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**PRESS RELEASE**

**Workshops on “Enhancing Economic Zones and Reducing Administrative Barriers”**

The Board of Investment, with the support of the SouthAsia Enterprise Development Facility (SEDF) and FIAS, is organizing a two-day workshop on February 7 and 8, 2006 at the Dhaka Sheraton Hotel. The workshop is being organized as part of the ongoing preparation for the proposed \$150m World bank-led, multi-donor-funded Bangladesh Private Sector Development Support Project (PSDSP).

The workshops follow nearly a year of work by the Government, SEDF and FIAS, on economic zones strategy and administrative barriers to investment, which has been conducted as part of the design of the PSDSP. Over this period, SEDF and FIAS, with the assistance of the Government of Bangladesh, have conducted several studies on these two vital issues. At the workshops, the findings of these studies will be presented to invitees, drawn from across the Government and the private sector of Bangladesh, in an attempt to develop a comprehensive strategy for economic zones in Bangladesh, and to examine options for reform of existing administrative barriers to investment in Bangladesh.

Mr. Craig Wilson, Program Manager, Investment Climate Assessments (ICA), SEDF, stressed the importance of these workshops as part of the design of the PSDSP. “The first day, focusing on economic zones, will be a chance to take stock of Bangladesh’s current economic zone strategy and chart a course forward. The main questions will be: in order to achieve the desired levels of investment and economic growth, what will be the optimal mix of industrial estates, export processing zones, and special economic zones, and what will be the roles of both the Government and private sector? The second day will review findings of reviews on half a dozen selected administrative barriers to investment. The workshops will ask whether there is a case for reform and, if so, what are the reform options. A pilot regulatory impact assessment will be done on one or two of the issues. The outcomes of these project activities are intended to support the design of the proposed PSDSP and the objectives of the Government’s Poverty Reduction Strategy Paper.”

The conference will be attended by a wide cross-section of Government of Bangladesh officials, including the PSD Task Force and PSD Core Group, as well as representatives from the PSDSP Private Sector Consultative Group and civil society.

**Background:**

Throughout 2005, the SouthAsia Enterprise Development Facility, a multi-donor funded facility managed by the International Finance Corporation (IFC) based in Dhaka, along with the Foreign Investment Advisory Service, a joint service of the IFC and the World Bank, are undertaking a series of activities in preparation for the proposed World Bank-led, multi-donor Bangladesh PSDSP. The aim



of the proposed PSDSP, which is anticipated to commence in mid-2006, is to help Bangladesh's private sector enhance its competitive strength and successfully meet the challenges of a changing global economic environment. The focus of the project will be on regulatory reform, provision of infrastructure for special economic zones, and capacity building for those parts of Government involved with private sector development.

To assist in the preparation of the proposed PSDSP, the Government of Bangladesh has established several groups. Under the Prime Minister's Office, the Government has formed the Secretary-level Private Sector Development Task Force. In addition to the PSD Task Force, the Government has also established the PSD Core Group, which consists of around 37 senior working-level civil servants. Complementing this is the Private Sector Consultative Group (PSCG), which is made up of approximately 25 leading private sector representatives. A collection of donors contributing to the proposed PSDSP, known as the Development Partners Support Group, is also working in support of the project's preparation.

The first PSDSP project preparation mission was held in October 2005. The project preparation mission covered the full scope of the proposed PSDSP and further developed the design of the project. The next project preparation mission is now scheduled for March 2006 and it will have the task of completing appraisal of the proposed project.

Membership of the PSD Task Force and PSD Core Group is drawn from across Government and includes representatives from the Prime Minister's Office, the Ministry of Finance, the Ministry of Commerce, the Export Promotion Bureau (EPB), the Ministry of Shipping, the Bangladesh Export Processing Zone Authority (BEPZA), the Economic Relations Division (ERD), the Ministry of Establishment, the National Board of Revenue (NBR), the Bangladesh Small and Cottage Industry Corporation (BSCIC) and the Board of Investment (BOI). The DPSG is made up of SEDF, FIAS, the World Bank, the United Kingdom's Department for International Development (DFID), the European Union, Japan, Canada and the ADB. The DPSG and PSD Task Force are being supported by the Bangladesh Enterprise Institute.

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