisdictions of Bangladesh. From a legal standpoint, it is essential to delineate the scopes and parameters of a land trust. It is essential to assess the activities, business strategies, and suggestive performance of diverse land trust models concerning rent calculation, tax income distribution methods, and bank service charges. Certain financial regulations will be established to enable banks and non-banks to manage trusts. A variety of governing frameworks is necessary to operate a land trust. It is important to recognise that private investment in public infrastructure necessitates one governance framework, whereas the management of private properties may require a distinct governing body.

The suggested land trust strategies could serve as an alternative financing mechanism for infrastructure development. This chapter presents an analytical framework for land trusts, accompanied by a consideration of potential obstacles. Land Trust may serve as a mechanism to improve sustainable land management by optimizing efficiency and productivity while maintaining landowners' return on investment. Bangladesh is experiencing land constraints because to significant industrial demands, infrastructure expansion, a real estate surge, land degradation, and erosion exacerbated by climate change hazards. If implemented correctly, land trust may serve as a viable option to entice private investors into infrastructure by enhancing the return on infrastructure investments for specific cases. The spillover effects of infrastructure investment under LTP will enhance revenues, sales, and property taxes, which can be allocated among the investors through a specified way.

Land use reform in Bangladesh is the highest priority at the present time. The Ministry of Land has a great concern about it. The present parliament has passed the Law: "Bhumi Byabohar Niyontron O Krishibhumi Surokkha Ain 2025". This was formulated by the Ministry of Land. The Ministry is currently developing land zoning maps in a digitised format for implementing the law. LTP is an option that may be considered with careful evaluation.

### Policy Action Matrix

| Actions | Responsible Ministry/ Division/ Agencies |
|---|---|
| Develop a land trust policy | Ministry of land |
| Digitalisation of land records | Ministry of land; Local Government Division |
| Enact a Land Trust Act | Ministry of land; Ministry of Law, Justice and Parliamentary Affairs |
| Establish a Land Bank | Ministry of land; Ministry of Law, Justice and Parliamentary Affairs |

# CHAPTER 30

# PUBLIC INVESTMENT MANAGEMENT REFORM INITIATIVES: TOWARDS AN EFFICIENT AND RESULTS-ORIENTED ANNUAL DEVELOPMENT PROGRAMME (ADP)

## 30.1 Introduction and Mandate

The Programming Division of the Bangladesh Planning Commission holds the most critical operational position in the country's public investment cycle. It is the lead division responsible for formulating, revising, and overseeing the implementation of the Annual Development Programme (ADP) — the Government's single most important instrument for financing development projects across all sectors. The Programming Division also serves as the interface between planning and budgeting, between line ministries and the Executive Committee of the National Economic Council (ECNEC), and between project proposals and national development priorities.

Despite significant year-on-year increases in the size of the ADP, the efficiency of public investment has not kept pace with the scale of resource mobilisation . Structural weaknesses persist across the entire project lifecycle — from weak strategic coherence and poor project design, to project selection, single-year budgeting of multi-year projects, fragmented digital infrastructure, inadequate project director competency, and a monitoring and evaluation (M&E) culture that measures expenditure rather than development results.

Cognizant of these challenges, the Programming Division has already initiated a number of important reforms and has charted a broader agenda. This chapter presents those reform initiatives — both underway and planned — as the Programming Division's strategic action plan for improving the efficiency, transparency, and effectiveness of the ADP over the five-year plan period.

## 30.2 Vision in line with Election Manifesto

The Manifesto outlines several structural reforms aimed at strengthening public investment management and enhancing project implementation capacity. In line with the five pillars of the election manifesto—(1) Reforming the State, (2) Achieving Sustainable Socioeconomic Development and State Capacity, (3) Rebuilding and Restoring the Fragile Economy, (4) Regional Balanced Development, and (5) Religion, Society, Sports, Culture, and Solidarity—the Programming Division has prioritised project selection and fund allocation accordingly. To ensure the effective implementation, monitoring, and evaluation of these projects, the Division has also undertaken a number of reform initiatives. This chapter discusses those initiatives in detail.

The reform agenda is organised around the following key components:

- Institutionalising the Public Investment Management (PIM) Reform Architecture
- Strengthening the Strategic Coherence of the Annual Development Programme (ADP)
- Modernising IT Infrastructure for Integrated Project Management
- Enhancing the Quality of Project Design, Appraisal, and Approval

- Transitioning toward a Multi-Year Public Investment Programme (MYPIP)
- Strengthening Project Implementation, Monitoring and Evaluation (M&E), and Results-Based Management

Each component of the reform agenda includes a phased implementation framework covering three, time horizons: Short-Term (Year 1), Medium-Term (Years 1–3), and Long-Term (Years 3–5).

### 30.3 Diagnostic Baseline: Why Reform is Necessary

A rigorous diagnostic of Bangladesh's PIM system — supported by the World Bank under the Strengthening Public Expenditure Management Programme (SPEMP) — has identified the following structural weaknesses that underpin the reform agenda:

- **Weak strategic coherence:** National priorities set out in the previous Five Year Plans (FYPs) were not systematically translated into sector or ministry-level operational plans.
- **Project proliferation and portfolio overload:** The ADP averages over one thousand projects annually. New projects are routinely added faster than existing ones are completed, stretching scarce resources thinly and leading to time and cost overruns.
- **Project Selection:** Project selection is conducted on a project-by-project basis throughout the year and does not always align with sectoral priorities or proper feasibility analysis. The Green Pages of the ADP serve as an informal pre-approval pipeline with little disciplining function.
- **Absence of multi-year investment programming:** Most ADP projects are multi-year in duration, yet resource allocation occurs on a single-year basis. There is no consideration of the forward cost of the existing portfolio when approving new projects, creating chronic underfunding and implementation delays.
- **Fragmented IT systems:** Multiple, non-interoperable management information systems exist across the Planning Commission, Finance Division, IMED, and ERD — generating inconsistent data, duplication of work, and significant barriers to effective oversight.
- **Weak project design and appraisal:** Design and appraisal capacity at agency and ministry level is limited; economic justification requirements are inconsistently applied; and the Ministry of Planning's principal regulatory guide — the Green Book — requires updating.
- **Project Director (PD) weaknesses:** PDs are frequently appointed late (often three to six months after project commencement), appointed ex-officio, or transferred frequently. There is no systematic training for PDs and no formal performance evaluation system.
- **Input-focused M&E:** IMED's monitoring is concentrated on financial inputs and physical progress, with limited focus on outcomes. There is no coherent national M&E system, and M&E data cannot be aggregated to assess the ADP's contribution to FYP objectives.

These challenges are well-recognised within the Programming Division, which has already initiated several concrete reform actions. This chapter consolidates those initiatives and charts their full trajectory.

### 30.4 Short-Term Reform Actions (Year 1)

Foundational reforms that lay the institutional, regulatory and digital groundwork for deeper systemic change.

### 30.4.1 Commission a Technical Study for an Integrated IT Platform

The fragmented landscape of non-interoperable IT systems across the PIM sphere — including the Programming Division's ADP database, IMED's PMIS, and the Finance Division's iBAS++ — represents a major obstacle to efficient planning and development management. An initiative has been undertaken to conduct a comprehensive technical study to:

- Identify technological limitations, weaknesses, and incompatibilities of existing systems;
- Assess the feasibility of integration among various applications, databases, and platforms;
- Design an integrated architecture (centralised platform, shared database, API-based integration);
- Evaluate data standardisation, security, scalability, and performance requirements;
- Analyse implementation costs, risks, and timelines for a phased roll-out; and
- Ensure a sustainable, maintainable, and scalable integrated solution.

The study shall inform the design of a unified system in which all information related to the ADP — including project codes — is managed from the Programming Division's AMS and fed into the Finance Division's iBAS++, replacing the current practice of parallel, inconsistent data entry.

### 30.4.2 Revise the Green Book

The Green Book — the Ministry of Planning's principal regulatory guide for project preparation, processing, approval, and revision — shall be comprehensively revised. Key revisions shall:

- Reintroduce a mandatory Project Concept Note (PCN) as a preliminary screening stage for large projects before full DPP/TPP development, establishing a project's strategic relevance, portfolio consistency, and affordability before significant resources are committed to formulation;
- Harmonise project preparation requirements with the Public Procurement Rules (PPRs) regarding annual procurement plan updates;
- Require economic justification at concept stage, so that projects without a clear economic rationale are filtered out early;
- Introduce a limitation on project revisions — except for complex large-scale projects, no further revision proposals shall be submitted after the third revision;
- Set a maximum five-year project duration (extendable to seven years for large, technically complex projects such as power, roads, railways, bridges, and water resources); and
- Introduce a one-year validity period for the Green Sheet (unapproved new project list), requiring re-inclusion if approval is not obtained within one year.

### 30.4.3 Initiate the Review and Rationalisation of the ADP Portfolio

A structured review of the existing ADP portfolio shall be launched, applying pre-defined criteria to assess the likelihood of timely and cost-effective implementation. Screening shall concentrate on the Green Pages (unapproved projects without allocation). Based on findings, with ECNEC-level commitment, the Government shall decide whether to continue, restructure, or discontinue low-performing and low-priority projects. This rationalisation is the necessary fiscal prerequisite for introducing the MYPIP and is essential for freeing up investment resources for higher-priority projects.

### 30.4.4 Introduce Ministry Assessment Format (MAF) and Sectoral Appraisal Format (SAF)

To improve the quality of Development Project Proposals (DPPs), two standardised appraisal formats have been introduced:

- Ministry Assessment Format (MAF): For use at the ministry/division level during the Departmental Project Evaluation Committee (DPEC) stage; and
- Sectoral Appraisal Format (SAF): For use at the sector division level of the Planning Commission during the PEC stage.

These formats shall be made mandatory and systematically enforced to enhance discipline, consistency, and quality control in the project evaluation process, contributing directly to improved DPP quality and better resource utilisation.

### 30.4.5 Integrate Climate Change Considerations into Project Appraisal

To make public investment more climate-resilient, sustainable, and productive, sector-specific appraisal methodologies incorporating climate change considerations have been developed for four sectors:

- Transport and Communication
- Water, Climate Change, Environment and Water Resources
- Power and Energy
- Agriculture

Project proposals in these sectors must henceforth be evaluated using these methodologies. The initiative shall be extended to all remaining ADP sectors within the plan period.

### 30.4.6 Enforce Timely Appointment of Skilled Project Directors

The Ministry of Public Administration shall be formally instructed to ensure, to the fullest extent practicable, the appointment of officials with practical experience and relevant training in financial management, project management, and public procurement to Project Director and other key project management positions. Verification shall be conducted through the Government Employee Management System (GEMS). Prospective Project Directors shall also be involved during the preparation of the DPP itself, ensuring they have ownership of, and familiarity with, the project before implementation begins.

## 30.5 Medium-Term Reform Actions (Years 1–3)

Building on Year 1 foundations, these actions operationalise new systems, deepen institutional capacity, and advance the transition to multi-year investment planning.

### 30.5.1 Implement the Integrated IT Platform for ADP Management

Drawing on the technical study completed in Year 1, the Integrated IT Platform shall be developed and deployed. The platform shall:

- Consolidate the Programming Division's ADP Management System (AMS), IMED's PMIS, and the Finance Division's iBAS++ into an interconnected, API-linked architecture with a shared, standardised database;
- Enable online submission, processing, and approval of DPPs and TPPs through the Project Processing, Appraisal and Management System (PPS) — with all new projects mandatorily processed online;
- Assign unique project codes at the Planning Commission level (earlier in the project cycle than at present), with codes flowing automatically into the Finance Division's iBAS++;
- Enable web-based, real-time tracking of physical and financial progress by IMED and the Programming Division; and
- Maintain a comprehensive multi-year project record: approved, planned, deferred, and rejected projects.

### 30.5.2 Pilot and Roll Out the Multi-Year Public Investment Programme (MYPIP)

The MYPIP has been initially prepared for eight priority sectors:

- Power and Energy
- Local Government and Rural Development
- Health
- Environment, Climate Change, and Water Resources
- Housing and Community Facilities
- Transport and Communication
- Industry and Economic Services
- Agriculture

In the medium-term, the MYPIP shall be piloted with selected line ministries, covering the current fiscal year plus two to three outer years (consistent with the MTBF timeframe). The MYPIP shall be based on three key elements:

- Top-down resource ceilings at the ministry level;
- Bottom-up project proposals from MDAs; and
- A prioritisation process resulting in the approval of the highest-value projects within funding constraints.

The MYPIP shall calculate the forward costs of the baseline portfolio of ongoing projects as its first step, before any consideration is given to new project approvals — making the fiscal consequences of portfolio decisions transparent and explicit. The MYPIP shall be updated semi-annually, consistent with the ADP and RADP preparation cycle.

### 30.5.3 Extend Climate Change Appraisal Methodologies to All ADP Sectors

The sector-specific climate change appraisal methodologies introduced in Year 1 for four sectors [(i) Environment, Climate Change and Water Resources; (ii) Transport and Communication; (iii) Agriculture; (iv) Power and Energy] shall be extended to cover all remaining ADP sectors. This will ensure that the entire public investment portfolio is systematically assessed for climate risk, resilience, and sustainability — consistent with Bangladesh's obligations under the Paris Agreement and its National Adaptation Plans.

### 30.5.4 Formalize Technical Committees for Cost Rationalisation

Each ministry/division shall formally establish a Technical Committee for Cost Rationalisation to certify that investment project proposals are prepared based on appropriate rate schedules determined by relevant agencies. Project proposals lacking such certification shall not proceed to appraisal. This shall directly address the chronic problem of inflated or inaccurate project cost estimates that drives budget overruns.

### 30.5.5 Require Land Acquisition Completion Prior to Project Approval

To eliminate a major source of project implementation delays, completion of land acquisition shall be made a formal pre-condition for project approval. No project requiring land acquisition shall be submitted to ECNEC for approval until land has been acquired and possession confirmed.

### 30.5.6 Prioritise PPP-Based Implementation for Eligible Projects

For development projects suitable for implementation under the Public-Private Partnership (PPP) model, the concerned authorities shall first seek to mobilise domestic or foreign private investment

through the PPP Authority. Only where such investment cannot be secured through the PPP mechanism shall the project proceed to the Planning Commission for consideration under the conventional public investment framework. This sequencing shall help reduce fiscal pressure on the ADP while enabling greater utilisation of private sector capital, expertise, and innovation. In addition, the Government shall undertake necessary policy, regulatory, and institutional measures to create an enabling and investor-friendly environment for PPP-based projects. Where required, the Government may also finance preparatory or enabling activities through GoB-funded projects to facilitate the successful structuring and implementation of PPP projects.

### 30.5.7 Launch the Project Director Manual and Certification Programme

Two related initiatives shall be operationalised:

- Project Director Manual: A comprehensive guideline for Project Directors to systematically manage all stages of a project from initiation to completion, covering planning, procurement, financial management, reporting, and coordination; and
- Project Director Certification Course: A structured certification programme that all prospective Project Directors must complete before appointment. The certification course shall ensure that PDs possess professional competence, familiarity with relevant rules and regulations, and practical skills in financial management, public procurement, and project management.

Together, these initiatives shall reduce irregularities and wastage, enhance professionalism in project implementation, and make development activities more dynamic and effective.

### 30.5.8 Enforce Faster Decisions on Project Manpower and Online Project Processing

- Manpower Recruitment: Matters related to manpower recruitment for projects shall be resolved through the relevant Sector Division's PEC committee meetings to avoid implementation delays; and
- Online Processing: All new project proposals shall be mandatorily processed through the Project Processing, Appraisal and Management System (PPS) software, ensuring transparency, standardisation, and faster approval cycles.

### 30.5.9 Approval Process for Self-Financed Projects

For projects proposed by autonomous/semi-autonomous bodies, public sector corporations, and state-owned companies:

- Projects up to BDT 50 crore, fully financed from own funds, may be approved and implemented upon recommendation of the DPEC, without requiring ECNEC approval; and
- Projects exceeding BDT 50 crore must be submitted to the Planning Commission for ECNEC approval, consistent with standard development project procedures.

This shall streamline the approval bottleneck while preserving ECNEC's oversight role for larger investments.

## 30.6 Long-Term Reform Actions (Years 3–5)

Consolidating gains from the first three years, and institutionalising a mature, integrated, and fully results-oriented PIM system.

### 30.6.1 Full System-Wide Operationalisation of the Integrated IT Platform

The integrated IT platform shall be fully deployed across all line ministries, the Programming Division, Finance Division, and IMED. The system shall:

- Eliminate parallel data entry and data inconsistencies across agencies;
- Provide real-time, web-based project tracking accessible to authorized officials across the Programming Division, Sector Divisions, IMED, Finance Division, and ERD;
- Serve as the backbone of the MYPIP database, recording approved, planned, deferred, and rejected projects with full forward-cost visibility; and
- Support automated generation of ADP and RADP documents, reducing manual preparation burden.

### 30.6.2 Full System-Wide Rollout of the MYPIP and Integration with the MTBF

The MYPIP shall be rolled out to all line ministries and fully integrated with the MTBF preparation cycle. Specifically:

- A joint budget call shall be issued by the Finance Division and the Planning Commission each September, initiating parallel preparation of the MYPIP and the Forward Baseline Estimates (FBEs);
- The MYPIP shall formally inform FBEs, ensuring that the forward cost of the existing project portfolio is the starting point of every budget cycle;
- With a properly costed multi-year project pipeline in place, the Green Pages of the ADP shall be phased out, as they will no longer serve a purpose; and
- The MYPIP shall be subject to periodic spending reviews to ensure that the portfolio remains strategically relevant, financially affordable, and efficiently composed.

### 30.6.3 Rationalise the ADP Portfolio Through Institutionalised Spending Reviews

Regular, institutionalised spending reviews of the ADP portfolio shall be introduced. These reviews shall:

- Apply pre-defined performance and strategic-relevance criteria to all projects;
- Provide ECNEC with evidence-based recommendations on project continuation, restructuring, or discontinuation;
- Ensure that the rationalisation gains achieved in Year 1 are sustained over time; and
- Create ongoing fiscal space for higher-priority, well-designed projects.

### 30.6.4 Institutionalise Independent Project Appraisal and Establish a Project Preparation Fund

For larger and more complex projects, a system of independent project appraisal — separate from the line ministry's own assessment — shall be institutionalised. Concentrating scarce appraisal skills in a dedicated central unit within the Planning Commission shall provide a robust, objective gateway function. A Project Preparation Fund shall be established to finance:

- Independent appraisals of high-complexity projects; and
- High-quality DPP preparation for technically complex projects where agency-level capacity is insufficient.

### 30.6.5 Strengthening Performance and Accountability of Project Directors

A government-wide framework for strengthening the performance and accountability of Project Directors (PDs) shall be introduced through a set of institutional and incentive-based measures. The initiative shall aim to professionalize project leadership and improve implementation outcomes across the public sector. Key measures shall include:

- Establishing clear accountability mechanisms for PDs in relation to project implementation performance and results;

- Linking performance evaluation outcomes with career advancement and progression within the civil service;
- Utilising the pool of professionally trained and certified PDs developed through the Project Director Certification Program;
- Introducing both financial and non-financial incentives to recognise and reward high-performing PDs; and
- Promoting a results-oriented management culture in project implementation throughout the public sector.

### 30.6.6 Adopt a National M&E Policy and Integrate M&E into the Budget Process

Building on the RBME pilots, a formal National M&E Policy shall be formulated and adopted. The policy shall:

- Clearly define and rationalise the M&E roles and responsibilities of IMED, GED, the Finance Division, Sector Divisions, and line ministries;
- Promote a shift from project-level, input-focused monitoring to portfolio-, sector-, and outcome-level M&E, bridging the gap in the results-chain between the project level and FYP objectives;
- Institutionalise an M&E Community of Practice across GoB institutions;
- Incorporate M&E findings systematically into budget preparation and ECNEC deliberations, drawing on international best practices; and
- Broaden M&E coverage to include ADP Block Grants to Local Government Institutions (LGIs) and investment activities currently financed through the Non-Development Budget (NDB), which currently fall outside IMED's oversight.

### 30.6.7 Embed PIM Reform within the Broader Public Finance Management (PFM) Reform Strategy

The PIM reform agenda shall be formally embedded within the Government's broader Public Finance Management (PFM) Reform Strategy. This renewed PFM strategy shall:

- Define PIM reform priorities and assign implementation responsibilities across all relevant agencies (Programming Division, Finance Division, IMED, ERD, GED, and line ministries);
- Establish a sequencing framework that ensures PIM reforms are mutually reinforcing with MTBF reforms, procurement reforms, and financial management information system improvements; and
- Provide the institutional framework within which the Programming Division, the Finance Division, and development partners can coordinate their respective reform contributions.

## 30.7 Summary Matrix: Reform Actions by Pillar and Time Horizon

| Reform Pillar | Short-Term (Year 1) | Medium-Term (Years 2–3) | Long-Term (Years 4–5) |
|---|---|---|---|
| Institutionalising PIM Reform | Initiate institutional coordination mechanisms for PIM reform implementation; strengthen inter-agency coordination between Programming Division, Finance Division, IMED, and ERD | Operationalise coordinated PIM reform governance and reporting arrangements | Embed PIM reform within the broader PFM Reform Strategy; Institutionalise regular portfolio and spending reviews |

| Reform Pillar | Short-Term (Year 1) | Medium-Term (Years 2–3) | Long-Term (Years 4–5) |
|---|---|---|---|
| Strategic Coherence of the ADP | Launch review and rationalisation of the ADP portfolio; introduce Project Concept Note (PCN) screening through Green Book revision; introduce one-year validity for Green Sheet projects | Pilot and roll out MYPIP in priority sectors; prioritise projects within ministry resource ceilings; require forward-cost assessment of ongoing projects before new approvals | ECNEC shifted toward strategic portfolio oversight; Green Pages phased out; portfolio rationalisation institutionalised through periodic spending reviews |
| Integrated IT Infrastructure | Commission technical study for integrated IT platform; assess interoperability of AMS, PMIS, PPS, and iBAS++ | Develop and deploy integrated IT platform linking AMS, PMIS, PPS, and iBAS++; mandatory online processing of all new projects through PPS; introduce unified project coding system | Full system-wide rollout across all ministries and agencies; real-time cross-agency project tracking; automated ADP/RADP generation and integrated MYPIP database |
| Project Design, Appraisal & Approval Quality | Revise Green Book; introduce mandatory MAF and SAF formats; integrate climate change appraisal methodologies in four sectors; enforce timely appointment of skilled PDs; require economic justification at concept stage | Extend climate appraisal methodologies including Strategic Environmental Assessment (SEA) to all sectors; operationalise Technical Committees for Cost Rationalisation; require land acquisition completion before approval; prioritise PPP-based implementation; streamline approval of self-financed projects; support enabling groundwork for PPP projects through GoB-funded preparatory activities where necessary | Institutionalise independent project appraisal; establish Project Preparation Fund; delegate approval of smaller projects to ministries/sector divisions; strengthen Planning Commission's gateway role |
| Multi-Year Public Investment Programming (MYPIP) | Rationalise ADP portfolio; prepare and pilot MYPIP for eight priority sectors | Expand MYPIP implementation to selected ministries; integrate MYPIP with MTBF processes; introduce ministry resource ceilings and forward baseline costing | Full system-wide rollout of MYPIP; MYPIP formally informs FBEs; Green Pages phased out |
| Project Implementation, M&E & Results-Orientation | Enforce timely PD appointment through GEMS verification; involve PDs during DPP preparation; improve manpower decision-making through PEC process | Launch Project Director Manual and Certification Program; operationalise web-based project monitoring through integrated IT platform; strengthen results-based monitoring practices and M&E reporting formats | Strengthen performance and accountability framework for PDs; adopt National M&E Policy; integrate M&E findings into budget preparation and ECNEC deliberations; broaden M&E coverage to LGI block grants and NDB-financed investment activities |

| Reform Pillar | Short-Term (Year 1) | Medium-Term (Years 2–3) | Long-Term (Years 4–5) |
|---|---|---|---|
| Climate-Responsive and Sustainable Investment Management | Introduce sector-specific climate-responsive appraisal methodologies in Transport, Water Resources, Power & Energy, and Agriculture sectors | Extend climate-responsive appraisal methodologies across all ADP sectors; integrate climate resilience into project appraisal standards | Institutionalise climate-responsive public investment management across the full ADP portfolio |
| Public-Private Partnership and Financing Efficiency | Strengthen policy guidance for PPP screening of eligible projects | Prioritise PPP-based financing before external public borrowing for suitable projects; undertake enabling policy, regulatory, institutional, and preparatory GoB-funded support measures for PPP implementation where necessary | Institutionalise PPP-first consideration for commercially viable infrastructure and service projects; strengthen long-term private sector participation in public investment delivery |

## 30.8. Cross-Cutting Implementation Principles

The success of this reform agenda depends on the following principles, which shall guide its governance and execution:

- **High-Level Political Sponsorship:** The Planning Secretary and Member of the Programming Division shall serve as the lead champion of PIM reform, with direct engagement of the Prime Minister's Office on key milestones.
- **Sequencing and Mutual Reinforcement:** Reforms are deliberately sequenced so that foundational steps (PIM Unit, IT study, Green Book revision, MAF/SAF, climate appraisal methodologies) precede and enable more complex operational reforms (MYPIP, SSPs, RBME), which in turn prepare the ground for full system integration and policy changes (National M&E Policy, NDB integration, PFM Strategy embedding). Reforms across pillars also reinforce one another: a stronger MYPIP creates demand for better appraisal; better M&E informs more rational portfolio management.
- **Realistic Change Management:** Broad-based institutional reform requires an adequate number of reform champions at both senior and operational levels across all relevant institutions. A sufficient number of dedicated change agents shall be identified and supported within the Programming Division, Finance Division, GED, IMED, and key line ministries.
- **Inter-Agency Coordination:** The Joint Technical Committee shall meet at regular intervals to align processes, resolve inconsistencies, manage sequencing, and make joint decisions on the integration of ADP and MTBF processes. Active involvement of the Finance Division is indispensable — PIM reforms that are not aligned with the budget cycle cannot deliver their full impact.
- **Mobilisation of Development Partner Support:** Technical and financial support from Development Partners shall be mobilised for IT system development, capacity building, international technical assistance, and independent diagnostic work, with the PIM Unit serving as the formal GoB counterpart.
- **Transparency and Accountability:** All reform milestones shall be documented, publicly reported, and subject to annual review by the Planning Commission and relevant oversight bodies, including Parliament's relevant standing committees.

# APPENDICES

## APPENDIX-I

## HOTSPOT-CENTRIC REGIONAL INVESTMENT STRATEGIES

# HOTSPOT-CENTRIC REGIONAL INVESTMENT STRATEGIES

## North Central Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Climate Change and Disaster Risk Management | Delineation of flood plain areas | MoWR, WARPO, BWDB |
| Climate Change and Disaster Risk Management | Disaster Insurance for Climate Vulnerable Areas | MoDMR, DDM |
| Climate Change and Disaster Risk Management | Development/ Improvement of Multi-purpose Disaster Shelters and Its Management Information System (MDS & MIS) | MoLGRD&Co, LGED |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Crop Diversification, Production and Marketing for Nutrition and Food Security | MoA, DAE |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Agriculture Diversification and Promotion of Marketing Network | MoA, DAE |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Fisheries Resources Development Project in Lakes of Metropolitan Area | MoFL, DoF |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Development of Fish Processing Plant with Marketing Centre in NC Region. | MoFL, BFDC |
| Sustainable Land Use and Spatial Planning | Preparation of Comprehensive Physical Plan | MoHPW, UDD |
| Sustainable Land Use and Spatial Planning | Enhancement of Agriculture Productivity towards Food Security in Char Areas | MoA, DAE |
| Sustainable Water Management | Assessing water use efficiency and developing sustainable monitoring system for different sectors of Bangladesh in compliance with Sustainable Development Goal (SDG) target 6.4 | MoWR, WARPO, BWDB |
| Sustainable Water Management | Groundwater aquifer recharge with rain/storm and pond water at North-central region of the country. | MoLGRD&Co, DPHE |
| Sustainable River and Khal Restoration (20,000km Khals) | Revitalisation of Khals all over the country | MoWR, MoLGRD&Co, MoA, BWDB, LGED and BADC |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB |
| Protection and Sustainable Management of Wetlands and Forests | Reforestation and Restoration of Degraded State Forests | MoEFCC, BFD |
| Protection and Sustainable Management of Wetlands and Forests | Re-delineation of ecologically critical area | MoEFCC, DoE |
| Climate Resilient Infrastructure Development | Integrated Flood Risk Management through Climate-Resilient Embankment Construction along Internal River Systems. | MoWR, BWDB |
| Climate Resilient Infrastructure Development | Assessing effects of climate Change on Roads and Design of Climate Resilient Road | MoLGRD&Co, LGED, City corporations, Municipalities, LGIs |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Integrated Solid Waste and Industrial Effluent Management | Integrated Municipal Waste Management in Paurasabhas | MoLGERD&Co, DPHE. City Corporation, Municipalities |
| Surface Water Irrigation & Drainage Improvement | Integrated Surface Water Irrigation and Floodplain Crop Management Programme | MoWR (BWDB);MoA (BADC, DAE) |
| Surface Water Storage Infrastructure Development | Construction of Rubber Dams, Hydraulic Elevated Dams (HEDs), Weirs, and Surface Water Reservoirs for Dry-Season Irrigation Storage. | MoWR / BWDB |
| Water Quality & Food Safety Improvement | Rural Irrigation Water Quality and Arsenic-Safe Groundwater Management Programme | MoLGRD&Co(DPHE) |
| Wetland & Eco-Hydraulic Restoration | Floodplain Wetland Restoration and Agricultural Water Balance Management Programme | MoEFCC (DoE); MoWR (BWDB); DBHWD |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## North West Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Environment & Ecosystems | Assessing Environmental Flow of rivers and Khals in the Atrai Basin and Chalan Beel area using Simplified Environmental Flow Method | Ministry of Water Resources (MoWR), BWDB / DBHWD |
| Environment & Ecosystems | Assessment of the natural habitats and its conservation, management and sustainable development | Ministry of Water Resources (MoWR), BWDB / DBHWD |
| Water and Agriculture | Assessment of Water Retention Capacity in Ponds, Beels, Khals and Other Wetlands in Post-Monsoon Period | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Water Management | Development of WMOs and Participatory Scheme Management Model, with Cost Recovery for O&M under the North Rajshahi Irrigation | Ministry of Water Resources (MoWR), BWDB |
| Groundwater Governance & Drought Adaptation | Drought-Resilient Groundwater Management and Water-Saving Agriculture Programme | MoA (BADC); MoWR (BWDB); BMDA |
| Solar Irrigation & Canal Rehabilitation | Solar-Powered Surface Irrigation and Canal Network Rehabilitation Programme | MoA (BADC); MoWR (BWDB); BMDA |
| Surface Water Storage Infrastructure | Rubber Dam Network and Dry-Season Surface Water Storage Programme | MoWR / BWDB |
| Groundwater Governance & Drought Adaptation | Drought-Resilient Groundwater Management and Water-Saving Agriculture Programme | MoA (BADC); MoWR (BWDB); BMDA |
| Drought Forecasting and Early Warning | Integrated Drought Forecasting, Monitoring, Early Warning and Risk Communication Programme | MoWR (BWDB), MoA (BADC, DAE), and BMD. |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## North East Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Disaster Risk Management | Planning, Design and Construction of Multipurpose cum Disaster Shelter in the NE Region of Bangladesh | Ministry of Disaster Management and Relief (MoDMR), DDM |
| Disaster Risk Management | River Management by enhancing the navigability, removing/minimizing drainage congestion, improving river tourism, wetland ecosystem, and landing facilities in Haor Areas. | Ministry of Shipping (MoS), BIWTA MoWR (BWDB) |
| Disaster Risk Management | Study on Integrated Water Resources Management in NE Basin | Ministry of Water Resources (MoWR), DBHWD |
| Environment & Ecosystems | Improving Fish Biodiversity, Enhancing Fish Production, and Supporting Fisher Community and Resources Management of NE Basin | Ministry of Fisheries and Livestock (MoFL), DoF |
| Agricultural Water Infrastructure Development | Haor Submersible Embankment and Water Regulation Infrastructure Rehabilitation Programme | MoWR (BHWDB/BWDB) |
| Eco-Engineering for Flood Management | Eco-Engineering Flood and Drainage Management Programme for Haor and Floodplain Areas | MoWR (BWDB, DBHWD) |
| Disaster Risk Management | Haor Flash Flood Early Warning and Community-Based Rapid Response System | MoWR (BWDB - FFWC); BMD; DBHWD; DDM |
| Environment & Ecosystems | Haor Wetland and Waterbody Conservation for Aquatic Ecosystem Resilience | MoEFCC (DBHWD); MoFL (DoF); BWDB |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## Extended Coastal Region

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Sustainable Water Resources Management | Construction of Padma Barrage and Ancillary Works | Ministry of Water Resources (MoWR), BWDB, |
| Sustainable Water Resources Management | Study on Impact Assessment and Strategic Directions on Tidal River Management (TRM) | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Water Resources Management | Programme for Implementation of Rationalised Water Related Interventions in Gorai-Passur Basin | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Water Resources Management | Assessment of Tidal Asymmetry and Sediment Dynamics in the Western Coast | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Water Resources Management | Designing Eco-friendly and Sustainable Sluice Gates or Regulators for Coastal Polders with Sediment Management Provisions. | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Water Resources Management | Eco-Resilient Delta: Nature-Based Sustainable Water Resources Management for Climate Adaptation | Ministry of Water Resources (MoWR), BWDB |
| Blue Economy | Assessment of Pollution Sources and Hotspots in Coastal and Marine Areas | Ministry of Environment, Forest & Climate Change (MoEF&CC), DoE |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Blue Economy | Sustainable Mariculture Programme for Coastal Areas | Ministry of Fisheries and Livestock (MoFL), DoF |
| Environment & Ecosystems | Integrated Environmental & Social Risk Management in Marine Port Areas | Ministry of Shipping (MoS), Respective Port Authorities |
| Environment & Ecosystems | Nature-based Coastal Protection through Afforestation Programme | Ministry of Environment, Forest & Climate Change (MoEF&CC), FD, MoWR (BWDB) |
| Governance & Institutional Strengthening | Research programme in ocean governance and preparation of MSP for the development of Blue Economy | Ministry of Science and Technology (MoST), Bangladesh Oceanographic Research Institute (BORI) |
| Climate Resilient Infrastructure Development | Strengthening Coastal Defenses: Construction of Super-Dyke along the the south eastern coastline (from Ramgoti to Shah Pari Dweep) | Ministry of Water Resources (MoWR), BWDB |
| Water Supply and Sanitation | Sustainable Water Access: Saline Water Treatment in Bangladesh's Coastal Communities | Ministry of Local Government, Rural Development & Cooperatives (MoLGRD&Co), DPHE |
| Coastal Polder & Sea Dike Management | Integrated Climate-Resilient Coastal Polder and Sea Dike Management Programme | MoWR / BWDB |
| Tidal River Management & Freshwater flow increase | Coastal Tidal River Management and Freshwater Availability Enhancement Programme | MoWR / BWDB |
| Sediment Management & Shoreline | Ecosystem-Based Sediment Management Programme along Coasts and Estuaries | MoWR (BWDB); MoEFCC |
| Bioengineering Shoreline, Protection | Sustainable Coastal Shoreline Erosion Management through | MoWR (BWDB); MoEFCC (BFD) |
| Coastal Early Warning & Emergency Response | Cyclone Storm Surge Forecasting and Coastal Agricultural Emergency Response System | MoWR (BWDB); MoDMR (DDM), MoA (DAE) |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB |
| Coastal Polder & Sea Dike Management | Upgrading the design height specifications of polder embankments to ensure structural resilience against projected climate change scenarios and intensified storm surge dynamics | MoWR, BWDB |
| Coastal Early Warning & Emergency Response | Develop and operationalise a Coastal Flood Forecasting Model to strengthen flood forecasting, early warning and water resources management in coastal areas | MoWR, BWDB |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## Chattogram Hill Tracts Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Disaster Risk Management | Development of Flood and Landslide Protection Plan for Urban Areas in CHT | Ministry of Chattogram Hill Tracts and Affairs (MoCHTA), CHTDB, MoWR (BWDB) |
| Disaster Risk Management | Development of Early Warning Systems for Extreme Weather Events, Lightning and Landslides for the CHT Area | Ministry of Defense (MoD), BMD |
| Environment & Ecosystems | Rehabilitation and Restoration of Degraded Unclassed State Forests | Ministry of Environment, Forest & Climate Change (MoEF&CC), FD |
| Environment & Ecosystems | Ecosystem conservation and its effective management | Ministry of Environment, Forest & Climate Change (MoEF&CC), BFD |
| Water and Agriculture | Assessment of Soil Health and Conservation Practices in Hilly Areas | Ministry of Agriculture (MoA), DAE |
| Water and Agriculture | Implementation of Integrated Agriculture System in CHT | Ministry of Agriculture (MoA), DAE |
| Water and Agriculture | Introduction and Up-scaling of Innovative, Indigenous and Unconventional Agricultural Practices | Ministry of Agriculture (MoA), DAE |
| Water Supply and Sanitation | Community-based Rainwater Storage and Use Programme | Ministry of Chattogram Hill Tracts and Affairs (MoCHTA), CHTDB |
| Indigenous Water Harvesting | Community-Based Indigenous Rainwater Harvesting through Traditional Techniques | MoWR (BWDB/WARPO); MoLGRD&Co (DPHE); CHTDB |
| Spring Conservation | Hill Spring Conservation and Community Water | MoEFCC; MoCHTA(CHTDB); BWDB |
| Watershed Management & Flash Flood Reduction | Watershed Management for Flash Flood Reduction and Water Retention in the CHT | MoWR (BWDB); MoEFCC (BFD); CHTDB |
| Small-Scale Water Storage Infrastructure | Small-Scale Check Dam and Hill Water Storage Programme for Agricultural Water Security | MoWR (BWDB); CHTDB; LGED |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB |
| Watershed Management & Flash Flood Reduction | Implement integrated structural and non-structural measures for flash flood mitigation and bank stabilisation along the Sangu and Matamuhuri rivers' | MoWR, BWDB |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## Major Rivers and Estuaries

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Environment & Ecosystems | Development of Physical Model for Rivers and Estuaries | Ministry of Water Resources (MoWR), RRI |
| Estuary Development | Development of Morphological Prediction Tool for Lower Meghna River | Ministry of Water Resources (MoWR), BWDB |
| River Management | Climate Smart Riverine Char Development Project | Ministry of Water Resources (MoWR), BWDB |
| River Management | Socio-economic Impact Assessment for the Transboundary Rivers | Ministry of Water Resources (MoWR), BWDB, JRC |
| Transboundary River Management | Transboundary Water Governance & Basin Cooperation | MoWR / JRC; WARPO; MoFA |
| River Management & Flood Accommodation | Major and Medium River Dredging Programme for Agricultural Water Connectivity and Flood Accommodation | MoWR / BWDB (dredging for flood accommodation and agricultural water connectivity); BIWTA (dredging for navigation); WARPO |
| Disaster Risk Reduction & Agricultural Protection | Flash Flood and Wave Action Protection Programme for Haor Agricultural and Livelihood Security | MoWR / BWDB; DBHWD; BHWDB |
| Ecosystem-Based Erosion Management | Sustainable Shoreline and Riverbank Erosion Management Programme through Bioengineering | MoWR / BWDB; MoEFCC / BFD; |
| Structural River Management & Land Protection | Riverbank Stabilisation and River Training Programme for Agricultural Land Protection | MoWR / BWDB; WARPO; RRI |
| Char & Island Climate-Resilient Development | Char and Island Internal Drainage Management and Climate-Resilient Development Programme | MoWR / BWDB; LGED; WARPO; DDM |
| Erosion Risk Management & Early Warning | River Erosion Prediction and ICT-Based Early Warning Dissemination System | MoWR / BWDB; WARPO; ICT Division |
| Agricultural Trade Infrastructure & Economic Development | Inland Water Transport Navigation and Agricultural Trade Connectivity Programme | Ministry of Shipping (MoS) / BIWTA; MoWR / BWDB |
| River Ecosystem Restoration & Environmental Flow | River Environmental Flow Maintenance and Eco-Hydraulic Connectivity Restoration Programme | MoWR / BWDB; WARPO; DBHWD, MoEFCC; |
| Sustainable Use of Land and Water Resources | Feasibility Study for Management and Utilisation of Water of the Brahmaputra River | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Use of Land and Water Resources | Pre-Feasibility Study on Integrated River System Management and Protection of Accreted land | Ministry of Water Resources (MoWR), BWDB |
| Sustainable Use of Land and Water Resources | Integrated Jamuna-Padma Rivers Stabilisation and Land Reclamation Project | Ministry of Water Resources (MoWR), BWDB |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB |
| River Management & Flood Accommodation | Teesta River Basin Management and Barrage Review for Sustainable Water Resources Development | Ministry of Water Resources (MoWR), BWDB |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## Urban Areas

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency |
|---|---|---|
| Sustainable Land Development & Spatial Planning | Assessment of Smart City Technologies for Climate Adaptation | Ministry of Local Government, Rural Development &Cooperatives (MoLGRD&Co), City Corporations, Municipalities |
| Sustainable Land Development & Spatial Planning | Next-Generation Urban Flood Management: Leveraging Smart City Technologies | Ministry of Local Government, Rural Development &Cooperatives (MoLGRD&Co), LGED |
| Sustainable Land Development & Spatial Planning | Development of resilient low income housing using smart city concept | Ministry of Local Government, Rural Development &Cooperatives (MoLGRD&Co), LGED, City Corporations, Municipalities |
| Waste Management | Development of 5R-based Waste Management Models for Urban, Per-urbanand Rural Areas | MoEF&CC, MoLGRD&Co, DoE, LGED, City corporation, DPs, PPP authority |
| Climate Resilient Infrastructure Development | Climate Stress Testing and Risk Framework for Cities | Ministry of Disaster Management and Relief (MoDMR), DDM |
| Climate Resilient Infrastructure Development | Development of multimodal (Road, railway & water-way) transportation system | Ministry of Road Transport and Highways, RHD, Ministry of railway, Ministry of Shipping (MoS), Ministry of Local Govt. Rural Deevlopment and Co-operatives (MoLGED&Co), LGED, BIWTA |
| Environment & Ecosystems | Ecosystem-based Adaptation Programme for Urban Areas | Ministry of Environment, Forest & Climate Change (MoEF&CC), DoE |
| Environment & Ecosystems | Solid waste management for urban and peri-urban areas | Ministry of Environment, Forest & Climate Change (MoEF&CC), DoE |
| Environment & Ecosystems | Construction and Management of Urban River Circular Walkways and Amusement Park through PPP | Ministry of Shipping (MoS), BIWTA |
| Water and Agriculture | Promoting Urban Agriculture for Food and Nutrition Security of City Dwellers and Urban Poor | Ministry of Agriculture (MoA), DAE |
| Water Supply and Sanitation | Installation of Water Treatment Plants with Networks in Major Cities through PPP | Ministry of Local Government, Rural Development and Co-operatives (LGRD&C), WASAs |
| Knowledge Sharing and Capacity Building | Development of Knowledge Exchange Platform for Urban Areas | Ministry of Planning (MoP), GED |
| Urban Flood Drainage & Climate Risk Management | Urban Waterlogging and Flood Drainage Management Programme | MoLGRD&Co (LGED, LGD); MoWR (BWDB); City Corporations |
| Urban Canal Restoration & Connectivity Improvement | Urban Canal Re-excavation and Eco-Hydraulic Connectivity Restoration Programme | MoLGRD&Co (LGED); MoEFCC (DoE); City Corporations, MoWR (BWDB) |
| Urban Rainwater Harvesting & Water Security Enhancement | Urban Rainwater Harvesting and Roof-Top Collection for Supplementary Water Security | MoLGRD&Co (DPHE, LGED); City Corporations; DWASA |
| Urban Water Infrastructure Climate-Proofing | Climate-Resilient Urban Water Infrastructure Remodelling and WASH Programme | MoLGRD&Co (DPHE, WASA); MoWR (BWDB) |
| Operation & Maintenance (O&M) | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) |

## North Central Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Climate Change and Disaster Risk Management | Delineation of flood plain areas | MoWR, BWDB, WARPO | Project Preparation, Approval, and Procurement Process for the Proposed Study | Strict enforcement of "No-Build" zones in delineated flood zones | Study on historical flood extents in the region.<br>Official gazette notification of delineated flood zones. | Reduced flood damage to property and infrastructure |
| Climate Change and Disaster Risk Management | Disaster Insurance for Climate Vulnerable Areas | MoDMR, DDM | Feasibility study and preparation of premium subsidy model. | Piloting of the Disaster insurance in 10 most vulnerable upazilas. | Establishment of Nationwide Disaster insurance for crop and property loss. | Enhanced financial resilience of vulnerable households. |
| Climate Change and Disaster Risk Management | Development/ Improvement of Multi-purpose Disaster Shelters and Its Management Information System (MDS & MIS) | MoLGRD&Co, LGED | Audit of existing shelters and relevant needs. | preparation of the Shelter MIS with real-time tracking. | Ensure the high-risk unions are covered by shelter MIS. | Efficient emergency response and resource allocation. |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Crop Diversification, Production and Marketing for Nutrition and Food Security | MoA, DAE | Study on historical flood extents in the region . | Official gazette notification of delineated flood zones. | Strict enforcement of "No-Build" zones in delineated flood zones | Reduced flood damage to property and infrastructure |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Agriculture Diversification and Promotion of Marketing Network | MoA, DAE | Identification of regional crop suitability and market-gap analysis for non-traditional crops. | Establishment of pilot regional marketing hubs and digital farmer-to-market platforms. | Full-scale integration of climate-smart value chains and institutionalised marketing networks. | Increased agricultural GDP, reduced post-harvest losses, and enhanced nutritional security through diversified cropping. |
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Fisheries Resources Development Project in Lakes of Metropolitan Area | MoFL, DoF | Feasibility study for sustainable urban lake fisheries. | Stocking of indigenous fish fingerlings in urban lakes. | Community-managed sustainable urban fisheries. | Lake conservation and improved urban protein supply. |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable Crop Production, Aquaculture and Food Value Chain Development | Development of Fish Processing Plant with Marketing Centre in NC Region. | MoFL, BFDC | Site selection and technical feasibility study for the processing facility. | Completion of civil works and procurement of cold-chain equipment. | Full operationalisation of the processing plant and regional marketing network. | Reduced post-harvest losses and increased income for fish farmers in the NC region. |
| Sustainable Land Use and Spatial Planning | Preparation of Comprehensive Physical Plan | MoHPW, UDD | Situational analysis and land-use mapping. | Approval of District-level physical plans. | Integration of plans into national spatial data infrastructure. | Regulated urban growth and protected agricultural land. |
| Sustainable Land Use and Spatial Planning | Enhancement of Agriculture Productivity towards Food Security in Char Areas | MoA, DAE | Identification of suitable attached chars. | Distribution of stress-tolerant seeds (flood/ saline) and water-efficient irrigation practices. | Establishment of permanent solar-powered cold storage and market hubs on stable Chars. | Improved food security and significant reduction in seasonal crop shortage. |
| Sustainable Water Management | Assessing water use efficiency and developing sustainable monitoring system for different sectors of Bangladesh in compliance with Sustainable Development Goal (SDG) target 6.4 | MoWR, WARPO, BWDB | Baseline data collection across industry and agriculture. | Launch of the Sustainable Water Monitoring System. | 20% improvement in water-use efficiency nationwide. | Achievement of SDG 6 targets and water security. |
| Sustainable Water Management | Groundwater aquifer recharge with rain/storm and pond water at North-central region of the country. | MoLGRD&Co, DPHE | Site selection for pilot recharge wells and ponds. | Construction of 100 deep-aquifer recharge structures. | Stabilisation of groundwater levels in North-Central region. | Sustainable drinking water supply for NC communities. |
| Sustainable River and Khal Restoration (20,000km Khals) | Revitalisation of Khals all over the country | MoWR, MoLGRD&Co, MoA, BWDB, LGED and BADC | Nationwide survey to identify encroached khals.<br>Removal of obstructions and re-excavation of 1204km khals. | Removal of obstructions and re-excavation of 6598km khals. | Complete Removal of obstructions and re-excavation of 20,000km khals and<br>Fully restored natural drainage and irrigation network. | Eliminated local waterlogging and restored ecosystems. |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Priority list of medium rivers based on siltation levels and ecological importance.<br>Commencement of capital dredging and removal of illegal encroachments. | Completion of capital dredging, river training works and bank stabilisation for 20+ medium rivers (above 5 years). | Restored river morphology, improved dry-season flow, and enhanced aquatic habitats. |
| Protection and Sustainable Management of Wetlands and Forests | Reforestation and Restoration of Degraded State Forests | MoEFCC, BFD | Seedling preparation and site boundary demarcation. | Community-led planting on 10,000 hectares. | Restoration of 20% of degraded state forest land. | Increased biodiversity, ecosystem services from forests and carbon sequestration. |
| Protection and Sustainable Management of Wetlands and Forests | Re-delineation of ecologically critical area | MoEFCC, DoE | Review of existing ECA boundaries and satellite imagery analysis. | Field level validation, expert consultation and stakeholder consultation. | Formal gazette publication and preparation of geospatial database of newly demarcated ECAs | Enhanced protection of fragile ecosystems and legal clarity for land use. |
| Climate Resilient Infrastructure Development | Integrated Flood Risk Management through Climate-Resilient Embankment Construction along Internal River Systems. | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | Feasibility studies, hydro-morphological modeling, and Environmental Impact Assessment (EIA) for priority reaches.<br>Land acquisition, commencement of bank protective works, and formation of Water Management Groups (WMG). | Completion of land acquisition, physical embankment strengthening, construction of drainage sluices, and established community-led maintenance. (above 5 years). | Protection of agricultural land and homesteads from breaching, and 40% reduction in annual flood-related economic losses. |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Climate Resilient Infrastructure Development | Assessing effects of climate Change on Roads and Design of Climate Resilient Road | MoLGRD&Co, LGED, City corporations, Municipalities, LGIs | Assessment of road vulnerability to local floods. | Update of engineering standards for "Climate-Proof" roads. | 5,000 km (e.g.,) of rural roads upgraded to resilient standards. | Uninterrupted rural connectivity during extreme weather. |
| Integrated Solid Waste and Industrial Effluent Management | Integrated Municipal Waste Management in Paurasabhas | MoLGERD&Co, DPHE. City Corporation, Municipalities | Baseline waste generation and composition study. | Operationalisation of secondary transfer stations in Paurasabhas. | safe disposal and composting in target municipalities. | Cleaner urban environments and reduced pollution. |
| Water and Agriculture | Integrated Surface Water Irrigation and Floodplain Crop Management Programme | MoWR (BWDB); MoA (BADC, DAE) | Map irrigation canal intakes & drainage bottlenecks; Form inter-agency coordination team; Rehabilitate 3 pilot WMO units | Rehabilitate 3 pilot WMO units Operationalise 20 WMOs; Introduce flood-escape crop variety pilots at 10 unions | Rehabilitate 200 km tertiary canals & sluice gates; Restore full surface irrigation network in NC floodplain; AWD adoption in 30% Boro area; Seasonal water allocation plans in all target sub-districts | Reduced dry-season GW dependency; improved crop water security for ~2M NC farm households |
| Water and Agriculture | Construction of Rubber Dams, Hydraulic Elevated Dams (HEDs), Weirs, and Surface Water Reservoirs for Dry-Season Irrigation Storage. | MoWR / BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | Hydrological survey of 10 candidate sites on NC rivers; Feasibility designs for priority rubber dams; Community consultation & land assessment | Construct 3 rubber dams on Atrai/ Karatoa tributaries; Develop irrigation distribution channels; Establish community O&M committees Construct 10 rubber dams + 5 surface reservoirs; Link to canal network for 50,000 ha command area; Self-financing O&M model operational (Above 5 years) | Seasonal surface water storage securing Rabi irrigation for >50,000 ha; groundwater abstraction reduced by ~20% in target areas |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Water and Agriculture | Rural Irrigation Water Quality and Arsenic-Safe Groundwater Management Programme | MoLGRD&Co (DPHE) | Arsenic mapping of irrigation tubewells in 5 priority upazilas; Train DPHE field teams in field testing kits; Identify safe alternative sources (ponds, canals, deep wells) | Complete arsenic hazard map covering 30 upazilas; Promote alternative safe irrigation in high-risk zones; Publish district-level irrigation water quality advisories | National irrigation water quality monitoring network operational; All high-risk tubewells flagged & alternatives in use; Local govt irrigation water quality bylaws enforced | Reduced arsenic accumulation in irrigated soils & crops; improved food safety for NC & NW consumers; >500,000 farming households using safe irrigation water |
| Environment and Ecosystems | Floodplain Wetland Restoration and Agricultural Water Balance Management Programme | MoEFCC (DoE); MoWR (BWDB); DBHWD | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | Inventory flood-plain beels, baors & canals under en-croachment; Baseline eco-hy-draulic connectivity assessment; Identify 20 priority wetlands for resto-ration | Remove encroach-ments from 20 pri-ority wetlands; Re-excavate 50 km canals restoring river-floodplain connectivity; Establish 5 wet-land management committees Full floodplain wetland connectivity restored in 3 NC river sub-basins; National wetland encroachment monitoring system operational; Eco-hydraulic flows maintained year-round (Above 5 years) | Natural flood storage capacity restored reducing agricultural waterlogging; improved floodplain fisheries productivity; groundwater recharge enhanced; biodiversity co-benefits |
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## North West Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Groundwater Governance & Drought Adaptation | Drought-Resilient Groundwater Management and Water-Saving Agriculture Programme | MoA (BADC); MoWR (BWDB); BMDA | Install 50 real-time groundwater monitoring stations in Barind; Establish inter-agency groundwater data platform; Pilot AWD technology at 500 ha in Chapai Nawabganj | Develop community groundwater governance rules (abstraction quotas); Scale AWD to 50,000 ha Boro area; Solar-powered surface canal irrigation pilots at 10 sites | Full groundwater governance framework operational in Barind (6 districts); AWD adopted in 30% of NW Boro area; Groundwater table decline halted in target zones | Groundwater table stabilisation in Barind; 15-25% irrigation water savings; aquifer sustainability secured; Boro rice production maintained without depleting groundwater reserves |
| Water and Agriculture | Assessment of Water Retention Capacity in Ponds, Beels, Khals and Other Wetlands in Post-Monsoon Period | Ministry of Water Resources (MoWR), BWDB | Inventory and GIS mapping of existing water bodies and wetlands. | Bathymetric surveys to determine current storage volumes. | Khal Excavation / re-excavation, dredging and restoration of 500+ water bodies. | Increased irrigation coverage and groundwater recharge during dry seasons. |
| Sustainable Water Management | Development of WMOs and Participatory Scheme Management Model, with Cost Recovery for O&M under the North Rajshahi Irrigation | Ministry of Water Resources (MoWR), BWDB | Identify the need and demand for participatory water management and the existing condition of water management | Completion of field-level studies. | Identification of the final interventions for ensuring water management groups and participatory water management. | Formation of water management groups for ensuring participatory water management |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Environment & Ecosystems | Assessing Environmental Flow of rivers and Khals in the Atrai Basin and Chalan Beel area using Simplified Environmental Flow Method | Ministry of Water Resources (MoWR), BWDB / DBHWD | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | ○ Starting of the study through selection of monitoring stations and data collection on seasonal flow.<br>○ Completion of the Simplified Environmental Flow Method (SEFM) analysis.<br>○ Make recommendations to the relevant line agencies for effective implementations of the findings; | ○ Implementation of a regulated water release policy for ecological balance.<br>○ Prepare an integrated water resources management plan for the rivers, khals and beels including other wetlands; | ○ Restored aquatic biodiversity and sustained ecosystem services in Chalan Beel and Atrai Basin.<br>○ Sustainable management of the basin and ecosystems services; |
| Environment & Ecosystems | Assessment of the natural habitats and its conservation, management and sustainable development | Ministry of Water Resources (MoWR), BWDB / DBHWD | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | ○ Identification of critical habitats in terrestrial and aquatic environments;<br>○ Characterization of the habitats in terms of states, impacts and future management potentials;<br>○ Identification of the management needs in respect to strength of line agencies and knowledge gaps; | ○ Effective conservation and management of the degraded ecosystems through the proper line agencies and relevant stakeholders;<br>○ Incorporation of Nature-Based Solutions (NbS), Ecosystem-based Adaptation (EbA) and Community based Management (CBM) concept in managing natural resources; | ○ Reduction of further degradation of the habitats and continuous improvements in relation to the SDG indicators;<br>○ Restored ecosystem services in the regions; |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Solar Irrigation & Canal Rehabilitation | Solar-Powered Surface Irrigation and Canal Network Rehabilitation Programme | MoA (BADC); MoWR (BWDB); BMDA | Map 200 priority irrigation canal segments requiring rehabilitation; Identify 30 sites suitable for solar pump replacement of deep tubewells; Feasibility study for Barind solar irrigation grid | Rehabilitate 500 km canals in Barind and Atrai basin; Install 30 solar-powered surface water pump stations; Train BMDA engineers in solar irrigation O&M | Rehabilitate 2,000 km canal network across NW; Install 200 solar surface water stations replacing 200 deep tubewells; Full canal irrigation coverage restoring surface water as primary source | Deep tubewell groundwater use reduced by 15%; irrigated area maintained using surface/solar sources; energy cost savings for farmers; GHG emissions reduced |
| Water and Agriculture | Rubber Dam Network and Dry-Season Surface Water Storage Programme | MoWR / BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | Site survey of 15 candidate rivers in Barind & Atrai basins; Feasibility designs for 5 rubber dam sites;<br><br>Community consultation & environmental screening Commencement of construction of 5 rubber dams on Barind/Atrai rivers;<br><br>Establish community-based O&M committees | Connect to 10,000 ha command area through distribution channels;<br><br>Construct 20-dam network across NW & NC; Irrigation command area expanded to 100,000 ha; Self-financing O&M fund operational from saved diesel costs<br><br>(Above 5 Years) | Dry-season surface water storage securing 100,000 ha Rabi irrigation; groundwater abstraction reduced; tubewell operational costs saved for ~50,000 farm households |
| Groundwater Governance & Drought Adaptation | Drought-Resilient Groundwater Management and Water-Saving Agriculture Programme | MoA (BADC); MoWR (BWDB); BMDA | Install 50 real-time groundwater monitoring stations in Barind; Establish inter-agency groundwater data platform; Pilot AWD technology at 500 ha in Chapai Nawabganj | Develop community groundwater governance rules (abstraction quotas); Scale AWD to 50,000 ha Boro area; Solar-powered surface canal irrigation pilots at 10 sites | Full groundwater governance framework operational in Barind (6 districts); AWD adopted in 30% of NW Boro area; Groundwater table decline halted in target zones | Groundwater table stabilisation in Barind; 15-25% irrigation water savings; aquifer sustainability secured; Boro rice production maintained without depleting groundwater reserves |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Drought Forecasting and Early Warning | Integrated Drought Forecasting, Monitoring, Early Warning and Risk Communication Programme | MoWR (BWDB), MoA (BADC, DAE), and BMD. | Establish drought monitoring systems, strengthen data collection and sharing. | Develop seasonal drought forecasting models, expand the monitoring network, and upgrade digital early warning platforms. | Integrate forecasting systems, automate early warning services, and strengthen risk communication and community response systems. | Timely drought forecasts and early warnings improve preparedness, reduce drought vulnerability, and enhance climate-resilient water resources and agricultural management. |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Priority list of medium rivers based on siltation levels and ecological importance.<br>Commencement of capital dredging and removal of illegal encroachments. | Completion of capital dredging, river training works and bank stabilisation for 20+ medium rivers (above 5 years). | Restored river morphology, improved dry-season flow, and enhanced aquatic habitats. |
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## North East Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Disaster Risk Management | Planning, Design and Construction of Multipurpose cum Disaster Shelter in the NE Region of Bangladesh | Ministry of Disaster Management and Relief (MoDMR), DDM | Study on Identification of flash-flood prone areas for Multipurpose cum Disaster Shelters and land acquisition. | Completion of architectural designs and foundation work. | Commissioning of a network of 200+ climate-resilient shelters. | Reduced loss of life and livestock during extreme flood events. |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Disaster Risk Management | River Management by enhancing the navigability, removing/minimizing drainage congestion, improving river tourism, wetland ecosystem, and landing facilities in Haor Areas. | Ministry of Shipping (MoS), BIWTA , MoWR (BWDB) | Assessment of Hydro-morphological situation of major Haor river systems. | Piloting of dredging activities at critical drainage congestion locations as suggested in the assessment. | Improvement of year-round navigability in the major rivers in Haor area along with sustainable river tourism routes. | Enhanced local economy through tourism and efficient drainage systems. |
| Disaster Risk Management | Study on Integrated Water Resources Management in NE Basin | Ministry of Water Resources (MoWR), DBHWD | Formulation of Technical Assistance (TA) project and consultant hiring. | Study on baseline data collection and basin modeling. | Finalization of the updated Haor Master Plan in the NE Basin. | Sustainable and coordinated water use across agriculture and industry. |
| Environment & Ecosystems | Improving Fish Biodiversity, Enhancing Fish Production, and Supporting Fisher Community and Resources Management of NE Basin | Ministry of Fisheries and Livestock (MoFL), DoF | Ecosystem based management of Beel fisheries via community-public cooperation | Community-based fingerling stocking and gear distribution. | Identification of genetic stocks/ meta-population of ecologically indicative and commercially important fishes;<br>Biodiversity restoration and 25% increase in open-water fish productivity. | Improved livelihoods for fishers and long-term protein security. |
| Agricultural Water Infrastructure Development | Haor Submersible Embankment and Water Regulation Infrastructure Rehabilitation Programme | MoWR (BHWDB/BWDB) | Emergency survey of 500 km most-at-risk embankments;<br>Rapid repair of top-10 critical breach points; | Rehabilitate 1,000 km submersible embankments & 200 sluice gates;<br>Operationalise 30 WMOs in haor basins;<br>Clear 300 km silted haor drainage channels; Deploy remote water level sensors at 20 gates | Complete rehabilitation of all 2,728 km embankment network;<br>Full gate monitoring & adaptive operation system;<br>All major haors with functional WMOs | Boro rice crop loss from early flash floods reduced by 40%;<br>Boro harvesting season secured for ~4M haor farmers; 18% of national rice output protected |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Disaster Risk Management | Eco-Engineering Flood and Drainage Management Programme for Haor and Floodplain Areas | MoWR (BWDB); DBHWD | Pilot vetiver grass slope protection at 3 embankment sites; Map river-khal-beel connectivity gaps; | Scale vetiver grass to 50 km of embankment slopes; Restore khal-beel connectivity at 20 haor sites; Design elevated causeway prototypes for 5 haors | Construct 15 eco-designed elevated causeways Full eco-engineering design manual adopted by BWDB; 200 km embankment slopes protected by bioengineering; All-season causeways in all major haors | Flood damage to agricultural land reduced; maintained aquatic ecosystem connectivity; ~30% lower maintenance cost than concrete alternatives; fisheries habitat preserved |
| Disaster Risk Management | Haor Flash Flood Early Warning and Community-Based Rapid Response System | MoWR (BWDB); MoWR (FFWC); BMD; DBHWD; DDM | Assess existing upstream flash flood gauge network gaps; Install 20 new upstream rainfall & river gauges; Design community volunteer alert network for 50 haors | Achieve 24-hour lead time flash flood forecast for all 7 haor districts; Train 500 community volunteers in warning dissemination & crop salvage; Develop Bangla SMS/IVR flash flood alert platform | Achieve 48-hour lead time flash flood forecast; Community response network active in all 373 haor unions; Integrate forecast with haor gate operation for embankment protection | Advance warning enabling crop salvage & emergency embankment protection; reduced Boro rice loss from unexpected flash floods; 2M+ haor households receiving timely warnings |
| Environment & Ecosystems | Haor Wetland and Waterbody Conservation for Aquatic Ecosystem Resilience | MoEFCC (DBHWD); MoFL (DoF); BWDB | Map & classify all haor wetlands by ecological status; Identify top-20 degraded waterbodies for priority restoration; Draft haor wetland management framework | Restore 20 priority haor beels & baors (re-excavation, encroachment removal); Establish wetland management committees at 20 sites; Begin participatory water management framework implementation | National haor wetland management plan adopted & gazetted; All major haor waterbodies under participatory management; Fishery and biodiversity monitoring system operational | Restored haor aquatic biodiversity; improved indigenous fish production for food security; enhanced natural water storage for agricultural water balance; eco-tourism potential developed |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Priority list of medium rivers based on siltation levels and ecological importance.<br>Commencement of capital dredging and removal of illegal encroachments. | Completion of capital dredging, river training works and bank stabilisation for 20+ medium rivers (above 5 years). | Restored river morphology, improved dry-season flow, and enhanced aquatic habitats. |
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## Extended Coastal Region

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Water Supply and Sanitation | Sustainable Water Access: Saline Water Treatment in Bangladesh's Coastal Communities | Ministry of Local Government, Rural Development & Cooperatives (MoLGRD&Co), DPHE | A study for identifying the most vulnerable locations and community clusters. | Mapping of the most saline-affected community clusters and finalizing locations for RO treatment plants. | Installation of 100 solar-powered Reverse Osmosis (RO) plants. | Improved access to drinking water for marginal people in the coastal belt. |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable Water Resources Management | Integrated Climate-Resilient Coastal Polder and Sea Dike Management Programme | MoWR / BWDB | Commencement of Feasibility Study for the climate risk assessment<br><br>Development Project formulations, approval and commencement | Climate risk assessment of all 139 polders using IPCC AR6 SLR scenarios;<br><br>Emergency repairs on 10 highest-risk polder embankments;<br><br>Update polder design standards for future SLR | Rehabilitate 50 priority polders (embankments, regulators, drainage); Apply TRM at 5 pilot polders for sediment management;<br><br>Establish 50 Polder Management Organisations<br><br>Complete systematic rehabilitation of all 139 coastal polders;<br><br>Full TRM programme at 25 suitable polders (if feasible); Cyclone emergency response protocol at all polders<br><br>(Above 5 years) | 4.5M ha agricultural land protected from SLR & storm surge; 13.57M coastal people's food security secured; 30% cultivable coastal land maintained in production |
| Sustainable Water Resources Management | Coastal Tidal River Management and Freshwater Availability Enhancement Programme | MoWR / BWDB | Assess 20 candidate sites for TRM implementation; Survey tidal sluice gate condition across coastal polder network; Model sediment budget for priority estuarial zones | Development Project formulations, approval and commencement to implement TRM at 5 pilot sites;<br><br>Rehabilitate 200 tidal sluice gates for optimized freshwater retention; Excavate/restore 100 km internal polder canal networks | Operationalise TRM at 20 sites raising polder floor levels;<br><br>Full tidal gate network rehabilitation completed; Community freshwater pond systems established in 50 polders (Above 5 years) | Freshwater availability for dry-season irrigation increased; salinity-affected agricultural area reduced; polder land subsidence countered through sedimentation; >1M coastal farmers benefited |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable Water Resources Management | Ecosystem-Based Sediment Management along Coasts and Estuaries | MoWR (BWDB);<br>MoEFCC | Feasibility Study Project Preparation, Approval, and Procurement Process for the Commission sediment budget assessment for SW coastal zone;<br>Map subsidence and accretion hotspots using satellite data; Identify 10 priority sites for mangrove-based sediment trapping | Development Project formulations, approval and commencement to implement mangrove plantation at 50 km of subsiding shorelines; Pilot community-managed tidal creek openings at 5 sites; Deploy vetiver grass and Golpata for estuarial bank stabilisation | Sediment management framework for all SW estuaries; Mangrove-based shoreline accretion at 200 km;<br>Natural sedimentation restored in priority subsiding polders<br>(Above 5 years) | Net land loss reversed in target areas; agricultural land saved from subsidence; mangrove carbon sequestration co-benefit; fisheries habitat improved; long-term shoreline stability |
| Sustainable Water Resources Management | Sustainable Coastal Shoreline Erosion Management | MoWR (BWDB);<br>MoEFCC (BFD) | Preparation, Approval, and Procurement of a Feasibility Study for Erosion Prediction along All ECZ Shorelines and Identification of Suitable Bio-engineering Solutions | Erosion prediction model run for all ECZ priority shoreline segments; Bioengineering pilot at 3 ECZ sites (oyster reef, vetiver, Golpata); Procure coastal nursery planting stock.<br>Scale bio-engineering to 30 highest-priority ECZ erosion sites; Mangrove & Golpata plantation on 100 km estuarial shoreline; Community maintenance agreements at 20 sites | 200 km ECZ shoreline protected by bioengineering measures; Design manual & national standard developed; Oyster reef structures at 15 estuarial sites<br>(Above 5 years) | 150,000 ha agricultural land protected from coastal erosion; 50% lower lifecycle cost than hard engineering; carbon sequestration and biodiversity co-benefits; fishing habitat improved |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable Water Resources Management | Cyclone Storm Surge Forecasting and Coastal Agricultural Emergency Response System | MoWR (BWDB);<br>MoDMR (DDM)<br>MoA (DAE) | Gap assessment of storm surge monitoring buoys & tide gauges; Install 15 additional coastal tide gauges; Design agricultural emergency response protocol for cyclone season | Install 15 additional coastal tide gauges;<br>Agricultural crop emergency harvest & livestock evacuation protocols active;<br>Deploy a community-based coastal warning volunteer network | Achieve 3-day storm surge impact forecast for all 19 coastal districts;<br>Impact-based storm surge forecast with 5-day lead time; Community warning network reaching all 4,722 coastal unions; Post-cyclone agricultural recovery system operational<br>(Above 5 years) | Early warnings enabling crop & livestock salvage before cyclone landfall; agricultural losses from storm surge reduced by 30%; faster post-cyclone agricultural recovery; >10M coastal people protected |
| Sustainable Water Resources Management | Construction of Padma Barrage and Ancillary Works | Ministry of Water Resources (MoWR), BWDB, | Complete project preparation activities including detailed surveys, stakeholder consultations, and approval of the detailed design and implementation plan. | Conduct detailed design, environmental and social impact assessments, and land acquisition for the Padma Barrage and ancillary works. | Construct the barrage structure, irrigation and drainage networks, navigation facilities, and associated power and water supply infrastructure. (Above 5 years) | Flood management, drainage, irrigation, power generation, navigation and water supply , salinity control in the South West and South Central Region. |
| Sustainable Water Resources Management | Study on Impact Assessment and Strategic Directions on Tidal River Management (TRM) | Ministry of Water Resources (MoWR), BWDB | Identification of key tidal river for primary assessment. | Completion of field-level impact assessment | Development of a strategic directions to support tidal river management | Impact assessment for the management of tidal river |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable Water Resources Management | Programme for Implementation of Rationalised Water Related Interventions in Gorai-Passur Basin | Ministry of Water Resources (MoWR), BWDB | Identify the necessary activities and initiation of the feasibility studies. | Conduct basin assessments, feasibility studies, stakeholder consultations, and prepare detailed implementation and financing plans for rationalised water-related interventions | Implement priority rehabilitation and improvement works for river flow management, drainage, embankments, salinity control, and water distribution infrastructure within critical areas of the basin. | Improved operation and management of the water resource infrastructures. |
| Sustainable Water Resources Management | Assessment of Tidal Asymmetry and Sediment Dynamics in the Western Coast | Ministry of Water Resources (MoWR), BWDB | Hydro-morphological data collection and mapping. | Development of sediment transport models. | Optimized dredging and sediment management plan. | Preparation of<br>Improved navigability and reduced coastal siltation. |
| Sustainable Water Resources Management | Designing Eco-friendly and Sustainable Sluice Gates or Regulators for Coastal Polders with Sediment Management Provisions. | Ministry of Water Resources (MoWR), BWDB | Concept development | Design concept and initial hydraulic testing. | Construction of 5 prototype eco-sluices.<br>Replacement of old water management structures across major polders. (Above 5 years) | Enhanced drainage and restored fish migration paths. |
| Sustainable Water Resources Management | Eco-Resilient Delta: Nature-Based Sustainable Water Resources Management for Climate Adaptation | Ministry of Water Resources (MoWR), BWDB | Vulnerability mapping of existing polder embankments. | Pilot implementation of Tidal River Management (TRM). | Climate-resilient polder network integrated with nature (incorporating nature-based solutions). | Sustainable protection for vulnerable coastal inhabitants. |
| Climate Resilient Infrastructure Development | Strengthening Coastal Defenses: Construction of Super-Dyke along the the south eastern coastline (from Ramgoti to Shah Pari Dweep) | Ministry of Water Resources (MoWR), BWDB | Checking ongoing initiatives (e.g., CEIP) taken by BWDB in that area. | Initiating detailed feasibility study and ESIA | Preparing DPP and initiating Phase-1 | Permanent protection against storm surges and reclaimed coastal land for economic use. |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Water and Agriculture | Sustainable Mariculture Programme for Coastal Areas | Ministry of Fisheries and Livestock (MoFL), DoF | Commercial scale-up of seaweed and shellfish farming.<br>Fisheries resource database upgradation<br>Inventory of Domestic and Overseas fish market of potential marine fishes for fishing based national development | Establishment of pilot mariculture and silvo-fisheries zones.<br>Infrastructural improvement of fish landing centres for reducing post-harvesting loss | Genetic stock/ meta-population identification of potential marine fishes<br>Impact of structural intervention along the shoreline on the coastal and marine fisheries<br>Improvement of interface of Bay and coastal rivers to facilitate fish migration | Diversified export earnings and food security. |
| Environment & Ecosystems | Integrated Environmental & Social Risk Management in Marine Port Areas | Ministry of Shipping (MoS), Respective Port Authorities | ○ Audit of current environmental management plans.<br>○ Review of existing rules and legislation related to shipping and port management; | ○ Identify the gaps in managing the shipping and port activities effectively like the gaps in legislations, enforcement and capacity in terms of skills and logistics;<br>○ Implementation of green port certification standards.<br>○ Regular monitoring of port activities related to pollution and health risks;<br>○ Develop a framework for assessing and monitoring the port ecology; | ○ Fully automated, zero-spill port operations.<br>○ Digital information system development and real time monitoring of major port activities related to environment and social risks;<br>○ Periodical evaluation of port ecology and reporting to the proper authority; | ○ Sustainable trade hubs with minimal ecological footprint.<br>○ Increasing of foreign revenue via enhancing port operation performance; |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Blue Economic Development | Assessment of Pollution Sources and Hotspots in Coastal and Marine Areas | Ministry of Environment, Forest & Climate Change (MoEF&CC), DoE | Identification of all the major pollution hotspots and/or sources that drains into the Bay of Bengal; | Identification of marine and coastal water quality and plastics monitoring parameters and stations;<br>Deployment of real-time water quality and plastics monitoring in coastal and marine environments;<br>Incorporate the SDGs (like 14.1.1a; 14.1.1b; 14.2.1; 14.3.1; 14.5.1 etc.) baseline data collection for relevant coastal and marine environments/ resources; | Prepare a Dashboard for monitoring of coastal and marine environments particularly water quality and plastics';<br>Develop a framework for taking management decision using the monitoring results for coastal and marine areas conservations; | 30% reduction in industrial discharge into marine areas.<br>Reduction of marine environment degradation;<br>Health marine ecosystems and improved fisheries. |
| Environment & Ecosystems | Nature-based Coastal Protection through Afforestation Programme | Ministry of Environment, Forest & Climate Change (MoEF&CC), FD, , MoWR (BWDB) | ○ Assessment of NbS potentiality in the coastal environment using plantations; | ○ Seedling preparation and site selection in vulnerable zones.<br>○ Planting of 15-20 million mangrove saplings. | ○ Planting of 80-100 million of trees in the coastal belt respecting different habitats like mangroves, homesteads, planted forest, char lands etc.;<br>○ Establish 500-meter thick green belt along the coast and major rivers; | ○ Enhancing the afforestation in coastal habitats;<br>○ Reducing the climate change impacts in coastal environment;<br>○ Improving iatural barrier against storm surges and erosion.<br>○ Enhanced at least 30% of the habitats for wildlife; |

| Activities/ Theme | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Governance & Institutional Strengthening | Research programme in ocean governance and preparation of MSP for the development of Blue Economy | Ministry of Science and Technology (MoST), Bangladesh Oceanographic Research Institute (BORI) | Review of existing maritime legal frameworks. | Drafting the first Maritime Spatial Planning (MSP) document. | Institutionalization of the National Ocean Governance Authority. | Conflict-free and efficient use of marine space. |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Priority list of medium rivers based on siltation levels and ecological importance.<br>Commencement of capital dredging and removal of illegal encroachments. | Completion of capital dredging, river training works and bank stabilisation for 20+ medium rivers (above 5 years). | Restored river morphology, improved dry-season flow, and enhanced aquatic habitats. |
| Coastal Polder & Sea Dike Management | Upgrading the design height specifications of polder embankments to ensure structural resilience against projected climate change scenarios and intensified storm surge dynamics | MoWR, BWDB | Review existing polder embankment design standards and identify priority polders requiring height enhancement based on climate and storm surge risk assessments. | Develop and approve revised climate-resilient embankment design standards and initiate upgrading works for high-risk coastal polders. | Complete the phased upgrading of priority polder embankments to climate-resilient design heights across vulnerable coastal areas. | Climate-resilient polder embankments reduce the risk of overtopping and breaching, enhancing protection against sea-level rise and intensified storm surges for coastal communities and assets. |
| Coastal Early Warning & Emergency Response | Develop and operationalise a Coastal Flood Forecasting Model to strengthen flood forecasting, early warning and water resources management in coastal areas | MoWR, BWDB | Assess data requirements, develop the conceptual framework, and initiate the design of the Coastal Flood Forecasting Model for priority coastal regions | Develop, calibrate and validate the Coastal Flood Forecasting Model, and integrate it with real-time hydrometeorological and tidal data for pilot implementation. | Operationalise the Coastal Flood Forecasting Model nationwide and integrate it with the national flood forecasting and early warning system to support climate-resilient coastal water resources management. | Accurate and timely coastal flood forecasts enhance early warning, improve water resources management, and reduce flood risks to coastal communities, infrastructure and ecosystems. |
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## Chattogram Hill Tracts Region

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Disaster Risk Management | Development of Flood and Landslide Protection Plan for Urban Areas in CHT | Ministry of Chattogram Hill Tracts and Affairs (MoCHTA), CHTDB MoWR (BWDB) | Mapping of high-risk landslide zones in major CHT urban centres. | preparation of zoning regulations and slope stabilisation designs. | Implementation of landslide protection and drainage improvement measures in urban areas in CHT. | Minimized casualties and infrastructure damage from landslides/floods. |
| Disaster Risk Management | Development of Early Warning Systems for Extreme Weather Events, Lightning and Landslides for the CHT Area | Ministry of Defense (MoD), BMD | Installation of automated weather stations and sensors in CHT. | Implementation of a mobile-based community alert system. | Integration of real-time monitoring into the national disaster management system. | Timely evacuation and community preparedness for extreme events. |
| Environment & Ecosystems | Rehabilitation and Restoration of Degraded Unclassed State Forests | Ministry of Environment, Forest & Climate Change (MoEF&CC), FD | Baseline survey of forest cover loss and degradation. | Community-based nursery development for indigenous species. | Reforestation of 50,000+ hectares of degraded forest land. | ○ Restored biodiversity and improved carbon sequestration capacity.<br>○ Improved ecosystem services;<br>○ Protection of wetlands; |
| Environment & Ecosystems | Ecosystem conservation and its effective management | Ministry of Environment, Forest & Climate Change (MoEF&CC), BFD | ○ Identification of degraded ecosystem like haors, reedland forests, swamps and transboundary rivers and other resources; | ○ Reduction of threats and pressures and at the same time delineate the degraded ecosystems; | ○ Implementation of the integrated and effective management of the degraded ecosystems and its continuous monitoring; | ○ Restore of 30% of the degraded ecosystems; |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| | | | ○ Identification of tourism centres and its activities, impacts, and management flaws including the enforcement and legislations; | ○ Afforestation Programmes where necessary;<br>○ Piloting of Haati protection using the concepts of NbS and EbA;<br>○ Transboundary River ecosystem conservation and restoration using the concept of NbS;<br>○ Database development for the toru operators including management and monitoring actions;<br>○ Site specific Tourist Carrying capacity Assessment (TCCA); | ○ Model development for the Haati protection and its effective implementation at the haor areas;<br>○ Sustainable management of the transboundary rivers and its proper conservation;<br>○ Effective management of the truism centres and sites and its proper monitoring;<br>○ Awareness Programmes for the impacts of tourism as well as benefits of sustainable tourism; | ○ Improvements of ecosystem services by at least 40-50%;<br>○ GIS-based Transboundary River Water Quality Monitoring MIS and Database; |
| | | | | ○ Preparations of the proper guideline and protocols for the site specific tourism activities;<br>○ Starting of the Transboundary River water quality monitoring projects using the Framework Developed by the Joint Rivers Commission, JRC Bangladesh. | ○ Periodical water quality monitoring of the transboundary rivers in Bangladesh for trend generation of water quality status and assisting the decision makers to deal with it; | |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Water and Agriculture | Assessment of Soil Health and Conservation Practices in Hilly Areas | Ministry of Agriculture (MoA), DAE | Soil nutrient mapping and erosion rate assessment. | Promotion of "Valler" or terrace farming and cover cropping. | Adoption of sustainable soil management by 70% of hill farmers. | Reduced soil erosion and improved agricultural productivity. |
| Water and Agriculture | Implementation of Integrated Agriculture System in CHT | Ministry of Agriculture (MoA), DAE | Training modules for hill farmers on mixed cropping/ livestock. | Pilot projects in three hill districts (Rangamati, Bandarban, Khagrachari). | Established value-chain and market linkages for integrated products. | Diversified income and enhanced food security for CHT communities. |
| Water and Agriculture | Introduction and Up-scaling of Innovative, Indigenous and Unconventional Agricultural Practices | Ministry of Agriculture (MoA), DAE | Documentation of indigenous farming knowledge and varieties. | Research on high-value unconventional crops (e.g., coffee, cashews). | Commercial-scale production of specialty hill products. | Enhanced economic resilience through high-value niche exports. |
| Water Supply and Sanitation | Community-based Rainwater Storage and Use Programme | Ministry of Chattogram Hill Tracts and Affairs (MoCHTA), CHTDB | Identification of water-scarce hilly communities for pilot sites. | Installation of 500+ large-capacity communal rainwater tanks. | Universal rainwater harvesting coverage in remote hilly villages. | Access to safe water during dry seasons and reduced drudgery for women. |
| Water Supply and Sanitation | Community-Based Indigenous Rainwater Harvesting through Traditional Techniques | MoWR (BWDB/ WARPO); MoLGRD&Co (DPHE); CHTDB | Map and GPS-tag existing kund, dighi and spring systems in 3 CHT districts; Form 20 community spring management committees; Rehabilitate 50 degraded traditional water structures | Rehabilitate 200 traditional water harvesting structures; Install 30 spring-fed gravity flow systems for agriculture; Document indigenous knowledge into technical guidelines | Scaling programme covering all 3 CHT districts; Community water management committees self-sustaining in 100 villages; Indigenous techniques integrated into national water planning | Water security improved for ~200,000 CHT hill community members; dry-season agricultural water access maintained using sustainable indigenous systems; cultural water knowledge preserved |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Water Supply and Sanitation | Hill Spring Conservation and Community-based Water Distribution Network Development | MoEFCC;<br>CHTDB;<br>BWDB | Inventory and classify all major springs in CHT (Rangamati, Bandarban, Khagrachari);<br>Baseline water yield & quality assessment;<br>Identify top-50 critical springs for immediate protection | Protect and restore 50 priority springs through catchment reforestation & spring boxes;<br>Establish community spring management groups at 50 sites;<br>Begin spring water quality monitoring programme | All major CHT springs mapped, protected and under community management;<br>Catchment reforestation covering 5,000 ha;<br>Spring yield monitoring integrated into national water data system | Year-round water supply secured for hill communities and agricultural use; reduced dry-season water scarcity; improved water quality; forest cover and soil water retention increased |
| Disaster Risk Management | Watershed Management for Flash Flood Reduction and Water Retention in the CHT | MoWR (BWDB);<br>MoEFCC (BFD);<br>CHTDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Delineate 10 priority sub-catchments in CHT;<br>Conduct baseline erosion, runoff & flash flood risk assessment;<br>Develop watershed management plans for 5 pilot sub-catchments | Implement terracing, contour bunds & native vegetation on 5,000 ha;<br>Construct 50 check dams for water retention and erosion control;<br>Establish community watershed conservation committees<br><br>Watershed management covering 50,000 ha in all three CHT districts;<br>Flash flood frequency reduced by 30% in target sub-catchments;<br>Water retention increased by 20% in dry-season baseflow (Above 5 years) | Flash flood hazard to downstream communities and agriculture reduced;<br>CHT hill springs and streams recharged;<br>soil erosion reduced; agricultural productivity improved on terraced hill slopes |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Water and Agriculture | Small-Scale Check Dam and Hill Water Storage Programme for Agricultural Water Security | MoWR (BWDB); CHTDB; LGED | Study/Technical report to identify 100 candidate sites for check dams and hill water storage ponds | Design pilot check dams at 10 priority sites; Conduct environmental & social screening | Construct 50 check dams and 20 hill water storage ponds; Develop gravity-fed agricultural irrigation channels from storage; Train community operators in dam management<br>Construct 200 check dams and 100 hill water storage ponds across CHT; Gravity irrigation network covering 5,000 ha of hill agriculture; Self-sustaining community management model (Above 5 years) | Dry-season water storage for hill agriculture securing year-round cultivation; groundwater recharge enhanced; flash flood peak flows reduced; improved food security for CHT communities |
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Priority list of medium rivers based on siltation levels and ecological importance.<br>Commencement of capital dredging and removal of illegal encroachments. | Completion of capital dredging, river training works and bank stabilisation for 20+ medium rivers (above 5 years). | Restored river morphology, improved dry-season flow, and enhanced aquatic habitats. |
| Watershed Management & Flash Flood Reduction | Implement integrated structural and non-structural measures for flash flood mitigation and bank stabilisation along the Sangu and Matamuhuri rivers | MoWR, BWDB | Identify flash flood and erosion hotspots and prepare priority mitigation plans for the Sangu and Matamuhuri rivers. | Implement priority structural and non-structural measures for flash flood mitigation and riverbank stabilisation. | Complete integrated flash flood mitigation and riverbank stabilisation works and ensure their sustainable operation and maintenance. | Reduced flash flood risks and riverbank erosion, enhancing the resilience of communities, infrastructure, and river systems. |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## Major Rivers and Estuaries

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Environment & Ecosystems | Development of Physical Model for Rivers and Estuaries | Ministry of Water Resources (MoWR), RRI | Setup of labouratory infrastructure and procurement of precision scaling tools. | Construction of physical scale models for priority estuaries. | Operational national modeling facility for testing coastal/river infrastructure. | Scientifically validated designs for bridges, dams, and polders to prevent erosion. |
| Estuary Development | Development of Morphological Prediction Tool for Lower Meghna River | Ministry of Water Resources (MoWR), BWDB | Consolidation of 10-year historical bathymetric and flow data. | Launch of a beta-version digital simulation tool for river morphology. | Fully integrated predictive system for land accretion and erosion forecasting. | Reliable data for land reclamation and protection of coastal settlements. |
| River Management | Climate Smart Riverine Char Development Project | Ministry of Water Resources (MoWR), BWDB | Baseline socio-economic and vulnerability survey of Char inhabitants. | Implementation of pilot climate-resilient housing and floating agriculture. | Transformation of targeted Chars into sustainable, flood-protected economic hubs. | Enhanced livelihood security and reduced migration for 500,000+ Char dwellers. |
| River Management | Socio-economic Impact Assessment for the Transboundary Rivers | Ministry of Water Resources (MoWR), BWDB, JRC | Identification of key transboundary rivers for primary assessment. | Completion of field-level socio-economic impact studies. | Development of a comprehensive database to support water-sharing negotiations. | Data-driven diplomacy and equitable management of shared water resources. |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Transboundary River Management | Transboundary Water Governance & Basin Cooperation | MoWR / JRC; WARPO;<br>MoFA | • Renewal/new treaty for sharing of the Ganges Waters<br>• Initiate GBM basins climate flow assessment<br>• Continuation of existing dialogue for signing of Teesta Water Sharing Treaty<br>• Initiate dialogue for agreement regarding six transboundary rivers (viz Manu, Muhuri, Khowai, Gumti, Dharala. Dudhkumar)<br>• Continuation of constructive dialogue with co-riparian countries, particularly India, for acquisition of more upstream flood related data for increased lead time and effective early warning | • Form Bangladesh-India Joint Technical Working Group for Brahmaputra River<br>• Conclusion of signing of Teesta Water Sharing Treaty<br>• Establish Transboundary River Basin Database<br>• Carry out comprehensive GBM basin climate change flow assessments<br>• Formulation of draft treaty/ agreement for six transboundary rivers (viz Manu, Muhuri, Khowai, Gumti, Dharala. Dudhkumar) | • Negotiate and formulate basin-level cooperative water management agreements with India, Bhutan, Nepal<br>• Signing of treaty for six transboundary rivers (viz Manu, Muhuri, Khowai, Gumti, Dharala. Dudhkumar)<br>• Initiate dialogue for agreement of other transboundary rivers<br>• Integrate transboundary flow projections into national water allocation planning | • Transboundary River Treaties / Agreements leading to secured dry-season water flows for Major and Medium Rivers<br>• Water availability and allocation for agricultural production, enhanced ecosystem services and improved water quality |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| | | | • Initiate discussion for acceding to the UN Convention on the Law of Non-Navigational Uses of International Watercourses 1997<br>• Initiate data sharing for other transboundary rivers<br>• Monitoring of transboundary river water quality using the framework developed by JRC, Bangladesh<br>• Initiate discussion with co-riparian countries for establishment of River Basin Organisations (RBOs) of the Ganges, the Brahmaputra and the Meghna | • Initiate acquisition of more/ additional upstream flood related data for increased lead time and effective early warning<br>• Establish regular data sharing for other transboundary rivers<br>• Accede to the UN Convention on the Law of Non-Navigational Uses of International Watercourses 1997<br>• Continuation of monitoring of transboundary river water quality using the framework developed by JRC, Bangladesh | • Continuation of monitoring of transboundary river water quality using the framework developed by JRC, Bangladesh<br>• Maintain acquisition of more/ additional upstream flood related data for increased lead time and effective early warning<br>• Establishment of River Basin Organisations (RBOs) of the Ganges, the Brahmaputra and the Meghna | • Bangladesh's international water diplomacy position strengthened for long-term food and water security;<br>• Increased Flood Forecasting Lead time saving lives and properties |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| | | | | • Continue constructive dialogue, exchange draft frameworks for formulation of River Basin Organisations (RBOs) of the Ganges, the Brahmaputra and the Meghna | | |
| River Management & Flood Accommodation | Major and Medium River Dredging Programme for Agricultural Water Connectivity and Flood Accommodation | MoWR / BWDB (dredging for flood accommodation and agricultural water connectivity); BIWTA (dredging for navigation); WARPO | Project Preparation, Approval, and Procurement Process for the Proposed Study | Commission comprehensive siltation survey of priority MRS reaches (Jamuna, Padma, Meghna, Teesta);<br>Identify critical irrigation canal intakes blocked by siltation;<br>Assess navigational depth at major agricultural cargo ghats; Develop dredging prioritisation map;<br>Establish monitoring baseline at 30 cross-sections | Commence capital dredging of 5 most critical river reaches for flood accommodation;<br>Clear blocked irrigation canal intakes at priority agricultural zones;<br>Restore navigational depth at primary agricultural cargo ghats; (embankment raising, land reclamation); Install continuous siltation monitoring network at 20 key stations<br><br>Complete phased capital dredging of all identified critical MRS reaches;<br>Implement systematic maintenance dredging programme with annual targets; | Restored flood accommodation capacity in MRS rivers reducing crop inundation duration; improved irrigation water availability across MRS; enhanced inland navigation supporting agricultural supply chain efficiency; over 1 million ha agricultural land protected from prolonged waterlogging |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | **1 Year** | **1 -3 Years** | **3-5 Years** | Outcome |
|---|---|---|---|---|---|---|
| | | | | | Restore full irrigation intake functionality across MRS canal network;<br>Restore river-channel connectivity with haor drainage systems and seasonal wetlands;<br>Develop self-financing dredging fund from navigation tolls and dredged material sales (Above 5 years) | |
| Disaster Risk Reduction & Agricultural Protection | Flash Flood and Wave Action Protection Programme for Haor Agricultural and Livelihood Security | MoWR / BWDB; DBHWD; BHWDB | Rapid assessment of critical embankment breach points and wave-vulnerable aati settlements;<br>Emergency repair of highest-priority submersible embankment breaches;<br>Deploy temporary wave barriers at most vulnerable haor settlements;<br>Survey haor drainage channel siltation;<br>Assess causeways and guide wall requirements at 30 priority haors | Construct permanent guide walls and wave barriers at 20 most vulnerable haor settlement sites;<br><br>Develop 100 km karach/ hijol plantation belt along haor settlement peripheries;<br><br>Install 50 priority haor causeways for year-round agricultural and market access;<br><br>Establish haor-specific WASH infrastructure at 100 aati settlements | Dredge 200 km of haor drainage channels for post-monsoon drainage improvement;<br>Complete comprehensive guide wall and wave barrier network across all major MRS haors;<br>Establish full natural wave attenuation belt for all major haor settlements;<br>Complete causeways network for all-season agricultural and fisheries access;<br>Implement 5-day haor-specific flash flood early warning forecast system;<br>Develop basin-level water regulation strategy for optimal haor agricultural water management (Above 5 years) | Reduced Boro rice crop damage from early flash floods and wave action in NE haor areas; improved year-round agricultural and market access for ~4 million haor-area residents; reduced displacement from wave-induced settlement erosion; sustained haor food security |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Ecosystem-Based Erosion Management | Sustainable Shoreline and Riverbank Erosion Management Programme through Bioengineering | MoWR / BWDB; MoEFCC / BFD; | Establish bioengineering pilot sites at 5 representative locations;<br><br>Procure vetiver grass, mangrove, Golpata and native bamboo planting materials;<br><br>Train BWDB and BFD field teams in bioengineering installation and monitoring;<br><br>Assess oyster reef potential at suitable estuarial sites | Deploy erosion prediction model to identify 50 most vulnerable MRS shoreline segments;<br>Complete bioengineering pilots at 5 sites with effectiveness monitoring;<br>Scale up vetiver grass slope protection at 30 high-priority erosion sites;<br>Implement mangrove and Golpata plantation at 50 km of MRS estuarial shorelines;<br><br>Establish bioengineering nurseries at 10 divisional locations;<br><br>Develop community maintenance agreements for 25 community-managed protection sites | Complete bioengineering shoreline protection at all 50 priority MRS sites;<br>Establish 200 km of mangrove-based shoreline protection along MRS estuarial zones;<br>Deploy oyster reef structures at 15 suitable estuarial sites;<br>Document and systematise indigenous erosion management knowledge;<br>Develop national bioengineering shoreline management standard and design manual | Protection of ~150,000 ha of MRS agricultural land from riverbank and shoreline erosion; reduced annual land loss by 50% in target areas; carbon sequestration and fisheries habitat co-benefits; lower lifecycle cost than hard engineering; climate-resilient natural shoreline protection system |
| Structural River Management & Land Protection | Riverbank Stabilisation and River Training Programme for Agricultural Land Protection | MoWR / BWDB; WARPO; RRI | Assess erosion-risk areas along Jamuna, Padma, Meghna and key distributaries;<br>Commission hydromorphological surveys of 10 priority erosion reaches;<br>Prepare bankline stabilisation design manual with eco-engineering integration; | Develop climate change-scenario erosion risk maps for all MRS rivers;<br>Emergency protection at highest-risk imminent agricultural land erosion sites<br>Begin structural protection (pitching, guide bunds, groynes) at 5 priority reaches;<br><br>Integrate eco-engineering elements into all structural stabilisation designs;<br><br>Implement river training works at 3 priority meander cut-off sites;<br><br>Establish bathymetric monitoring at 20 key cross-sections;<br><br>Mobilise community land protection committees at 50 erosion-vulnerable communities | Complete structural riverbank stabilisation at all 10 priority reaches protecting >50,000 ha;<br>Implement comprehensive river training programme at 15 major meander and bifurcation sites;<br>Establish full morphological monitoring network for adaptive management;<br>Develop self-sustaining community maintenance programme for bio-engineering components;<br>Integrate real-time satellite morphology monitoring into BWDB operations (Above 5 years) | Protection of at least 50,000 ha of MRS agricultural land from river erosion; annual erosion reduced from ~3,000 ha to under 1,500 ha in target reaches; reduced displacement of farming households; rural agricultural infrastructure secured; agricultural productivity maintained in erosion-prone zones |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Char & Island Climate-Resilient Development | Char and Island Internal Drainage Management and Climate-Resilient Development Programme | MoWR / BWDB; LGED; WARPO; DDM | Climate risk assessment for all major chars and islands in MRS;<br>Survey existing drainage infrastructure and water regulation structure deficiencies;<br>Develop inside-outside drainage management plans for 20 priority chars;<br>Assess cross-drainage structure adequacy under projected sea-level rise;<br>Identify vulnerable chars requiring emergency protective measures | Develop inside-outside drainage management plans for 20 priority chars;<br>Re-excavate and conserve natural canals and wetland systems for proper drainage; | Implement drainage mitigation measures at 20 priority chars;<br>Construct or rehabilitate cross-drainage structures at 50 priority char locations;<br>Maintain adequate water regulation structure operation using climate scenario modelling;<br>Develop char-specific early flood evacuation protocols and WASH infrastructure | Improved flood drainage in char areas reducing crop losses; climate-resilient development planning framework for 8.5 million MRS char population; reduced displacement from flooding and erosion; improved agricultural productivity in char agricultural zones |
| Erosion Risk Management & Early Warning | River Erosion Prediction and ICT-Based Early Warning Dissemination System | MoWR / BWDB; WARPO; ; ICT Division | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study on an AI-Based Erosion Prediction System for Major Rivers in the MRS | Develop AI-based erosion prediction model for MRS major rivers;<br><br>Establish data-sharing protocols with , SPARRSO, BMD;<br><br>Conduct community-based risk flagging pilot at 5 highly vulnerable riverside locations;<br><br>Assess ICT infrastructure for last-mile warning dissemination; | Deploy enhanced AI erosion prediction model operationally for all priority MRS rivers;<br>Launch community-based early warning network at 50 erosion-vulnerable communities;<br>Develop mobile app and SMS-based erosion risk alerts in Bangla;<br>Develop erosion risk communication toolkit for community use<br>Train 200 community volunteers for warning dissemination and evacuation support;<br>Publish annual erosion prediction reports for all MRS rivers | Timely early warning providing 48–72 hours advance notice of erosion risks; reduced loss of life and property from sudden riverbank collapse; improved community preparedness and faster evacuation; BWDB infrastructure protection response time reduced; agricultural communities better protected from riverbank loss |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| | | | | | Complete AI-enhanced erosion monitoring system covering all major MRS rivers;<br>Establish community risk flagging network at all erosion-vulnerable riverine communities;<br>Integrate erosion early warning with BWDB rapid-response infrastructure protection;<br>Develop erosion prediction model into commercial navigation safety service;<br>Demonstrate measurable reduction in loss of life and property from sudden riverbank collapse<br>(Above 5 years | |
| Agricultural Trade Infrastructure & Economic Development | Inland Water Transport Navigation and Agricultural Trade Connectivity Programme | Ministry of Shipping (MoS) / BIWTA; MoWR / BWDB | Survey navigational depth at 50 major agricultural commodity ghats in MRS;<br>Identify top 20 critical navigation bottlenecks on agricultural trade routes;<br>Commission feasibility study for ghat improvement programme;<br>Assess agricultural commodity flow patterns and seasonal transport needs;<br>Assess ferry and boat service connectivity gaps for char communities | Dredge 200 km of critical navigation channels at priority agricultural ghats;<br>Construct or rehabilitate 20 major agricultural commodity landing ghats;<br>Establish regular seasonal vessel services to 50 char community agricultural ghats;<br>Deploy navigation buoys and lighting for safe night navigation on major cargo routes;<br>Develop digital platform for agricultural supply chain navigation coordination | Establish comprehensive climate-resilient inland water navigation network connecting all MRS agricultural production zones;<br>Complete rehabilitation of agricultural ghat network across MRS;<br>Develop community-managed small vessel services for all-season char agricultural connectivity;<br>Integrate inland water transport into national agricultural supply chain logistics planning;<br>Reduce post-harvest losses by 15% through improved market connectivity | Improved agricultural produce connectivity reducing post-harvest losses for MRS farming households; lower transportation costs for char and riverine farmers; enhanced access to agricultural inputs; increased farm incomes through better market access; climate-resilient agricultural trade infrastructure aligned with BNP Manifesto commitments to economic development and rural connectivity |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | **1 Year** | **1 -3 Years** | **3-5 Years** | Outcome |
|---|---|---|---|---|---|---|
| River Ecosystem Restoration & Environmental Flow | River Environmental Flow Maintenance and Eco-Hydraulic Connectivity Restoration Programme | MoWR / BWDB; WARPO; MoEFCC; DBHWD | Project Preparation, Approval, and Procurement Process for the Proposed Feasibility Study | Develop ecological hydrographs for all major MRS floodplains; Inventory water bodies (beels, baors, canals) and assess river connectivity; Identify encroachments and infilled debris in priority wetlands and canals; Conduct baseline assessment of eco-hydraulic connectivity across MRS; Establish water quality monitoring at 20 key MRS river and wetland sites | Develop policy framework ensuring environmental flows in all major MRS rivers; Remove encroachments and infilled debris from 50 priority wetlands and canals; Re-excavate large beels and baors to restore river-floodplain connectivity; Implement EbA water restoration measures at 20 priority wetlands; Establish environmental flow monitoring system with regular public reporting | Restored eco-hydraulic connectivity supporting aquatic biodiversity and fisheries in MRS; maintained environmental flows protecting downstream agricultural water availability; improved floodplain productivity through restored nutrient cycling; climate-resilient river ecosystem services preserved for future generations |
| Sustainable Use of Land and Water Resources | Feasibility Study for Management and Utilisation of Water of the Brahmaputra River | Ministry of Water Resources (MoWR), BWDB | Baseline socio-economic and vulnerability survey | Completion of the feasibility study for the development. | Implement the outcomes of the study for water management for NC and NW region | Sustainable water management for the River area. |
| Sustainable Use of Land and Water Resources | Pre-Feasibility Study on Integrated River System Management and Protection of Accreted land | Ministry of Water Resources (MoWR), BWDB | Baseline socio-economic and vulnerability survey | Completion of the pre-feasibility study for the development. | Implement the outcomes of the study for water and land management. | Sustainable water and land management for the river area. |
| Sustainable Use of Land and Water Resources | Integrated Jamuna-Padma Rivers Stabilisation and Land Reclamation Project | Ministry of Water Resources (MoWR), BWDB | Identification of the locations which are the most vulnerable and need to be stabilised. | Completion of the feasibility study for the development. | Starting of the dredging activities. | River Training, Bank protection and dredging |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable River and Khal Restoration | Sustainable Restoration of Medium Rivers | MoWR, BWDB | Project Preparation, Approval, and Procurement Process for the Proposed Study | Priority list of medium rivers based on siltation levels and ecological importance.<br><br>Commencement of capital dredging and removal of illegal encroachments. | Completion of capital dredging, river training works and bank stabilisation for 20+ medium rivers (above 5 years). | Restored river morphology, improved dry-season flow, and enhanced aquatic habitats. |
| River Management & Flood Accommodation | Teesta River Basin Management and Barrage Review for Sustainable Water Resources Development | Ministry of Water Resources (MoWR), BWDB | Conduct a comprehensive assessment of the Teesta River Basin and review the performance and operation of existing barrages. | Prepare an integrated Teesta River Basin Management Plan and recommend improvements for sustainable barrage operation and water allocation. | Implement the Teesta River Basin Management Plan and optimize barrage operations to ensure sustainable water resources development. | Improved basin management and optimized barrage operations enhance water security, river health, and climate-resilient water resources development in the Teesta Basin. |
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## Urban Areas

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Sustainable Land Development & Spatial Planning | Assessment of Smart City Technologies for Climate Adaptation | Ministry of Local Government, Rural Development &Cooperatives (MoLGRD&Co), City Corporations, Municipalities | Survey of existing digital infrastructure in "Smart City" pilots. | Development of a Smart Adaptation Roadmap for cities. | Deployment of IoT-based climate sensors in all City Corporations. | Precision-managed urban environments with lower energy footprints. |
| Sustainable Land Development & Spatial Planning | Next-Generation Urban Flood Management: Leveraging Smart City Technologies | Ministry of Local Government, Rural Development &Cooperatives (MoLGRD&Co), LGED | Installation of smart water-level sensors in drainage nodes. | Real-time AI-based flood forecasting for urban wards. | Automated drainage gate controls and early warning dashboards. | 50% reduction in urban waterlogging duration during monsoons. |
| Sustainable Land Development & Spatial Planning | Development of resilient low income housing using smart city concept | Ministry of Local Government, Rural Development &Cooperatives (MoLGRD&Co), LGED, City Corporations, Municipalities | Feasibility study and selection of private sector partners. | Commencement of construction | Fully operational & resilient low income housing for the poor | Better living condition for the slum,<br>Better services and facilities,<br>Improved health & livelihood. |
| Waste Management | Development of 5R-based Waste Management Models for Urban, Per-urbanand Rural Areas | MoEF&CC, MoLGRD&Co, DoE, LGED, City corporation, DPs, PPP authority | Launch of "Waste to Wealth" pilot projects in 2 cities. | Scaling 5R (Refuse, Reduce, Reuse, Repurpose/Repair, and Recycle) models to 10 districts. | Zero-landfill status for participating municipalities via circularity. | Improved sanitation and significant reduction in plastic pollution. |
| Climate Resilient Infrastructure Development | Climate Stress Testing and Risk Framework for Cities | Ministry of Disaster Management and Relief (MoDMR), DDM | Pilot stress-test for three major cities. | Nationwide urban risk dialogue workshops launched. | Implementation of Mandatory climate stress-testing for all new urban mega-projects. | Cities with high adaptive capacity against climate shocks. |
| Climate Resilient Infrastructure Development | Development of multimodal (Road, railway & water-way) transportation system | Ministry of Road Transport and Highways, RHD, Ministry of railway, Ministry of Shipping (MoS), Ministry of Local Govt. Rural Deevlopment and Co-operatives (MoLGED&Co), LGED, BIWTA | Feasibility study | Project Planning and Construction Phasing | Project implementation in phases | Improved accessibility,<br>Reduces traffic congestion |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Environment & Ecosystems | Ecosystem-based Adaptation Programme for Urban Areas | Ministry of Environment, Forest & Climate Change (MoEF&CC), DoE | Identification of urban "Heat Islands" and wetland sites. | Restoration of 10 major urban water bodies & green spaces. | Effective implementation of the existing protocols and rules for managing urban ecosystem including of the long-term restoration projects for the urban wetlands its conservation and management programmes; | • Reduced urban heat island effect and natural flood buffering.<br>• 20% increase in urban green cover across major municipalities. |
| Environment & Ecosystems | Solid waste management for urban and peri-urban areas | Ministry of Environment, Forest & Climate Change (MoEF&CC), DoE | GIS-based pollution sources and waste generation sources identification | ○ Gap analysis in waste management;<br>○ Effective waste management options generations;<br>○ Capacity enhancement plan preparation of city corporations and relevant stakeholders;<br>City/pourashavas or rural area based solid waste management models generation using the concept of circular economy; | Effective collection and management of the solid waste of urban and peri-urban areas using the suitable models; | ○ Reduction of wetlands and reivers pollution;<br>○ Improving quality of lives via improving the health of ecosystems; |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Environment & Ecosystems | Construction and Management of Urban River Circular Walkways and Amusement Park through PPP | Ministry of Shipping (MoS), BIWTA | Feasibility study and selection of private sector partners. | Commencement of construction on the first 10km walkway loop. | Fully operational riverine recreational circuits in 5 cities. | Protected riverbanks, reduced encroachment, and improved public health. |
| Water and Agriculture | Promoting Urban Agriculture for Food and Nutrition Security of City Dwellers and Urban Poor | Ministry of Agriculture (MoA), DAE | Training Programmes for rooftop and vertical farming. | Establishment of "Green Ward" community gardens in low-income areas. | 15% of urban vegetable demand met by internal city production. | Enhanced food security and income for the urban population. |
| Water Supply and Sanitation | Installation of Water Treatment Plants with Networks in Major Cities through PPP | Ministry of Local Government, Rural Development and Co-operatives (LGRD&C), WASAs | Transaction advisory for PPP tender processes. | Financial closure and groundbreaking for 3 major WTPs. | Universal access to treated surface water in participating cities. | Reduced groundwater depletion and eliminated water-borne diseases. |
| Knowledge Sharing and Capacity Building | Development of Knowledge Exchange Platform for Urban Areas | Ministry of Planning (MoP), GED | Design and launch of the digital Urban Portal. | Integration of real-time data from city corporations. | Transformation into a regional hub for South-South delta research. | Evidence-based policy making and rapid data sharing. |
| Urban Flood Drainage & Climate Risk Management | Urban Waterlogging and Flood Drainage Management Programme | MoLGRD&Co (LGED, LGD); MoWR (BWDB); City Corporations | Climate risk assessment of drainage in 12 major city corporations & municipalities; Map critical waterlogging hot spots; Review drainage master plans against climate projections | Re-excavate & restore 200 km urban drainage canals; Conduct drainage retention pond construction at 10 priority urban sites; Install automated drainage pumping stations at 5 most critical nodes | Drainage master plans updated for all city corporations with climate scenarios; Urban canal network fully desilted & operationally managed; Real-time urban flood early warning integrated with city response | Urban waterlogging duration and extent reduced; urban food garden and agricultural loss from flooding minimised; economic disruption from urban flooding reduced; resilient urban water infrastructure |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Urban Canal Restoration & Connectivity Improvement | Urban Canal Re-excavation and Eco-Hydraulic Connectivity Restoration Programme | MoLGRD&Co (LGED); MoEFCC (DoE); City Corporations MoWR (BWDB) | Inventory all urban canals (Dhaka, Chattogram, Khulna, Sylhet) by encroachment status; Legal action to clear encroachments on 20 priority urban canal corridors; Design urban canal restoration masterplan | Remove encroachments & restore 100 km of urban canals in 4 major cities; Establish urban canal management committees; Begin urban waterway greening (vetiver, native tree belts) | Full urban canal network in all major cities restored & legally protected; Urban canal eco-parks developed at 20 sites; Community canal stewardship programme operational nationwide | Urban drainage improved reducing waterlogging; urban heat island effect reduced; biodiversity corridors in urban areas; water quality improved; urban resilience strengthened |
| Urban Rainwater Harvesting & Water Security Enhancement | Urban Rainwater Harvesting and Roof-Top Collection for Supplementary Water Security | MoLGRD&Co (DPHE, LGED); City Corporations; DWASA | Pilot urban rooftop rainwater harvesting at 20 public buildings; Develop design standards for urban rainwater collection systems; Inventory vacant urban land suitable for permeable recharge surfaces | Mandate rainwater harvesting in new buildings >1,000 sqm; Install community rainwater collection tanks at 200 low-income urban areas; Link rooftop collection to urban food gardens | National urban rainwater harvesting regulation enacted; 10,000 buildings with rainwater systems; Urban stormwater recharge reducing groundwater depletion in urban aquifers | Supplementary water security for urban poor in water-scarce periods; urban groundwater recharge improved; stormwater runoff reduced; water supply burden on DWASA reduced; urban food security co-benefit |

| Activities | Strategic Actions | Lead Ministry/ Division/ Agency | 1 Year | 1 -3 Years | 3-5 Years | Outcome |
|---|---|---|---|---|---|---|
| Urban Water Infrastructure Climate-Proofing | Climate-Resilient Urban Water Infrastructure Remodelling and WASH Programme | MoLGRD&Co (DPHE, WASA); MoWR (BWDB) | Climate vulnerability assessment of urban water supply & sanitation infrastructure; Identify water mains, treatment plants & pump stations at flood risk; Prepare priority investment plan | Climate-proof 5 most vulnerable urban water treatment plants; Elevate / relocate flood-prone pump stations in 3 cities; Install flood protection barriers at critical WASA infrastructure | All major urban water supply infrastructure protected to 100-year flood return period; Urban water supply continuity assured during extreme flood events; Green-blue urban infrastructure integrated into city plans | Continuous urban water supply maintained during floods; urban WASH resilience improved for 40M urban residents; reduced water-borne disease risk after flood events; urban infrastructure investment protected |
| Operation & Maintenance (O&M) of Water Infrastructure | Sustainable Operation, Maintenance, Asset Management and Cost Recovery Programme | MoWR (BWDB) | Assess O&M needs, prepare an asset inventory. | Establish an asset management system and implement sustainable O&M financing and cost recovery mechanisms for priority water infrastructure. | Institutionalise sustainable O&M financing, asset management, and periodic asset performance monitoring across all water infrastructure. | Improved financial sustainability and asset performance ensure reliable operation and long-term resilience of water infrastructure. |

## APPENDIX-II

# DEVELOPMENT RESULT FRAMEWORK

# DEVELOPMENT RESULTS FRAMEWORK (DRF)

## Five Year Strategic Framework for Reform and Development (July 2026-June 2031)

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Cluster 1: Restoring Growth and Macroeconomic Stabilisation | | | | | | | | | | | |
| 1 | Real GDP growth rate (%) (Fiscal Year) | BBS | 3.5 (2025) | 4.2 | 6.5 | 7 | 7.5 | 8 | 8.5 | 8.1.1 | FD |
| 2 | Per capita GNI (USD) (Fiscal Year) | BBS | 2769 (2025) | 2958 | 3171 | 3437 | 3753 | 4142 | 4591 | 8.1 | FD |
| 3 | Annual growth rate of real GDP per employed person (Fiscal year) | NAW, BBS | 3.47 (BBS 2025) | 4 | 4.5 | 5 | 5.5 | 6 | 6.5 | 8.2.1 | FD |
| 4 | CPI Inflation (%) (Fiscal Year) | BBS | 10 (FY2025) | 9 | 7.5 | 6.5 | 6 | 5.5 | 5 | 8.2 | FID/BB |
| 5 | Remittance growth (%) | BB | 26.8% (FY2025) | 10.1 | 15 | 13 | 12.5 | 10 | 10 | 10.c | Ministry of Expatriates' Welfare |
| 6 | Remittance costs as a proportion of the amount remitted (%) | Bangladesh Bank | 4.74 (2024) | 4.5 | 4 | 3.7 | 3.4 | 3 | 2.6 | 10.c.1 | FID/BB |
| 7 | Financial inclusion (%) | SVRS | 51.71 (2023) | 54 | 56 | 58 | 60 | 62 | 65 | 8.10.2 | FID/BB |
| 8 | Women bank account ownership (%) | SVRS | 24.8 (2023) | 25 | 30 | 35 | 40 | 45 | 50 | 8.10.2 | FID/BB |
| Cluster 2: Population Management and Demographic Dividend | | | | | | | | | | | |
| 9 | Adolescent fertility rate (15-19 years) | MICS | 92 (2025) | 90 | 88 | 86 | 84 | 82 | 80 | 3.7.2 | MOHFW |
| 10 | Child marriage rate before 18 years (%) | MICS | 47.2 (2025) | 45 | 42 | 40 | 38 | 36 | 35 | 5.3.1 | MoWCA |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | Time spent on unpaid domestic work by females (%) | TUS, BBS | 24.5 (2025) | 24.5 | 24 | 23.5 | 23 | 22.5 | 22 | 5.4.1 | BBS |
| 12 | Total fertility rate | MICS | 2.5 (2025) | 2.3–2.5 | - | - | 2.1 | - | 2 | | MoHFW, MEFWD |
| 13 | Unemployment rate (%) | BBS LFS | 3.66 (2024) | 3.4 | 3.3 | 3.2 | 3.1 | 3 | 2.9 | 8.5.2 | MoLE |
| 14 | Youth (15-24 years) NEET rate (%) | BBS LFS | 19.7 (2024) | - | - | - | - | 15% | - | 8.6.1 | SHED/MoLE/MoYS |
| 15 | Overall LFPR (%) | BBS LFS | 61.2% (2022) | - | - | - | - | 68% | - | 8.5 | MoLE |
| 16 | Female LFPR (%) | BBS LFS | 42.8% (2022) | - | - | 48% | 52% | 55% | - | 5.5 | MoLE/ MoWCA |
| 17 | Graduate unemployment | BBS LFS | 13.5% (2024) | - | - | - | - | below 10%- | below 9% | 8.5 | MoLE |
| 18 | Total domestic employment (10 Million) | GED estimate | 30.85 (2026) | 30.85 | 30.93 | 31 | 31.1 | 31.19 | 31.28 | 8.5 | MoLE |
| 19 | Women in managerial positions (%) | QLFS, BBS | 6.16 (QLFS 2024) | 6.5 | 7 | 7.5 | 8 | 8.5 | 9 | 5.5.2 | MoPA/ MoWCA |
| Cluster 3: Economic diversification and Building a Competitive and Resilient Economy | | | | | | | | | | | |
| 20 | FDI inflow (% GDP) (Fiscal Year) | GED estimate | 0.5 (2025) | 0.5 | 1 | 1.5 | 2 | 2.5 | 2.7 | 17.3 | ERD/BIDA |
| 21 | Manufacturing value added (% GDP) | NAW, BBS | 24.97 (BBS 2026p) | 24.97 | 25.5 | 26.5 | 28 | 29 | 30 | 9.2 | MoInd |
| 22 | Export growth rate (%) (Fiscal Year) | GED estimate | 7.7 (FY25) | 9 | 7.9 | 11.5 | 12.1 | 12.5 | 12.8 | 17.11 | MoC |
| 23 | Import growth (%) | GED estimate | 1.7% (FY2025) | 8.7 | 15 | 10.8 | 10.3 | 10 | 10.2 | 17.1 | MoC |
| 24 | Internet users (%) | BBS | 58.4 (2025) | 72% | - | 75% | - | 80%+ | - | 17.8.1 | PTD |
| 25 | ICT-related jobs (cumulative) | ICT Division | 0.75 M | - | - | 1.0M | - | 1.5-2.0M | - | 8.5 | ICT Division |
| 26 | Annual ICT export revenue (USD) | EPB / BASIS | ~$600M | - | - | $1B+ | - | $2B+ | - | 17.11 | ICT Division |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 27 | Smartphone penetration (%) | BBS / BTRC | <50% | - | - | 70% | - | 100% | - | 5.b, 9.c | ICT Division / BTRC |
| 28 | Youth (15-25) with at least three of basic five ICT skills (%) | ICTUAS/EHS/ LAS, BBS/ITU | 8.4 (ITU 2024) | 9 | 10 | 12 | 14 | 17 | 20 | 4.4.1 | ICTD |
| 29 | Proportion of individuals who own a mobile telephone | SVRS/ICTUAS, BBS | 89 (2024) | 90.5 | 92 | 93.5 | 95 | 96.5 | 98 | 5.b.1 | PTD |
| 30 | Death Due to Road Traffic accident per 100000 population | SVSS, BBS | 10.01 (ICTUAS 2024) | 9.5 | 9 | 8.5 | 8 | 7.5 | 7 | 3.6.1 | RHD/MoHA/ MoHFWD |
| 31 | Access to public transport in urban areas (%) | SVSS, BBS | 85.05 (SVRS 2023) | 87 | 89 | 91 | 93 | 95 | 97 | 11.2.1 | LGD/RHD |
| 32 | Blue Economy contribution to GDP (%) | Govt Policy Statement | 3% (2017) | - | - | - | - | - | 5% | 14.7 | MoS, MoEFCC |
| 33 | Clean cooking fuel access (%) | MICS | 24.2 (2025) | 25 | 26 | 28 | 29 | 32 | 35 | 7.1.2 | PD, EMRD |
| 34 | Renewable energy share (%) | SREDA | 4.7 (2024) | - | - | - | - | 20% | - | 7.2.1 | PD, EMRD |
| 35 | Gas sector UFG (system loss) (%) | Energy Division | 7–12% (till 2025) | - | - | - | - | - | 4% | 12.2 | EMRD |
| 36 | Electricity generation from renewable energy | SREDA | 1804MW (June 2026) | - | - | - | - | 10000 MW | - | 7.2 | EMRD |
| Cluster 4: Poverty Alleviation and Social protection | | | | | | | | | | | |
| 37 | Proportion of total government spending on essential services (% GDP) | Finance Division | 5.2 (2025) | 5.2 | 5.3 | 5.4 | 5.5 | 6 | 6.5 | 1.a.1 | Finance Division |
| 38 | Population below national poverty line (%) | a. HIES, BBS b. PPRC | a. 18.7 (2022) b. 27.93 (2025) | N/A | N/A | 22 | N/A | N/A | 17 | 1.2.1 | CD/FD/GED |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 39 | Extreme poverty rate (%) | HIES, BBS, PPRC | a. 5.6 (2022) b. 9.35 (2025) | N/A | N/A | N/A | N/A | N/A | 5 | 1.1.1 | CD/FD/ GED |
| 40 | Poverty headcount at $2.15/day (%) | WB | 3.28 (2025) | 3.2 | 3.1 | 3 | 2.9 | 2.8 | 2.7 | 1.2.1 | CD/FD/ GED |
| 41 | Multidimensional poverty (a) Headcount, (b) Intensity | GED | a) 24.08 b) 41.87 (2019) | N/A | N/A | N/A | N/A | N/A | a) 0.10 b) 20.0 | 1.2.2 | CD/FD/ GED |
| 42 | Gini coefficient | HIES, BBS | 0.499 (2022) | N/A | N/A | N/A | N/A | N/A | 0.45 | 10.1 | CD/FD/ GED |
| 43 | Palma ratio | HIES, BBS | 1.34 (2022) | N/A | N/A | N/A | N/A | N/A | 1 | 10.1 | CD/FD/ GED |
| 44 | Old-age Social protection coverage (%) | HIES/MICS, BBS | 34.4 (2025) | - | - | - | - | 50 | - | 1.3.1 | MoSW |
| 45 | Social protection spending (% of GDP)(Fiscal year) | Finance Division | 1.9% (FY26) | 1.90% | 2.11% | 2.60% | 3.0% | 3.0% | 3.20% | 1.3 | Ministry of Finance |
| 46 | Number of social protection programs | Finance Division | 95 | 80 | 60 | 45 | 30 | 30 | 30 | 1.3 | Finance Division / Cabinet |
| 47 | Family Card coverage (HH) | MoSW; DSS, FD | Pilot launched (First Phase) (2026) | Pilot 37,000 | 41 Lac | 58.63 Lac | 1.0 crore | 1.0 crore | 1.0 crore | 1.3 | MoSW; DSS |
| 48 | Farmer's Card coverage | Ministry of Agriculture | Pilot initiated In 22,065 farmers (2026) | Pilot initiated | Distribute 42.5 lakh cards | Farmer's Card expanded | Farmer's Card expanded | Farmer's Card expanded | Farmer's Card expanded | 1.3 | Ministry of Agriculture |
| 49 | Eligible small ethnic community households covered by social protection programmes (%) | National Ethnic Survey (NES), BBS | Not available (2025) | Baseline survey conduct | 40 | 60 | 75 | 80 | 90 | 10.2.1; 1.3.1 | MoSW / MoCHTA |
| Cluster 5: Human Capital Development | | | | | | | | | | | |
| 50 | Coverage of Health Cards (%) | DGHS, MoHFW | Not initiated (DGHS 2025) | Initiated | Designed/ Pilot | Partially operational | Scaled up | Universal coverage | Universal Coverage | 3.8.1 | MOHFW |
| 51 | Out of pocket expenditure (OOP) | GED estimate | 79 (2024) | 65 | 60 | 57 | 53 | 50 | 47 | 3.8.2 | MOHFW |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 52 | Maternal mortality ratio/100000 live births | SVSS, BBS | 136 (SVRS 2023) | 123 | 106 | 95 | 90 | 80 | 70 | 3.1.1 | MOHFW |
| 53 | Under-5 mortality rate | SVSS/MICS, BBS | 32 (MICS 2025) | 30 | 28 | 26 | 24 | 22 | 20 | 3.2.1 | MOHFW |
| 54 | Neonatal mortality rate | SVSS/MICS, BBS | 22 (MICS 2025) | 20 | 18 | 16 | 14 | 12 | 10 | 3.2.2 | MOHFW |
| 55 | Tuberculosis incidence | HMSS, BBS/ NTCP, DGHS/ WHO | 108 (HMSS 2025) | 108 | 105 | 102 | 98 | 96 | 95 | 3.3.2 | MOHFW |
| 56 | Births attended by skilled personnel (%) | MICS / SVSS, BBS | 77 (MICS 2025) | 80 | 84 | 88 | 92 | 94 | 98 | 3.1.2 | MOHFW |
| 57 | Universal health coverage index | WHO | 54 (2023) | 60 | 64 | 66 | 70 | 75 | 80 | 3.8.1 | MOHFW |
| 58 | Subjective wellbeing score | Gallup World Poll | 3.85 (2026) | 4 | 4.5 | 5 | 5.5 | 6 | 6.5 | 3.4 | MOHFW |
| 59 | Life expectancy at birth (years) | SVRS | 73 | 73 | - | - | 74.5 | - | 76 | 3.4 | MOHFW |
| 60 | Doctors, Nurses & midwives per 1,000 population(Combined workforce density) | MOHFW | ~1.5 | - | ~1.6 | - | 2.5 | | 3.6 | 3.c | MOHFW |
| 61 | ICU beds per 100,000 population | MOHFW | 0.72 (2026) | - | 0.8 | - | 1.3 | - | 2 | 3.8 | MOHFW |
| 62 | Secondary dropout rate (%) | LFS /BBS | 32.85% (2024) | - | - | - | - | - | <20% | 4.1 | SHED |
| 63 | Pre-primary participation rate (%) | MICS/EHS/ LAS/SVSS, BBS | 79.6 (MICS 2025) | 80 | 83 | 85 | 87 | 90 | 95 | 4.2.2 | MOPME |
| 64 | Primary completion rate (%) | MICS/EHS/ LAS/SVSS, BBS | 24.4 (MICS 2025) | 84 | 86 | 88 | 90 | 92 | 94 | 4.1.1 | MOPME |
| 65 | Upper Secondary completion rate (%) | MICS/EHS/ LAS/SVSS, BBS | 43.8 (MICS 2025) | 45 | 47 | 50 | 54 | 60 | 65 | 4.1.2 | SHED |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 66 | Literacy rate (%) | BBS (Bangladesh Economic Survey 2024) | 77.9 (2024) | 80 | 81 | 82 | 83.5 | 85 | 88 | 4.6.1 | MoPME |
| 67 | Vocational and Technical education enrolment at secondary level (%) | BANBEIS | ~2.5 (2023) | - | - | - | - | 30 | 30 | 4.3 | TMED |
| 68 | Proportion of total government spending on education (%) | UIS | 11.88 (2025) | 12 | 12.5 | 13 | 13.5 | 14 | 15.5 | 1.a.2 | FD |
| Cluster 6: Integrated Rural Transformation | | | | | | | | | | | |
| 69 | Proportion of agricultural area under productive and sustainable agriculture | Productive and Sustainable Agriculture Survey, BBS | 44.4% (2025) | 44.40% | 46.00% | 48.00% | 50.00% | 52.00% | 55.00% | 2.4.1 | MoA |
| 70 | Waterlogged area (lakh ha) | BWDB / BBS | ~29 (2024) | - | - | - | ~22 | - | ~11 | 6.5 | BWDB |
| 71 | Agriculture sector real growth (avg annual %) | GED FYSF / BBS National Accounts | ~2.4% (2024) | - | - | - | 3.5 | - | 4.5 | 2.3 | MoA |
| 72 | Rice yield (MT/ha) | DAE | 3.55 (2026) | - | - | - | 3.7 | 3.75 | 4 | 2.3 | MoA |
| 73 | Post-harvest loss | MoA | 20% (2024) | 20% | - | 18% | - | - | 15% | 12.3 | MoA |
| 74 | Total fish production | DoF/ BBS | 5.11 (2024) | - | - | - | 5.3 | - | 5.5 | 2.3 | MoA |
| 75 | Total food grain production (lakh MT) | BBS / DAE | 501.17 (2024) | - | - | - | 525 | - | 560 | 2.1 | MoA |
| 76 | Rural poverty -- agriculture dependent HH (%) | BBS HIES | ~26% (2022) | - | - | - | 22% | - | 18% | 1.2 | MoA |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 77 | Agriculture area under climate resilient practices (%) | DAE / DoF / BWDB; | ~15% (est.) (2024) | - | - | - | 25% | - | 40% | 2.4 | MoA |
| 78 | Women's formal credit access -- rural (% of rural women | Bangladesh Bank / PKSF | ~35% (est.) (2024) | - | - | - | 42% | - | 55% | 8.10 | MoF, Bangladesh Bank |
| 79 | Prevalence of stunting (%) | MICS/SVSS, BBS/ BDHS, NIPORT | 24 (MICS 2025) | 23 | 22 | 21 | 20 | 19 | 15 | 2.2.1 | MOHFW |
| 80 | Prevalence of wasting (%) | MICS, BBS / BDHS, NIPORT | 12.9 (MICS 2025) | 12 | 11.5 | 11 | 10 | 9.5 | 9 | 2.2.2 | MOHFW |
| 81 | Prevalence of anaemia (moderate or severe) in pregnant women | MICS/NMS, BBS | 25.8 (MICS 2025) | 25.5 | 25 | 25 | 22 | 20 | 19.5 | 2.2.3 | MOHFW |
| 82 | Food insecurity prevalence (%) | FIES/HIES/ SVSS/SVAS, BBS/FAO | 26.9 (SVAS 2025) | 26 | 23 | 19 | 16 | 13 | 10 | 2.1.2 | MoFood |
| 83 | School feeding (million primary children) | MoPME / Ministry of Food | ~6 (2024) | - | - | - | 10 | - | 17 | 2.1 | MoPME / Ministry of Food |
| 84 | Rural population with arsenic safe water (million) | DPHE / JMP | ~130 (est.) (2024) | - | - | - | 140 | - | 150 | 6.1 | DPHE / JMP |
| Cluster 7: Climate Change and Environmental Sustainability | | | | | | | | | | | |
| 85 | Average proportion of Marine Key Biodiversity Areas (KBAs) covered by protected areas (%) | UN SDG Global Database | 38.59 (UN 2025) | 38.59 | 38.59 | 39 | 39.5 | 39.5 | 40 | 14.5.1 | MOEFCC |
| 86 | Mean levels of fine particulate matter concentration | DOE / WHO/ Washington University Air Quality Estimates | 43.9 (WHO 2025) | 42 | 40 | 38 | 35 | 31 | 30 | 11.6.2 | MOEFCC |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 87 | Mountain Green cover Index (artificial surfaces) | BFD/FAO | 0.32 (FAO 2021) | 0.32 | 0.32 | 0.33 | 0.33 | 0.33 | 0.35 | 15.4.2 | MOEFCC/ MoCHTA |
| 88 | Red list index | IUCN | 0.8126 (IUCN 2025) | 0.8126 | 0.8126 | 0.8126 | 0.815 | 0.825 | 0.825 | 15.5.1 | MOEFCC |
| 89 | Number of Deaths due to disaster | MoDMR / BDRHS, BBS | 434 (2025) | 400 | 300 | 200 | 150 | 100 | 50 | 13.1.1 | MoDMR |
| Cluster 8: Integrated Regional Development Network | | | | | | | | | | | |
| 90 | Proportion of safely treated domestic wastewater flows (%) | LGD/UNSD | 16.34 (2024) | 17 | 18 | 19 | 20 | 21 | 22 | 6.3.1 | LGD |
| 91 | Safely managed drinking water services (%) | JMP | 59.1 (2024) | 61 | 63 | 65 | 67 | 70 | 75 | 6.1.1 | LGD |
| 92 | Urban population living in slums (%) | PHC | 51.5 (2022) | 51 | 50 | 45 | 40 | 35 | 30 | 11.1.1 | LGD |
| 93 | Urban piped water coverage (%) | SVSS/MICS, BBS / JMP | 34.07 (SVRS 2023) | 36 | 40 | 45 | 50 | 55 | 60 | 6.1.1 | LGD |
| 94 | Urban moderate poverty (%) | BBS HIES | 14.7% (2022) | - | - | - | - | - | <10% | 1.2 | LGD / Planning Commission |
| 95 | Basic sanitation coverage (%) | The Household Based Environmental Survey (HBES) 2024 | 85.2% (2024) | - | - | - | - | - | ≥90% | 6.2.1a | LGD / WASA |
| Cluster 9: Revitalising Creative Economy | | | | | | | | | | | |
| 96 | Eligible religious leaders and institutions covered by welfare/ honorarium and training programmes (%) | FD | Not available (2025) | Beneficiary registry initiated | 25 | 45 | 65 | 80 | 100 | 16.b.1; 10.2.1 | Ministry of Religious Affairs |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 97 | Percentage of total pilgrims provided with low-cost govt Hajj packages | Ministry of Religious Affairs (Hajj Branch) | 25% | 25% | 25% | 30% | 40% | 50% | >50% | | Ministry of Religious Affairs |
| 98 | Financial assistance for Hindu institution development (Crore BDT) | Ministry of Religious Affairs (Hindu Trust) | 4 | 4 | 10 | 15 | 25 | 30 | 30 | | Ministry of Religious Affairs |
| 99 | Small Ethnic Communities Development Directorate established and operational | MoCHA / MoCA | Not established (2025) | Concept note approved | Legal/ administrative approval | Directorate launched | Divisional coordination expanded | Fully operational | Sustained | 10.2; 16.7 | MoCHTA / MoCA |
| 100 | Upazilas with appointed sports officers/teachers and functional annual sports calendar (%) | National Sports Council / Ministry of Youth and Sports / MoE administrative records | Not available (2025) | Baseline and guidelines issued | 25 | 45 | 65 | 85 | 100 | 3.4; 4.1 | Ministry of Youth and Sports / MoE |
| 101 | Districts with functional sports villages/indoor sports facilities (number) | National Sports Council / Ministry of Youth and Sports project monitoring reports | Not available (2025) | Planning and site selection | 10 | 25 | 45 | 64 | 64 | 3.4; 11.7 | Ministry of Youth and Sports |
| 102 | Introduction of Sports Cards for all Sportsmen | MoYS | - | Initiated | Initiated | Designed/ Pilot | Partially operational | Scaled up | Universal | 3.4, 4.1 | Ministry of Youth and Sports / MoE |
| 103 | Number of Sports Villages established | MoF | Preliminary design prepared for 10 districts (2026) | - | - | - | - | - | 64 | - | Ministry of Youth and Sports |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cluster 10: Governance and Institutions | | | | | | | | | | | |
| 104 | Violence against women prevalence (%) | VAWS, BBS | 14.5 (VAWS 2023) | 25 | 23 | 20 | 18 | 16 | 14 | 5.2.1 | MoWCA |
| 105 | Women representation in parliament (%) | BPS | 6.5 (2025) | 6.5 | 26.5 | 26.5 | 26.5 | 26.5 | 26.5 | 5.5.1 | BPS/LPAD/EC |
| 106 | Women's land registration via UP legal aid (cumulative households) | Ministry of Land / MoLGRD | Negligible (2024) | - | - | - | 50,000 | - | 200,000 | 5.a | Ministry of Land / MoLGRD |
| 107 | Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel in the previous 12 months | NHRC | 3 (2025) | Complaint mechanism initiated | 0 | 0 | 0 | 0 | 0 | 16.10.1 | MOIB |
| 108 | Access to justice index | World Justice Project (WJP) | 0.44 (2025) | 0.48 | 0.57 | 0.67 | 0.76 | 0.85 | 0.94 | 16.3 | LJD |
| 109 | Unsentenced detainees (%) | DoP | 72 (2025) | 70 | 68 | 66 | 65 | 63 | 60 | 16.3.2 | LJD/MOHA |
| 110 | Corruption perception index | Transparency International (TI) | 23 (2024) | 23 | 24 | 25 | 26 | 27 | 30 | 16.5 | CD/ACC |
| 111 | Press freedom index | RSF | 33.71 (2026) | 44 | 55 | 66 | 77 | 88 | 99 | 16.1 | MOIB |
| 112 | Timeliness of administrative proceedings | WJP | 0.24 (2023) | 0.25 | 0.28 | 0.3 | 0.32 | 0.35 | 0.4 | 16.6 | MoPA |
| 113 | Citizen satisfaction with public services (%) | CPS, BBS | 72.69 (CPS 2025) | 73 | 75 | 77 | 79 | 81 | 85 | 16.6.2 | Cabinet Division |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 114 | Population feeling safe after evening at their community (%) | CPS, BBS | 84.8 (CPS 2025) | 85 | 87 | 88 | 89 | 90 | 91 | 16.1.4 | MOHA |
| 115 | Local government participation index | CPS, BBS | 24.62 (CPS 2025) | 25 | 27 | 29 | 31 | 33 | 35 | 16.7.2 | LGD |
| Cluster 11: Reform, Monitoring and Implementation Framework | | | | | | | | | | | |
| 116 | Operationalise Statistical Farm Register | BBS farm register administrative progress reports | No (2025) | Initiated | Designed/ Pilot | Partially operational | Scaled up | Operational | Sustained | 2.3 | BBS |
| 117 | Integrated Agriculture Census covering crop, fisheries and livestock farms conducted | Agriculture Wing, BBS | Partial agricultural coverage (2025) | Initiated | Designed/ Pilot | Full Census | National Report | District Report | Analytical Report | 2.3, 2.4 | SID/BBS |
| 118 | Upazila poverty map published | NAW, BBS | No (2025) | HIES data collection fielded | HIES published | Poverty Map published | NA | HIES 2030 data collection fielded | HIES and PovMap Published | 1.2.1 | SID/BBS |
| 119 | Birth registration coverage of all ages (%) | MICS/SVSS, BBS | 63.36 (2025) | 70 | 75 | 80 | 85 | 90 | 100 | 17.19.2 | LGD |
| 120 | Under-five birth registration (%) | MICS/SVSS, BBS | 59.1 (MICS 2025) | 60 | 65 | 70 | 75 | 80 | 90 | 16.9.1 | LGD |
| 121 | Open government data score | ODIN | 52.9 (2024) | 53 | 60 | 65 | 70 | 75 | 80 | 17.18.1 | SID/BBS |
| 122 | Statistical Performance Index | WB | 66.675 (WB 2024) | 71 | 75 | 78 | 82 | 85 | 89 | 17.18 | SID/BBS |
| 123 | SDG indicators with updated data in SDG Tracker (%) | SDG Tracker, BBS | 61.7 (2026) | 65 | 70 | 75 | 80 | 85 | 90 | 17.18.1 | BBS |
| 124 | Advance release calendar compliance (%) | BBS | Not complied (2025) | Develop and Publish ARC | Develop and Publish ARC | Develop and Publish ARC | Develop and Publish ARC | Develop and Publish ARC | Develop and Publish ARC | 17.18 | BBS |

| SL. | Performance Indicators | Data Source (Institutions & Reports) | Baseline data (Reference year) | Target FY2026 | Target FY2027 | Target FY2028 | Target FY2029 | Target FY2030 | Target FY2031 | SDG Linkages | Lead Ministry/ Division |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 125 | National Data Quality Assurance Index (NQAF) | NQAF, BBS | 50 (NQAF 2023) | 55 | 58 | 61 | 65 | 68 | 70 | 17.18 | SID/BBS |
| 126 | Free Microdata access online availability of Official Core Surveys (%) | BBS | 11.1 (2025) | 20 | 40 | 60 | 80 | 85 | 100 | 17.18 | SID/BBS |
| 127 | Administrative datasets integrated through API exchange (number) | BBS | 0 (2025) | 0 | 1 | 2 | 3 | 4 | 5 | 17.18 | SID/BBS |
| 128 | Development of National Population Register (NPR) | BBS | No (2025) | No | Designed/ Pilot | Partially operational | Scaled up | Full | Sustained | 16.9 | SID/BBS |
| 129 | Statistical Business Register (SBR) | BBS | No (2025) | Designed/ 1st Phase (L&ME) | Partially operational | Scaled up | Expanded | Updated | Sustained | 8.3 | SID/BBS |
| 130 | District GDP estimates published | NAW, BBS | No (NAW 2025) | Initiated | First round published | Scaled up | Methodological Improvement | Institutionalized | Sustained | 17.18 | SID/BBS |

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Bangladesh Planning Commission
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