

# **Study on Impact of Some Selected EPPs in Policy Changes**

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## **1. Importance of Policy and Policy Process**

A policy is a plan to guide decisions and actions. The term may apply to government, private sector organizations, groups and individuals. The policy process includes the identification of different alternatives, such as programs or spending priorities, and choosing among them on the basis of the impact they will have. Policies in short can be understood as political, management, financial, and administrative mechanisms arranged to reach explicit goals<sup>1</sup>. Trade, commerce, investment and business development policies may have different dimensions but the goal is almost same to guide some decisions and go for some actions for creating business enabling environment for the private sector specifically.

Policies are a critical issue for the development and the central factor in shaping up business strategies. Policy is a dynamic and a messy process and the traditional, rational, linear model may not desirable anyway.

Politics dominate the process of policy formulation by which a society makes authoritative decisions about the allocation of values. So the political dimension of policy process and implementation is also important. The aim of policy impact analysis is to determine the effectiveness of policies.<sup>2</sup>

The government of Bangladesh has been implementing a number of policy reforms designed to create a more open and competitive climate for private sector development. The country has a democratic system of government and have political stability to grow further. It has undertaken a major restructuring for establishing a market based economy. The government have been gradually withdrawing its involvement in the industrial and infrastructure sectors and promoting private sector participation. Regulatory controls and constraints have been reduced to a minimum as part of liberalizing trade regime. As a continuation of this process, in order to facilitating private sector non-tariff barriers and non-trade barriers have been reduced a lot, rationalization of tariff, improvement of export incentives are also implemented by the government. A Permanent Law Commission has been set up to review and reform policies and laws. An Administrative Reform Commission to rationalize existing rules regulations and procedures have been set up. In order to facilitate growth of private sector, after a lengthy process, the Company Law has also been updated. The Securities and Exchange Commission has been established to oversee and regulate the operations of the capital market. The financial services have been strengthened through enactment of Banking Companies Act. and financial institution Act. The industrial relation act has been amended to enhance labour market efficiency. As a result of all these policy reforms the country has been enjoying a modest economic growth.

<sup>1</sup> Wikipedia

<sup>2</sup> IX Policy Impact Analysis -From Internet

Policy transformation is continuing since 1980s. In the Year 2005, Bangladesh passed 28 Acts and One Ordinance<sup>3</sup>(Annex-B) The Economic Policy Papers(EPPs) prepared by the Project has direct and indirect impacts on the trade and investment policies.

In this reform process inputs from the private sector is very important as private sector is the real player in the market based economy. DCCI-the largest private sector representative body and the prime chamber, in order to play an appropriate role and put forward their opinions on behalf of their constituencies initiated a project namely; Economic Reform & Research Advocacy(ERRA) project in cooperation with the Centre for International Private Enterprise(CIPE)- an affiliate of US Chamber of Commerce, Washington D.C., USA. The project prepared a large number of Economic Policy Papers(EPPs) for influencing government and policy planners so that a business friendly policy environment can be created.

EPPs itself is not the policies but it helped as a vehicle to put forward private sector opinions. DCCI advocated for the implementation of the recommendations of the EPPs through different meetings, discussion, participatory dialogue, round -table, seminars with the ministers, government officials, legislators, teachers, think tanks, media people, researchers and other concerned.

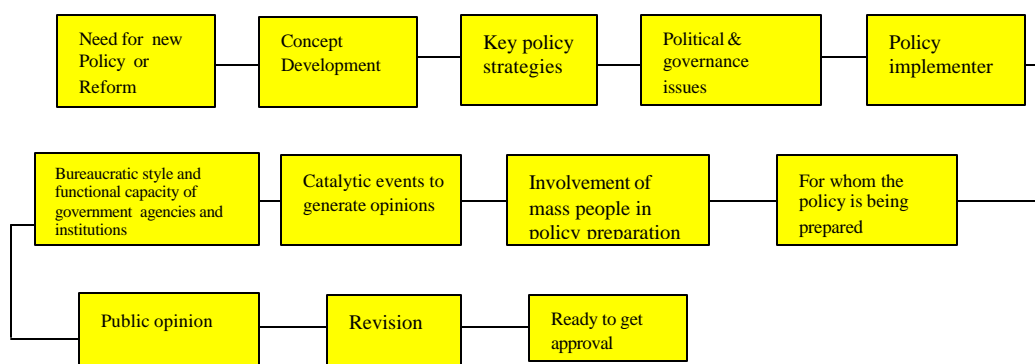
Policies without effective impact on the target group may prove unworthy. The impact analysis is thus a routine work to determine the effectiveness of the policies. The Project activities was also evaluated on a regular basis.

The study has tried to give a narrative view of the effectiveness of the Economic Policy Papers(EPPs) prepared by the Economic Reform & Research Advocacy(ERRA) project implemented by the Dhaka Chamber of Commerce & Industry(DCCI) and the Centre for International Private Enterprise(CIPE) since 1999.

### Policy Process

Policy process and impact analysis depends on diverse nature and situations of a country. The impact mostly depends on national trends for change, specific bureaucratic styles and the functional capacity of the government agencies, institutions and other related organizations. The degree of decentralization and democratic functioning, reaching down to the local level, can have significant effect on policy implementation and its impacts.

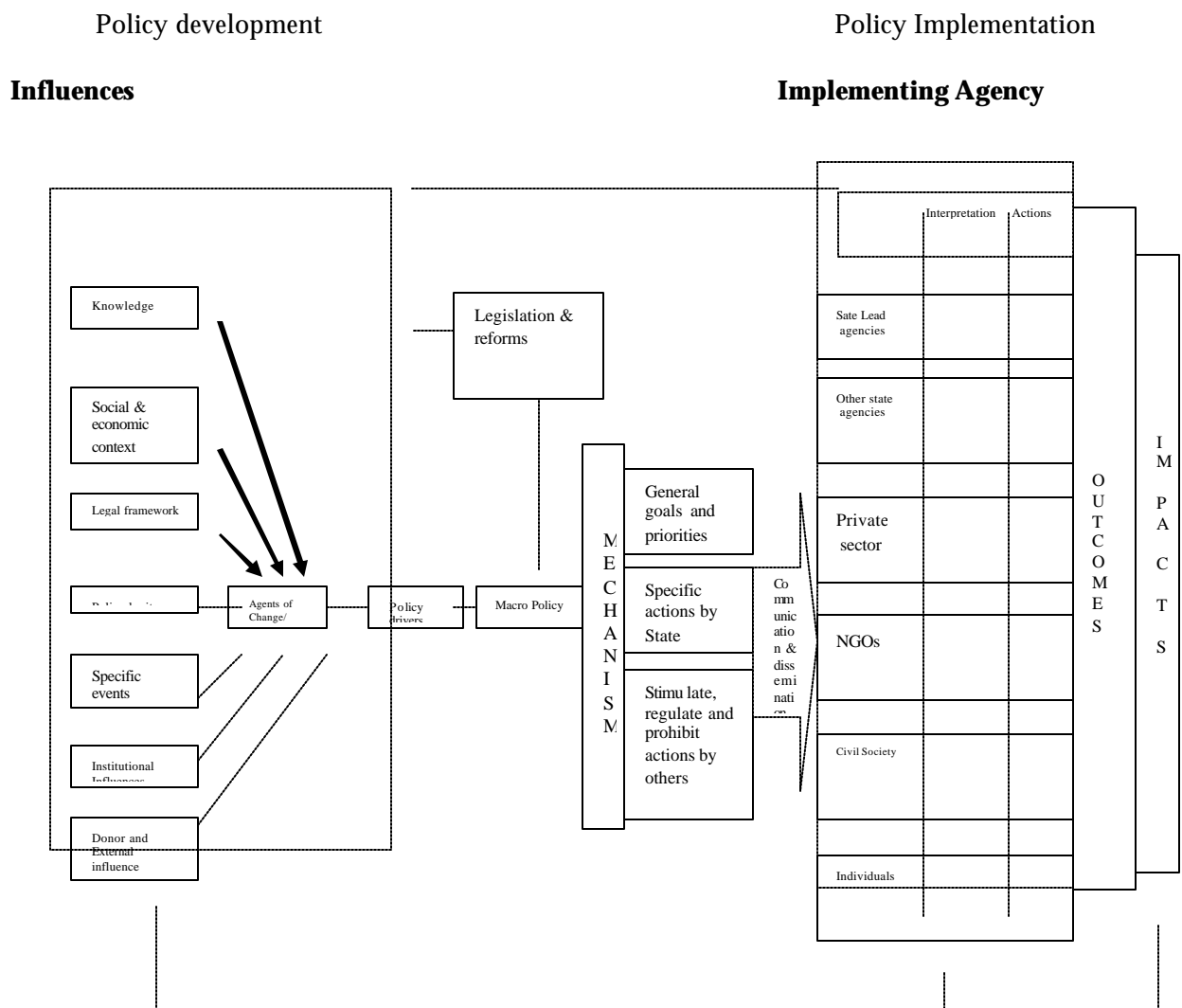
Policy process may follow the following cycle:



<sup>3</sup> Annex-A

The cycle above has shown that policy process has long way to shuttle. It sometimes may take years together to go through the process. In case of Bangladesh, the example of the Consumer Protection Laws can be given, starting its journey in the early nineties, the law could not see the day light even after about ten years. The law could not be passed yet because of so many reasons, financial implications of enactment of a law is one of the reasons. It is true that during the process of policy promulgation a number of intervention helps to refine the policy targeted to the concerned section. Effective and successful policy process to navigate it to the ultimate destination requires integrated efforts of all quarters, cooperation, correct information, comparative situation and expertise to customization. Flexibilities, financial capabilities and sensitivities are also some important aspects. Trade and Business Association in Bangladesh are not fully prepared to respond to the government for giving inputs for required policy reforms. In this situation the Project initiated by the DCCI played a vital role, as it tried to intervene in different areas of importance of trade and business for development.

A policy process Model developed by Piers Blaikie and John Soussan is shown below to get an idea on how the process can be followed in practice:



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The Model above has given an idea on how much complex the process and needs a large number of policy implementing instruments. The success of strengthening a policy process depends on the responses of the policy instruments and interaction among all sectors. Thus it is necessary to identify the formal organizational structure relating to policy development and implementation; the way in which, and to what extent, these actors influenced the process; the strategies used by the actors; the overall impact of the actors on the outcomes of the policy; and the degree of collective actions and relations with local and central government<sup>4</sup>. In case of developing countries like Bangladesh requirement of knowledge for policy reforms is very important. The dearth of policy research and updated information from the private sector barred the researcher to know the ideal situation and real fact and in that situation once even policy may be announced but implementation process is not at the expected level. Inadequate disclosure of information, lack of confidence, mistrust and inappropriate analysis of facts and so many reasons have made policy making process much more complex. Democratic procedure and balanced judgments in ensuring policy process smooth is needed to make it acceptable for all sections of the community.

## 2. Objectives of the Study

Objectives of the study is to analyze the impact of the EPPs prepared by the DCCI-CIPE ERRA Project and how much these were helped creating enabling environment for the private sector<sup>5</sup>. Assessment of the impact of the EPPs in enabling and accelerating reform process; suggesting art, ways and means for further improvement of the EPPs especially the suggestions made in the EPPs if necessary; suggesting art, ways and means for renewing and revitalizing the advocacy and lobbying process for enabling and accelerating the reform process.(Terms of Reference, see Annex-A)

So far the project starting its journey in the year 1999 prepared 38 Economic Policy Papers (some are in process( see **Annex -C**)which have been circulated extensively to the concerned Ministries/Agencies, Offices, Research Organizations, media etc. The EPPs are processed through an articulated procedure. The prepared EPPs helped the chamber to do advocacy on behalf of the private sector.

A DCCI-CIPE case study has rightly defined its policy advocacy functions as preparing Meta-Rules. It said that , “ DCCI’s efforts have resulted in significant meta-rules changes, but have not yet achieved the outcomes necessary to facilitate large-scale economic growth” . <sup>6</sup> “Organizations such as the Dhaka Chamber of Commerce and Industry (DCCI) have contributed a lot in recent years by accepting the challenge of promoting private sector development through transparency and deregulation. It worked well to convince government to accept changes in the policy in favour of private sector” the study said.

While preparing the Study on Impact Analysis following were considered:

- What are the efforts of DCCI in convincing the Government in revising some trade and industry related rules/regulations and laws;

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<sup>4</sup> Improving Policy-Livelihood Relationships in South Asia-Briefing note 1 by Piers Blaikie and John Soussan.

<sup>5</sup> Terms of Reference of the Study (**Annex-A**)

<sup>6</sup>Meta-rules, as defined by Mark Schreiner, the director of the Center for Social Development at Washington University in St. Louis, are the “rules for making rules”. In other words, metarules changes are structural changes within government that pertain to how it conducts business.

- During its seven years Journey what are the areas where improvements in the policy issues are visible;
- How much the role of DCCI have been recognized in the policy making process;
- How DCCI's own Advocacy helped the Project to achieve its target.

### 3. Macro Economic Scenario of Bangladesh

Bangladesh has shown a remarkable progress in the macroeconomic sector. The GDP grew at the rate of 5.4% in FY 2005 which was 5.0% in FY 1992. The GDP growth in 2006 is projected as 6.2%. Per Capita GDP also increased from US \$ 298 of FY 1992 to US \$ 445 in FY 2005. Savings and Investment as the % of GDP also increased at a reasonable rate. Private investment was 10.3% of GDP in 1992 increased to 18.5% in FY 2005. On the other hand public investment decreased from 7.0% of FY1992 to 5.9% in 2005. Export and Import contributed 15.5% and 22.65 respectively in FY2005 the amount of which was 7.6% & 12.3 % respectively in the FY 1992. GDP at current prices was 1,195.4 billion increased to 3,684.8 in FY 2005.<sup>7</sup> The macro economic scenario of Bangladesh supported policy reforms and accommodated restructuring where needed.

#### Export growth:

The export income was about 19% higher 2005-06(up to March, 06) than the previous year<sup>8</sup>. " Given this trend continues, in the current fiscal export is expected to exceed US \$ 10 billion the Budget speech said. Major items showing increase are knitwear, woven garments, frozen food, leather, jute goods, raw jute, chemical products, major items showing decrease are tea, handicrafts, home textile etc.

#### Imports and growth of industry:

The increase of import on account of import of raw materials and capital machinery was supportive for the growth of industries. Major item showing increase are capital machinery, food grains, Sugar, textile and article, petroleum products and raw materials etc.

It is expected that the over all growth rate would be 6.7% during the current fiscal. It is also expected that the manufacturing sector will achieve a double-digit(10.45%) growth during the current fiscal. The contribution of industry to GDP grew to 29%.

Table below shows a comparative scenario of growth of export and import and trade balance. It is apparent from the figure that both export and import have increased meaning that the country has been increasingly being integrated with the global economy.

#### Foreign Trade of Bangladesh (1994-95 to 2005-06)

*Value in Million US \$*

FY	Export Receipts (fob)	Import payments (c&f)	Trade Balance
1994-95	3472	5834	- 2362
1995-96	3882	6931	- 3049
1996-97	4418	7152	- 2734
1997-98	5161	7520	- 2359

<sup>7</sup> Bangladesh PRSP Forum Report , p-41

<sup>8</sup> Budget 2006-07(www.nbr-bd.org)

1998-99	5313	8006	- 2693
1999-00	5752	8374	- 2622
2000-01	6467	9335	- 2868
2001-02	5986	8540	- 2554
2002-03	6548	9657	- 3109
2003-04	7603	10903	- 3300
2004-05	8499	13147	- 4648
2005-06	6624 (July-Feb)	3371 (July-Sep)	

Source: Economic Trends, August 2005, Bangladesh Bank, Statement of Monthly Export, EPB Quarterly Statement of Import Payment, Bangladesh Bank

Bangladesh has been able to maintain macro economic stability and sustains past savings and investment rates and current pace of economic reforms. Private sector appropriately responded. In the FY 2005-06 domestic savings and national savings are expected to grow at 20.3% and 26.6% respectively. Private investment was almost doubled. During the period between FY 2001-02 and 2004-05 the total private sector investment stood about Tk 2250 billion.

Economic indicators mentioned above have been showing that private sector are responding positively, it means that private sector have been benefiting directly or indirectly from the policy reforms and policy changes.

But for higher economic growth and attaining MDG and PRSP Goals and create more employment to alleviate poverty, the country needs higher growth. Policy consistencies, continuity and coordination is needed for an appropriate level playing field for the private sector.

In another study, the impact of tariff reforms since 1997-98 to 2003-04 it is seen that the tariff liberalization impact on consumer goods are much higher than the primary products. It means that because of too much liberalization finished consumer goods are imported into the country making domestic industries uncompetitive.

#### Impact of tariff reforms on average customs duties classified by type of imports

Classification	Financial year														Over all impact of tariff reforms 1997-98 to 2003-04	
	1997-98		1998-99		1999-00		2000-01		2001-02		2002-03		2003-04			
Primary goods	21.9	13.6	21.4	9.5	15.6	13.6	20.99	11.99	20.10	9.43	20.99	11.99	19.90	11.28	- 9.13	- 17.06
Intermediate goods	19.2	21.3	19.0	21.3	17.1	15.1	14.91	15.78	15.61	16.13	14.91	15.78	14.44	15.12	- 24.79	- 29.01
Capital goods	12.1	8.2	12.3	8.1	16.1	9.9	8.03	7.70	6.97	3.26	8.03	7.70	7.85	6.42	- 35.12	- 21.70
Final	30.6	20.1	29.2	17.6	31.0	16.5	22.6	11.9	26.00	13.9	22.6	11.94	21.2	10.6	- 30.49	-

Consumer goods							4	4		6	4		7	8		46.86
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Source: Government of Bangladesh (2004a adopted from Policy Reforms and Trade Liberalization in Bangladesh by Nurun N Rahman, p -109)

With an objectives to create a more favourable policy environment for the private sector, DCCI conducted a large number of studies and prepared policy paper and position papers to put forward private sector views in the policy reforms.

**4. The Dhaka Chamber of Commerce & Industry(DCCI)**-the prime Chamber and largest SME representative body in the private sector acts as the Businessman Parliament since about half a century. Among the services to its members, advocacy is one of the prime issue. It has been working very closely with the policy making body and involved in the policy making process.

The Chamber has been maintaining a steady growth of its membership, it is a clear testimony that members are satisfied with the services provided by the chamber. Another important positive indication is that though there is a large number women chamber, a large number of women entrepreneurs are interested to take DCCI membership and get benefits from the project activities.

The Chamber has been maintaining a very good relation with law makers and having frequent discussion and useful communication. It has a large secretariat, some of them are very senior, communication between secretariat and chamber functionaries/members are also very close. The strengths and weakness of the Chamber can be summarized below:

<b>Strengths</b>	<b>Weaknesses</b>
Large Membership	Most of the members are from the small sector are vulnerable to the changes of globalization
Non-Political body	Less political persuasion
Service-oriented organization do not charge for all services	Financially dependent
Full-fledged secretariat with strong Research Cell	Can not deploy extensive fund for R&D
Continuity of services	Less diversity
Close relation between management and secretariat	Inadequate network with the members because of its very large nature and continuous changes of business definitions.
A large business and commercial library	Need modernization to meet the growing demand
MOU with more than 30 Chambers	Because of shortage of manpower appropriate follow-up is not possible for initiating extensive research for new business creation with MOU partners.
Represents both at national and international level	Need appropriate mechanism to cope with the changed and emerging situation.
Policy advocacy at the highest level	Shortage of technical and professional manpower to respond appropriately with emerging needs.
Dissemination of information	Information Management System needs

Strong Commitment of the management and the secretariat for institutional development	modernization. Absence of reforms in organizational structure.
Quality training for the business entrepreneurs	Inadequate R&D support to improve and diversify the training activities.
Runs a large number of activities like; policy dialogues, participatory sessions, buyers-sellers meet, business meetings, trainings, seminars throughout the year.	Continuous follow-up hampered because of so many events.
Initiates new and need based project	Dependence on donor organizations for new and diversified non-traditional service supports.

Ref: DCCI Case Study, Own Contribution

The table above shows that the chamber has some strengths at the same time it has got some weaknesses also which needs to be overcome. The management of the chamber is concerned about all these issues and hold frequent in-house and out-house discussion to resolve these issues.

The Chamber representatives of about 70 organizations(See Annex- D). These representations have helped the chamber to reach different level of the government machinery. The technical assistances and grant received from the CIPE helped further to be involved in wider areas both at national and international levels. The continuity of the secretarial services and close monitoring and cooperation of the management have made the services more competitive and effective for the Chamber.

The very nature of the Chamber of private type has another positive element of Chamber to take decisions independently(Features of the Chambers, Annex- E)

The chamber has about twenty types of members which has given a unique opportunity to know the different types of business and prepare justification in favour of an specific sector while lobbying for the sector.

The membership of DCCI consists of persons, firms, companies, corporate bodies engaged in trade, commerce, industry, agriculture and manufacture etc. Membership composition in respect of business group is shown in Table-1. Membership from multifarious categories of different business is advantageous to have an access to deal with almost all types businesses and thus send representatives to focus and present Chamber view points.

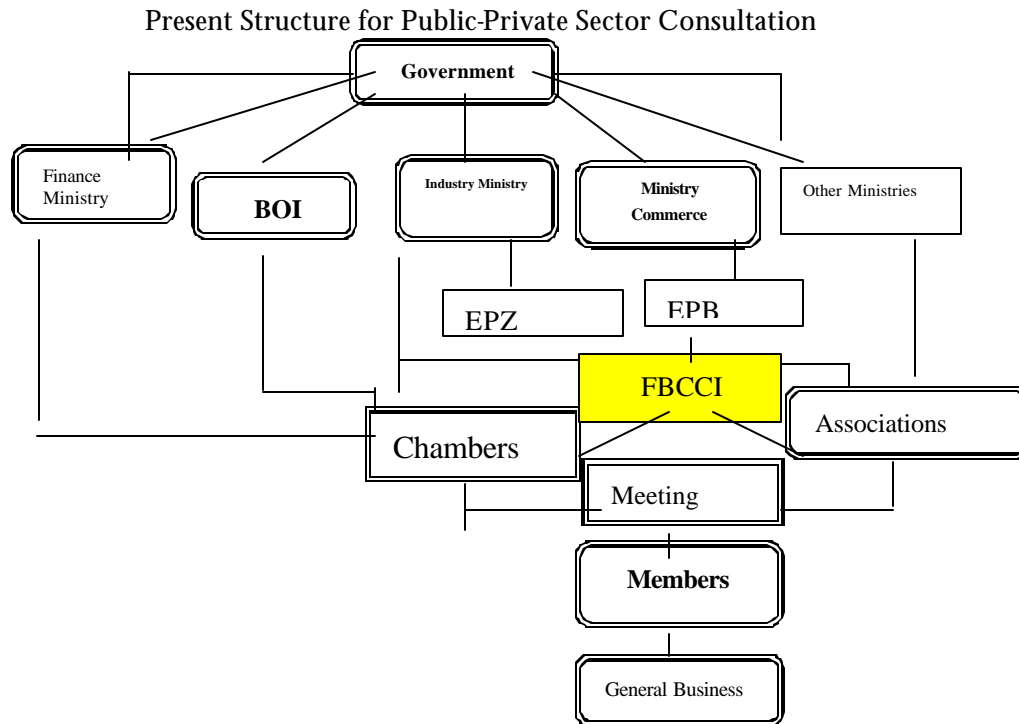
Export	30%
Import	30%
Manufacturers	20%
Sales & Services & others	20%

Source: DCCI Research Cell and Membership section of DCCI

Business entrepreneurs including exporters, importers, manufacturers bankers, C&F agents, Insurance companies, contractors, consultants, research organizations, commission agents etc. are members of DCCI

The private-public partnership programme are now have been proved successful. The Chamber has been maintaining close partnerships with all chambers in Bangladesh and related government, semi government officers and agencies. DCCI is member of Federation of Bangladesh Chambers of Commerce & Industries(FBCCI). DCCI is maintaining close relation

with national, regional and international chambers. For a serious issue chambers are united to advocate for a policy change. For an example recent situation emerged out of labour –owner problem in the RMG sector is mentionable. The picture below may give an idea on the existing relation between the chambers and government:



**Source: Constructed on the basis of the existing relationship and based on different discussion with the concerned people**

Federation of Bangladesh Chambers of Commerce & Industry(FBCCI) works as the apex body of all Chambers. The DCCI has been maintaining a close relation with the Apex body including other regional and city chambers. The project activities included some discussions with the regional Chambers. It gives a unique opportunity to the Chamber to reach almost at the grass root levels to know their needs and initiates joint activities.

### **5.The Center for International private Enterprise(CIPE)<sup>9</sup>**

The Center for International Private Enterprise (CIPE) is a non-profit affiliate of the U.S. Chamber of Commerce and one of the four core institutes of the National Endowment for Democracy. CIPE has supported more than 800 local initiatives in 95 developing countries, involving the private sector in policy advocacy and institutional reform, improving governance, and building understanding of market-based democratic systems. CIPE programs are also supported through the United States Agency for International Development.

The Centre for International Private Enterprise(CIPE), an affiliate of the U.S Chamber of Commerce is the business representative in the National Endowment for Democracy. CIPE’s mandate is to advance private enterprise and market institutions that support democratic development. CIPE works directly with foreign business organizations, think tanks and other

<sup>9</sup> CIPE Website

business -oriented private sector organizations, assisting them to function effectively as private sector advocates of policies supportive of private enterprise.

The objectives of CIPE are as follows:

- Promote the development of legal and institutional structures necessary to establish and maintain market –oriented democratic societies.
- Support freedom of association for private voluntary business groups and think tanks in order to increase participation in the democratic process.
- Increase support for and understanding of, the rights, freedoms and obligations essential to a democratic private enterprise system among policy makers and the public;
- Implement programs that enhance business knowledge and strengthen the entrepreneurial culture of the private sector.

CIPE works with the following:

- Business associations
- Private sector advocacy
- Combating corruption
- Corporate governance
- Access to information
- Property rights
- Informal Sector
- Democratic governance
- Women and youth participation

Four principal areas of CIPE for helping the business community to become a leading advocate for market-oriented reform and democratic governance are: a grants program supporting grassroots networks in developing countries, an award-winning communications strategy, capacity building programs, and technical assistance through field offices. One of the unique attributes of CIPE is its ability to creatively employ concepts like transparency, accountability, fairness, and responsibility in institutional reform, laying the foundation for democracy at all levels of society.

CIPE partners with business associations, think tanks, and other private sector organizations in countries where there is both a need for progress and an opportunity for reform. **CIPE's institutional approach to development recognizes that changes will not occur overnight and a long-term commitment is needed for reforms to succeed.**

CIPE enables its partners to develop and become leaders of sustainable development initiatives in their countries. At the same time, CIPE supports key reformers in places where serious progress has yet to take hold.

CIPE recognizes that successes in one region may provide a model approach for another. CIPE and its partners continue to apply lessons learned across regions, creating new approaches in countries at various stages of democratic reform. **One of the prime goal of CIPE is to give emphasis on institutional reforms**

## **6. The Project initiated under DCCI & CIPE cooperation**

The Economic Reform and Research Advocacy (ERRA) Project, the pride project of the Dhaka Chamber of Commerce and Industry (DCCI) in cooperation with the Center for International

Private Enterprise (CIPE) –an affiliate of US Chamber of Commerce, Washington, DC, USA was launched in 1999. Though discussion was going on much ahead of this year. DCCI management exchanged visits and secretariat had correspondences for long for shaping out the project programme. The objectives of the Project were:

- To strengthen business advocacy efforts in Bangladesh and create a positive and productive dialogue between government and business on economic policy;
- To help legislators and government officials formulate policies, laws and regulations that promote a more open economic environment in Bangladesh conducive to private-sector-led economic growth by producing technical information on key reforms;
- To promote greater awareness of and participation in economic policy making in Bangladesh by communicating policy recommendations to the public through opinion leaders, think tanks and mass media, thereby encouraging greater accountability in governance.

The consecutive phases of the project objectives slightly changed keeping broader objectives intact.

The ERRA project since its implementation in July, 1999 has created much interest and enthusiasm among the business community and the government. As of now the DCCI has received favorable responses to the recommendations made in the respective EPPs in favour of business sector to perform better in the economy. The role played by CIPE have been praised by the parliamentarians, government bureaucrats, business leaders, news media, international organizations, researchers, universities, etc. Every body recognized that the project has a salutary impact on policy reforms of Bangladesh.

It is an accepted fact that in a global competition under free market economy we have no option but to strengthen the capability and capacity of the private sector which is the engine of growth and for that a business friendly environment needs to be ensured.

The WTO regime is now fully operative and the enterprises around the globe will have to compete in a gigantic global market. To survive in the global market place, enterprises will have to enhance their efficiency and competency to a great extent. In such a challenging environment, DCCI 's Policy Reform activities helped private sector a lot.

#### **Products of DCCI-CIPE, ERRA Project-2005**

1. Thirty eight EPPs have been prepared (some are getting ready for printing)
2. More than thirty seminars were held, the number will be more including a large number of in-house seminars, small meetings, discussion with the Chambers high level management, subject matter specialists, high government officials, project team and secretariat.
3. In total Six study reports have been prepared for presentation in seminars.
4. A women entrepreneurship development (WED) Cell is in operation.
5. Thirty one entrepreneurial workshops have been organized.
6. Eight exhibitions have been organized (Chittagong, Jessore, Dhaka and Sylhet etc) where products of only women entrepreneurs were displayed and sold.
7. Quarterly electronic bulletin namely, Policy Advocacy EBulletin both in Bangla & English were published quarterly and posted in the website ([www.dhakachamber.com/cipe](http://www.dhakachamber.com/cipe)).
8. More than hundred publications which included Project Brochure of the DCCI-CIPE/ERRA Project, Annual Reports, Reports of all seminars and workshops, EPPs, Fact Sheets, five years women entrepreneurship development (WED) program of DCCI etc. were published and disseminated.
9. More than hundred lobby Meetings, including meetings with Hon'ble Prime Minister, Hon'ble President, Ministers, State Ministers, MPs, high level government officials, business leaders, researchers etc.
10. Three WED Directories first ever in Bangladesh were published in 2002, 2004, and 2006.

The Project worked for development on two major issues; one on Economic Reform and Research Advocacy and the other on Women Entrepreneurship Development. Impacts on the emerging business environment are the roll over effects from the six consecutive ERRA projects.

The main components of the project were:

- Policy Advocacy and Publication;
- Women Entrepreneurship Development by providing marketing support, information and training;
- Lobbying with highest level of the government bureaucracy.

### **Policy Advocacy and Publication**

The project prepared a large number of Economic Policy Papers(EPPs) under this component. All the EPPs are prepared through a well-thought out procedure. About the different steps followed in completing an EPP is given at chapter- 8 of the study. The list of the EPPs along with the names of the concerned Subject Matter Specialists(SMS) is enclosed at **Annex- C**. At the end of the study an exclusive chapter has mentioned about the impact of the policy recommendations made through this EPPs.

At page twelve a summary of the important products of the project has been given. It is viewed from the products that with its small efforts utilized jointly by DCCI and CIPE the overall of the project is commendable.

Enactment of a new law or change or modify an existing law is also a difficult and lengthy one and it has to follow a number of formalities. So Meetings, lobbying continued throughout the year and the result of which sometimes remain uncertain. However, with constant persuasion at different levels of the government, the responses are encouraging. The issue has also been acknowledged by CIPE, as follows: **“CIPE’s institutional approach to development recognizes that changes will not occur overnight and a long-term commitment is needed for reforms to succeed”**.

As has been mentioned earlier, that that success in one region may provide a model approach for another. CIPE and its partners continue to apply lessons learned across regions, creating new approaches in countries at various stages of democratic reform. One of the prime goal of CIPE is to give emphasis on institutional reforms” DCCI’s Model has been replicated in Sri Lanka and DCCI utilized the example of Philippines.

In today’s competitive world and working under a global village we are committed to deliver quality services to the business communities creating business friendly environment for investments and business. One of the feature of globalization is the quick flow of information. In today’s networked world it is now very easy to know each other. Innumerable projects of CIPE all over the world helped the chamber to know the diverse activities of the others. The author of the study has an opportunity to attend a programme in USA in 2002 where she had the opportunities to know the success story of Hungary in reforming policies. A CIPE supported office has been established in Bangladesh recently , an international forum of business community has already been formed and working under the umbrella of International Republican Institution(IRI). These are all apparent recognition of chamber activities and testimony of extended cooperation of CIPE in Bangladesh

When CIPE-Bangladesh took a bold initiative in advising the entrepreneurs to embrace technological innovations for creating growth opportunities in an intensively competitive

environment. The business community has also recognized the importance of the new economic order which is difficult but is necessary for sustenance and growth in business in coming years.

Keeping in mind the above scenario, the project diversified its activities. During the early years, the project concentrated mainly on policy reform issues, women entrepreneurship development program and lobbying. By the dedicated and untiring efforts of CIPE Team in the DCCI, an infrastructure has been created for the business community to give more emphasis on strengthening information and database for SMEs and also for enhancing institutional capability for promotion of services.

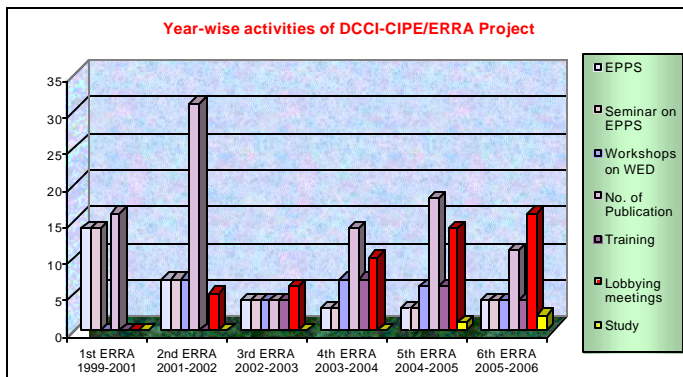
**Year-wise activities of DCCICIPE/ERRA Project**  
**(During 1999-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006 & 2006-2007)**

<i>Activities</i>	1st ERRA 1999- 2001	2nd ERRA 2001-2002	3rd ERRA 2002- 2003	4th ERRA 2003- 2004	5th ERRA 2004 2005	6 <sup>th</sup> ERRA 2005- 2006	7th ERRA 2006- 2007
Economic Policy Papers (EPPs)	14	7	4	3	3	4	3
Seminar on EPPs	14	7	4	3	3	4	3
Workshops on Women Entrepreneurship Development	0	7	4	7	6	4	3
No. of Publication	16	31	4	14	18	11	4
Training	0	0	4	7	6	4	3
Lobbying meetings	0	5	6	10	14	16	6
Study	0	0	0	0	1	2	1
Trade Fair & Exhibition	0	0	0	0	3	2	1
<b>No. of Activities</b>	<b>44</b>	<b>57</b>	<b>26</b>	<b>44</b>	<b>54</b>	<b>47</b>	<b>24</b>

Source: DCCICIPE/ERRA project

In terms of number of activities the project has been successful as it does not have spill over issues. The Chamber has given its full strength to accomplish its year wise activities. On the other hand, DCCI itself always remains very busy in organizing its diversified activities. With these two-way traffic Chamber advocated for market-oriented policy reforms for the interest of the private sector. In the year 2004 the Chamber itself organized about 40 trainings, 45 seminars, 300 meetings and other activities. These are all presented in its Annual Reports of the chamber. In all these activities policy advocacies were an important component.

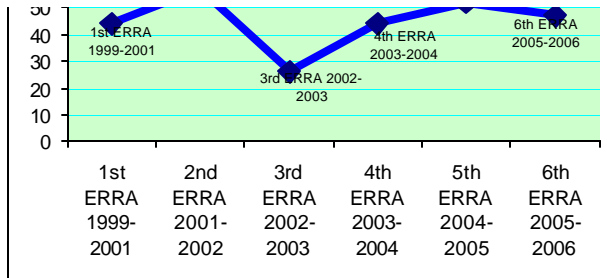
Graphical presentation of DCCI activities



The graph beside has given an idea on how the project activities are implemented during the different phases of the project. In the year 1999 the project prepared maximum EPPS, afterwards the project diversified its activities into different dimensions. It adopted a separate component on Women Entrepreneurship Development in 2002. Training and policy advocacies are strengthened in the consecutive policies. In order to reach the maximum possible areas, the Chamber with its limited resources have organized programmes at both national and

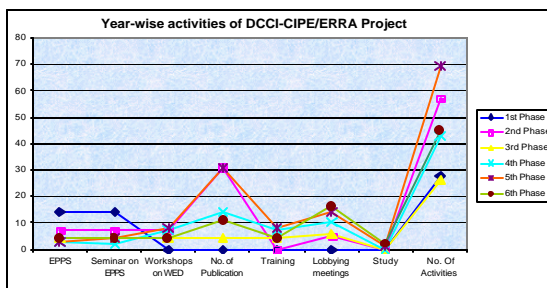
regional levels. Though the regional Chambers requested repeatedly for more joint activities, the Chamber could not organize the similar programmes regularly because of its limitations of resources and fund constraints. The Project have received remarkable responses both a training were also had wonderful impact. The Proj the NGOs. As a large number of NGOs showed

A line chart of understanding different activities of the Project is shown.



In the third ERRA project only four EPPS were prepared and this year was the beginning of the WED project, publications were also not many in this year so the line has shown a declining trend.

Though it is seen that the growth of activities of the project is almost stagnant in the fifth and sixth ERRA project, it



From the fifth phase of the project some important studies and preparation of small guide books were undertaken. Some of these are examination of market access barriers, training needs assessment, how corporate governance can be institutionalized, the investors guide in Bangladesh etc.

## 7. Women Entrepreneurship Development Program(WED) of the project

This component was planned to conduct research & produce sample survey on the status of the women entrepreneurs(WE) in Bangladesh, develop a data base on small and micro enterprise, prepare fact sheets on potential projects, and produce brochure on support services and other potential forms of assistance to the WE.

On the basis of data and lessons learnt from the survey an EPP was prepared with reform suggestions and advances of WE. The EPP showed that women entrepreneurs faces problems in respect of three basic problems these were:

- Marketing
- Finance
- Information & Training

The Project tried to concentrate on these three issues. A WED consultant was appointed. The policy paper suggested for establishing a WED Cell in the DCCI. The EPP suggested for

identifying innovative women entrepreneurs, appropriate credit guarantee scheme, pre and post investment counseling for the WE etc. The EPP suggested for the following:

As per the proposal of the EPP a Women Entrepreneurship Development Cell (WED) Cell was established in the DCCI.

The main function of the Cell was to provide promotional and extension services on different aspects of trade, business and industry to women entrepreneurs. More than three thousand women have visited the Cell and received necessary services.

Forty eight women entrepreneurs (trained from the project) participated in 14 international/single country exhibitions abroad like Myanmar, Pakistan, India, Kualalampur, Thailand, U.K., etc. and obtained export order of substantial amount.



Air Vice Marshal (Retd.) Altaf Hossain Choudhury M.P., Hon'ble Minister for Commerce, GoB, Mr. Sayeeful Islam, President, DCCI, Mr. Saifuzzaman Chowdhury, President, CCCI and others are seeing the products quality of products of the women entrepreneurs at the Chittagong Expo-2005.

A large number of Expo's arranged and more than 300 women entrepreneurs participated in the fair to display and sell their products. More than six thousand persons visited the fairs.

### Workshops and Exhibitions

Under the component-'Women Entrepreneurship Development Program'-the project has rendered counseling services to women entrepreneurs on investment, marketing, and management. In the same time, it organized hands-on training/ workshops<sup>10</sup> in Dhaka the topics required by women entrepreneurs. Some of these are :

- Preservation and Packaging of Agro-processing Products.
- Creating Enabling Environment for Women Entrepreneurship Development.
- Handholding Exercise on Book Keeping for Small Industries.
- Sharing of Marketing Experiences.



Field visits at Design and Technology Center (DTC) and Pan Supari (Betel Leaf)

<sup>iiii</sup> For the assistance of the women entrepreneurs, the Database and E-Bulletins on the women entrepreneurs were updated and published. For marketing support of products of the women entrepreneurs the project has organized exhibitions in Dhaka and outside Dhaka.

Another unique feature of the project was to bridge gaps between the local chambers and learn from each other experiences. 3day Women Entrepreneurs' Products in Jessore was organized

<sup>10</sup> More than 250 participants attended the training workshops (Resource: Project Document, DCCI, Dhaka, 2005)

in cooperation with an NGO, another 3Day Women Entrepreneurs' Products Expo was jointly organized by the Dhaka Chamber of Commerce & Industry (DCCI) and the Chittagong Chamber of Commerce & Industry (CCCI) in Chittagong. Minister for Commerce, Government of the People's Republic of Bangladesh inaugurated the Expo-as Chief Guest at the Chittagong Chamber Conference Hall where President, DCCI was present as Special Guest. President, CCCI was present as Session Chairperson. The exhibition gave an opportunity to the entrepreneurs to see each others products, exchange information about price, quality, design etc. In CCCI the WED activities in cooperation with ATDP-a USAID funded project formed a "horizontal cluster" of preparing and marketing food processing products. The CCCI WED members in cooperation with local women organizations have been working successfully to make products like pickles, sweet items, sausages and other food items. They are now planning to go for exports. DCCI members shared their experiences of project activities of the CCCI.

The project also organized a number of field visits so that Women entrepreneurs can see the best products and share experiences with successful entrepreneurs.

### **Supporting the Visit of the International Fairs by the Women Entrepreneurs**

DCCI-CIPE/ERRA Project facilitated during the visit of the Women Entrepreneurs to the following International Trade Fairs:

- A Team of Women Entrepreneurs was sent to Pakistan to attend a Fair in Karachi. All participants to this fair were trained by DCCI-CIPE/ERRA Project.
- A 4-members women entrepreneurs' delegation was sent to a 15 days (2-16 January, 2005) Fair in Gowhati, India.
- A two-members delegation of women entrepreneurs sent to the 4<sup>th</sup> meeting of OIC task force on SMEs in Bangkok, Thailand on January 24-27, 2005.<sup>11</sup>

### **Counseling and Information Service For Women Entrepreneurs**

The project provided counseling services for Women Entrepreneurs regarding following issues:

- Establishment of network providing information for Women Entrepreneurs.
- Counseling of the Women Entrepreneurs on new investment issues.
- Counseling of the Women Entrepreneurs on appropriate technology and managerial know-how.
- Counseling of the Women Entrepreneurs on WTO issues.<sup>12</sup>

### **Publications in Support of the Women Entrepreneurs**

For the support of the women entrepreneurs the project published following bulletins, newsletters and documents:

- Quarterly Newsletter: Policy Advocacy E-Bulletin (Both Bangla and English).<sup>13</sup>
- Flyers of DCCI-CIPE/ERRA Project-2005 was prepared and disseminated through seminars/workshops.
- Five Years Activities of Women Entrepreneurship Development (WED) Program of DCCI-CIPE/ERRA Project<sup>14</sup> which has given a summary of the all WED policies

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<sup>11</sup> Source: Quarterly Report, DCCI-CIPE Project, DCCI, Dhaka, 2006.

<sup>12</sup> Quarterly Report, DCCI-CIPE Project, 2006.

<sup>13</sup> Website: [www.dhakachamber.com/cipe](http://www.dhakachamber.com/cipe).

<sup>14</sup> Quarterly Report, DCCI-CIPE Project, 2006.

reflected in the government publication like Budget, PRSP etc. The information of the publication was quoted in the policy advocacy in the Budget by the Women Chamber of Bangladesh.

### **Award for the Women Entrepreneurs**

In order to encourage women in entrepreneurship development the project introduced award giving programme. The project awarded women entrepreneurs in the year 2004 & 2005. Not only that the trained WE received national award they also received international award. The project facilitated them.

Eventually the women Award has been incorporated in the DCCI biennial Business Award programme. In the year 2005 a new category was introduced for separately Awarding Women Entrepreneurs. All these activities encouraged women to take additional drive to initiate innovative projects.

### **Lobbying**

The project has a separate component on lobbying. Lobbying is a professional practice of public affairs advocacy, with the goal of influencing a governing body by promoting a point of view. In most of the cases professional lobbyist are hired to promote the interest of the concerned. In the developed countries lobbyist are needed to be registered with the government. DCCI as a think tank aimed to lobbying through regular press releases of detailed reports and supporting research materials to the media for dissemination. The project has regularly keep posted the CIPE about the press releases.

The project has also taken lessons from CIPE about Grass Roots lobbying . The chamber tried to affect legislators by changing public opinion using advocacy materials and organizing seminars, meetings etc. The chamber also by influencing the leaders of the business community and top level people of the government bureaucracy, society conducted grasstops level advocacy.

## **8. Procedure for the Preparation of the Economic Policy Papers**

### **Step I: Study and Preparation of the EPPs**

- Preparation of Terms of Reference (TOR) for each specific EPP;
- Selection of the Subject Matter Specialists;
- Receiving Inception Paper from the Subject Matter Specialists;
- Appointing Subject Matter Specialist to prepare EPPs;
- Receiving the EPPs and Reviewing and improving it in consultation with the Subject Matter Specialists, if necessary;
- Discuss EPPs in the Project Committee of the DCCI.

### **Step II: Preparation for In-House meeting**

- Meeting with DCCI Research Cell and Project Team
- Meeting the Chamber Directors
- Meetings with concerned members

**Step III: Preparation for the Seminar**

- Detail Paper
- Executive summary
- Power Point Presentation
- Video

**Step IV: Organizing Seminar**

- Organizing seminar on the EPP (following a Checklist) with the participation of high ranking government officials, parliamentarians, business leaders, media personalities, trade union leaders, academicians, professional specialists, etc.
- Compilation of the inputs of the seminar

**Step V: Media Coverage both electronic and print**

- Invite the press people
- Prepare press release
- Send invitation
- Collect paper clippings
- Follow-up

**Step VI: Completing the final version of the EPP**

- Inclusion of the recommendations emerged from the seminar in the EPPs;
- Editing the EPPs.

**Step VII: Publication and Dissemination of the EPPs**

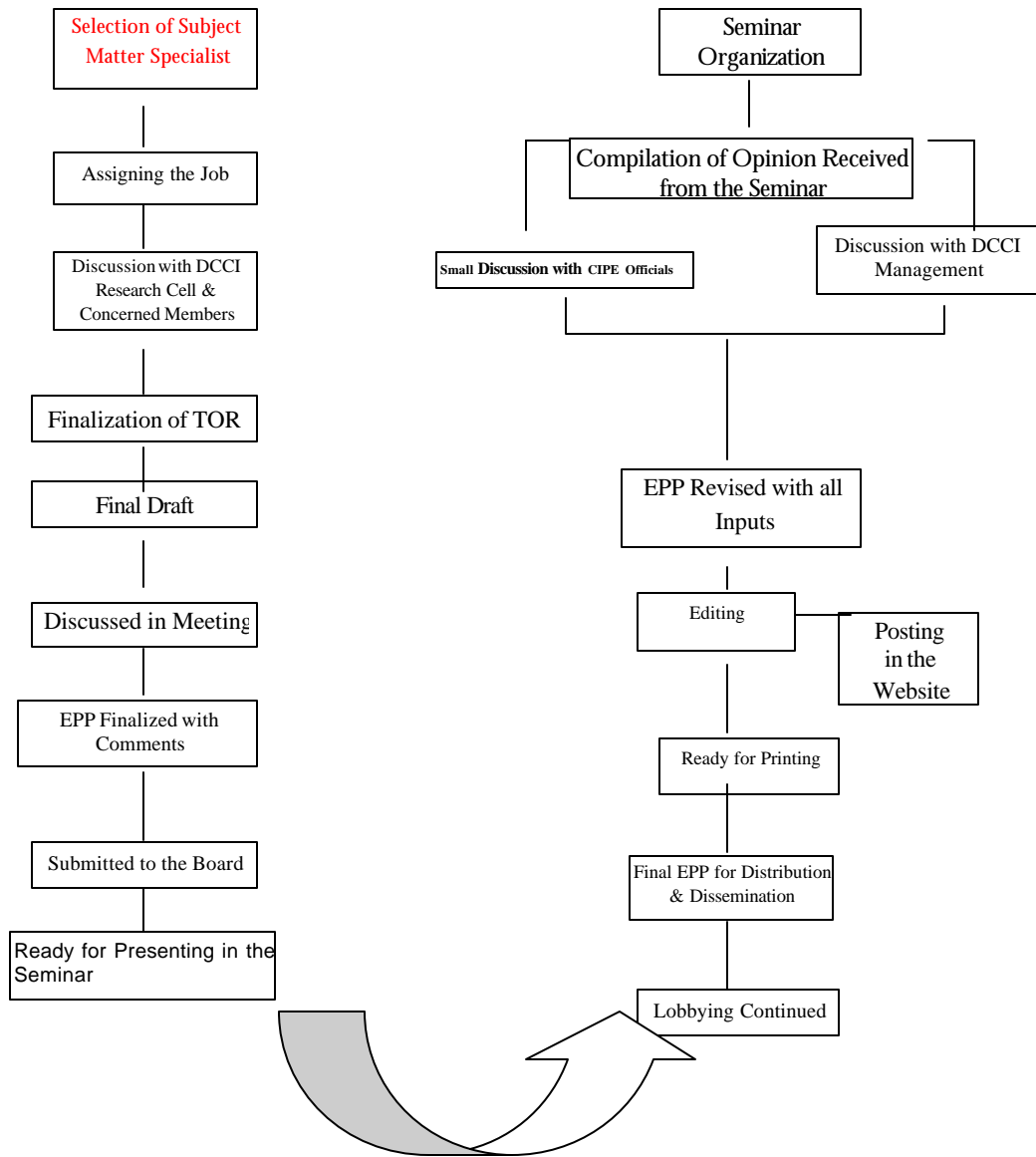
- Publication of the EPPs and its dissemination to the parliamentarians, concerned ministries/ government officials, business leaders, media personalities, professional organizations, research institutes, etc.
- Place the recommendation in the relevant meetings

**Step V: Lobbying with the Government**

- Organizing meetings with the participation of parliamentarians, concerned government officials, business leaders, media personalities, professional organizations, research institutes, etc.
- Deliver policy inputs while preparation of trade and investment policies of the government.
- Asses impacts

**Steps for Preparation of Economic Policy Papers (EPPs)**





## 9. Usefulness of EPPs and general impact

- The project published a number of useful reports which has given a big exposure to the DCCI as the Chamber has been able to establish a good rapport with different ministries, high government officials, ministers, and policy planners and convince them about policy reform in favour of private sector.
- Inputs from the Policy Papers have been helpful for the government, academia, researchers, legislators, university teachers, media people, professionals and others. And DCCI's role have been recognized.
- DCCI inputs have been widely used by the Government.
- DCCI observed Intellectual Property Day on April 26, 2006 where the policy paper of DCCI on Copyright, Trademark and Patent Protection prepared in the year 2000 was acknowledged.
- Bangladesh government while preparing Industrial Policy 2005 used the inputs from the policy paper on **Policy Towards Investment and Industrialization**.
- Policy paper on **Access to finance for SMEs: problems and remedies** are widely used and referred by the SME Advisory Panel in the Ministry of Industries.
- **Economic Survey** –2004 of Bangladesh also used data of some of DCCI policy paper. The policy paper on **Sick Industries: Causes, Remedies and Prevention** was also acknowledged by the govt. to reduce problems of sick industries of Bangladesh.
- The project took the benefit of mainstream DCCI's access to the higher level of the government for policy advocacy. DCCI's new management while have meeting with Hon'ble President, GoB, Hon'ble Prime Minister, GoB, a large number of Ministers, State Minister, M.P.s, High level Government officials to put forward their recommendations. made in the EPPs
- Privatization Board has been empowered to a Privatization Commission. This was one of the recommendations of the policy papers on Privatization. Now the Commission is headed by a Chairman with the rank of a State Minister to the Government which was earlier a Secretary. The Commission consists of two full time and twelve part time members including six members from the Parliament. The Commission has been placed under the jurisdiction of cabinet division which is headed by Hon'ble Prime Minister. The Commission reports

*Among a number of Institutional and Promotional activities the Dhaka Chamber of Commerce & Industry has given prior emphasis on Advocacy to Lobby with different agencies and organizations in the private sector and NGOs. Principal issues are all investment and business related particularly small and medium enterprises(SMEs) who have less access to these organizations which are more vital assignment with all nature. In my opinion and assessment, DCCI has been doing this vital assignment with all the fairness and prudence in the interest of the SME sector-a sector which has tremendous potential to yield more contribution to the economy.*

*I trust that DCCI continues with this important task for its members who are the SMEs and need constant support to make their enterprises viable to them and to the socio-economic sectors*

*By Engr. Md Azizur Rahman, Resident Representative, SES(Germany) Programme, Bangladesh and Regional Manager SEQUA(Germany) Bangladesh & Key Person(BACI), Bangladesh Earthquake Engineering Network(BEEN), BUET, Dhaka*

directly to the Cabinet Committee on Economic Affairs which is chaired by Hon'ble Minister of Finance. During the year 2001-05, the Commission privatized 20 industries among which paper and pulp industries, Sugar Mills, Jute Mills, textile mills are important. The Chamber has been continuing its efforts to liven up activities of Privatization Commission.

- DCCI presented a concept paper on Vision-2021 in presence of Hon'ble President of the People's Republic of Bangladesh in 2005. In the "DCCI Business Award-2005" ceremony Hon'ble Prime Minister announced that govt. agencies accepted the concept paper on "Vision-2021" and will shortly formulate a Committee, to implement the target of the vision. In the same year, under a gazette notification from the office of the Prime Minister, a high power Committee has been formed with members from different quarters to finalize the Vision 2021 and it is now working. DCCI recommended several measures in this concept paper to graduate the country from an LDC status to a level of at least a medium level developing country by 2021 (at the 50 year of its independence). The concept note has been shared with CIPE.



Hon'ble President Professor Iajuddin Ahmed addressing at the launching ceremony of Vision-2021 at Bangladesh-China Friendship Conference Centre.

## 10. Project evaluation

The project has been evaluated every year by an outside Consultant. They observed that the project has created a favorable impact on the over all economy of the country and recommended for its continuance. The evaluation reports have found the following positive impacts of the project.

- It helps build up linkages with other internal & international organizations;
- Increase competitive edge of the private sector;
- The project have created awareness of the chamber about its activities on policy reforms and helps improving image of the chamber;
- The business entrepreneurs are recognized by the govt. as a partner;
- Private business entrepreneurs are aware now that government values the recommendations of the private sector;
- It helped developing Private-public partnership (PPP);
- DCCI's inputs were quoted in different government publication.

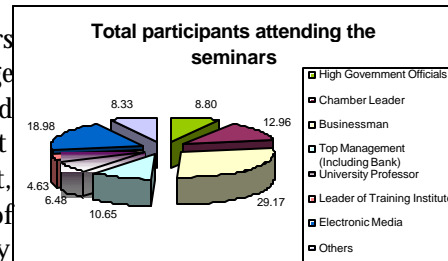
Some recent positive outcome of the project.

- DCCI has been included in SME Advisory Panel as a Member;
- DCCI represents in the Small and Medium Sector Development Project (SME SDP) and Women Entrepreneurs (WE) consultative forum. SMESDP- funded by ADB is working for maximizing synergies between development of SMEs and the reduction of poverty under the PRSP.
- DCCI has been working as the member of Advisory Council (Power Sector Development) Power Division, Power, Energy and Mineral Resources Ministry.

- Member of WTO Advisory Committee.
- As per DCCI recommendation government is now taking steps to prepare and upgrade present pure food and a maintenance food quality policy.

### 11.0: Participation of Business Community

The reactions of the business leaders to the seminars were favourable. It was proved by presence of a large number of business leaders to the seminars and their participation in the discussion. Government was also interested in the activities of the project, which was indicated by the presence of representatives of different ministries like Ministry of Finance and Planning, Ministry of Commerce, in the seminars.



### 11.2 The role of the Subject Matter Specialists

The Subject Matter Specialists (SMS) have played an important role for the success of the project. They prepared very useful reports which helped the Chamber to use as advocacy tools.

They were selected under a process designed by the management in cooperation with the secretariat. DCCI has been maintaining a pool of consultants. Whenever from the pool, it is not possible to get a suitable expertise required for the subject, the Chamber had gone for paper advertisements.

A specific terms of reference was given for preparing each and every policy paper. A time table was also mentioned in the TOR. The SMS maintained continuous contact with the Project Team and the DCCI Research Cell for conducting the Research on the topic. During preparation of Questionnaire SMS had several meetings with the DCCI Secretariat.

EPPs have been prepared on the basis of the secondary and primary data and possess all characteristics of mature manuscripts. The recommendations made in the EPPs suggest skillfully the issue for reform and lobbying with government. The suggestions made are well thought out and have empirical evidence.



Mr. M. A. Momen, President, DCCI addressing in a seminar on "WTO Agreement on Agriculture: Potentials"

### 12. Media Impact of the Project

The seminars, workshops, and training events are widely covered by local electronic and press media. There are also editorials and sub-editorials in the newspaper on the reform suggestions made in the EPPs. Some of the paper clippings are enclosed with the report (Annex-F). The suggestions made in the EPPs could be viewed in website of the project. The project updates its website regularly. ([www.dhakachamber.com/cipe](http://www.dhakachamber.com/cipe))

Theoretically, the impact of DCCI-CIPE, ERRA project could be measured only in the evaluation how successful it is to implement the reform suggestions made in the EPPs, and whether advocacy and lobbying with the government for implementing the suggestions made in the EPPs have helped creating enabling environment for business, economic, political and other development of the country. The seminars on the EPPs helped initiating dialogues among the

dominating sectors of the society, help enlightening importance of the socioeconomic and other development of the society, promote consensus in decision making process and so plain the route for reform. Procrastination of policy implementation help sapping enthusiasm of entrepreneurship, the media reports pressing private sector demands has contributed to consolidate things towards positive direction.

Besides, the publications and dissemination of the study reports increases understanding and support for the reform and suggestions proposed and contribute ultimately to the change. Further more, the preparation and publication of the database, business directory, fact sheets, statistics, etc by the project help creating in general enabling business environment in the country.

Policy advocacy, i.e. representing the voices of the business community to the government and assisting in formulation/change in policies, was the central objective of the project; to meet the needs and concerns of the members. Enactment of new law or change or modify any existing law is to pass through a lengthy process. Reforms have always rooms for further improvements based on the requirement of the changed situation. The project though small has got wider impact.

The reports, articles and commentaries published in the newspapers on the activities of the project show that they are adequately and positively echoed by the press media, think tanks, academicians, intellectuals, etc. Topics of some reports, commentaries and articles in the press media on the activities of the project are presented as Annex-F.

Regarding media coverage, the suggestions/recommendations of the seminars were widely covered by the press and electronic media, which assisted the govt. authorities and the policy makers to delve details in favour of the reform. As a result, reform process has been considerably accelerated and the reforms are being possible.

This is also practically the case, newspaper reports shows that recently remarkable legal and administrative reforms are taking place, which were suggested in the EPPs produced by the project and recommended and supported by the Ministers, Member of Parliaments, high rank government officials in the seminars organized by the project.

The recommendations (taxes, VAT, import duty, agriculture sector, policy promulgation, banking, women, corporate governance and others) of the DCCI have been accepted by the govt. either fully or partially. Ministry of Commerce (concerned ministry of the govt.) is also showing much interest and very often requests for the copies of EPPs while drafting a policy paper.

Parliamentarian, high govt. officials, business leaders, appreciated efforts of the Chamber and they attended the seminars in a large number and participated in the deliberation.

Over and above, the project has been benefited from the guidance of CIPE for successful implementation of the activities and thereby attainment of the objectives.

Actual impact of this project can be assessed only in longterm basis, because for the implementation even of the agreed reforms, the government administrative procedure takes some times years. The activities of the project implemented during the span of 1999 – 2006 have been bringing fruits.

The impact of the workshops, however, is a little complicated to assess. But the steadily increasing national productivity indicates that the workshops are bringing fruits as expected. Besides, the increasing interest in the workshops offered by the project shows that these have significant practical importance and application, otherwise interest in such programs must have decreased.

### **13. Shortcomings**

The project though seems to be successful in achieving its objectives, it had some limitations also. If it would have been possible to overcome those limitations, the impact of the project could be much more prominent. Some of the apparent limitations:

The available fund for the research was not sufficient to invite appropriate resource persons for the research. The management of the Chamber, leading business entrepreneurs who are visible veritable icons in the stage of entrepreneurship remain very busy throughout the year, it was sometimes could not be discussed in depth and follow-up and persuasion hampered because of tremendous pre-occupation of the Chamber people.

As the policy process is a lengthy one, it becomes sometimes difficult for the Chamber to address each and every aspect of the policy process. These may be the reason for non-implementation of a large number of recommendations made in the EPPs.

Because of the limitation of staff and infrastructure, appropriate follow-up was not possible. If follow-up activities were adequate, the project could have done much better results.

A fixed Policy Advocacy Team did not work well in the Chamber. The management changes every year, in order to pick up new policy proposals, and advocate the inclusion of some into new policies requires some time and continuity.

Proposals assigned to the members of a pool, and a time limit set on the advocacy duties was also sometimes not suitable to the concerned. There could be a process where by the assigned member could solicit someone else to take responsibility, the gap sometimes hampered the continuity. There always remains an information gap because of different interest groups. Appropriate knowledge was also sometimes missing. The country does not have appropriately framed Advocacy Law, this is why the advocacy efforts of the chamber have less ramification sometimes to convince the government.

The most important thing was the absence of policy coordination. For a smooth functioning of a business different types of policies are required and it needs coordination. Because of knowledge deficiencies the Chamber sometimes failed to feed the members to get consolidated points of view to strengthen points for lobbying for implementation.

### **14. End Result of the Project:**

It is difficult to analyze the impacts of all recommendations, in order to save time EPP-wise general status of impact were given below. There may be some other related impact also but the report tried to give a general view point so the ultimate impact of the EPPs on the policy reform process of the government has been presented there.

### **Prepared EPPs and its impact in a Tabular Form**

Sl no	Name of the EPPs	Impacts
1	Computer Software and Database	<p>IT Policy 2002 was approved(website:: www.bccbd.org)</p> <p>Export of computer service sector increased from US\$ 4.20m of 2002-03 to \$12.67 m in 2005-06(July February).<sup>15</sup></p> <p>Bangladesh has been connected with Optical Fibre Submarine Cable system SEA ME WEA4 which is a consortium on 16 international companies. Bangladesh will soon begin to get the fruit of this connectivity</p>
2.	Agro-based Industries	<p>Export of Agro products increased from \$ 45.45m (2002-03) to \$82.46 m in 2004-05.</p> <p>Government has announced a large number of policy incentives for development of agro-sector. Cash subsidy at the rate of 30% of the FOB value was approved by the government for agro-processing products export. The subsidy was designed in line with the WTO rules and will be paid against quality development, standard development, transportation cost and freight charge cost to be borne by the exporters.</p> <p>Allocation for the Ministry of agriculture is 42% higher in the Budget 2006-07.</p> <p>Equity Development Fund has increased.</p> <p>Agro-based industries assistance programme has been strengthened.</p>
3.	Labour Laws	<p>Presently about 45 Labour Laws are in existence.</p> <p>A 9-member Labour Law Committee has been formed to Review the Labour Law Court( comprising about 27 Laws). It is now waiting for the decisions of the Ministry.</p>
4.	Foreign Investment protection policies and Anti-expropriation Measures	<p>Bangladesh has no Investment Policy as such. In the year 1973 there was an Investment Policy, in '74 it was turned into a New Industrial Policy, in the year 1975 it was named as Revised Investment policy. After that in 1990 it was changed again as Industrial Policy accommodating Investment Policy. Foreign Investment are protected as per Act of Bangladesh 1980.</p> <p>Under this law full repatriate of profit are allowed. In case of Re-investment gain tax are exempted. Investment policy of Bangladesh is fully liberalized and updated.</p> <p>At the moment government allowed 100% owned private investment “no ceiling no flooring”.</p> <p>The latest industrial policy was approved in 2005 where DCCI's input was included.</p> <p>An investment guide published by the Board of Investment helps private sector to know the investment rules in Bangladesh. DCCI always follow-up the changes.</p>
5.	Privatization	Privatization Commission have been establishes

<sup>15</sup> Export Promotion Bureau.

	Policies	Trading shares of two government-owned power companies – Dhaka Electric Supply Company Ltd(DESCO) and Power Grid Company(PGCB) will offload their shares to the general shareholders under the direct listing regulations of Dhaka Stock Exchange soon
6.	Ready Made Garments	<p>Government has established a POST-MFA Action Plan of \$ 40 million in cooperation with donor organization.</p> <p>In order to strengthen RMG sector Back ward Linkage industry --- crore fund was allocated in the year 2005-6.</p> <p>Interest rate for Export credit in the RMG sector was lowered Government is planning to establish a Textile Village.</p> <p>Export of RMG increases from \$ 4.9 billion of 2002-03 to \$ 6.4b in 2004-05. The figure will be much higher in 2005-6 as the knit sector have shown 70% growth at the post MFA regime.</p>
7.	Leather and Leather Goods	<p>In order to establishing linkage industries such as Lasts, cutting dices etc., to reduce import dependency and promote price competitiveness, Bangladesh has reduced bank rate so that commercial Banks can reduce interests.</p> <p>Export Increased from \$ 229.65 m of 2002-03 to \$ 380.44m in 2004-05.</p> <p>Value Addition Increased</p> <p>Interest rate has been reduced from 8% to 6% in October 2001 in order to reducing commercial banks industrial lending rates</p>
8.	Business Organization Laws	<p>Government issued an executive order on July 30 , 2002 for reforming Trade Organizations to bring more discipline in the business organizations laws.</p> <p>The order included strict rules for timely organizing Annual General Meetings, Executive Committee Meetings, Audit of the Financial issues. etc.</p> <p>It also included penalties for non implementation of these orders.</p>
9.	Anti-dumping and Countervailing Duty Measures	<p>Antidumping Law has been enacted in 1995 it is now being revised. Activities are going on for simplification of the law so that one can use it.</p> <p>Countervailing Law headed by Chairman, Bangladesh Tariff Commission was enacted in 1996 also in the process of reform.</p>
10.	Transportation( Air, water, land) & Policy related to Infrastructure and utilities	<p>The tender process of the Dhaka-Chittagong Highway has been completed and construction work is going to start soon.</p> <p>Telecommunication sector is deregulated.</p>

		An effective infrastructure for multi-modal transport in the form of inland container depots and dry ports at points relevant to Chittagong and Mongla is under process.
11.	Consumer Protection Laws	<p>Consumer Protection Law was presented in the Cabinet but Cabinet suggested for some more Changes.</p> <p>Pure Food Act was amended in 2005 now Magistrate are allowed to declare punishment to the unscrupulous business enterprises</p> <p>BSTI Quality Control Law has been revised in 2003 in which punishment was increased for fraudulent activities.</p>
12.	Relaxation of Control of Foreign Exchange	<p>Floating Exchange rate is in place. Earlier Central Bank controlled the Exchange rate, now after deregulation Authorized Banks are free to set their own exchange rate.</p> <p>A private sector organization namely; Bangladesh Foreign Exchange Dealers Association(BAFEDA) collects the rates from all Banks and circulate it to all including central bank. By this way all Authorized banks are now able to know the rates of other Banks.</p> <p>Medical Expenses up to \$ 10, 000 does not required prior permission from the Central Bank.</p> <p>Taka is freely convertible into current account. Trade account, travel account and invisible account convertibility are also in existence</p>
13.	Copyright, Trademark and Patent Protection	Law has been enacted but it needs some revision and enforcements.
14	Anti-monopoly, Competition and Anti-trust policies	Procurement Law has been passed.
15	Expansion and Diversification of Export : Major Impediments and Limitations	<p>Export Policy 2003-2006 has announced a number of policies for export Diversification and special benefits for Thrust sectors.</p> <p>Government has taken following actions:</p> <p>All export formalities in the port will cleared within three hours instead of four to seven days.</p> <p>Red tape will be cut drastically</p> <p>Port Charges will be reduced by 20-25%</p> <p>Efficiency will be enhanced at Chittagong Port</p> <p>Private sector will be allowed to set up an inland container depot in Gazipur.</p>
16	Political	Caretaker Government of Bangladesh has brought some changes by

	Decision and Implementation : Effect on Economic Development	amending the Representation of the Peoples Order, 1972 and transparency in the electoral process. Discipline in registration of political parties, limitation of election expenses of the contesting candidates, submission of returns, disqualify violators are some important changes.
17	E-commerce-a Business Link	Electronic Transaction Act has been passed.
18.	Entrepreneurship Development through Educational Reforms	<p>Actions related to quality improvement, strengthening governance, financing and enhanced use of ICT are taken.</p> <p>A large number of quality Universities(53) have been approved by the government. They are running different curricula which are not available in the public universities. A large number of Specialized Training Institutions in the private sector have been established to develop entrepreneurship. Recently a renowned University has introduced Textile Engineering course, Bangladesh Garments Exporters Association has established a Fashion Design Training Institute to train people in this sector. Bangladesh Foreign Trade Institute(BFTI) established under Public private partnership to train negotiating tools for the international trade.</p> <p>Now government is going to revise Private University Act 1992 under the title of Amended Private University Act 2005, where a large number of reforms are to be proposed to increase quality of education. A separate Accreditation Council for maintaining quality of education has also been proposed in the Private University Act 2005.</p>
19.	Public Procurement	<p>Procurement Law has been passed</p> <p>Procurement regulations issued.</p> <p>Annual procurement audit by independent consultant has been made mandatory.</p> <p>Provision for Independent review mechanism introduced for handling bidders' protest</p> <p>Reduction in Bank-declared cases of misprocurement from 316 to 2 in 2002.</p> <p>Procurement processing time improved, percent of contracts awarded after 12 months lowered from 40% to 10%.</p>
20.	Financial and Investment Services in a Changing Environment	<p>The Government is strengthening public expenditure planning with in medium-term budgetary framework, as well as the essential financial management and accountability functions of accounting, auditing, expenditure tracking and procurement.</p> <p>Non-performing Loan ratio fell from 27% to 18% in National Commercial Banks and from 16% to under 3% in private banks between FY 98 and FY 04.</p> <p>NCB's share of total bank assets fell from 54% in FY 98 to 40% in FY 04.</p>

21.	Women Entrepreneurship Development	<p>A large number policies to development Women Entrepreneurship has been taken. A separate chapter on Women Entrepreneurship Development with different facilities has been included for the first time in the Industrial Policy.</p> <p>Withdrawn partially the ban on women workers going abroad and allowed women above 35 years age to work abroad.</p> <p>Introduced 60% of the quota provision for female in appointing female teacher in the primary school.</p> <p>Established safe home under supervision of Ministry of Women and Children Affairs(MOWCA).</p>
22.	Impact of Globalization in the context of Bangladesh	<p>Significant advancing have been made in the same spheres of economy, especially, exchange of commodities and labour. Economy has become more open.</p> <p>Share of export &amp; import to the GDP increased from 12.2% and 17.8% of 1999-2000 to 14.4% and 21.9% in 2004-05.</p> <p>Growth of GDP was 5.9% in 1999-2000, projected growth for the year 2005-6 is 6.2%.</p> <p>GDP Growth per capita, \$368(1999-200) increased to \$ 445 in 2004-5.</p> <p>Globalization have both positive and negative impact for Bangladesh. Some sector are doing good and reaping benefits out of globalization. Example of Knit ware can be mentioned, this sector has progressed tremendously. Pharmaceuticals, Poultry, agro processing sectors are doing very good but on the other hand electronics, assembling industries, paper and particle board are not performing well.</p>
23.	Sick Industries: Causes, Remedies and Prevention	<p>The industrial policy of Bangladesh has given a clear cut policy for reviving sick industries.</p> <p>Since 1991 sick industries Cell of the government has identified 3,187 sick industry but it declared 1,580 units to be sick in 1991-92</p> <p>Loans availed of by the sick industries amounting Tk 50 billion has been written off by the banking system, sick industries of such type are now waiting for an official order in this connection to start operation.</p> <p>Bangladesh sick industries Association is working to rehabilitate these industries.</p>
24.	Reform of Financial Policies for Economic Development	<p>Money Laundering Prevention Act, 2002, enacted</p> <p>Audit Committees set up in 22 ministries.</p> <p>Backlog of Audit objections against ministries have been reduced by 20%.</p>

25.	Policy Towards Investment and Industrialization	Industrial Policy 2005 passed with announcement of 100% foreign investment including RMG which was not free in the earlier IPs.
26.	Access to finance for SMEs: Problems and Remedies	BRAC Banks, IDLC, Janata Bank, Dhaka Bank have announced SME package. Policy Strategies for development of Small and Medium Enterprises -2005 have been passed. of the objectives of the Policy is to take measures to create avenues of mobilizing debt without collaterals to match (either with debt guarantee schemes or mapping intellectual-property capital into pseudo-venture capital)in order to assist small enterprises in dealing with their pervasive lack of access to finance. DCCI also working with SME Advisory Panel in the MOI to increase SMEs access to finance. In order to encourage banks and financial institutions to provide credits to the SMEs, the government has increased the scope of refinancing scheme of Bangladesh Bank.
27.	Institutional Framework for Business Development Services to Enterprise	DCCI is in a process to establish a WTO Cell in the DCCI.  Advisory Committee headed by Minister, Ministry of Commerce of the Government of Bangladesh is working for business development. 5 (five) Working Groups have also been working to assist the Advisory Committee. WTO-Cell is providing secretarial services. The objective of the government is to work out appropriate strategies and plans to administer the expanding bilateral and multilateral international business relationships under the rules of WTO regimes and protect the interest of the country. Each groups have been assigned to supervise certain selected rules and regulations of WTO so that the groups are specialized in the respective areas and could tackle their responsibilities efficiently.
28.	Accessing Appropriate Technology for SMEs	The Science and Technology policy of 1990 the government is in the process of revision.  The reforms are underway to include strategies to develop both indigenous technology using local raw materials, manpower and infrastructure capacity at the same time identify areas for which we need imported technology.  Main objective of the reforms is to mitigate the target of PRSP.  Instrumentation has also been given focus so that a large number of laboratory equipments, medical equipments can be produced in the country.
29.	Export Diversification Tools	Full implementation of tax administration reforms help reducing corruption from this major source  Export Development Council have been set up.  Some FTAs are under process of implementation

		SAFTA is supposed to be implemented by July 2006 Negotiation for preferential market access is on going
30.	Improving Access to Global Markets	Extensive exercises are going on to identify Non- Tariff barriers Trade Fairs, Delegations are being sent to the potential markets. WTO negotiation on Market Access are being followed
31.	Doing Business in Bangladesh- Innovative Solution	<b>Trade Facilitation:</b> Bangladesh has done tremendous success in modernizing customs services. The requirement of documents and number of signatures have been reduced. Earlier where 20 signature was required now it has come down to 5-7 in numbers. Now custom is able to clear goods with in a day, earlier normal timing was two days or 3-4 days, sometimes even 7days. This has helped reducing cost of doing business.  Now almost all products are passed through Green Channel(90%), only 10% are kept for physical test. National Board of Revenue(NBR) is also going for DTI(Direct Traders Import) system. Full computerization of the process will enable an exporter /importer to handle his products residing at his/her home. NBR also computerized all export and import data, NBR is also willing to transfer some of the services to the private sector as per agreement of Istanbul Convention. As an example, temporary importation can be transferred to the private sector gradually.  Board of Investment(BOI) recently has implemented the BOI Online Service Tracking (BOST) to facilitate its clients for tracking their service requests. This may be called as partial E-Governance at its office with an eventual goal to expand the system for speeding the process of sanctioning of investment proposals. has now access at all levels of the movement of files. It has increased accountability, skill, expedited the process. Now BOI can go for giving approval within 72 hours, if all the documents are submitted appropriately. They are also planning for establishing a Central Data(website), base through which all investment related information will be accessed easily by both locally & internationally. The System should move further interlinking all related organizations like BTTB, WASA, Land Ministry, Municipality Corporation etc, so that BOI may emerge as a real One Stop Service provider. In due course Chambers can also be integrated with the system. E-Governance is now under implementation at Bangladesh Telegraph & Telephone Board(BTTB).
32.	Business Development in the Light Engineering and Electronic sector of	Import duties of electronic accessories have been reduced to support assembling industries in the electronic sector. Special rebate facilities from USP/IPS has been withdrawn which was a long standing demand of the private sector.

33.	Bangladesh Economic Development and Political Stability	The Policy paper has just been prepared, impact is yet to be received.
34.	WTO Agreement on Agriculture: Potentials of Agro-processing Products of Bangladesh	Bangladesh played a very important role in mitigating the need of the country and create an enabling environment for the agropreneurs. Agro-processing/agri-business/plantation agriculture/specialist farming, tissue-culture and related business have been included as booster sector of the Policy Strategies for Development of SMEs. Bangladesh's strategy is to lobby for keeping most of the duty-paid export items out of exclusion list. Bangladesh should also continue to argue that duty-free exports would be beneficial for high tariff products.
35.	Benchmarking of Regional SME Policies to identify Policy	The Policy has just been prepared.

15. **Concluding Remarks:** The project though has enough limitations but its positive impacts is also commendable in the policy making and policy implementation process. With the inputs of the project, research, the chamber has been able to help government at least to a certain limit to initiate reforms and enact new laws for advancing business and investment. The Chief Executive Officer of Dhaka Stock Exchange in one of his letter while appreciating the EPPS said " It is indeed a wonderful task that you have performed through tremendous cooperation and perseverance. We would also like to see such papers on our financial market with special attention to entrepreneurs perspectives on the market". This is an independent views expressed by a researcher who has been using the inputs of the EPPs of the project.

The analysis of the study brings us to a conclusion that an Advocacy law is required in Bangladesh and at the same time professional lobbyist may also be appointed to get best results of the advocacies of the chamber. In the context of the women entrepreneurship development activities the chamber needs to continue these as the women entrepreneurs are just started to coming up to take the benefits of the liberalization of policies and opportunities emerged out of globalization.

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