



Business Initiative Leading Development(BUILD) - *a National PPD Platform*



Presentation by
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Accra, Ghana
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BUILD – a PPD Platform for Private Sector Development

- A **PPD Platform** formalized on October 17, 2011-as joint Initiative of DCCI, MCCI and CCC & registered under Trust Deed
- MOU partners are BOI, BB, FBCCI, UNDP & DU
- Received support from IFC in partnership with the UK Government & the EU
- Focused on **concrete and demonstrable** business reforms, backed by sound **research and analysis and** supported by strong **advocacy**
- Established as a **structured mechanism** to advocate for private sector through thematic **Working Committees**
- Recognized as the strategic partner and providing Secretarial services to the PSD PCC at PMO
- Working for regulatory simplification and unlocking **investment** potentials

Launching of BUILD



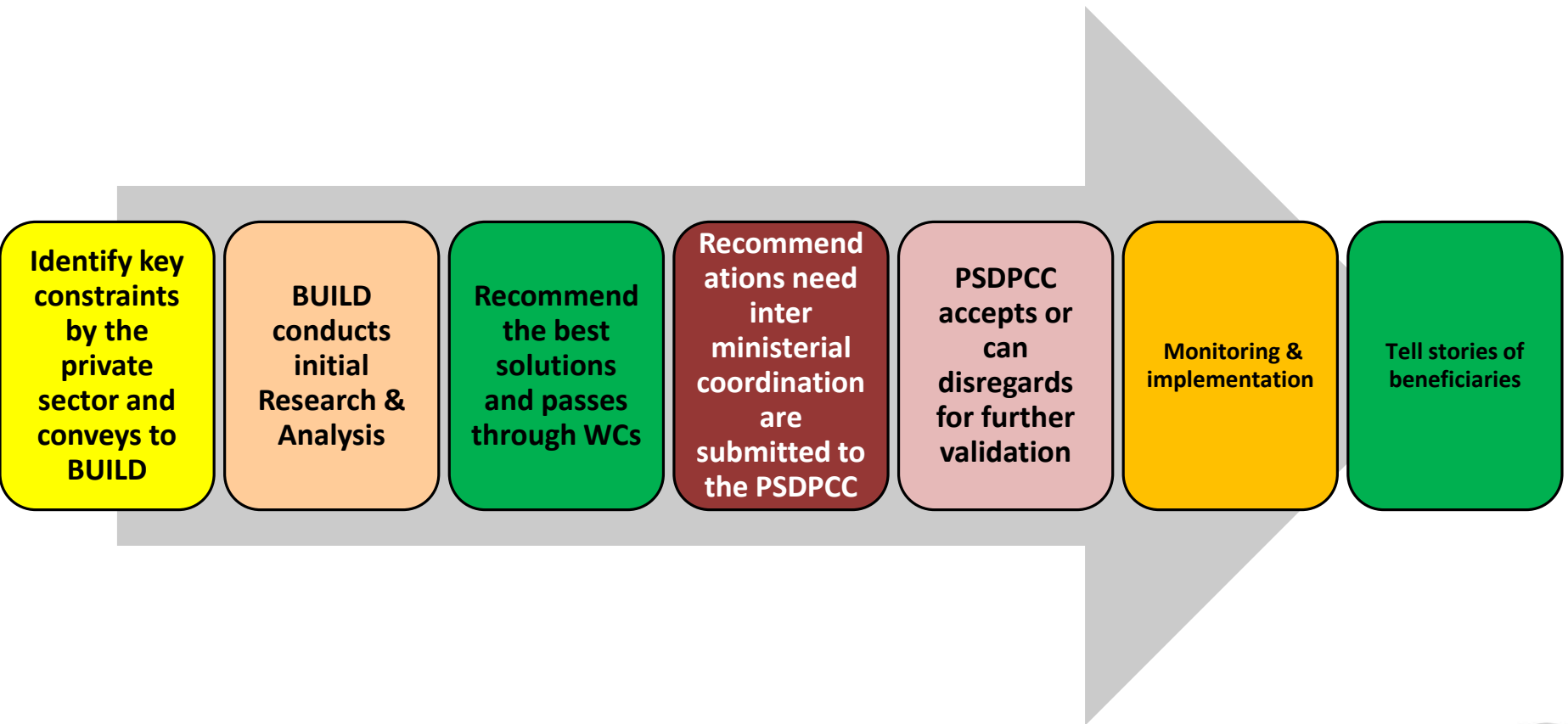
Launching BUILD by the Hon'ble Finance Minister on October 17 , 2011

A Sustainable Institution for Regulatory Reforms

- 3 leading business chambers of Bangladesh DCCI, MCCI and CCCI jointly signed the **Deed of Trust** as the next step towards making BUILD a sustainable institution
- BUILD is now an independent institution, further invigorated to continue its efforts as a research backed Public Private Dialogue (PPD) platform.



How it functions



Operational Structure of BUILD

Dialogue

- Focus group discussions (FGD)
- Stakeholder consultation sessions
- Working Committee meetings

Research

- Survey & KIIs
- Research & Validation
- Issue Briefs
- Monitoring and Evaluation
- Business Confidence Surveys

Advocacy

- Seminars & meetings
- Strategic advocacy for reform
- Regular meeting with the Govt. org and the private sector Chambers

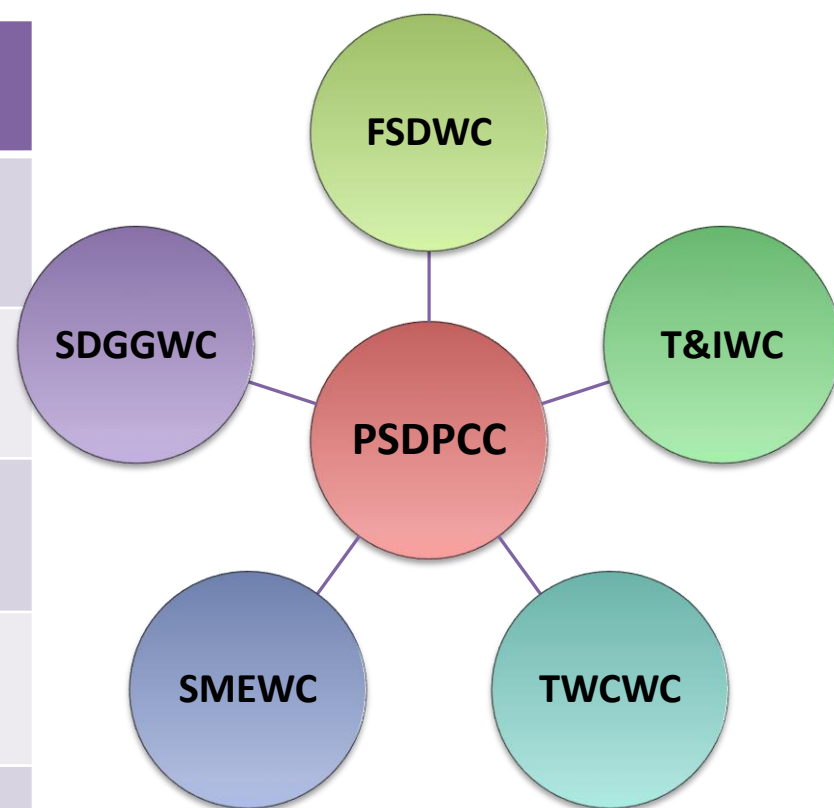
Communication

- Facts Sheet
- Business –start up Licensing Guides
- Success Stories
- Issue Briefs
- Research Topics
- News letters
- Articles

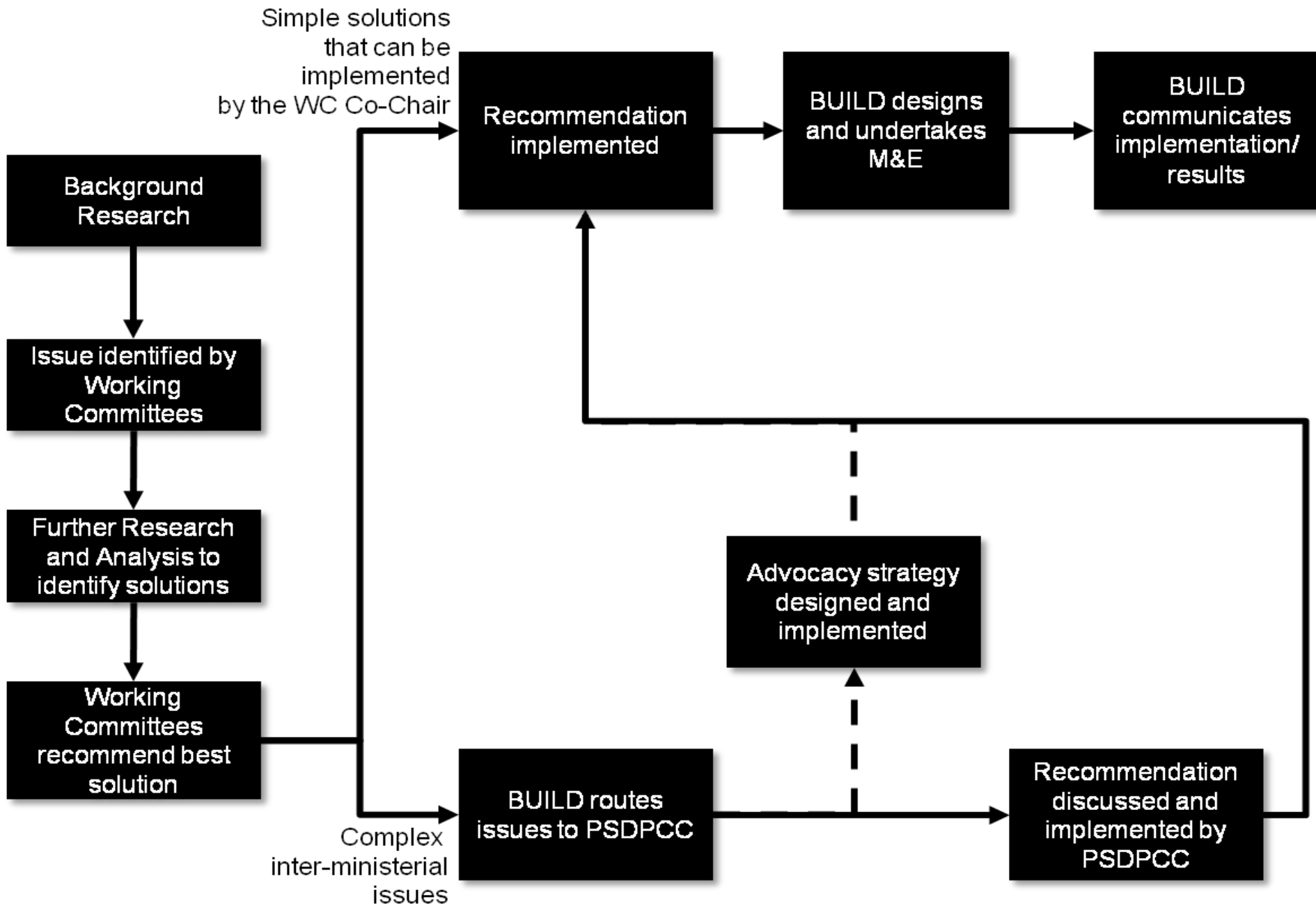
BUILD- a PPD Platform Working for Pvt. Sector Development

- ❑ Mandate of working for policy reform in addressing regulatory barriers, thus unlocking investment potentials.
- ❑ A joint initiative of DCCI, MCCI and CCCI to help the Govt. with research-backed inputs.
- ❑ Research & MOU partners are BB, BOI, DU, UNDP, FBCCI
- ❑ Secretariat of the PSDPCC- established at PMO chaired by the Principal Secretary & represented by 13 corresponding Ministries and 5 prime private sector organizations.

Working Committee	Public Sector Co-Chair	Private Sector Co-Chair
Trade & Investment	Secretary, Ministry of Commerce	President, MCCI
Financial Sector Development	Deputy Governor - 1, Bangladesh Bank	President, DCCI
Taxation	Chairman, National Board of Revenue	President, FBCCI
SME Development	Secretary, Ministry of Industries	President, CCCI
Sustainable Development & Green Growth	Secretary, Ministry of Environment & Forest	President, BGMEA



Reform Architecture of BUILD-PSDPCC



PSDPCC Meeting

- 1st PCC, 9 February, 2012
- 2nd PCC, 26 July, 2012
- 3rd PCC, 10 January, 2013
- 4th PCC, 10 November, 2013
- 5th PCC, 8 June 2014
- 6th PCC, 9 December 2014
- 7th PCC, 12 April 2015
- 8th PCC 13 January, 2016
- 9th PCC Review Meeting
- 9th PCC in October, 2016



6th PCC- 9th December, 2014
CEO, BUILD presented RPPs



6th PCC- 9th December, 2014 Books
Handing Over to the Principle Secretary



5th PCC- 8th June, 2014



8th PCC- 13th January, 2016

Review of WC activities at PMO-Preparation for 9th PCC



MOU Signing with Bangladesh Bank



- Memorandum of Understanding (MoU) with Bangladesh Bank- a new step towards more effective public provide coordination.
- On February 04, 2014 BUILD signed the MOU with Bangladesh Bank

MOU Signing with Board of Investment

- Board of Investment (BOI) and Business Initiative Leading Development (BUILD) signed an MOU as an effort for the private sector development.
- They will work together on regulatory research to identify barriers of private sector growth and will provide recommendations to improve processes that can promote efficiency and transparency in service delivery.



"Through this new co-operation agreement between BOI and BUILD, we expect to see positive reflections in investment flow, both foreign and domestic"- Mr. Nabashah Chandra Mandal, Executive Member, BOI.

MOU Signing with FBCCI



FBCCI President Mr. Abdul Matlub Ahmad and BUILD Chairman Mr. Asif Ibrahim handing over the MOU after signing FBCCI Building on August 5, 2015

MOU Signing with UNDP



UNDP Bangladesh Country and BUILD signed an MOU on August 13, 2015. UNDP Bangladesh and BUILD Team are seen after signing the MOU

MOU with University of Dhaka



Dr. Kamal Uddin, Treasurer, University of Dhaka and BUILD Chairman Mr. Asif Ibrahim, exchanged MOU after signing the MOU at University of Dhaka 17th January, 2016

MOU Signings Underway

Business Promotion Council (BPC)-MOC

SME Foundation, MOI

Foreign Chambers

District Chambers

BUILD's Collaborations



BUILD CEO at the meeting of 3rd AAC



BUILD CEO at the meeting of 2nd AAC

NBR Meeting on Single Window at NBR



BUILD's collaboration with the MOI, GoB

- BUILD worked with the Ministry of Industries(MOI) to prepare the Industrial Policy 2016;
- Divisional Stakeholders Consultation Sessions were held to gather district level opinions;
- Consultation with the Experts, Associations/Chambers were organized;
- More than 500 participants attended consultation sessions
- The Industrial Policy 2016 is at the final stage waiting for cabinet nod
- For the first time in the Industrial Policy **Action Plan** has been included to make it more effective

Stakeholder Consultations for IP



Stakeholder Consultation in Rajshahi Chamber of Commerce and Industry



Stakeholder Consultation in Barisal Chamber of Commerce and Industry



Stakeholder Consultation in Sylhet Chamber of Commerce and Industry



Stakeholder Consultation in Chittagong Chamber of Commerce and Industry



Stakeholder Consultation in Chittagong Chamber of Commerce and Industry

BUILD's collaboration with JETRO, JCIAD, ITC, UNCIAD USAID, UNDP, EU-INSPIRED BD

BUILD prepared following studies for JETRO

- Cost Simulation of some selected Imported Products in Bangladesh
- Tax Guide for Foreign Investors' for JCIAD
- Summary of Japanese-Affiliated Firms in Asia and Oceania
- Sectoral Information for Developing FDI Policy



UNDP

- A project on PPD Supports for Sustainability Growth and Development(PSSD) with UNDP

ITC

- BUILD is working to work on NTM with ITC
- Documentation of the Export Admin Process

USAID

- Bangladesh NTB Workshop and Action plan



Reforms Milestones

☐ **Government to Business Process Re-engineering**

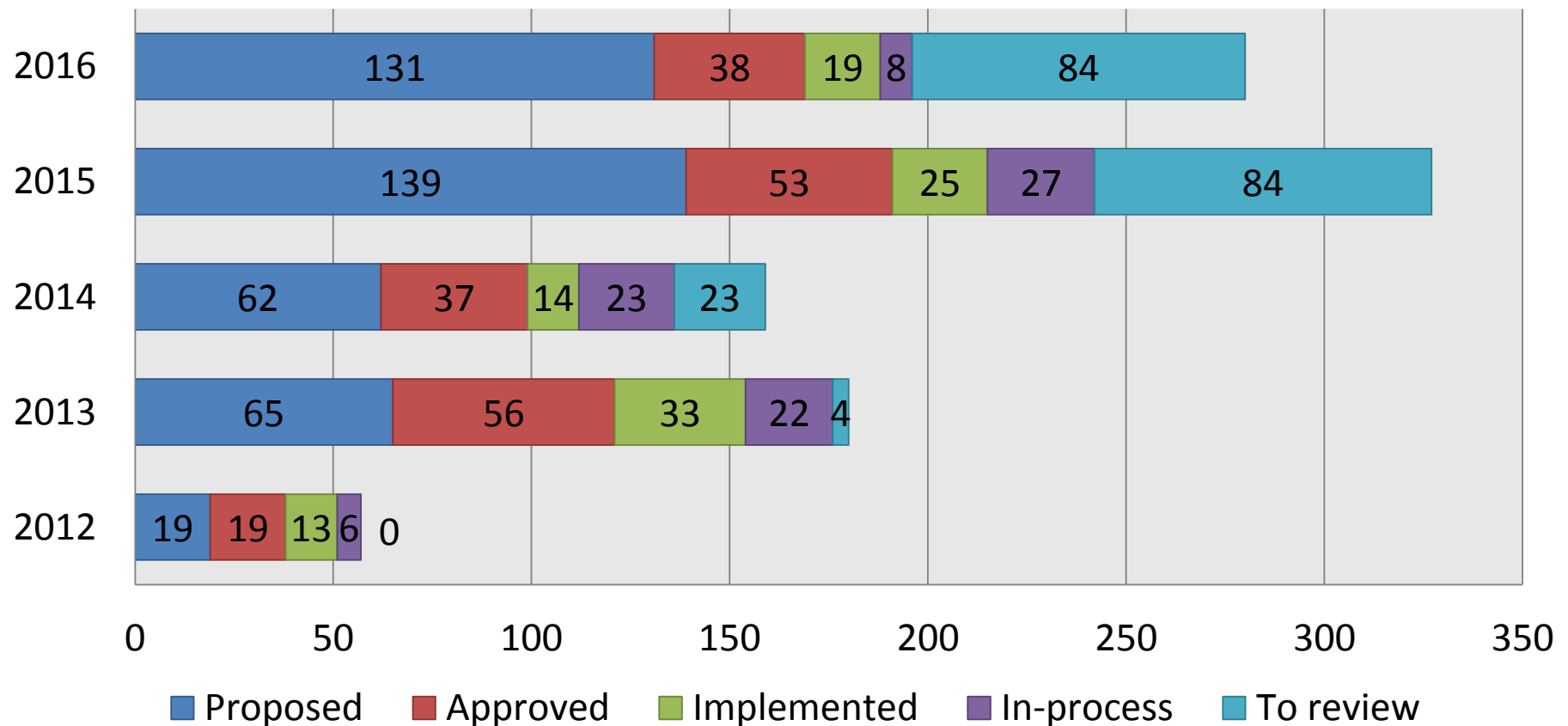
☐ **Private Sector Laws and Regulations**

☐ **Sector Specific Issues**

☐ **Tax related Issues**

Status of Reform Recommendations

Proposed	Approved	Implemented	Under Implementation	To review
416	203	104	86	195



Milestones and Reforms

- **Bonded warehouse license issuance simplification:** The time needed to issue bonded warehouse licenses was reduced from 56 days to 26 days.
- **Certification Mark license Issuance simplification:** The time needed for the BSTI to issue a Certification Mark license was reduced from 74 days to 38 days.
- **Import and Export Registration Certificate issuance and renewal simplification:** The time needed for the Chief Controller of Imports and Exports to renew Import Registration Certificates was reduced from 6 days to 2.29 days, generating direct compliance cost savings to a significant amount. The time needed for the Chief Controller of Imports and Exports to issue IRCs and ERCs was reduced from 11–15 days to 2 hours.
- **Simplification of Ad-HOC IRC:** The time needed by BOI to issue Ad-HOC IRC has been reduced to just 10 days from 34-63 days.
- **Revision in foreign exchange guideline regarding foreign supplier's credit report:** Three recommendations were implemented by Bangladesh Bank, generating an expected direct compliance cost savings to the private sector . Compliance Cost Savings would be extremely high.
- **Lowering import duty on ready-made solar lanterns:** BUILD advocated with the National Board of Revenue for a reduction of the import duty on readymade solar lanterns from 39.47 percent to 5 percent; this reform would potentially benefit 50 million people in Bangladesh.

Milestones and Reforms

- **DIFE:** The status of Department of Factory and Establishments has been upgraded from Directorate to Department
- **Local Procurement:** Tax at source for Local procurements reduced from 5% to 3% , First Five Lacs is no tax, earlier it was two lacs only.
- **Deemed Export:** New Definition of Deemed export will be added in the next Export policy. Retention amount for Deemed Export is under consideration of Bangladesh Bank
- **Export cum Import:** Ministry of Commerce agreed to review the proposal in entirety and BUILD will follow up
- **Cold Storage:** Cold Storage certification is presently done under Orange Kha, it will soon be transferred into Green Category.

Recent Milestones and Reforms

❑ Tea Sector

Enhancement of SD on importation of Black Tea from the earlier 15% to 20%

Funding for Making Uncultivable land cultivable(BB has extending 100 crore taka funding)

❑ Financial Sector

Bangladesh Bank has recently published a circular on January 13, 2015 that Banks will not require pre-approval of Bangladesh for opening ATM(BRPD Circular letter no-2, Jan 13, 2015)

❑ Pharmaceuticals

Following the proposal of BUILD placed at the 5th Private Sector Development Policy Coordination Committee at PMO, the Foreign Exchange Policy Department of Bangladesh Bank has enhanced Exporter's Retention Quota (ERQ) on 27th May 2015. ERQ quota extended from 10% to 15% for the high import content products and for high domestic value added products from 50% to 60%

❑ ICT

IP-based human resource expenditure limit of any project will be up to 10% from the existing level of 5%

Installments of EEF for relatively small projects would be reduced to 2 from the present level of 3

❑ EDF

Fixation of Value addition criterion for inclusion in the Import Policy, shipbuilding and light engineering will get more benefits

Recent Milestones and Reforms

☐ **Turn over Tax Payers' Benefits**

Turn Over Tax payers ' will be able to participate in the tender
VAT exempted limit has been expanded

☐ **Seed Sector in the Industrial Policy 2016**

Seed Industry has been included as an Industrial Priority Sector. In the Industrial Policy-2016 (Annex-2) under Agro based work & Agro/Food Processing Industry category as per proposed name “ Seed Production, Research Processing and Preservation” , has been included instead of “Seed Producing and preservation” and R&D for Quality Seed has also been included in the Service Sector of Industrial Policy 2016.

☐ **RRQ Extension**

Bangladesh Bank has issued a FE Circular-5 on May 27, 2015 for enhancement of Exporters Retention Quota for exports of high domestic value added merchandise , exports of high import contents and exports of services

☐ **GSP Automation**

GSP Automation services for outside Dhaka and Non-RMG sector

☐ **Use of In-Co Terms**

Import Policy 2015-18 in its chapter 2, clause 5 introduced use of In-Co Terms for imports

☐ **Export Policy 2015-2018**

E-Phytosanitary certification has been included

Recent Milestones and Reforms

❑ Tax related proposals

VAT

- Turn Tax payers will be able to participate in the Tender now
- VAT exempted limit extended from 24 Lac to 36Lac
- Cold storage Vat at the rate of 5% withdrawn
- 20% exemption of electricity bills for Cold storages as like as other agro sectors

Income Tax

- Tax Holiday for the assembling Industry in the Transport sector
- Personal Income Tax exemption limit extended to 2.50m from the earlier 2.20 m and other slabs
- Publicly traded corporate tax rate reduced up to 2.5%

Custom Duty

- Supplementary duty on Particle board enhanced from 5% to 25%
- Pico PV lantern Custom Duty reduced to 6%

Monitoring & Evaluation

- **Bonded Warehouse License** : Time & Cost Savings led to **USD25,000** in Compliance Cost Savings
- **Import and Export Registration Certificate**: Time & Cost Savings led to **USD3.99** million in Compliance Cost Savings
- **Supplier's Credit Report**: Expected to yield **USD 9.3** million in Compliance Cost Savings
- **Corporate Tax** reform for non-listed companies has resulted in total of US\$ 5,303,675 direct compliance cost savings to the private sector. This is a significant achievement of BUILD.
- **Corporate Tax Reform** for listed Companies has resulted in total of US\$ 345,390(undiscounted) direct compliance cost savings to the private sector.

Publications of BUILD

Hon'ble Prime Minister launching the Business Licensing Guide Book 1st Edition



Chairman BUILD is handing over the 1st Edition of the Business Licensing Guide Book of BUILD to the Hon'ble Prime Minister at the International Conference on Positioning Bangladesh, December 5, 2012

Hon'ble Prime Minister launching the Business Licensing Guide Book 3rd Edition



Hon'ble Prime Minister is seen launching the 3rd Edition of the Business Licensing Guide and other two Guides on Pharmaceuticals and Fisheries on September 2014

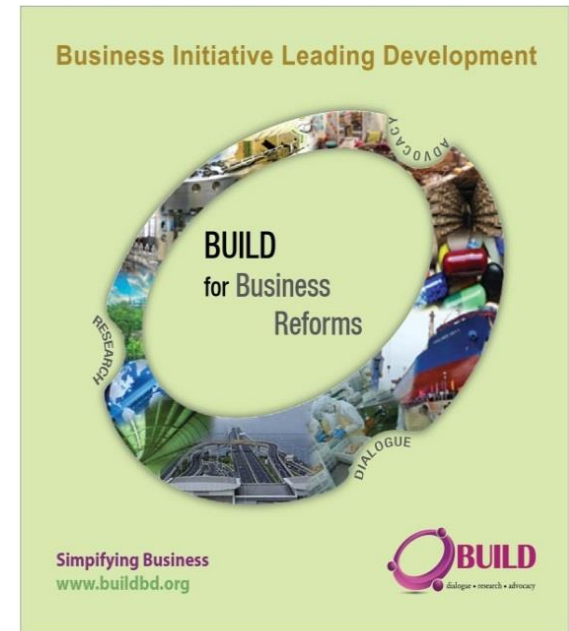
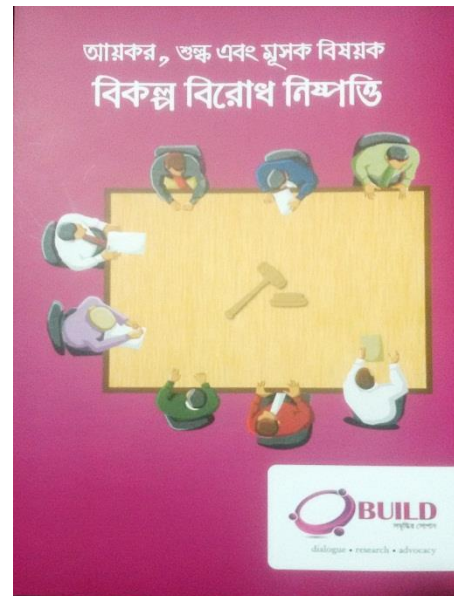
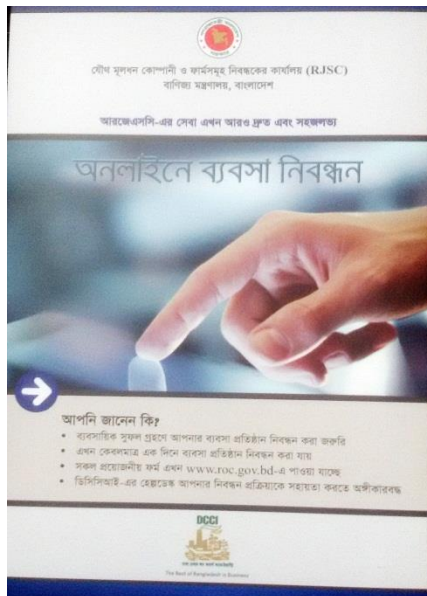
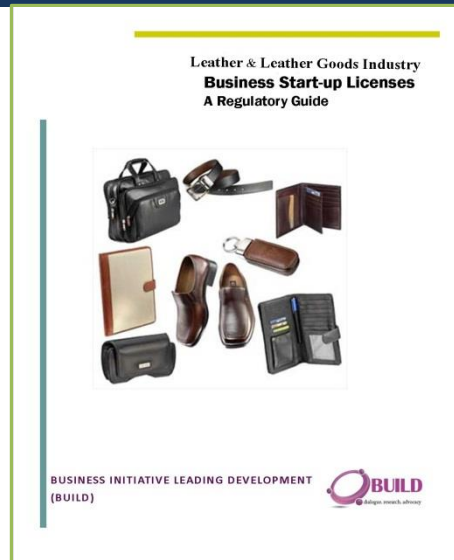
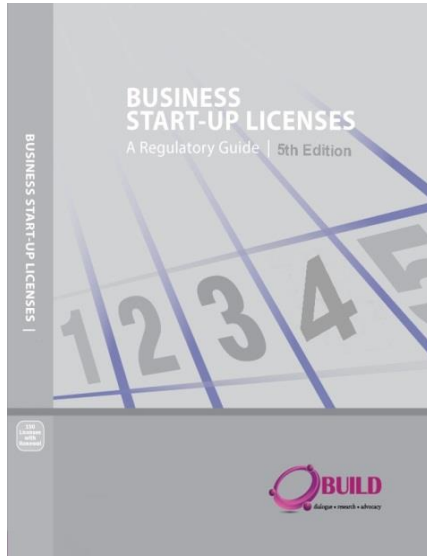
Hon'ble Prime Minister launching the 4th Edition of Business License Guide



Hon'ble Prime Minister launches the 4th Edition of the Business Licenses-A Regulatory on 24th January, 2016 at Bangladesh Investment and Policy Summit.



Upcoming Publications



Thank You

www.buildbd.org