

**PRSP Implementation Forum Session III Enhancing Competitiveness for promoting trade, investment and private sector development**

Longer Term PRSP Target/Link	Targets to be achieved by October 2006
<p>1. Improve <b>legal and regulatory environment</b> to reduce corruption and costs of doing business in order to increase investment (both foreign &amp; domestic) &amp; employment</p>	<ul style="list-style-type: none"> <li>a) Private Sector Development Vision &amp; policy statement finalised &amp; gazetted</li> <li>b) Implementation of private-public sector dialogue mechanisms for PRSP based on Private Sector Development Task Force</li> <li>c) Regulatory reform unit designed and action plan agreed</li> <li>d) 2 Regulatory Impact Assessment pilots completed. First series of regulatory streamlining initiated in line with Administrative Barriers Review, 2<sup>nd</sup> series agreed. Process established to audit existing stock of regulations agreed.</li> <li>e) Automation of Registrar of Joint Stock Companies implemented</li> <li>f) Capacity Building of BOI with MIGA underway, &amp; institutional development plans for BEPZA, BSCIC and EPB agreed</li> <li>g) Continue financial sector restructuring by corporatizing Agrani and Janata Banks prior to their GoB divestment.</li> </ul>
<p>2. Address <b>infrastructure</b> bottlenecks &amp; develop zones to improve competitiveness</p>	<ul style="list-style-type: none"> <li>a) Develop and finalise with development partners:               <ul style="list-style-type: none"> <li>i) Power System Master Plan and the Gas Master Plan, ii) Road Map for Power Sector Reforms 2006-8, &amp; iii) Mid-Term Power Strategy covering institutional development, investment and financial commitment</li> </ul> </li> <li>b) Approve organogram for the Bangladesh Energy Regulatory Commission (BERC) enabling the institution to acquire the required capacity (staff, consultants) to make it fully operational</li> <li>c) Prepare and adopt an agreed Generation Support Framework &amp; Financing strategy</li> <li>d) Establishment of Road Maintenance Fund &amp; further progress of upgrading Dhaka-Chittagong highway</li> <li>e) Approval and initial implementation of Bangladesh Railway's organizational restructuring &amp; finalization of investment plan for</li> </ul>

	<p>railway infrastructure</p> <ul style="list-style-type: none"> <li>f) Initial implementation of ADB funded Gas Transmission Network Project (US \$230m)</li> <li>g) Reforms in energy sector: reduction of system losses, introduction of e-governance, institutional development</li> <li>h) Start private operations of a new mooring container facility terminal in Chittagong</li> <li>i) Economic zone strategy agreed and finalised with new economic zones selected for development</li> </ul>
3. Improve <b>Social, safety and environmental standards</b> enforcement	<ul style="list-style-type: none"> <li>a) Increased enforcement (measured by compliance inspections) of environmental &amp; safety legislation particularly in the garment &amp; textiles sectors to improve RMG competitiveness</li> <li>b) Enforce implementation of workplace safety &amp; labour standards, especially in respect to child labour</li> <li>c) Implement measures to nurture sound industrial relations, especially in EPZs</li> </ul>
4. <b>Improved trade policy</b> to ensure pro-poor growth & RMG exports	<ul style="list-style-type: none"> <li>a) Reduce average nominal rates of protection by 2% (mainly by scaling down para-tariffs, such as supplementary duties) before June 2006</li> <li>b) Consensus reached on: (i) allowing yarn imports through land ports, (ii) reducing protective tariffs on textiles &amp; garments, (iii) rules of origin &amp; endorsing regional cumulation (&amp; requesting EU relaxation of value addition requirements for Bangladeshi exports), &amp; (iv) allowing central bonded warehouses</li> <li>c) Improve trade policy capacity within Ministry of Commerce &amp; BFTI &amp; create trade strategy (especially in relation to Agriculture)</li> </ul>
5. Achieve balanced growth through <b>SME</b> development	<ul style="list-style-type: none"> <li>a) Revise SME Policy through further stakeholder consultation</li> <li>b) Agree joint implementation plan with development partners, especially with respect to rural areas</li> </ul>