

Government of the People's Republic of Bangladesh  
Cabinet Division  
Social Security Branch  
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**Subject:** Minutes of the Meeting of the Local Consultative Group (LCG) Working Group on Governance and Social Protection.

**Chair** : Md. Mahmudul Hossain Khan  
Secretary, Coordination and Reforms,  
Cabinet Division

**Co-Chair** : Dr. Michal Krejza  
Minister Counsellor,  
European Union in Bangladesh

**Date and Time** : 14 March 2024, 02:30 PM

**Venue** : Conference Room (Room: 1005), Transport Pool Building,  
Cabinet Division

**List of the Participants: Appendix 'A'**

1. The chairperson Mr. Md. Mahmudul Hossain Khan, Secretary, Coordination and Reforms, Cabinet Division commenced the meeting with warm greetings to the presence followed by a round of short self- introduction of the participants. He indicated that, as implied by the title, the LCG Working Group's scope extends to both governance and social protection issues. To ensure more targeted discussions, it was agreed that the group would address governance and social protection topics in distinct meetings, keeping each session focused on one area at a time. Our previous meeting concentrated on social protection, reserving today's session specifically for governance matters.
2. He added that Bangladesh's endeavor to establish good governance across sectors, particularly within government organizations, was highlighted, prompting the adoption of the National Integrity Strategy (NIS) in 2012. The implementation of NIS indicators across core government organizations, ministries, and divisions was emphasized, alongside the annual performance agreement incorporating NIS components. Reforms in governance, notably in the Government Regulatory System (GRS) and right to information, were discussed, with attention drawn to the role of the Cabinet Division in these efforts.
3. He mentioned that the existence of two committees, the Executive Committee of the National Advisory Council and the National Advisory Council chaired by the Prime Minister, aimed at implementing and monitoring the NIS system, was noted. Oversight of government and private sector activities by these committees, guided by the vision of a 'Smart Bangladesh by 2041,' emphasized the importance of good governance for transparency and accountability. The meeting delved into existing issues and future strategies, including research on the impact of NIS in Bangladesh and the need for its update to align with current circumstances. Today's discussion focused on two key points: (i) governance within the context of the Generalized Scheme of Preferences Plus (GSP+), to be presented by the EU delegation, and (ii) strategies for fostering a favorable and sustainable business climate, to be presented by Transparency International Bangladesh

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(TIB), followed by open discussions. He concluded with a decision to begin the presentations, in line with the goal of tackling relevant issues and outlining a path forward to advance good governance and social protection in Bangladesh.

4. Dr. Michal Krejza, Minister Counsellor, European Union in Bangladesh, expressed his gratitude for the opportunity to convene and engage in discussions crucial for the future relations between the European Union and Bangladesh. The presence of the representative from the United Nations Office of Drugs and Crimes was recognised as a positive stride towards comprehensive discussions, highlighting the alignment of TIB's participation with the group's ethos of promoting transparent and inclusive policy dialogue among government, development partners, and civil society, set the stage for a constructive session. Emphasising the significance of good governance, especially for a country striving to progress from middle-income to upper-middle-income status by 2031, he underscored the importance of achieving key milestones such as preferential trade regimes and attracting foreign investment
5. These milestones are integral to sustaining economic growth, exemplified by initiatives like European Union's GSP+, which facilitates favourable trade relations. Additionally, creating an attractive business ecosystem is imperative for fostering foreign investment and achieving long-term economic stability. In anticipation of regulatory challenges until 2026, when Bangladesh is set to graduate from LDC status, he emphasised the importance of decisive government action to strengthen and consolidate positive macroeconomic indicators through good governance. Emphasizing the collaborative nature of international partnerships, he assured the government of Bangladesh of support in navigating the complexities of economic development. This set the stage for the presentation by Mr. Abu Syed Belal, EU Delegation's trade expert, who would delve into the significance of good governance within the context of GSP+, further elucidating the intricacies of fostering favourable trade relations and economic growth

***Presentation on Good Governance in the context of EU's Generalized Scheme of Preferences Plus (GSP+) (Synopsis of the presentation)***

6. Mr. Abu Syed Belal, European Union (EU), outlined four critical aspects related to good governance, trade relations with Bangladesh, and GSP+. He began by emphasizing the importance of good governance in trade relations, particularly within the context of the GSP+ program offered by the European Union (EU) to various countries, with the possibility of it being extended to Bangladesh upon its graduation from LDC status. GSP+ aims to facilitate economic growth while ensuring environmental sustainability and social inclusivity through initiatives promoting human rights, labour rights, and good governance. Highlighting the significance of good governance as a core pillar of the GSP+ scheme, he underscored its pivotal role in combating corruption, which has been identified as a major obstacle to economic development. Corruption not only undermines public revenue but also disrupts international trade and deters foreign investment, ultimately impeding a country's progress. Hence, the EU imposes conditions on beneficiary countries to enhance – among others – their overall governance indicators to qualify for GSP+. Regarding Bangladesh's trade relations with the EU, he noted that Europe is a significant export destination for Bangladesh, with over 50% of its exports going to Europe.
7. He said that the Everything but Arms (EBA) trading scheme has facilitated duty-free and quota-free access for Bangladeshi exports to the EU market since 2001. Nevertheless, Bangladesh is scheduled to graduate from LDC status in 2026, resulting in the conclusion of the EBA program following a three-year grace period, by 2029. To mitigate the impact



of graduation from LDC status, he proposed accessing the GSP+ program, which provides duty-free access to the EU market for developing countries. However, eligibility for GSP+ requires ratification and implementation of 32 international conventions on environmental, human rights, labour rights, and good governance. Bangladesh's readiness for GSP+ is conditional upon extensive reforms, capacity building, and compliance with international standards. Looking ahead, Mr. Abu Syed emphasized the importance of starting preparations now to meet the eligibility criteria for GSP+ by 2026. This includes improving legal and policy frameworks, raising awareness, and building capacity to enhance compliance with international conventions. The transition period between 2026 and 2029 offers an opportunity for Bangladesh to develop a roadmap for implementation and receive technical and financial support from the EU. In conclusion, he reiterated the EU's commitment to supporting Bangladesh's journey towards accessing GSP+ and invited questions or comments from the audience.

8. Ms. Mosa Suraiya Begum, Joint Secretary, Administrative Reforms Branch, Cabinet Division, provided an overview of the National Integrity Strategy (NIS) and its implementation in Bangladesh. Noting that Bangladesh ratified the Convention in February 2007, the government-initiated efforts towards implementing the strategy since 2012. With the Cabinet Division tasked with its implementation, a comprehensive work plan was developed involving various ministries and stakeholders. This plan encompassed initiatives such as stakeholder concentration meetings and workshops aimed at promoting good practices and integrity across governmental offices and divisions, both at administrative and field levels. An integral aspect of the strategy's implementation highlighted by the speaker was the introduction of an integrity award scheme for government officials. This scheme was designed to recognize and reward officials demonstrating exemplary integrity and adherence to ethical standards in their work. The effectiveness of these provisions was evidenced by observed improvements in performance within the workplaces where such initiatives were implemented. Notably, officials who demonstrated commendable integrity were duly rewarded, incentivizing a culture of integrity and accountability within governmental institutions. She also emphasized the positive impact of these measures in fostering a conducive environment for upholding integrity and ethical standards across various sectors of governance in Bangladesh.
  
9. The Chairperson then addressed the issue of corruption, emphasizing the Bangladesh government's commitment to zero tolerance for corrupt practices. Despite being a global problem, the government maintains a stringent stance against corruption. However, challenges persist, particularly concerning the laundering of money to other countries, which complicates efforts to recover illicit funds. Bangladesh Anti-corruption Commission strives to cooperate with other nations in tracing such funds. However, it encounters obstacles due to stringent information requirements from its counterpart leading to difficulties in recovering laundered money. Furthermore, while laws against corruption exist on paper and apply equally to all, practical implementation remains challenging without sufficient evidence and cooperation from various stakeholders. Although legal frameworks are in place, materializing these laws to prosecute corrupt individuals proves arduous. He highlighted the importance of recognizing these limitations and strategizing ways to overcome them to effectively combat corruption. Despite the existence of laws, addressing corruption requires a concerted effort to navigate these challenges and minimize corrupt practices effectively.

**Presentation on Good Governance as an enabler for a favourable and sustainable business climate by Dr Iftekhar Zaman, Executive Director, Transparency International Bangladesh (TIB) (Synopsis of the presentation)**

10. Dr. Iftekhar Zaman highlighted Bangladesh's remarkable transformation since gaining independence, evolving from a war-torn, poverty-stricken least developed nation into an aspiring middle-income country. Bangladesh now stands as the 35th largest economy globally (as of 2022), boasting a higher per capita income than India and Pakistan. It ranks as the second most favoured destination for foreign direct investment in South Asia, the second-largest global exporter of ready-made garments (RMG), the sixth largest sender of migrant workers, and a significant contributor to global peacekeeping efforts. Despite this progress, Bangladesh faces significant challenges. These include democracy, rule of law, regulatory quality, governance effectiveness, voice and accountability, corruption, ease of doing business, press freedom, human rights, and labour rights. Dr. Zaman also highlighted the substantial costs associated with governance underperformance, including GDP losses, high rates of illicit financial outflows, and the societal impact of income and wealth disparities on access to rights, entitlements, and justice.
11. He highlighted opportunities to advance accountable governance through developmental aspirations aligned with political and governmental commitments. Bangladesh's 2041 perspective plan, aiming for high-income status, pledges governance reforms by 2030, including reducing corruption and enforcing the rule of law, with complete transparency and accountability targeted by 2041. Bangladesh's international commitments, encompassing major human and labour rights conventions, UNCAC, and SDGs, prioritize equal rights, fundamental freedoms, corruption control, and effective, inclusive institutions. Post-2024 national elections offer political stability, policy continuity, and potential international support, enhancing the ruling authority's powerbase may also help. The Government's electoral promises, if effectively implemented, provide avenues for improved governance, including progress on democracy, elections, effective Parliament, rule of law, human rights protection, media freedom, accountable administration, people-friendly law enforcement, and anti-corruption measures.
12. Dr. Zaman emphasised the mutual interests of the GoB and DPs, highlighting the necessity for international cooperation and partnerships. He urged collaborative efforts among the GoB, DPs, and stakeholders to address trade, investment, development, and strategic concerns alongside governance, rights, and justice challenges. Proposed initiatives include joint monitoring of political, governance, policy, and institutional commitments, such as business integrity initiatives. Additionally, he suggested granting civil society, media, labour, and other stakeholders the opportunity for third-party monitoring and technical assistance.
13. Dr. SK Golam Mahbub, Joint Secretary, Law and Justice Division expressed gratitude and addressed two interconnected topics: money laundering cases and the ease of doing business initiatives undertaken by the Law and Justice Division. They acknowledged the complexity of retrieving laundered money due to legal hurdles and the cooperation of other countries. However, he highlighted the efforts of the judiciary, with specialized teams dedicated to handling money laundering cases, resulting in almost 100% conviction rate, indicating progress in combating financial crimes. Shifting focus to initiatives promoting ease of doing business, the speaker outlined a pilot project aimed at streamlining the registration process, particularly for land transactions. This project has simplified land



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registration procedures, making it more accessible. Additionally, a forthcoming program will allow international investors to submit registration deeds online, expediting the registration process and encouraging foreign investment. Moreover, he emphasized the government's commitment to ensuring access to justice for all, regardless of financial status. They highlighted the provision of legal aid and counselling services, facilitated by district legal officers, to assist vulnerable and impoverished individuals. Through mediation and legal counselling, many disputes are resolved outside of court, ensuring that financial constraints do not hinder access to justice. Overall, the initiatives undertaken by the Law and Justice Division are viewed as positive steps towards establishing good governance and the rule of law in the country, ensuring equitable access to justice and facilitating a conducive environment for business operations.

14. The Co-Chair then addressed the Chair, expressing gratitude for the cooperation in the ICT area, particularly in a new project between the European Union and the Government focusing on e-governance and digital transformation. The project aims to enhance accountability, transparency, and efficiency in the public sector through digitalization, drawing inspiration from Estonia's success in combating corruption and its expertise in ICT. They emphasized the importance of leveraging ICT as a powerful tool in the fight against corruption. He sought the Chair's insight on identifying pragmatic and effective projects to combat corruption, acknowledging the complexities highlighted in the Chair's intervention. The Co-Chair appreciated the intervention from the official of the Law and Justice Division, noting its alignment with their office's thoughts on future cooperation. The Co-Chair expressed a desire to further discuss bilateral cooperation, possibly even within the context of the ongoing meeting.
15. Dr. Iftekhar Zaman then made some remarks following the comments of the Co-Chair. He emphasised that while ICT is a valuable tool in combating corruption, its effectiveness relies on broader political, governance, and institutional contexts. He outlined four interconnected preconditions for effective corruption control. Firstly, political will which apparently exists in Bangladesh, as evidenced by successive election manifestoes and government statements. However, delivering on anti-corruption pledges requires a robust system, which is currently lacking. Secondly, holding corrupt individuals accountable remains a challenge, especially those with political, governmental, or business connections. Thirdly, institutional effectiveness in ensuring accountability is hindered by political interference and integrity erosion. Lastly, public engagement is crucial, yet constrained by shrinking space for civil society and media. Despite these challenges, Dr. Zaman noted an increase in the state's potential capacity to prevent corruption over the years, emphasizing the importance of implementation and enforcement of the same including anti-corruption measures. He expressed optimism about the government's specific pledges but underscored the need for benevolent and accountable governance prioritising public interests.
16. Mr. Shah Mohammad Naheem, Head of Office, UNODC discussed the structural barriers contributing to corruption and emphasized the need to strengthen the architecture to deter corrupt practices effectively. He highlighted the United Nations Convention against Corruption (UNCAC), which encompasses five chapters spanning 5-8 years of focus. The ongoing review process of the first cycle of UNCAC focuses on criminalization and law enforcement, while the secondary review is underway, emphasizing preventive measures and asset recovery as key areas of focus. The speaker suggested considering existing initiatives, such as the National Integrity Strategy (NIS), and conducting reviews of

ministry and department-specific workplaces to enhance anti-corruption efforts further. He encouraged exploring additional strategies to bolster anti-corruption measures effectively.

17. Alena Tansey, Director, DRG, USAID expressed that support for legal aid and emphasized the importance of proactive measures, such as the right to information, in preventing corruption. They highlighted the need for a shift towards prevention and cultural change, citing examples from the U.S. government where transparency and public engagement are integral parts of decision-making processes. She encouraged participants to consider how they involve the public in discussions and decisions within their respective industries, stressing the importance of accountability to both civil society and the people of Bangladesh. They urged for a holistic approach that incorporates responsiveness, auditing, reporting, and public engagement to combat corruption effectively.
18. Mr. Mohammad Khaled Hasan, the Joint Secretary of the Cabinet Division, commended Dr. Hekkar's presentation for its comprehensiveness but pointed out an apparent mismatch between its focus and the meeting's agenda, dedicated to exploring the intersection of good governance and sustainable business practices. He was taken aback by the absence of a clearly illustrated connection between good governance and its positive impact on sustainable business models, which he had expected to be substantiated with examples from diverse countries. Contrarily, the presentation honed in on the governance environment within Bangladesh, without linking it to business sustainability, and cast governance in a predominantly negative light—a portrayal he respectfully contested. Hasan highlighted the government's strong anti-corruption stance and the shared duty of the government and business community in combating corruption. He noted that, if the discussion were geared towards governance in Bangladesh, he would have been ready to present data that would have portrayed a more positive picture of the situation. He further emphasized that the forum itself, the LCG Working Group, stands as a testament to good governance, demonstrating the government's commitment to engaging with civil society organizations, development partners, and NGOs in meaningful dialogue.
19. Paola Castro Neiderstam, 2nd Secretary, Embassy of Sweden in Bangladesh, made some remarks following Mohammad Khaled Hasan's comments. She referenced research by the Atlantic Council highlighting the crucial role of good governance in achieving prosperity, particularly for countries transitioning from lower to middle-income status. They mentioned planning conferences and discussions with various government members to offer suggestions and information to help address governance challenges. She expressed a willingness to participate in solving these problems and offered to provide presentations or ensure that relevant individuals are invited to future discussions to facilitate collaboration and problem-solving.
20. Finally, to conclude the whole discussion, the chairperson expressed his gratitude to the Estonia government because of the assistance they will be providing to the ICT Division. He also emphasized on how Bangladesh can identify their goals, and how much they have achieved the goals, how much more they need to do. He hopes to see the successful results of these initiatives in future.



**Decisions/Recommendations:**

- a. The meeting underscored Bangladesh's imperative to persist in its endeavours towards good governance, in alignment with its international and domestic commitments (as outlined in the 2012 National Integrity Strategy), encompassing government organizations and the private sector.
- b. The importance of effective governance was stressed, particularly for enhancing Bangladesh's trade relations with the European Union via the Generalized Scheme of Preferences Plus (GSP+) and in promoting a sustainable business environment.
- c. The Cabinet Division committed to implementing measures to bolster collaborative efforts among local governments, development partners, and civil society to strengthen governance and address corruption.
- d. Acknowledging the positive influence of digitalisation in diminishing corruption and enhancing governance, and drawing inspiration from Estonia's achievements, efforts will be made to further propel ICT advancements, in line with the objectives of Smart Bangladesh.
- e. Consequently, the agenda for the next governance meeting will concentrate on advancing e-Governance as a key strategy for combating corruption and fostering an environment of exemplary governance.



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