

Bangladesh Preparing for Sustainable Graduation

**Annual Monitoring Report
2021 submitted to UN-CDP**



**Economic Relations Division
Ministry of Finance
Government of the People's
Republic of Bangladesh**

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Celebration of the 100th Birth
Anniversary of

Bangabandhu Sheikh Mujibur Rahman
Father of the Nation of Bangladesh

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BANGLADESH PREPARING FOR SUSTAINABLE GRADUATION

A. INTRODUCTION

1. Under the leadership of the Honorable Prime Minister Sheikh Hasina Bangladesh has made impressive progress in almost all development parameters over the last decade. Meeting all the graduation criteria from least developed country (LDC) status in two consecutive CDP's triennial review in 2018 and 2021 convincingly is the international recognition of its stride for remarkable progress. The United Nations General Assembly (UNGA) has adopted ECOSOC's endorsement of the Bangladesh's graduation recommendation along with Lao PDR and Nepal in its 76th Session on 24 November 2021¹. The graduation will be effective on 24 November 2026 after five years of preparatory period. This is certainly the historic achievement for the nation at a time when the country is celebrating the Golden Jubilee of its independence and the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

'Let us together create a world that can eradicate poverty, hunger, war and human sufferings and achieve global peace and security for the well-being of humanity'

*Bangabandhu Sheikh Mujibur Rahman
Father of the Nation of Bangladesh
25 September 1974, UNGA*

2. However, the resolution takes note that the CDP will analyze at its 2024 triennial review whether the five-year preparatory period has been adequate to manage the effects of COVID-19 and make any recommendation, including on whether a further extension would be necessary. In pursuant to resolution A/RES/67/221 and E/RES/2021/11, CDP will annually monitor and strengthen the mechanism. Bangladesh is submitting an annual report with special focus on progress on preparation of graduation, COVID-19 impact and its recovery strategies, and how graduation has been integrated into the national development priorities.

A.1. Bangladesh's current status on graduation indicators

3. The country has made commendable progress despite COVID-19 disruption of many socioeconomic programs. The complete data in comparison to 2021 triennial review is annexed (Annexure-1). Data reveals that Bangladesh's per capita GNI increased to US\$ 2,278 from US\$1,827 immediate before the 2021 triennial review. Bangladesh Bureau of Statistics (BBS) indicates that the HAI score has slightly improved- from 75.3 to 76.6. Five indicators out of six in this index have registered progress. Bangladesh is also showing signs of improvement in the indicator of instability of exports of goods and services. The EVI score has gone down from 27.2 to 26.8, suggesting slight improvement in reduction in vulnerability manifested by the great resilience of people over several events of natural disasters, and many local, regional and global financial crises.
4. Prior to the 2021 Triennial Review, CDP provided supplementary indicators for assessing country's socioeconomic progress and vulnerability. The recent data on supplementary indicators suggest some progress in key areas (Annexure-2). Like other LDCs and developing countries, domestic resource mobilization is the major constraint

¹ <https://undocs.org/en/A/76/L.6/Rev.1>

to provide fiscal support for government's investment in people. The data shows Bangladesh is making good progress in tax revenue as share of GDP. Bangladesh also made great progress in extending access to electricity to its citizens. The electricity coverage for the population increased from 85 per cent in 2018 to 98 per cent in 2020-approaching near to universal power².

5. Bangladesh has developed a greater capacity for power generation than its requirement. Power generation capability rose from 4,942 megawatt (MW) in 2009 to 25,325 MW in 2021 including captive and renewable energy. Bangladesh also made remarkable progress in improving power distribution efficiency, the system loss significantly dropped from 15.3 per cent to 8.5 per cent over the same time span.

B. PREPARATION FOR GRADUATION

6. Graduation will usher in a new era of development for Bangladesh. To prepare for this elevation and make this achievement sustainable, a range of policies, strategies, and programs have been initiated.

B.1. Graduation support framework

7. Bangladesh made a holistic approach in preparing for smooth and sustainable graduation. The Government has formed a National Committee on LDC Graduation (NCG), chaired by the Principal Secretary to the Honorable Prime Minister, involving all the relevant Ministries and organizations from both public and private sectors. This national committee will provide an effective platform to support Sustainable Graduation taking all the relevant stakeholders on board.
8. In addition, under the direction of the NCG seven thematic subcommittees have also been formed to address various core issues related to graduation. The Terms of Reference (ToR) of NCG and its seven subcommittees are annexed (Annexure-3).

<i>Subcommittee on</i>	<i>Role</i>
<i>Preferential Market Access & Trade Agreement</i>	Suggest strategies to continue LDC specific preferential market access/ negotiating initiating/signing EU GSP+/ FTA/ PTA/CEPA
<i>Intellectual Property Rights (IPR)</i>	identify challenges, opportunities of graduation related IP issues and develop action plan
<i>WTO Issues (Other than market access & TRIPS)-</i>	Identify WTO inconsistent measures etc. and devising negotiating strategies for safeguarding newly graduating LDCs, etc.

² According to information of the Power Division, Ministry of Power and Energy, the beneficiary of power increased from 47 per cent in 2009 to 99.75 per cent of population in 2021 and per capita power production increased from 220 Kilowatt (KW) to 560 KW in the same period. Available at <https://powerdivision.gov.bd/site/page/6cd25d49-3150-482a-8bd0-701d18136af7/At-A-Glance>

<i>Subcommittee on</i>	<i>Role</i>
<i>Investment, Domestic Market Development & Export Diversification-</i>	Identify challenges and opportunities in the areas of investment, market development & export diversification
<i>Internal Resource Mobilization & Tariff Rationalization</i>	Identify measures for tariff rationalization and resource mobilization
<i>Smooth Transition Strategy</i>	Identify areas for graduation related research and prepare detailed roadmap on smooth transition strategy
<i>Branding Bangladesh Abroad</i>	Identify the potential issues to attract foreign investment, identify challenges of competitiveness of investment and prepare strategy for branding Bangladesh abroad

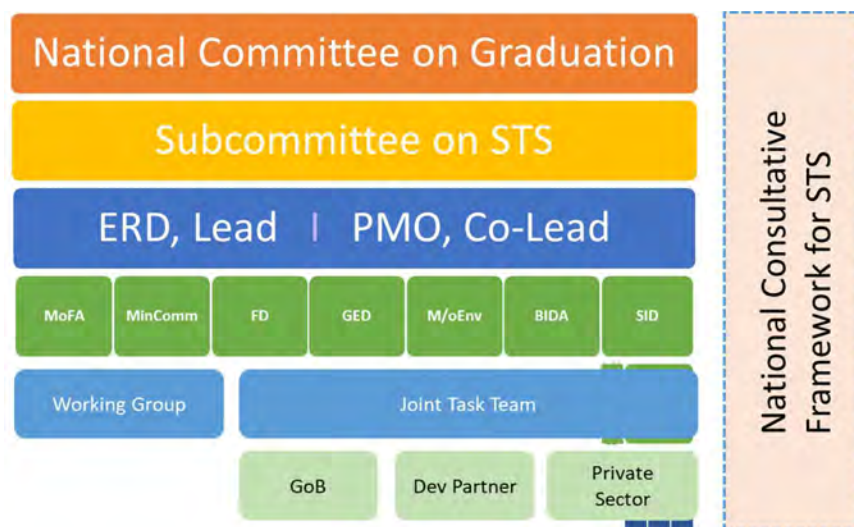
B.2. STS preparation

9. The UN resolution suggests Bangladesh to prepare, during the five-year preparatory period its national smooth transition strategy, with the support of the UN system and in cooperation with its bilateral, regional and multilateral development and trading partners³.
10. There is a consensus among experts, academics as well as government policymakers that a sustainable graduation will critically hinge on a smooth transition strategy (STS). Such an STS should encompass all possible challenges and opportunities arising out of LDC Graduation. Smooth transition from the LDC category is a process that involves a country's ability to withstand the challenges of lost LDC-specific benefits and avail the emerging opportunities efficiently in the post-graduation era.
11. The Government of Bangladesh has formed a 9-member Subcommittee on Smooth Transition Strategy (STS) which is led by the Secretary of the Economic Relations Division (ERD) and co-led by the Secretary of the Prime Minister's Office. The subcommittee is assigned for designing a consultative mechanism engaging all stakeholders, identifying process and preparing roadmap for STS and providing periodic reports to the National Committee.
12. The Economic Relations Division (ERD) has formed a Joint Task Team (JTT) to suggest a consultative mechanism involving all relevant stakeholders and provide technical support for preparing evidence-based STS. The JTT includes four representatives from Development Partners (UNDP, EU, FCDO/USAID, ADB), four representatives from Government (ERD, General Economic Division (GED), Ministry of Commerce (MoC), Ministry of Foreign Affairs (MoFA)) and three representatives from Private Sector (Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), Bangladesh Garment Manufacturers and Exporters Association (BGMEA),

³ <https://undocs.org/en/A/76/L.6/Rev.1>

Bangladesh Association of Pharmaceutical Industries (BAPI)). In addition, ERD has formed a working group comprising representatives from different ministries, divisions, and agencies to move towards the preparation of STS. The working group and the JTT will play a critical role in harnessing way forward towards the formulation of an effective STS and ensuring smart graduation of Bangladesh.

Figure 1: National Committee and STS subcommittee network



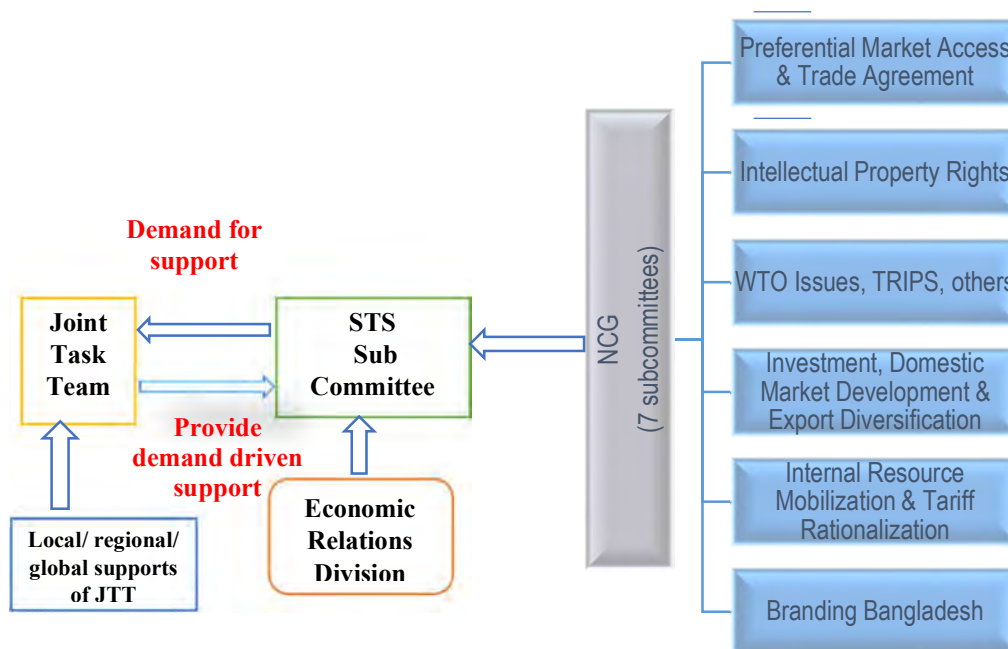
13. A wide range of research works and studies have to be carried out as part of the formulation of STS to counteract the negative impacts of LDC graduation on multiple sectors as well as to tap the full potential of elevated status.

B.3. Consultative Mechanism

14. Bangladesh is committed to prepare an effective STS through a participatory and consultative mechanism involving all the stakeholders. It will be formulated through extensive consultation with the major stakeholders including the Government ministries/agencies, private sector, CSOs and development and trading partners. Furthermore, the proposed STS would also attempt to internalize the global trends and challenges through consultative processes.
15. It has been decided that the STS Working Group would formulate a draft workplan incorporating the short-, mid- and long-term activities related to STS formulation. It has also been decided that the priority areas of the country's 8th five-year plan, reports and recommendations of other sub-committees would be reflected in workplan. The CDP's Guidance Note will also provide necessary inputs in preparing the workplan. The proposed draft workplan would be reviewed by the STS sub-committee for analyses, directions and approval. Afterwards, that workplan would be presented to the National Committee for final approval.
16. Meanwhile, ERD, UNDP and UNRC office is collaboratively developing a concept note to guide JTT identifying the priority sectors/ areas of socioeconomic structure. The concept note also suggests a roadmap for consultative mechanism engaging the

NCG, the seven subcommittees and key stakeholders during the preparation of STS through various forms of dialogues.

Figure 2: Fig: JTT and network for preparation of STS and framing of consultative mechanism



17. The private sector is pivotal for Bangladesh economy because of its contribution to investment, job creation, growth and development. Bangladesh is unique among the LDCs in respect to its private sector significance in the economy. Manufacturing is the thriving sector that created momentum of its growth over the last few decades. The expansion of the manufacturing sector, growing by an average rate of 12.7%, contributed most to improving the production structure.
18. Owing to this substantial growth, its GDP share increased from 19% in FY2015 to 23% in FY2019. Bangladesh is the largest economy among the LDCs and its share of manufactured goods in exports is very high, which increased to more than 96% in 2021 from 67% in 1980. Therefore, Bangladesh's STS is going to be formulated through an in-depth and extensive consultative process keeping in mind the varied potential dynamics of eventual graduation.
19. However, the capacity enhancement of the local stakeholders for best use of consultative mechanism and issues related to STS would also be critical to ensure effectiveness and sustainability of the whole exercise. As such, possible collaboration from development partners and the private sector in conducting necessary background studies, research, policy analysis or for carrying out necessary capacity building schemes would also play a very vital role in devising the sustainable graduation strategy.

20. The Government undertook a project, namely the Support to Sustainable Graduation Project (SSGP)⁴, with the support of Japan Government to facilitate and support the process, mechanism and smart graduation- a smooth and sustainable graduation with momentum.

B.4. International support measures for sustainable graduation

21. Bangladesh has been granted 5-year preparatory period, 2021-2026, for the preparation of the graduation from the LDC status. The CDP encourages the graduating LDCs, including Bangladesh to maximize the utilization of the existing ISMs during the preparatory period. In fact, Bangladesh is already utilizing the existing ISMs at a very high rate. However, the Government has been taking various measures to increase utilization of the ISMs further. The private sector, the main actors in utilization of the ISMs, is being sensitized through workshops, seminars, dialogues, about the withdrawal of the LDC-specific ISMs and probable consequences after the graduation. Government is also providing various policy and financial supports to the exporters to enhance and diversify exports.
22. The current Export Policy of the Government has incorporated various supports and facilities for the existing as well as new exporters. Government is also providing export subsidies in the form of cash incentives to around 38 products allowed under the Subsidies and Countervailing (SCM) Agreement of the WTO to encourage exports. Government also declared numbers of incentive packages to overcome the negative impacts of the COVID-19 pandemic. Many of those packages are for the private sector to run and enhance their businesses, particularly exports.

B.5. Cooperation with Development and Trading Partners

23. Bangladesh Government has been negotiating with potential trading partners for having transition period in their GSP schemes, like EBA (Everything But Arms) scheme of EU, for the graduating LDCs. Bangladesh is also trying to get favorable provisions in the revised EU GSP scheme, particularly in terms of longer transition period and relaxed GSP+ conditionalities so that the country can continue to benefit from duty-free facilities under the EU GSP+ once the EBA benefits expire.
24. The draft EU GSP for the period of 2024- 2034 retained three-year transition period for the DFQF for the graduating LDCs and removed import-share criterion (7.4% threshold) to qualify for the GSP+. However, the proposal of safeguard measure as mentioned in Article 29 against the textile and clothing products undermine this noble initiative. As a result, Bangladesh's garment product, the major export items, will not be eligible for DFQF access under the proposed GSP+ scheme. Therefore, Bangladesh proposes to reconsider the safeguard article so that all the major products, including RMG, may enjoy duty-free market access under the GSP+ scheme.
25. Bangladesh is also negotiating to conclude PTA, FTA and CEPA with potential trading partners. Negotiations with different trading partners are at various stages. Government is trying to identify more potential trading partners for concluding such preferential agreements. Existing FTA policy is also under revision to capture the requirements of

⁴ Details is available at <https://sustainablegraduation-bd.com>

the changed circumstances, particularly due to impending graduation.

Negotiations with WTO on LDC Group submissions

26. Bangladesh has successfully utilized the LDC-specific International Support Measures (ISMs), particularly trade-related ISMs, which contributed significantly in the socio-economic development of the country. The most important trade ISMs, which Bangladesh utilized very successfully and substantially are: (i) preferential market access, particularly duty-free & quota-free (DFQF) market access along with flexible Rules of Origin, (ii) flexibilities under the WTO TRIPS Agreement, and (iii) export subsidies in the form of cash incentives, and (iv) flexibilities under the Trade Facilitation Agreement of the WTO.
27. Bangladesh's utilization rate of the trade-related ISMs is extra-ordinary. For example, utilization rate of overall DFQF facilities is 71%, highest among the LDCs, while EBA utilization rate is 96.4%. Similarly, using TRIPS flexibilities, Bangladesh's domestic pharmaceutical industry now meets around 98% of the local demands with very affordable price. Bangladesh also provides export subsidies in the form of cash incentives to around 38 products to encourage exports.
28. Considering the high importance of the trade-related ISMs, the LDC Group has submitted two proposals to the WTO for continuation of the ISMs beyond the graduation. Bangladesh played a leading role in this process. The most important one is for extending all trade-related ISMs for a period of 12 years after the graduation. Another one is related to continuation of export subsidies (cash incentives) beyond the graduation under the relevant provision of the Subsidies and Countervailing (SCM) Agreement of the WTO.
29. However, given the limited amount of time available before the 12th WTO Ministerial Conference, the LDC Group has made another submission on 18 October 2021 on extending ISMs 12 years after the graduation. The submission proposed to make an interim arrangement to extend and gradually phase out the preferential market access schemes for the graduating LDCs over a period of six to nine years. The submission also proposed to instruct the Sub-Committee for LDCs to prepare a package of support measures in favor of the graduating LDCs.

CDP's support offer under SGSF

30. Bangladesh appreciates CDP for undertaking an initiative of LDC Sustainable Graduation Support Facility (SGSF) in collaboration with OHRLLS. It is expected to benefit LDCs and, therefore, Bangladesh has already expressed its interests to take full advantage of it. Six main service offering lines (SOL) under SGSF framework touch on addressing the loss of existing LDC-specific ISMs, improving the ability of graduating and graduated LDCs to access non-LDC-specific support, preparing and implementing smooth transition strategy (STS), access to finance, facilitating South-South Cooperation, and ensuring effective participation in the CDP's monitoring process

Government's initiative for bridging technology divide

31. Achieving the "Digital Bangladesh" was one of the ambitions of Vision 2021. The

National ICT Policies (2015 and 2018) as well as the e-Government Master Plan for Digital Bangladesh (2018) and the Digital Security Act (2018) have all been a means to this end.

32. The National Science and Technology Policy 2011 envisioned the establishment of the digital security infrastructure and led the Digital Security Act (2018). The Digital Security Agency (DSA) was established to ensure digital security rights and prevent cybercrime.
33. Recently, Bangladesh has developed a National Strategy for Artificial Intelligence 2019-2024 with the aim to overcome data and talent shortages in the Artificial Intelligence (AI) sector. This AI strategy identified seven national priority areas for AI: public service delivery, manufacturing, agriculture, smart mobility and transportation, skills and education, finance and trade, and health. The strategy notably plans to fund a thousand start-ups in AI-related areas over the 2019-2024 period.
34. The government is also very active in promoting the development of ICT solutions in the health sector. In 2011, Bangladesh received the South-South Award “Digital Health for Digital Development” for success on the attainment of MDG 4 & 5.
35. The updated National ICT Policy (2018) also takes account of the emergence of 5G technology as well as the challenges of the Fourth Industrial Revolution. Indeed, a notable fact is that software development and related services, such as web design and maintenance, are currently booming in Bangladesh⁵: a growing number of start-ups are offering next-generation digital services such as big data analytics, Internet of Things, three-dimensional (3D) imaging and Robotics Process Automation.
36. Even though R&D and knowledge development are prerequisites within the innovation system, Bangladesh currently has a low budget for R&D. Government has a plan to increase its R&D investments: recognizing that the industrially advanced countries typically spend 2-3 per cent of their GNP on R&D, the National Science and technology Policy 2011 targets 2 per cent of GNP for R&D.
37. In particular, STI development in the health sector has also received a huge push with the pandemic: the Government supported developed solution for COVID tracing, tracking and self-testing notably thanks to the launch of a data intelligence platform⁶, which helped to minimize the fatalities based on data-driven decision making; a full-fledged call center has been launched; the introduction of teleconsultation and telemedicine centers gained huge traction during the pandemic too; a COVID-19 vaccine registration app called Surokkha was also launched with the aim to help people register to receive the vaccine.
38. The significant growth in e-commerce, e-banking, e-education, e-health and e-government services had a very positive equalizing effect in Bangladesh, for instance urging SMEs which did not access e-commerce before the pandemic to start using it or offering e-financial services to populations to which this was not previously accessible, hence reducing inequalities.

⁵ UNESCO Science Report 2021

⁶ See www.corona.gov.bd.

Climate financing: Bangladesh's drives

39. While contributing less than 0.47% of global emissions, Bangladesh is one of the most climate-vulnerable countries. To address this challenge, Government established the "Bangladesh Climate Change Trust Fund" in 2009 for climate adaptation and so far, have allocated 480 million dollars to this fund from own resources. Bangladesh have doubled climate-related expenses in the last seven years. Currently, Bangladesh is preparing the National Adaptation Plan.
40. In the Annual Development Plan, the climate-relevant allocation has doubled, increased from about US\$ 1.44 billion in Financial Year 2015-16 to about US\$ 2.96 billion in Financial Year 2021-22 for climate adaptation and resilience-building through steps such as construction of sea dykes, cyclone shelters and coastal plantation.
41. Bangladesh is implementing the world's biggest housing project for people displaced by impacts of climate change in Cox's Bazar to construct 139 multi-storied buildings with all amenities to shelter 4,409 climate change affected families. Under the "Ashrayan" project, a landmark initiative of the government for the landless and homeless people, a total of 442,608 families have been given houses.
42. The government has adopted the "Bangladesh Delta Plan 2100", a comprehensive 100-year strategic plan aimed at gradual sustainable development through adaptive delta management process targets to achieve a safe, climate-resilient and prosperous delta. Our new National Adaptation Plan will be the main vehicle to address adaptation at the national level.
43. Bangladesh has one of the world's most extensive domestic solar energy programs. It has installed more than six million solar home systems in off grid areas of the country ensuring supply of solar electricity to 18 million people over the last few years. Celebrating the birth centenary of the Father of the Nation, Bangladesh is planting 30 million tree saplings across the country this year.
44. Recently Bangladesh submitted an ambitious and updated NDC (Nationally Determined Contributions) to the UNFCCC. The government has cancelled 10 coal-based power plants worth 12 billion dollars of foreign investment. Efforts are continuing for a more sustainable energy mix. It is expected to have 40% of our energy from renewable sources by 2041. Furthermore, Bangladesh is going to implement the 'Mujib Climate Prosperity Plan' - a journey from climate vulnerability to climate resilience and then to climate prosperity, or VRP. The country is also trying hard to address the challenge of climate impact because of 1.1 million forcibly displaced Myanmar nationals or Rohingyas.
45. As the Chair of the Climate Vulnerable Forum (CVF) and V20, Bangladesh is promoting the interests of the 48 climate-vulnerable countries. Similarly, best practices and adaptation knowledge are being shared with other climate-vulnerable countries through the Global Centre on Adaptation's South Asia regional office in Dhaka. On behalf of the CVF, Bangladesh is pursuing to establish a global partnership of the Climate Emergency Pact that will prioritize- (a) limiting temperature rise to 1.5 degrees; (b) \$100 billion a year climate finance; (c) ambitious adaptation and mitigation actions; (d) additional and adequate financial mechanisms to address loss and damage and displacement of people due to climate change; and (e) championing

nature-based climate solutions.

Engagement with international communities on safe repatriation of FDMNs

46. The crisis of the Forcibly Displaced Myanmar Nationals (FDMNs) has become a perennial issue. Systematic disenfranchisement and frequent indiscriminate persecutions against them by successive governments of Myanmar since 1960s led to continued influx of FDMNs to Bangladesh. The unprecedented magnitude of inflow of FDMNs after the incidents of 25 August 2017 created an accumulated figure sheltered in Bangladesh to about 1.1 million and the number is on the rise as the newborn are adding to the folks every day.
47. Bangladesh has been trying its best, with the support of international community, to ensure safety and wellbeing of FDMNs. Bangladesh has set yet another example of humanity by developing an island 'Bhasan Char' with proper amenities spending about US\$ 350 million from its own resources to de-risk and decongest the squalid camps in Cox's Bazar.
48. None of the temporary arrangements, be in Cox's Bazar or in Bhasan Char, is tenable in the long run. The crisis is created in Myanmar and the solution lies only in Myanmar. All FDMNs must return to their ancestral homeland in the Rakhine State of Myanmar in safety, security, and dignity for sustainable reintegration there. The Rohingya are also eager to return as it is their right.
49. Prolonged presence of a huge number of persecuted people entails tremendous strain on the infrastructure, water supply and agricultural outputs, security, livelihood of the host community, as well as on social stability. It has also adversely impacted the biodiversity of Cox's Bazaar, in particular the 6,800 acres of reserved forest where the Rohingyas are hosted.
50. In the backdrop of Myanmar's continued defiance of its obligations, the international community needs to revisit their approach and act promptly in a decisive manner to help Rohingya materialize their fundamental right to return to their homes in safety, security, and dignity. Bangladesh is ready to support any initiative that would ensure sustainable repatriation.

C. SOCIOECONOMIC IMPLICATIONS OF COVID-19

51. Like many other countries in the world, COVID-19 has posed unprecedented challenges to Bangladesh in terms of significant slide in production, international trade, services sector activities especially in the tourism, aviation, and hospitality subsectors, activities of small and medium enterprises, and overall employment. There was a fall in global demand in particular in consumption and investment. At the earlier stage of the outbreak, the government promptly adopted various restrictions such as general holidays, enforcing partial lockdown, social distancing measures, etc. All these restrictive measures led to a disruption in economic activities.

C.1. Macroeconomic impact

52. Bangladesh grew consistently at a high rate exhibiting an average of 6.30 percent during 2009-2021, and achieving an outstanding 8.15 percent growth in FY2019. The

overall investment hovered around 27-32 percent of GDP during the last decade, which crossed the 30 percent mark by attaining 31.23 percent in FY2017-18 mainly because of buoyant public investment in mega infrastructures. However, due to the COVID-19 pandemic, growth slowed down to 3.51 percent in FY2020 and rose slightly upward to 5.47 percent in FY2021. The overall investment has been reduced to 30.47 percent in FY2020 and further reduced to 29.92 percent in FY2021.

53. During the last decade, Bangladesh has achieved great success in poverty alleviation by ensuring effective redistribution of resources through pro-poor and inclusive growth strategies. The poverty rate has been estimated at 20.5 percent in 2019 which shows a sharp decline from 38.4 percent in 2006, and the hardcore poverty rate has been estimated at 10.5 percent in 2019 from 24.2 percent in 2006. However, the rapid poverty alleviation process in Bangladesh is hampered due to the pandemic.
54. The labor markets were distorted as many working-age people became jobless in the country following the adverse effects of prolonged restriction measures imposed to check the surge of coronavirus infections. A total of 13 percent of working hours were lost in Bangladesh in 2020. International Labor Organisation (ILO) estimated 12.5 percent of working hours lost in the second quarter of 2020 for the lower-middle-income countries including Bangladesh⁷. In the case of Bangladesh, it was estimated to be 12.2 percent in 2020. According to a recent survey conducted by the Bangladesh Institute of Development Studies (BIDS) - from May 5 to May 29- around 13% of those who were employed before the pandemic lost their jobs. It is estimated that Bangladeshi RMG workers lost US\$500 million in wages in four months from March to June. The Institute of Labor Studies also estimated that 1,915 garments factories were closed down rendering 324,684 workers unemployed due to the pandemic. Many of these workers were not paid their outstanding wages and salaries.
55. The COVID-19 pandemic-induced economic crisis affected Bangladesh's trade by large margins. The economic crisis has been exacerbated by the closure or limited operation of businesses during the lockdown at home and abroad. In the FY2019-2020, there was a very high negative growth in exports (16.9 percent). In FY2019-20 it was 33.67 billion USD, which was 40.54 billion USD in FY2018-19. In FY2019-2020, the earnings from RMG exports declined by 18.12 percent from the previous year. However, the export sector experienced buoyancy in FY 2020-21 and it registered 15% growth.
56. The average growth of revenues in the last five years was around 11.1 per cent. However, the growth of revenues sharply came down to only 4.5 percent in FY2020 due to the slowdown of economic activities caused by the COVID-19 pandemic.

Measures taken by the Government

57. The Government of Bangladesh has formulated an overall program with short, medium, and long-term targets to address the crisis of the COVID-19 pandemic and to overcome the potential adverse impacts on the economy. This program had four main strategic aspects. The first strategy was to increase government spending. In this respect, priority was given to creating jobs and discouraging luxury spending. The

⁷ World employment and social outlook trends, 2021, ILO

second strategy was to provide low-interest credit facilities through the banking system to industries and business enterprises to revive economic activities and increase the competitiveness of entrepreneurs at home and abroad. The third strategy was to increase the scope of the government's social security programs to protect the ultra-poor and the low-income groups who have suddenly become unemployed as well as the people engaged in informal sectors. The fourth and last strategy was to increase the money supply in the market.

58. Under the able guidance and leadership of Hon'ble Prime Minister Sheikh Hasina, the government undertook a comprehensive economic recovery program containing 28 fiscal and stimulus packages to the tune of Tk. 1,877 billion (US\$ 22.08 billion) which amounts to 6.23 per cent of GDP to facilitate the implementation of these strategies. The main features of this program are annexed in a table (Annexure-4).
59. The current economic trend in Bangladesh and the performance of its macro-economic indicators reflect that Bangladesh has withstand the COVID-19 related economic shocks well. Even though the GDP growth rate showed a decline to 3.5 percent in FY2020, it rebounded to 5.47 percent (provisional) in FY2021. The foreign exchange reserve has grown to a record US\$ 48.02 billion in August 2021 which now stands at \$45 billion as of 10 November 2021. Considering the current trend of Bangladesh's economy, it is evident that the stimulus measures have played a highly effective role in countering the adverse economic shocks of COVID-19.
60. The government has initiated several administrative and regulatory reforms including automation and modernization of the revenue administration, expansion of tax net, improvement of compliance through automation and implementation of the Value Added Tax and Supplementary Duty Act 2012, and installation of Electronic Fiscal Device in major business installations. The revenue collection by the National Board of Revenue (NBR) during FY2021 has registered a 20.06 percent growth. NBR Tax revenue has continued to show positive momentum in the current FY2022, which exhibited a growth of 14.60 percent during the July-October period. It is worth mentioning that foreign financing has an important balancing role in the quick response and recovery processes.

C.2. Impacts of COVID on agriculture

61. Covid-19 pandemic is directly affecting country's food production, disrupting demand and supply chain and safeguarding fair price of farmers. Food chain disruption has placed the poor mass of the country in a more vulnerable situation at short, medium and long term. The requisite embargo to control the spread of coronavirus has placed production, processing, packaging, transport and marketing system at risk. Meanwhile, access to food by poor people become limited due to condensed income. Food supply chain is more distorted owing to labor shortage. On the other hand, informal labors are becoming more vulnerable due to unemployment. The loss of livelihoods and income, as well as the lack of nutritious food have further deteriorated the people's ability to fight against diseases.
62. A survey was conducted by BRAC between April 30 and May 11, 2020, on a nationally representative sample (at 95% confidence interval) of 1,581 farmers from all the agricultural sub sectors (poultry, dairy, fisheries, crops and vegetables). The assessment report shows that most farmers in all four sectors were economically

affected by the pandemic. Overall, 88% of all farmers reported problems they faced, which resulted in economic losses.

Measures taken for ensuring food security in response to COVID-19 shock

63. As immediate response to Corona virus outbreak Honorable Prime Minister Sheikh Hasina issued 31 directives for all where agriculture and food security received special attention. She vowed food security for all and urged for better utilization of resources to ensure maximum food production and more varieties of crops. She called for using every inch of cultivable land and best use of agriculture for COVID-19 recovery.
64. To address the COVID 19 situation, ensuring food security is the prime concern of the government. Few important measures are given below
 - Initiatives were taken to continue the transportation and marketing of agricultural products as essential commodities including agricultural machinery in collaboration with the people's representatives, administration, armed forces, police force and the people.
 - Bangladesh Agricultural Development Corporation (BADC) reduced irrigation price by 50 percent and seeds price by 25 percent.
 - 25% reduction in fares for transportation of agricultural products and provided special Buggy for mango transportation by Bangladesh Railway and farmers have got the facility of free transportation of mangoes by postal department vehicles at the request of the Ministry of Agriculture.
 - Bangladesh Bank allocated about Tk 19,500 crore as agricultural loan at the rate of 4% concessional interest rates.
 - To combat Covid-19, the financial incentives increased to Tk 458.7 crore in FY2020-21. The numbers of beneficiaries were about 78.50 lakh.
 - The movement of agricultural goods vehicles has been continued under the Corona prohibition. This ensures that other crops, including vegetables, are marketed in remote markets.
 - Farmers' markets have been set up in 41 districts, including the capital, to provide safe vegetables;
 - Online Agriculture Market 'Food for Nation' has been launched with the help of ICT Department. In addition, the online 'Hortex Market' has been launched through the Hortex Foundation.
 - A total of 32 nutrition gardens have been set up in each union by providing government assistance. From this a total of 1 lakh 40 thousand 384 farm families have been benefited.
65. A time bound action plan-2020 has been formulated to deal with the impact of Covid-19 situations. This action plan has a total of 96 short-, medium- and long-term plans. Main strategies are: agricultural research and development; ensuring the availability of quality agricultural inputs; ensuring optimal uses of water resources for irrigation using modern and sustainable technologies and infrastructural development of irrigation canals; institutional capacity building and human resource development; supply of agricultural machinery at subsidized prices; popularization of obsolete crops including coffee, cashew nuts, malt, dragon, strawberry; strengthen e-agriculture (digital agriculture); and development of high yielding varieties and innovation of technology.

C.3. Impact on investment

66. A report by the United Nations Conference on Trade and Development (UNCTAD) identified a 42% fall in the global FDI to an estimated USD 859 billion in 2020 from USD 1.5 trillion 2019. As per the report, FDI in Bangladesh declined by about 11 per cent to \$2.6 billion in 2020. The FDI was \$2.87 billion in 2019.
67. Bangladesh Economic Zones Authority (BEZA) reports that some investors abandoned their investment proposal due to the adverse impact of COVID-19. Moreover, the pace of construction work of factories and other infrastructures was also reduced due to lockdown and other restrictions. As a result, the factories which are supposed to come in commercial operation in 2020 or this year are now expecting to do the same in the next year.

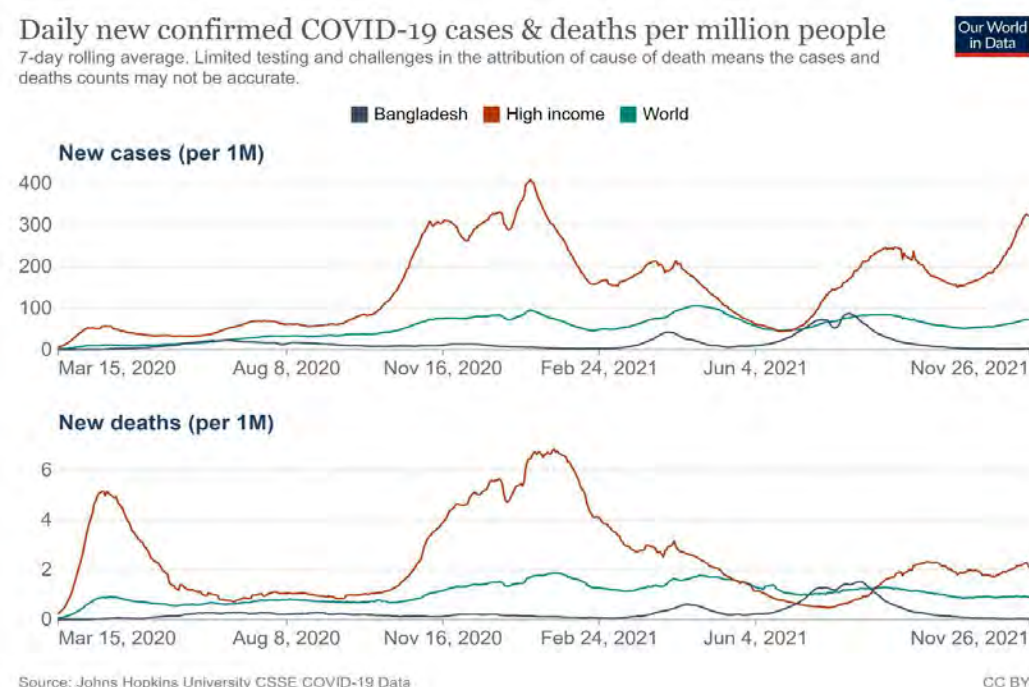
Measures taken to boost investment

68. Corporate tax rate is reduced by 2.5% in last two consecutive budgets and now the rate is 30% which was 35% before COVID. This reduction of corporate tax is expected to generate more FDI.
69. Considering the importance of skilled human resource for industrialization, huge deficit of high standard technical training institutions in the country and requirement to create a pool of skilled human resource for industrialization, government exempted income tax for ten years to institutions established to impart all sorts of diploma and vocational education on agriculture, fisheries, science and IT, and also to institutions engaged in delivering professional training on automobile, aircraft maintenance, food, footwear, glass, mechanical, shipbuilding, leather, refrigeration, ceramics, mechanist, garments design and pattern making, pharmacy, nursing, integrated medical, radiology and imaging, ultrasound, dental, animal health and production service, clothing and garment finishing and poultry farming. This incentive will hopefully make a positive impact on building skilled and trained human resource, and will also open up a new horizon for industrialization and investment.
70. To nurture the 'Made in Bangladesh' brand for accelerate establishment of mega To nurture the 'Made in Bangladesh' brand for accelerate establishment of mega industries and production of import-substitute industrial goods in the country, government provided tax exemption to the companies engaged in production of three and four wheelers in Bangladesh for ten years which may be extended to further ten years. Moreover, tax exemption is provided to the companies engaged in production of certain home and kitchen appliances and light engineering products for ten years. To capture the unlimited prospect in agro-based industries and generate more employment, government offered tax exemption for ten years to industries engaged in processing locally grown fruits and vegetables, producing milk and dairy products, producing baby food entirely from locally grown agricultural products, and manufacturing of agricultural machineries.

C.4. Impact on health

71. The first case of COVID-19 was detected on 8th March 2020 in Bangladesh and then it was gradually spread over the country. As of 27 November 2021, total 15,75,579 COVID-19 cases registered in Bangladesh, 15,40,018 have been recovered and 27,975 died.

Figure 3: New cases and death per million people in Bangladesh, High Income Countries and the World



Source: *Our World in Data, COVID-19 Data Explorer database. Available at <https://ourworldindata.org/coronavirus-data-explorer> (accessed on 26 November 2021)*

72. The COVID-19 has directly affected the health sector of Bangladesh seriously. The COVID-19 crisis has caused a particularly distressing drop in access to maternal, neonatal, child and adolescent health and nutrition, family planning and immunization services. The COVID-19 pandemic is anticipated to have serious long-term impacts on nutrition risks and service delivery. The overall reduction in income level of the majority of the population increased trend of unemployment, risk of increased household food insecurity and risk of adolescent marriage will be added with the already existing high prevalence of undernutrition in the country in both urban and rural areas. In the immediate and long term, it will affect infants and young children and pregnant and lactating women. There has been a 73% drop in admissions of children with Severe Acute Malnutrition (SAM) in April-May compared to January 2020.
73. The physical and psychosocial impacts of COVID-19 due to income loss have been most severe on the increasing number of new poor and the country's most marginalized persons resulting in access barriers to healthcare and other services, including high out-

of-pocket expenditure, physical barriers and discrimination. These have a multiplicative and cross-sectoral effect on these impacts and will contribute to increasing poverty figures and are likely to increase the number of malnourished people.

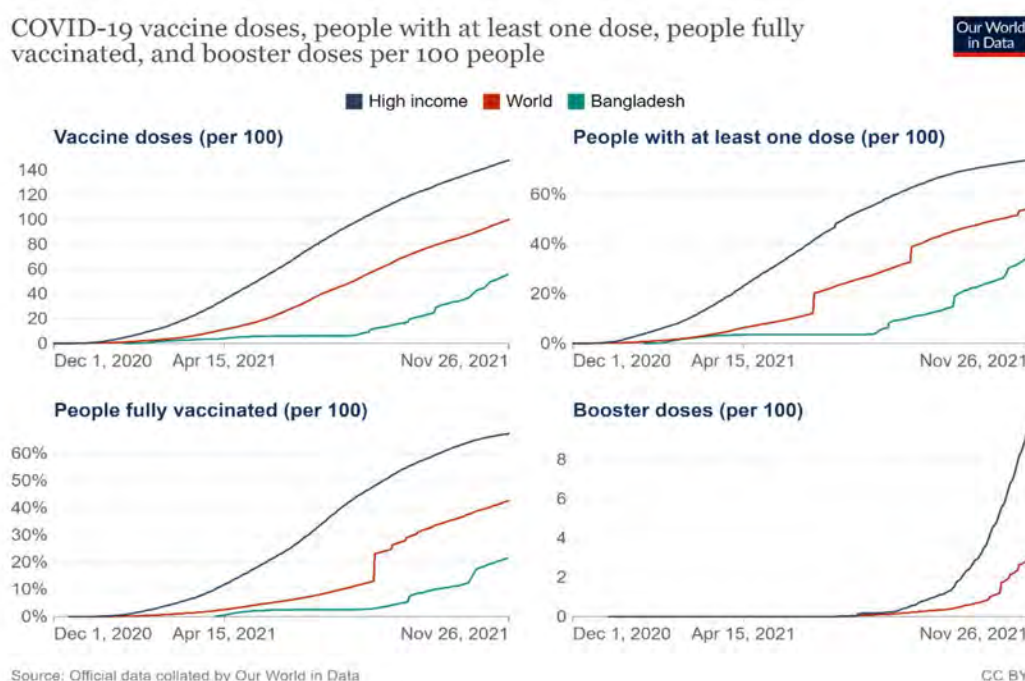
Vaccination programs

74. The Ministry of Health and Family Welfare (MoHFW) of Bangladesh has developed a living document titled 'National Deployment and Vaccination Plan (NDVP)' to cover 80% (138,247,508) of the total population under the Covid-19 vaccination program.
75. As of 27 November 2021, 49.4% of the targeted population that is 68,288,452 people have already registered in the Vaccine Surokka App. Out of which, 57,817,590 people have already taken the first dose and 35,969,066 have completed their second dose. Recently Government has started COVID Vaccination Program for school students aged 12 and above.
76. The government has targeted full coverage of the population by March 2022, for which 274 million doses of vaccine are needed. To fulfill these target, 294 million doses of vaccine have been confirmed by purchase agreement with COVAX and bilateral agreement with countries and institute. Presently, 673 vaccine centers are immunizing about 30 million doses per month and 14,124 community clinic service providers have been trained for the upcoming vaccination program.
77. Vaccine nationalism and its implications on LDCs: Developing countries particularly the LDCs are now struggling with the availability of COVID vaccines to make their people immune to this pandemic. They are also facing serious fiscal stress in financing the vaccination program. There should be universal and affordable access to vaccines for people across the world if we want to ensure a COVID-free world in near future. But the world is witnessing the growing vaccine divides between rich and poor nations. The approach of vaccine nationalism has to be shunned and covid vaccine should be treated as a global public good. A recent World Bank report revealed that 84 percent of vaccine doses have gone to people in high and upper-middle-income countries, while the low-income countries received less than one percent. This vaccine inequality must be urgently addressed. Immediate transfer of vaccine technologies along with affordable financing is a must to ensure vaccine equity. Bangladesh is ready to produce vaccines on a mass scale if technical know-how is shared with the country and patent waiver is granted.

International supports for vaccines and COVID recovery

78. Bangladesh government has requested budgetary/ balance of Payment (BOP) support as well as COVID-19 related projects support from development partners. The Government has already received positive and favorable responses from major development partners, including World Bank, Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), JICA, IMF, Export-Import Bank of Korea (EDCF), France (AFD), ITFC, IsDB, European Union (EU), European Investment Bank (EIB), OPEC Fund for International Development (OFID), Germany (KFW), etc.

Figure 4: Vaccination in Bangladesh, High Income Countries and the World



Source: Our World in Data, COVID-19 Data Explorer database. (accessed on 26 November 2021).

79. In FY2020, a total of USD 1000 million budget support has been received from World Bank, ADB & AIIB. Moreover, IMF has provided BOP support worth USD 732 million. In FY2021, a total of USD 1123 million budget support has been received and in FY2022, Bangladesh is expecting to receive more than USD 2513 million from different development partners.
80. Chinese Government provided some in-kind assistance to prevent the COVID-19 situation in Bangladesh, such as 16 lacs doses of COVID-19 vaccine with a similar number of disposable syringes, Corona Virus Test Kits, Medical protective clothing, Infrared Thermometers, different Surgical masks including N95 mask and medical protective goggles. Indian Government provided 109 ambulances to prevent the COVID-19 situation in Bangladesh in the fiscal year 2020-21. Several partners such as GAVI, WHO, UNICEF, USAID, and others continue to provide technical and financial support for immunization and to ensure every child receives recommended vaccines.

81. Switzerland moved fast to support the Government of Bangladesh, the United Nations system and non-government organizations (NGOs) to prepare and respond to the COVID-19 crisis. Additional funding was approved, and existing commitments repurposed or reprioritized. Around CHF8 million and CHF10 million were invested in the response to the pandemic in 2020 and 2021, respectively.
82. UNDP along with the UN and other partners is supporting the government to ensure an effective crisis response through the digital platforms significantly in the tele-schooling, tele-medicine, tele-working, and Digital payment sectors.
83. The Ministry of Health and Family Welfare worked closely with WHO Country Office Bangladesh, UN agencies and development partners to develop the Bangladesh Preparedness and Response Plan for COVID-19. The strategy developed in this document was based on the WHO global COVID-19 Preparedness Plan (February 2020) and the WHO Country Readiness Checklist.

C.5. Impact on education

84. The social impact caused by the COVID-19 pandemic is also significant. Bangladesh has approximately 200,000 educational institutions across the country with over 40 million students. These educational institutions have remained closed for around 15 months. Apart from school dropouts and child marriages, children have been mostly suffering from mental health issues, as never before in their lives had they been confined to their homes for such a long time.
85. Closure of school for long time is seriously affecting the psychological and emotional state of the students. So, resuming on campus academic activities is very important to the government. The government is adopting plans to implement in three terms: short-, medium- and long-term plans.
86. Over the last decade enrolment in secondary and higher secondary level was in increasing trend. Gross enrolment rate in the secondary level has increased from 55.81 (boys 49.59, girls 62.62) in 2010 to 75.62 (boys 67.83, girls 83.36) in 2019. It Female enrolment in secondary and higher secondary level was out reaching the male in the last few years. Overall participation of boys in secondary is around 10% less than that of girls. But COVID 19 would have direct impacts on enrolment, dropout rate, completion rate, child marriage. All persons have equal chance to be infected by COVID 19, but impacts vary on person to person.
87. COVID-19 Pandemic creates seasonal unemployment in economy. Many households lost their jobs that would lead to income reduction. Some parents of pupils died or become disable to work. A significant household would undergo economic, financial and social stress. Post COVID trauma may cause emotional psychosis of parents of the students. All the above consequences may lead to lowering the enrolment rate, increasing the dropout rate, reduction of completion rate and increasing the child marriage. Since off campus distance class would not be an appropriate alternative to on campus activities. This would pose a challenge to ensuring quality education.

Measures undertaken by the Government to restore education

88. A number of policy interventions is being planned to be implanted for the safe opening

of institutions. Different guidelines and protocols have been developed for the safe opening of the institutions. Interventions have already been undertaken for recovery of academic loss the students have already endured due to closure of their schools and to ensure learning continues during the school closure and beyond using four platform: radio, mobile, television and online.

89. Digital contents development and hosting of those contents in the website are being done. Teachers are developing the contents and they are using these contents in their regular online/TV broad casted class as well as upload it in the face book group, you tube, SHIKSHOK BATAYAN (online platform for teacher).
90. Infrastructure are being built to minimize the losses of learning. This would help enhancing the capacity of education system and make it resilient against an adversity originated for the all types of disasters. Ratio of male stipend has been raised to minimize the gap in gender parity index for gross secondary school enrolment.

D. COLLABORATION FOR TRANSITION STRATEGY

D.1. Global implications of covid-19 on graduation drive

91. The COVID-19 pandemic spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus.
92. The June 2021 Global Economic Prospects⁸ describes both the immediate and near-term outlook for the impact of the pandemic and the long-term damage it has inflicted on growth prospects. The report suggests that the world economy is experiencing an exceptionally strong but highly uneven recovery. Global growth is set to reach 5.6 percent in 2021- its strongest post-recession pace in 80 years- in part underpinned by steady but highly unequal vaccine access.

Table: Real GDP ((Percent change from previous year)

	2018	2019	2020e	2021f	2022f	2023f
World	3.2	2.5	-3.5	5.6	4.3	3.1
Advanced economies	2.3	1.6	-4.7	5.4	4.0	2.2
United States	3.0	2.2	-3.5	6.8	4.2	2.3
Euro area	1.9	1.3	-6.6	4.2	4.4	2.4
Japan	0.6	0.0	-4.7	2.9	2.6	1.0
South Asia	6.4	4.4	-5.4	6.8	6.8	5.2
India ³	6.5	4.0	-7.3	8.3	7.5	6.5
Pakistan	5.5	2.1	-0.5	1.3	2.0	3.4
Bangladesh	7.9	8.2	2.4	3.6	5.1	6.2
<i>Memorandum items:</i>						
Real GDP¹		s				

⁸ Available at <https://thedocs.worldbank.org/en/doc/600223300a3685fe68016a484ee867fb-0350012021/original/Global-Economic-Prospects-June-2021.pdf>

	2018	2019	2020e	2021f	2022f	2023f
High-income countries	2.3	1.6	-4.7	5.3	4.0	2.2
Developing countries	4.7	3.9	-1.4	6.3	4.8	4.5
EMDEs excluding China	3.2	2.4	-4.3	4.4	4.2	3.7
Low-income countries	4.7	4.3	0.7	2.9	4.7	5.6
BRICS	5.8	4.9	-0.3	7.5	5.2	4.7

Source: *Global Economic Prospects 2021, World Bank*

93. In low-income countries, the effects of the pandemic are reversing earlier gains in poverty reduction and compounding food insecurity and other long-standing challenges. The global outlook remains highly uncertain, with major risks around the path of the pandemic and the possibility of financial stress amid large debt loads. Controlling the pandemic at the global level will require more equitable vaccine distribution, especially for low-income countries. Global policymakers need to offer LDCs and developing countries a lasting recovery by undertaking growth enhancing reforms and steering their economies onto a green, resilient, and inclusive development path. Low cost financing and efforts to lower trade costs are critical for boosting business and trade so that trade can once again become a robust engine of growth.
94. According to UNCTAD, the equivalent of 255 million full-time jobs was lost in 2020 due to the pandemic. Irrespective of the region or income group, women have been affected by employment losses to a greater extent than men. This decline, especially in goals-relevant sectors, is of particular concern in developing countries, including the least developed countries. The pandemic brought international travel to an abrupt halt. International tourist arrivals fell by 74 percent, from almost 1.5 billion in 2019 to around 381 million in 2020. The pandemic has affected international investment flows, although the impact has varied across regions and country groups.
95. In 2020, global FDI fell by 42 percent, reaching an estimated total of \$859 billion. FDI in Europe and North America fell sharply, while FDI in developing Asia dropped by only 4 percent. As a result, developing economies received 72 percent of total FDI. After a significant decline in the first half of 2020, the global manufacturing output showed signs of recovery in the second half of the year.
96. COVID caused a significant decline in global trade in 2020. Also, imbalances in regional trade contributed to a significant rise in shipping costs. In 2020, global trade fell by 8.9%, the steepest drop since the global financial crisis. The pandemic affected services trade more than goods trade. Services trade fell by more than 20% in 2020.
97. As the economy of Bangladesh relies heavily on the global supply chains, particularly ready-made garments (RMG) and foreign remittances, the country faced a severe impact due to the global economic slowdown. More specifically, the exposed vulnerabilities of the cross-country supply chain of RMG have hit the economy of Bangladesh hard because this sector brings more than 80 percent of export earnings. As the banks in Bangladesh heavily depend on the business brought by the RMGs, the COVID-19 pandemic has also affected the banking sector.

D.2. Graduation and broader development strategy

98. Keeping the aspiration for smooth and sustainable graduation, the Eight Five Year Plan (8FYP) inculcates strategic guidelines in it. The extreme onslaught of the COVID-19 pandemic is still continuing in the world. Government's pragmatic interventions helped deadly virus at the bay. Presently, Bangladesh economy is functioning satisfactorily and recovering faster than thought. Keeping all impediments of the COVID-19 pandemic in mind, Government has prepared the 8FYP for FY2021-2025 following the objectives- recovery from COVID 19, preparing Bangladesh for LDC graduation, achieving SDGs, and setting a trajectory towards a prosperous country by 2041. Bangladesh expects to achieve higher economic growth rate, reduce the poverty rate, and further strengthen the existing social security system while eliminating poverty and narrowing inequality during the plan period⁹.
99. Eighth Five Year Plan mainly centers on six core themes, which included: i) rapid recovery from COVID-19 ii) GDP growth acceleration, employment generation, and rapid poverty reduction with a broad-based strategy of inclusiveness iii) a sustainable development pathway resilient to disaster and climate change iv) sustainable use of natural resources and successful management of the inevitable urbanization transition v) development and improvement of critical institutions, and vi) attaining SDG targets and coping up the impact of LDC graduation. Sixth theme surrounding LDC graduation suggests Government's firm determination and commitment for sustainable graduation.
100. The Eighth Five Year Plan aims to start the implementation of Perspective Plan 2021-2041 in a way that it brings Bangladesh closer to the goals of achieving UMIC status by 2031 and attaining SDGs targets through managing the challenges of LDC graduation, which will also help to eliminate extreme poverty by 2031. The Government attempts to internalize the graduation issue and build linkages with other broader national goals and priorities with the eighth five year plan.

D.3. LDC5 conference and Doha Program of Actions

101. LDC5 Conference is going to take place in Doha, Qatar on 23-27 January 2022. Ten year long Doha Program of Actions (DPoA) is expected to be endorsed by global leaders for supporting graduating and graduated LDCs. The DPoA is being developed at a time when all countries both developed and developing are facing challenges- growths have been slowed down, social progress tends to reverse, the supply chain is disrupted, high inflation is thwarting investment due to COVID-19. LDCs are lagging in achieving the targets of SDGs, mainly because of the large finance gap as resources are channeled to save lives and livelihoods.
102. The annual financing gap to achieve the SDGs by 2030 was US\$2.5 trillion before the pandemic. The COVID has amplified the gap and it rises now to US\$4.2 trillion¹⁰. The ODA remains the key mechanism to meet the financing gap for LDCs. It has a strong

⁹ Available at

http://plancomm.gov.bd/sites/default/files/files/plancomm.portal.gov.bd/files/68e32f08_13b8_4192_ab9b_abd5a0a62a33/2021-02-03-17-04-ec95e78e452a813808a483b3b22e14a1.pdf

¹⁰ UN Monitor#26, Third World Network available at <https://www.twm.my/title2/wto.info/2021/ti210717.htm>

catalytic role to mobilize resources from other sources. The flow of ODA to LDCs has been tapering off over the last few years even before the pandemic. Many challenges and global concerns were evolving in LDCs that slowed down the global growth and resulted in the lackluster appetite of the developed world to fulfill their commitment for ODA, climate change and SDGs even before the COVID.

103. The implementation reality of the IPoA (Istanbul Program of Actions) is far away from the ambitious goals set and committed by the global community in 2011. Throughout the preparations of DPoA, LDC Member States are reeled with the impact of COVID-19, financing mechanisms of SDGs, the digital divide, graduation challenges, promoting domestic best practices to enable growth, climate change, vaccine divide, slipping competitiveness in the international trade, etc.
104. The overarching focus of the DPoA draft is COVID recovery. The Program of Action will have six key focus areas for actions for supporting investment for human development, leveraging science, technology, and innovation, promoting structural transformation, enhancing international trade and regional integration, building resilience and mobilizing global partnerships. It is quite comprehensive and touched upon all the key areas for accelerating growth and development momentum in LDCs. Bangladesh welcomes and endorses the broader goals and program of actions outline in the DPoA.
105. Some key priorities and deliverables for LDCs under DPoA have been proposed for, such as, establishing a system of stockholding for LDCs on a regional and subregional basis to deal with humanitarian food emergencies, establishing an online University, introducing a Sustainable Graduation Support Facility (SGSF) jointly developed by the UN-OHRLLS and UN DESA, the establishment of an International Investment Support Center (IISC) for LDCs and graduated countries, framing a monitoring mechanism for graduating and graduated countries that will be responsive to emerging crises, mobilizing global support for an extension of 12 years of ISMs for the graduated countries. In addition to that, the draft DPoA solicits to fulfill the commitment of mobilizing US\$100 billion climate finance per year and scaling up supports to LDCs, access to vertical funds such as GAVI by redefining upward eligibility threshold and extending access to Aid for Trade and Technology Bank for ten years after graduation. Bangladesh is very much appreciative of these initiatives proposed in the DPoA draft.
106. However, Bangladesh may propose to global communities for some actions in addition to the above-mentioned initiatives for the ten-year-long DPoA development agenda.

Center of excellence on R&D

107. LDCs are lagging far behind on STI and R&D. Pandemic has taught us how disruption of the supply chain, lack of preparedness, and vaccine divide caused many lives all over the world. The LDCs suffered disproportionately because of limited resources and health facilities. The establishment of a center of excellence with a motto to promote health-related R&D, especially research on vaccines and drugs. A state-of-the-art facility for producing vaccines at an affordable price should be considered as a concrete proposal.

Skill up-gradation for the fourth industrial revolution

108. The ongoing fourth industrial revolution will have a significant impact on the landscape of LDCs' economy and development. Many jobs are expected to be lost and massive programs for reskilling and upskilling are required to maintain employment growth in LDCs. The DPoA may address the issue as the ensuing fifth industrial revolution is likely to emerge during the implementation of this program of action¹¹.

Cybersecurity/ digital security

109. Cybersecurity is a grave concern for LDCs as it involves large investments and a high level of technical know-how. The infringement of cybersecurity and digital security poses a big threat to financial development and regulatory framework for which a concerted effort seems to be indispensable. A concrete proposal to support LDCs is important for integrating with global financial architecture and tapping the opportunities.

Safe repatriation of the forcefully displaced people

110. The migration of forcefully displaced people to many LDCs not only adds a large cost to its fiscal account but also disrupts its social cohesion while these nations are already struggling to manage the bare needs of their citizens. Apart from economic cost, potential threats of security, environmental degradation, and political unrest hinder socioeconomic development. The DPoA touches on the socioeconomic development of the refugees and forcefully displaced populations from neighboring countries. However, the global community should also strongly step in ensuring the safe return of these populations to their home countries and the DPoA may highlight the concern and outline actions.

Support for regulatory bodies in the financial market

111. Financial markets and regulatory structures are still at an embryonic stage in LDCs. For the greater interest of the global financial market, a dedicated proposal to support regulatory framework, capital and financial market are key to enhancing the productive capacity of LDCs. The DPoA may consider some specific actions to address these challenges in LDCs.

Tax justice: uniform tax convention and global monitoring mechanism

112. Countries are losing a total of \$483 billion in tax a year to global tax abuse committed by multinational corporations and wealthy individuals— enough to fully vaccinate the global population against Covid-19 more than three times over. Of the \$483 billion lost a year, \$312 billion of this tax loss is due to cross-border corporate tax abuse by multinational corporations and \$171 billion is due to offshore tax abuse by wealthy individuals¹². Global tax abuse continues to hit lower-income countries, especially the

¹¹ Reskilling refers to an employee learning a new set of skills in order to perform a different job, while upskilling refers to an employee learning additional skills to be better equipped to do his/her job.

¹² <https://taxjustice.net/reports/the-state-of-tax-justice-2021/>

LDCs more severely than higher-income countries. Lower-income countries lose tax collectively equivalent of nearly half (48 per cent) of their public health budgets.

113. The 2021 edition of the State of Tax Justice documents how a small club of rich countries with de facto control over global tax rules is responsible for the majority of tax losses suffered by the rest of the world. The findings call for making rules on international tax and setting up a Centre for Monitoring Taxing Rights at the UN to raise national accountability against illicit financial flows and tax abuse. The issue may be considered in the DPoA.

Fair trade

114. Renewed and reinvigorated commitment of development and trading partner are key to addressing the graduation challenges for all graduating and graduated nations. LDCs are in many cases not competitive in international trade because of late starter of development, weak productive capacity and slow progress in structural transformation. For addressing challenges of labor and human rights, the developed world must come forward to ensure fair trade¹³. The issue of fair trade demands high attention in the DPoA to protect the interests of LDCs.

Transition Financing

115. The DPoA is missing the strategic plan for pooling resources required for implementing the goals, targets and key actions. Without massive progress in the LDCs, inclusive global development is not possible. Therefore, a concrete proposal on assessing the cost of sustainable transition of LDC member states from this category and mechanism of matching the financing gap will be the way forward for the LDCs over the next ten years. The global community may consider a dedicated fund for addressing challenges of vaccinations for all, physical and digital infrastructure, climate change, trade facilitation, research and development and safe return of the displaced population. The DPoA may include a specific mechanism for transition financing for LDCs.

¹³ Free trade emphasizes the need for less borders, restrictions, and tariffs on goods and services passing through countries and continents. Meanwhile, fair trade involves ensuring that the workers behind these goods and services are treated fairly and that human rights are maintained throughout the supply chain.

E. CONCLUSION

116. The country's ability to maintain its macroeconomic stability has been praised in the international arena, including the development partners. For example, on May 2020, *The Economist* published a research report listing 66 emerging economies based on various financial sector indicators. Bangladesh ranked ninth in the list. Again, according to the *World Economic Outlook*, October 2020, published by the IMF, Bangladesh has surpassed India in per capita GDP in 2020. According to a report published by The Economist Intelligence Unit, Bangladesh has been one of the three countries in the world which has achieved positive growth in remittance inflows in 2020. Again, reflecting on the confirmation of Bangladesh's graduation from LDCs, *The Wall Street Journal*, in its report published on 3rd March 2021, commented that Bangladesh is becoming South Asia's 'economic bull case', as it outperformed India and Pakistan in exports. Still many challenges are ahead and Bangladesh has a long journey to build the path of sustainable economy for LDC and UMIC graduation, attaining the objectives of SDGs and turning it into a knowledge-based society.
117. The very new variant of COVID-19, namely B.1.1.529 was first reported in South Africa on 24 November 2021 and has since been detected in the United Kingdom, Germany, Israel, Italy, the Czech Republic and Hong Kong. World Health Organization (WHO) has designated the strain as a variant of concern and has named it 'Omicron'. This variant has a large number of mutations, some of which are concerning. Preliminary evidence suggests an increased risk of reinfection with this variant, as compared to other VOCs.
118. The discovery of the Omicron variant has triggered a global alarm. As a precautionary measure, Bangladesh has already introduced travel bans on South Africa and considering to impose restriction for traveling to other countries as per guidance of the national committee on COVID. Instructions have already been issued to tighten screenings at all entry points of the country, including airports and land ports. Already the WTO's 12th Ministerial Conference has been postponed indefinitely¹⁴.
119. Though Bangladesh showed great resilience against COVID-19, so far, the recent new variant of COVID and its impact, especially in the high-income countries cast a shadow of uncertainty over its trade and investment- which were about to recover and got momentum. However, the leadership of Bangladesh is firmly committed to sustainable graduation with momentum- a comprehensive collaboration of stakeholders including development and trading partners is vital to weather the impending pandemic and sustaining development.

¹⁴ https://www.wto.org/english/news_e/news21_e/mc12_26nov21_e.htm

Annexure 1: Updates of the three indicators for graduating Bangladesh from LDC status

Indicators	UN-Review-2021		Current Status (Nov-2021)- BBS Estimation		Graduation threshold
	Value	Index	BD Average	Index	
1. GNI Per Capita		1,827		2,278	> 1222
1.1 GNI per capita (US\$)	1,827		2,278	-	
2. Human assets index (HAI)		75.3		76.6	> 66
2.1 Under-five mortality rate (U5M)	30.8	87.4	28.0	89.1	
2.2 Maternal mortality ratio (MMR)	173.0	85.9	163.0	86.8	
2.3 Prevalence of stunting (STU)	31.0	43.0	30.2	44.6	
2.4 Gross secondary school enrolment ratio (GSSE)	72.6	69.5	74.4	71.5	
2.5 Adult literacy rate (ALR)	74.7	66.2	75.6	67.5	
2.6 Gender parity index for gross secondary school enrolment	1.2	100.0	1.2	100.0	
3. Economic and environmental vulnerability index (EVI)		27.2		26.8	< 32
3.1 Share of agriculture, forestry, fisheries in GDP (AFF)	13.8	21.7	12.6	19.6	
3.2 Remoteness and Landlockedness (REM)	37.8	34.8	37.8	34.7	
3.3 Merchandise export concentration (XCON)	0.41	36.0	0.4	35.8	
3.4 Instability of exports of goods and services (XINR)	2.7	5.4	2.2	4.3	
3.5 Share of population living in low elevated coastal zones	8.4	23.9	8.4	23.9	
3.6 Share of population living in drylands (DRY)	-	-	-	-	
3.7 Instability of agricultural production (AIN)	3.1	8.4	3.1	8.4	
3.8 Victims of disasters (VIC)	3.9	87.5	4.0	87.9	

Source:

1.1 UN: - *UNSD National Account Main Aggregates Database*, **BBS**-*National Accounts Statistics report*2.1 UN-United Nations Inter-agency Group for Child Mortality Estimation (<http://childmortality.org/>), **BBS**-*MSVSB report*2.2 UN-MMEIG, **BBS**: *MSVSB report*, *BBS*

- 2.3 UNICEF/WHO/World Bank Joint Child Malnutrition Estimates (CME) Expanded Database 2018 data value, from 2018 DHS
- 2.4 UNESCO Institute for Statistics (<http://uis.unesco.org/country/bd>)
- 2.5 UNESCO Institute for Statistics (<http://uis.unesco.org/country/bd>), **BBS**- MSVSB report
- 2.6 UNESCO Institute for Statistics (<http://uis.unesco.org/country/bd>)
- 3.1 UN: - UNSD National Account Main Aggregates Database, **BBS**-National Accounts Statistics report
- 3.2 UN: Centre d'Etudes Prospectives et d'Informations Internationales (CEPII) (<http://www.cepii.fr>)
- 3.3 United Nations Conference on Trade and Development through its data dissemination system (UNCTADstat)
- 3.4 United Nations Statistics Division's National Account Main Aggregates Database
- 3.5 Center for International Earth Science Information Network at Columbia University. (<http://sedac.ciesin.columbia.edu/gpw/lecj.jsp>)
- 3.6 Columbia University (GPW version 4)
- 3.7 Food and Agricultural Organization of the United Nations (FAO)
- 3.8 WHO Collaborating Centre for Research on the Epidemiology of Disasters (CRED)

Annexure 2: Bangladesh's current status on supplementary graduation indicators

			BBS Estimation		Other organization		
Group	Issue	Indicator	Value	Year(s)	Value	Year(s)	Source
ECONOMIC VULNERABILITY							
	Economic growth	GDP growth rate (%)	5.43	2020-21 (p)	8.15	2019	UNSD
	Economic growth	Maximum GDP shock (Largest decline/lowest growth of GDP in 20 years)			4.83	2000-2019	UNSD
	Debt	External debt (% of GNI)			18.01	2019	World Bank
	Debt	Total debt servicing (% of exports and primary income)			12.82	2018	World Bank
	Remittances	Remittances (% of GDP)	6.03	2020-21	6.07	2019	World Bank
	ODA	ODA received as percentage of GNI			1.06	2018	World Bank
	Tourism	Tourism receipts as share of exports			0.81	2018	World Bank
	Current account	Current account balance (% of GDP)	-0.96	2020-21 (p)	-1.14	2019	World Bank
	Trade	Terms-of-trade volatility(standard deviation over 20 years)			16.83	1999-2018	World Bank
	Dom. Res. mobilization	Tax revenue as share of GDP	9.90	2020-21 (p)	8.77	2016	World Bank
	Domestic savings	Gross domestic savings (% of GDP)	26.54	2020-21 (p)	24.75	2019	World Bank
	Domestic savings	Adjusted net savings (% of GNI)			22.49	2018	World Bank
	Structural change	Share of employment in agriculture			37.75	2020	ILO
	Technology	Percentage of individuals using the internet			12.9	2019	World Bank
	Technology	Fixed broad band subscriptions per 100 people			4.96	2019	World Bank
	Energy	Renewable electricity capacity per capita			0	2018	IRENA
	Energy	Percentage of population with access to electricity	98.6	2020	85.16	2018	World Bank
	Productive capacity	Productive capacity index			21.94	2019	UNCTAD
	Climate change	Global Adaptation Index			36.02	2018	University of Notre Dame

			BBS Estimation		Other organization		
Group	Issue	Indicator	Value	Year(s)	Value	Year(s)	Source
	Disaster	INFORM risk index			5.8	2020	Joint ResearchCenter
	Disaster	Economic loss from natural disaster (% of GDP)			No data		UNSD
	Access to water	Access to basic drinking water (% of population)	98.3	2020	97.02	2017	World Bank
	Access to sanitation	Access to basic sanitation (% of population)			48.23	2017	World Bank
	Air pollution	PM2.5 air pollution, mean annual exposure			60.85	2017	World Bank
	Water availability	Level of water stress			5.7	2017	UNSD
	Biodiversity	Red list index			0.75	2020	UNSD
	Material consumption	Domestic material consumption per capita			7.98	2017	UNSD
HUMAN ASSETS							
	Human development	Human development index			0.61	2018	UNDP
	Human capital	Human capital index			0.46	2020	World Bank
	Poverty	Multidimensional poverty index			0.1	2019	UNDP
	Hunger	Prevalence of undernourishment(% of population)			13	2019	FAO
	Health –NCD	Mortality rate attributed to major non-communicable diseases			21.6	2016	World Bank
	Education	Mean years of schooling			6.1	2018	UNDP
	Education	Learning-adjusted years of school			6.5	2017	World Bank
	Demographics	Total fertility rate	2.04	2020	1.99	2020	UNPD
	Gender inequality	Female labor force participation rate			36.42	2020	World Bank
INCOME							

Group	Issue	Indicator	BBS Estimation		Other organization		
			Value	Year(s)	Value	Year(s)	Source
	Disposable income	Gross national disposable income (GNDI) per capita, market exchange rates	2563	2020-21 (p)	1,944	2019	World Bank
	GDP	GDP per capita, market exchange rates	2554	2020-21 (p)	1,966	2019	
	GNI	GNI per capita, PPP rates			5,190	2019	World Bank
	Income inequality	Gini coefficient of disposable income			35.1	2016	SWIID
	Income poverty	Percentage of population below international poverty line (\$1.90)			14.5	2016	World Bank
OTHER VULNERABILITIES							
	Conflict and violence	Battle deaths per 100,000(20-year average)			0.02	2001-2020	Uppsala University
	Conflict and violence	Population of concern to UNHCR as percentage of total population			1.05	2019	UNHCR
	Conflict and violence	Internally displaced persons as percent of total population			0.27	2019	IDMC
	Conflict and violence	Homicide rate			2.37	2018	World Bank
	Governance	Voice and accountability			-0.72	2019	World Bank
	Governance	Government effectiveness			-0.74	2019	World Bank
	Governance	Women empowerment index			0.55	2019	V-DEM

Source: Estimation by Bangladesh Bureau of Statistics (BBS), November 2021

Annexure 3: Stimulus Package to address COVID-19 Challenges

Serial No	Name of the Package	Program Size (Taka billion)
1	Special Fund for salary support to workers of export-oriented manufacturing industries, including ready-made garments	50.0
2	Working capital loans with low interest to affected industries and service sector enterprises	730.0
3	Working capital loans with low interest to affected micro, small and medium enterprises, including cottage industries	400.0
4	Expanding the Export Development Fund (EDF) and lowering the interest rate of the Fund	170.0
5	Introducing Pre-Shipment Credit Refinance Scheme to enhance the capacity of exporters	50.0
6	Special honorarium to the frontline doctors, nurses, and medical workers	1.4
7	Providing compensation to the frontline doctors, nurses, and medical workers	7.5
8	Free distribution of rice and other food items to the poor who have suddenly become jobless due to the coronavirus outbreak	25.0
9	Selling rice at a subsidized price (10 Taka per kg) to the low-income people	7.7
10	Providing direct cash transfers to the poor families across the country	13.3
11	Expanding the coverage of key social safety net programs (Old age allowance and widow and Destitute Women Allowance)	8.2
12	Construction of homes for ultra-poor homeless citizens across the country (rural areas)	21.3
13	Providing support for farm mechanization to increase agricultural productivity	32.2
14	Enhancing the subsidy in agriculture	95.0
15	Introducing agriculture refinancing scheme	80.0
16	Refinancing scheme for low-income professional farmers/small traders	30.0
17	Expansion of low-interest credit facility through five publicly-owned specialized banks to generate self-employment	32
18	Government subsidy to commercial banks for partial interest waiver of loans deferred during April-May/2020	20.0
19	Credit Risk Sharing Scheme (CRS) for the SME sector	20.0
20	Social security for underprivileged workers in export-oriented garments, leather products and footwear	15.0
21	Reviving rural economy and job creation activities in rural areas through 8 specialized publicly owned development organizations	15.0
22	Further expanding the coverage of key social safety net programs (Old Age Allowance and Widow and Destitute Women Allowance)	12.0
23	Direct cash transfer to targeted population in phase II	9.3
24	Cash transfer to daily laborers, transport workers, small traders, shipping sector workers, etc.	4.5
25	Special OMS of food to help low-income people in urban areas	1.5
26	Providing food assistance in response to the request of the citizen on telephone number 333	1.0

27	Providing loan assistance (at 4% interest) through Palli Sanchay Bank, Karmasangsthan Bank, and PKSf to finance employment generating activities in rural areas	15.0
28	Providing working capital loans to hotels/motels/theme parks in the tourism sector for payment of salaries to their employees	10.0
Total (in Taka Billion)		1,876.79
Total (in US\$ billion)		22.08
As % of GDP		6.23

Source: Finance Division, Ministry of Finance, November 2021

Annexure 4: ToR of NCG and Subcommittees

National Committee on LDC Graduation

Name of Committee	Specific ToR	Lead, Co-Lead and Member Ministry/Division/Organizations
<p>NCG Formation</p>	<p>a. Determine the extent of the impact of LDC Graduation in relevant sectors;</p> <p>b. Mapping the responsible and the associate ministries/divisions/agencies for the identified sectors;</p> <p>c. Take necessary initiatives for the expansion of bilateral, regional, and international trade;</p> <p>d. Provide advice on formulating tariff policies that are consistent with free trade agreement/ preferential trade agreement;</p> <p>e. Formulation and implementation of specific and time bound work plans by relevant ministries, divisions and agencies;</p> <p>f. Regularly monitor and advise on the implementation of the work plans adopted by relevant ministries, divisions and agencies.</p>	<p>Chair:</p> <p>Principal Secretary to Honorable Prime Minister</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Principal Coordinator (SDG Affairs), Prime Minister's Office (PMO) 2. Senior Secretary, ICT Division 3. Chairman (Senior Secretary) National Board of Revenue 4. Finance Secretary, Finance Division 5. Member, General Economic Division, Planning Commission 6. Foreign Secretary, Ministry of Foreign Affairs 7. Senior Secretary, Ministry of Commerce 8. Secretary, Prime Minister's Office 9. Secretary, Economic Relations Division 10. Secretary, Ministry of Industry 11. Secretary, Ministry of Agriculture 12. Secretary, Ministry of Environment, Forest and Climate Change 13. Executive Chairman, Bangladesh Investment Development Authority 14. Chairman, Bangladesh Trade and Tariff Commission 15. Secretary, Ministry of Liberation War Affairs 16. Ms. Sharifa Khan, Member, Planning Commission 17. President, FBCCI 18. President, BGME 19. President, DCCI 20. President, BAPI <p>Member-Secretary</p> <ol style="list-style-type: none"> 21. Director General, Executive Cell, Prime Minister's Office

Seven Sub-Committees

Name of the Sub-committee	Specific ToR	Lead, Co-Lead and Member Ministry/Division/Organizations
1. Sub-committee on Preferential Market Access & Trade Agreement	<p>a. Suggest strategies to continue LDC specific preferential market access in the developed and developing countries for a certain period (12 years) and to utilize the opportunities in WTO.</p> <p>b. Suggest measures to retain LDC specific preferential market access with flexible rules of origin for a certain period after graduation.</p> <p>c. Suggest effective mechanism for obtaining GSP+ in EU after 2029 along with favorable Rules of Origin.</p> <p>d. Recommend strategies for the continuation of DFQF access (like EU and UK) for the newly graduating countries in other major export destination countries.</p> <p>e. Identify potential trading partners for signing PTAs/FTAs/ CEPAs by analyzing the studies conducted by Bangladesh Trade & Tariff Commission and others (if any) and formulate strategy.</p> <p>f. Develop negotiating strategies and prepare Bangladesh's position papers.</p> <p>g. Suggest necessary reforms or amendment on trade related rules/regulations and policies in initiating/signing FTA/ PTA/CEPA.</p> <p>h. Suggest time bound action plan with recommendations on Preferential Market Access and Trade Agreements.</p>	<p>Lead: Secretary, Ministry of Commerce</p> <p>Co-lead: Secretary, Prime Minister's Office</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Ministry of Industries 2. Ministry of Foreign Affairs 3. National Board of Revenue 4. Economic Relations Division 5. Ministry of Labour & Employment 6. Bangladesh Investment Development Authority (BIDA) 7. FBCCI 8. BGMEA 9. BKMEA

Name of the Sub-committee	Specific ToR	Lead, Co-Lead and Member Ministry/Division/Organizations
2. Sub-committee on Intellectual Property Rights (IPR)	a. Identify challenges and explore opportunities under WTO TRIPS agreement b. Develop strategies for getting the extension of transition period under Article 66.1 of the TRIPS Agreement for a certain period after graduation. c. Develop strategies for the continuation of the waiver on TRIPS & public health until 01 January 2033 for graduating LDCs. d. Suggest strategy in developing local capacity and prepare to ensure availability and affordability of medicine, vaccine and medicinal products after graduation.	Lead: Secretary, Ministry of Industries Co-lead: Ministry of Commerce Members: 1. Ministry of Cultural Affairs 2. Ministry of Foreign Affairs, 3. Health Services Division, 4. Legislative & Parliamentary Affairs Division 5. DG, Drug Administration 6. Registrar, Department of Patents, Designs & Trademarks 8. Bangladesh Association of Pharmaceutical Industries (BAPI) 9. API Industry Representative 10. Intellectual Property Association of Bangladesh
	e. Analyze the impact on domestic industries and general public health, if the waiver period is over in 2026. f. Analyze the gaps on national IP issues other than pharmaceuticals (legal, administrative and financial) in the WTO, WIPO and global context and recommend measures for ensuring better enforcement at the domestic level. g. Suggest time bound action plan with recommendations on the above	
3. Sub-committee on WTO Issues (Other than market access & TRIPS)	a. Identify WTO inconsistent measures and legal systems including subsidies, local content requirements, para-tariffs etc. that Bangladesh are currently granting. b. Develop strategy for the inclusion of Bangladesh in the Annex VII list of the Agreement on Subsidies and Countervailing measures. c. Develop strategies for the inclusion of Bangladesh in Net Food-Importing Developing Countries (NFIDC) list for Article 9.4 incentives to agricultural products. d. Develop negotiating strategies for incorporating the interests of the newly graduating	Lead: Secretary, Ministry of Commerce Members: 1. Ministry of Foreign Affairs 2. Ministry of Agriculture 3. Ministry of Fisheries & Livestock 4. Finance Division 5. National Board of Revenue 6. ICT Division 7. Ministry of Cultural Affairs 8. FBCCI

Name of the Sub-committee	Specific ToR	Lead, Co-Lead and Member Ministry/Division/Organizations
	<p>LDCs in the emerging WTO issues (fisheries subsidies, e-commerce, WTO reforms etc.).</p> <p>e. Formulate Bangladesh's position on the participation in the discussion on e-commerce, investment facilitation and MSMEs (Micro Small & Medium Enterprises).</p> <p>f. Suggest time bound action plan with recommendations on the above issues.</p>	
4. Sub—committee on Investment, Domestic Market Development & Export Diversification	<p>a. Identify challenges and opportunities in the areas of investment, market development & export diversification.</p> <p>b. Propose strategies for providing policy support for encouraging production of high quality, higher value-added products.</p> <p>c. Identify what needs to be done to attract FDI and facilitate transfer of technology and development of new products.</p> <p>d. Identify capacity development needs of the public and private sector to effectively deal with the challenges of LDC graduation.</p> <p>e. Suggest how to build/acquire required skills for economic/trade diplomacy and country mapping.</p> <p>f. Develop strategic to ensure access to trade finance</p> <p>g. Suggest strategy for managerial & other skills enhancement, labour productivity and strengthen research & development to address LDC graduation challenges.</p> <p>h. Suggest time bound action plan with recommendations on investment, market development and export diversification.</p>	<p>Lead: Secretary, Prime Minister's Office</p> <p>Co-lead: Ministry of Commerce</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Finance Division 2. Ministry of Foreign Affairs 3. Secretary, Ministry of Industries 4. Ministry of Agriculture 5. National Board of Revenue (NBR) 6. Secondary & Higher Education Division 7. Technical & Madrasah Education Division 8. ICT Division 9. National Skills Development Authority 10. Bangladesh Investment Development Authority (BIDA) 11. BEZA 12. Bangladesh Bank 13. FBCCI

Name of the Sub-committee	Specific ToR	Lead, Co-Lead and Member Ministry/Division/Organizations
5. Sub-committee on Internal Resource Mobilization & Tariff Rationalisation	<p>a. Identify challenges and exhume opportunities of tariff rationalization for facilitating free/ preferential trade agreement.</p> <p>b. Suggest strategies for gradual reduction of import duties/tariff structure without compromising domestic competitiveness.</p> <p>c. Prepare action plan to analyze current tax regulations and initiate changes to make Bangladesh an attractive trading partner.</p> <p>d. Propose business & tax-payer friendly reforms in revenue administration, which is conducive to enhancement of domestic resource mobilization.</p> <p>e. Align tax policies and laws compliant with WTO regulations and international best practices in the post-graduation era.</p> <ul style="list-style-type: none"> Suggest time bound action plan with recommendations on the internal resource mobilization and tariff rationalization. 	<p>Lead: Senior Secretary, Finance Division</p> <p>Co-lead: Chairman, National Board of Revenue (NBR)</p> <p>Members:</p> <ol style="list-style-type: none"> Ministry of Industries Ministry of Commerce Financial Institutions Division Bangladesh Investment Development Authority (BIDA) Bangladesh Trade & Tariff Commission Bangladesh Bank FBCCI Research Organization (to be adopted by sub-committee)
6. Sub-committee on Smooth Transition Strategy	<p>a. Identify challenges and opportunities for development financing & smooth transition for graduation.</p> <p>b. Formulate strategies to negotiate with the development partners to support for meeting graduation challenges.</p> <p>c. Explore new windows for</p>	<p>Lead: Secretary, Economic Relations Division</p> <p>Co-lead: Secretary, Prime Minister's Office</p> <p>Members:</p> <ol style="list-style-type: none"> Ministry of Commerce

Name of the Sub-committee	Specific ToR	Lead, Co-Lead and Member Ministry/Division/Organizations
	<p>development financing and prepare strategies accordingly.</p> <p>d. Develop mechanism for collecting necessary information, conduct analysis and submit report to UN CDP and do necessary analysis and collect information for this purpose.</p> <p>e. Identify areas for graduation related research and take necessary actions in conducting the research.</p> <p>f. Prepare strategy for branding Bangladesh abroad.</p> <p>g. Prepare detailed roadmap on smooth transition strategy.</p>	<p>2. Ministry of Foreign Affairs</p> <p>3. Finance division</p> <p>4. Ministry of Environment, Forest & Climate Change</p> <p>5. Statistics & Informatics Division</p> <p>6. Bangladesh Investment Development Authority (BIDA)</p> <p>7. General Economic Division</p>
7. Sub-committee on Branding Bangladesh Abroad	<p>a. Identify the potential issues to attract foreign investment.</p> <p>b. Identify challenges of competitiveness of investment.</p> <p>c. Prepare strategy for branding Bangladesh abroad.</p>	<p>Lead: Executive Chairman, Bangladesh Investment Development Authority (BIDA)</p> <p>Co-lead: Sr. Secretary, Ministry of Foreign Affairs</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Ministry of Commerce 2. ICT Division 3. Economic Relations Division 4. Ministry of Environment, Forest & Climate Change 5. Bangladesh Economic Zones Authority (BEZA) 6. Bangladesh Export Processing Zones Authority (BEPZA) 7. Bangladesh Parjatan Corporation 8. FBCCI 9. BGMEA