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Public Private Partnership Governance in Bangladesh: Functional and Legal Aspects

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Abstract

Bangladesh is on track of becoming a middle-income country as its per capita income rose to US$1,314 this fiscal year. To attain and sustain the status of a middle income country by 2021, there is no alternative to raising the level of investment in the country. The sixth Five-Year Plan targeted 8% GDP growth rate by its terminal year. For this it would require the economy's total investment to grow from 26-27 % of GDP at present to 32.5 % by fiscal 2015. This is why, all-out efforts will, therefore, be needed to encourage private investment, enhance public investment and attract foreign direct investment. Experts and entrepreneurs highlight that infrastructural bottlenecks, shortage of power and gas, lack of investment and a shortage of industrial land in export processing zones are affecting the performance of the sector. Against this backdrop, public private partnership (PPP) might be one of the best alternatives for the government of Bangladesh to keep its achievement up. But newspaper reports reveal that despite budget allocation and assurance repeatedly made by the Finance Minister in his budget speeches, no remarkable achievements has yet been materialised in this sector. However, in the meantime as many as 43 projects have been adopted. But except Dhaka Elevated Expressway, no agreement has been signed due to lack of interest of private entrepreneurs. It might be said that this initiative could not be achieved fruitful results owing to functional clarity and legal limitations that could attract the private entrepreneurs to investment their money through PPP. Hence, this paper explores the limitations of functional perspicuity and legal issues related to this matter. To meet these objectives, it has been prepared mainly based on secondary data. For this, articles, government documents, donor documents, periodical reports, newspapers reports have been taken into account. Finally, it puts forward some policy propositions to boost up national development through PPP in Bangladesh. Among others,

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immediate enactment of PPP for legal safeguard, encouragement of private entrepreneurs without favor to someone, adoption in small scale projects, involving local NGOs, are notable ones.

Keywords: Development, Governance, PPP, Bangladesh

Introduction

Despite agrarian dominant characteristics, Bangladesh, day by day, is moving towards development, slashing contribution of agriculture to GDP and rising contribution of industries and service sectors to it. According to a newspaper report, the farm sector's contribution and growth rate have gone down this fiscal year from the last. On the other hand, the stakes and growth rate of the industrial and services sectors in the GDP have increased this year. The agriculture sector grew 3.04 % this fiscal year, down from 4.37 %a year ago. The industrial and services sectors grew 9.6% and 5.82 % respectively. Last fiscal year, they clocked in growth of 8.16% and 5.62% (The Daily Star, May 15, 2015). This indicates that more investment in industries and service sectors would lead the country towards development rapidly, lifting living standard and reducing poverty of people of Bangladesh.

On the other hand, Bangladesh is on track of becoming a middle-income country as its per capita income, the major indicator set by the World Bank, provisionally sustains for the three consecutive fiscal, rising to US$1,314 this fiscal year. To attain and sustain the status of a middle income country by 2021, the target set by the present Awami League (AL) led alliance government, there is no alternative to raising the level of investment in the country. The sixth Five-Year Plan targeted 8% GDP growth rate by its terminal year. But it has already appeared that it is not possible to achieve this target. For this it would require the economy's total investment to grow from 26-27 % of GDP at present to 32.5 % by fiscal 2015. But the investment to GDP ratio has increased to 28.99% this year, up slightly from last year's 28.58%. The private and public sector's contribution stands at 22.39 % and 6.6 % respectively (The Daily Star, May 15, 2015). So, all-out efforts will be needed to encourage private investment, enhance public investment and attract foreign direct investment. Experts and entrepreneurs highlight that infrastructural bottlenecks, shortage of power and gas, lack of investment and a shortage of industrial land in export processing zones are affecting the performance of the sector.

Against such backdrop, public private partnership (PPP) might be one of the best alternatives for the government of Bangladesh to keep up its pace of development and achievement in days coming ahead. But newspaper reports reveal that despite budget allocation and assurance repeatedly made by the

Finance Minister in his budget speeches, no remarkable achievements has been yet made in this sector (Prothom Alo, May 15, 2015) although as many as 43 projects have been adopted in the last five years. The reality is that except Dhaka Elevated Expressway, no agreement has been signed due to lack of interest of private entrepreneurs.

Now, it can be said that this initiative could not gain fruitful results owing to functional clarity and legal limitations that could attract private entrepreneurs to investment their money through PPP. Hence, this paper explores the limitations of functional perspicuity and legal issues related to this matter.

What is PPP?

In recent time, the term PPP has gained an impetus in the area of development and service delivery all over the world. In developing countries like Bangladesh, it is drawn an important attention by the development agencies in respect with development at minimum cost and maximum benefits for the people. So, it needs first to be familiar with this term PPP.

The term PPP is defined in various ways by different institutions, organizations, and so on. In COST Action (2013) discussion paper, it is explained that the government specifies the quality and quantity of the service it requires from the private partner. The private partner may be tasked with the *design, construction, financing, operation and management* of a capital asset and *service delivery* to the government or the public using that asset. The private partner will receive either *payment fees* from the government, or *user charges* levied directly on the end users, or both. If the government is responsible for paying the private partner for service delivery, the fees may depend on the private partner's compliance with the *government's quality and quantity specifications*.

Authors like Grimsey, Lewis, Lienhard are of opinion that the main theme of PPP is the *transfer of risks* from the government to the private partner (Grimsey and Lewis, 2002; Lienhard, 2006 cited in COST Action, 2013). However, the transfer of risks is based on the principle that each risk should be allocated to the partner where it can be best managed. The European PPP Expertise Centre (EPEC) states that PPP usually includes a *long term contract* which takes account of *life cycle* implications for the project (EPEC, 2011 cited in COST Action, 2013). However, the definition of PPP given by OECD is considered ever best among all. According to OECD, a public private partnership is as an agreement between the government and one or more private partners (which may include the operators and the financers) according to which the private partners deliver the service in such a manner that the service delivery objectives of the government are aligned with the profit objectives of the private partners and where the effectiveness of the alignment depends on a sufficient transfer of risk to the private partners (OECD, 2008:12).' Besides, there are some other definitions of PPP which are stated below in box

According to the IMF (2006:1, and 2004:4), PPPs refer to arrangements where the private sector supplies infrastructure assets and services that traditionally have been provided by the government. In addition to private execution and financing of public investment, PPPs have two other important characteristics: there is an emphasis on service provision, as well as investment, by the private sector; and significant risk is transferred from the government to the private sector. PPPs are involved in a wide range of social and economic infrastructure projects, but they are mainly used to build and operate hospitals, schools, prisons, roads, bridges and tunnels, light rail networks, air traffic control systems, and water and sanitation plants. For the European Commission (EC, 2004), the term `public-private partnership' is not defined at Community level. In general, the term refers to form of cooperation between public authorities and the world of business which aim to ensure the funding, construction, renovation, management and maintenance of an infrastructure of the provision of a service. Standard and Poor's (2005) definition of a PPP is any medium- to long-term relationship between the public and private sectors, involving the sharing of risks and rewards of multi-sector skills, expertise and finance to deliver desired policy outcomes. For the European Investment Bank (EIB, 2004:2), public-private partnership is a generic term for the relationships formed between the private sector and public bodies often with the aim of introducing private sector resources and /or expertise in order to help provide and deliver public sector assets and services. The term PPP is thus used to describe a wide variety of working arrangements from loose, informal and strategic partnerships, to design-build-finance-and-operate (DBFO) type service contracts and formal joint venture companies.
Source: *OECD, 2008:12*

A PPP is often organised by way of a special purpose vehicle (SPV) which is typically a consortium of financial institutions and private companies responsible for all the activities of a PPP (including the coordination of the financing and the service delivery (IMF, 2004:9; Hemming *et al.*,2006:8). A public-private partnership can be led by the private contractor performing the service (the UK model) or by the financial institution responsible for the financing of the project (the Australian model) (Grimsey and Lewis, 2005:363).

In the `Policy and Strategy for Public-Private Partnership' the Government of Bangladesh (2010) made a detailed definition of PPP. It describes:

> *"Public-private partnership (PPP) projects normally cover public good provisions characterized by indivisibility and non-excludability, natural monopoly characterized by declining marginal cost (and associated average cost), and lumpy investment characterized by long gestation period. PPP is a win-win relationship between the government and various private sector players for the purpose of delivering a service by sharing the risks and rewards of the venture under a contractual obligation."*

Asian Development Bank (ADB) (cited in Asia Foundation (2010)) defines PPP as a

> *"contractual arrangement between public and private entities through which the skills, assets, and /or financial resources of each of the public and private sectors are allocated in a complementary manner, thereby sharing the risks and rewards, to seek to provide optimal service delivery and good value to citizens" (ADB cited in Asia Foundation, 2010:.3).*

The foregoing discussions about PPP have made us clear the conception of what PPP is.

Key Features of PPP

After discussing the definitions of PPP, it reveals a number of features of PPP. OECD's definition of PPP implies that (see also IMF, 2004:7; Corner, 2006:40):

- The private partners usually design, build, finance, operate and manage the capital asset, and then deliver the service either to the government or directly to the end users. The involvement of the private partners in all these activities is a key distinction from past practices where the private actor worked on either the construction or the operation of an asset, or only provided finance when the government borrowed to finance its expenditure.
- The private partners will receive either a stream of payments from the government or user charges levied directly on the end users, or both.
- The government specifies the quality and quantity of the service it requires from the private partners. If the government is also responsible for a stream of payments to the private partners for services delivered, these payments may depend on the compliance of the private partners with the government's quality and quantity specifications.

- There is a sufficient transfer of risk to the private partners to ensure that they operate efficiently.
- At the end of the contract, the government may become the owner of the asset after paying the private partner a contractually agreed residual value. Since that value may fall short of or exceed the actual market value of the asset, the government carries the residual value risk.

Different Models of PPP

Public-private partnerships typically encompass a series of activities such as design, build, operate, finance. Not all PPPs will encompass all of these activities; several permutations may exist. The classification below draws on IMF (2004) and Malone (2005:421). The wording indicates the activities for which the private sector takes responsibility. For instance, in the case of a build-own-maintain contract, the private partner builds the asset, owns it and is also responsible for its maintenance. For more detail on the definitions, see IMF (2004) and Malone (2005).

1. Build-own-maintain (BOM)
2. Build-own-operate (BOO)
3. Build-develop-operate (BDO)
4. Design-construct-manage-finance (DCMF)
5. Design-build-operate (DBO)
6. Design-build-finance-operate (DBFO)
7. Buy-build-operate (BBO)
8. Lease-own-operate (LOO) or Lease-develop-operate (LDO)
9. Wrap-around addition (WAA)
10. Build-operate-transfer (BOT)
11. Build-own-operate-transfer (BOOT)
12. Build-rent-own-transfer (BROT)
13. Build-lease-operate-transfer (BLOT)
14. Build-transfer-operate (BTO) (OECD, 2008: 16).

Literature review

Although a number of works done by international multilateral financing organisations are found, no notable literature is seen in Bangladesh. The literatures made by IMF (2004, 2006), European Commission (EC) (2004), European Investment Bank (EIB, 2004) OECD (2008) discuss details in terms of definition, types, models, characteristics of PPP from different context of different country. In 2009, the Government of Bangladesh through its position paper titled `Invigorating Investment Initiative Through Public Private Partnership' reveals its position that PPP can be a vital tool for development of the country. Further, in 2010, the Government of Bangladesh through its `Policy and Strategy for Public-Private Partnership' delineates a detailed of PPP related government's position and forecasts its potentiality in Bangladesh. It is a detailed guideline for private partners to invest their money in infrastructure development as well as better service delivery to citizens. The Asia Foundation (2010) in its `Promoting PPP in Bangladesh' describes the state of government's initiatives with regard to PPP in Bangladesh and cited some successful examples of Philipines. It describes it as a brief guide for partners.

After reviewing literatures, it is seemed that there is no enough works with regard to PPP in Bangladesh. What we have found that are mainly public and donor's documents, describing its types, models, strategies and so on. Therefore, this paper is an initiative to contribute to this sector.

Objectives

Despite diverse objectives, partnership brings win-win situation for both the parties-public and private. Public party intends to deliver better services to citizens in one hand; private party motivates to make a profit on the other. So, the general objective of this paper is to know the PPP governance in Bangladesh. In particular, it intends to explore the functional limitations and legal aspects of PPP in the country.

Methodology

This paper has been prepared mainly based on secondary data. For this, different documents of multilateral financial organisations, government, non-government organisations and scholarly articles, newspaper reports, and so on, have been taken into account. Moreover, experiences and observations have also been kept in mind in preparing this reading.

Discussion

PPP in BD

Public Private Partnership (PPP) has gained very importance at policy making level in developing countries like Bangladesh. This priority is growing up gradually due to shortage of public funds in many cases and lack of technical know-how on the other. For this the Government of Bangladesh in recent years is showing interest very much on PPP to finance capital asset acquisition and operation. Consequently, in 2012, the government declared a guideline for viability gap financing (VGF) for PPP projects to attract more investment in different sectors like infrastructure, public service, etc. Earlier, in 2010, the government notified the policy and strategy for PPP to undertake various projects aiming at the development of the country.

However, the government of Bangladesh formally introduced the concept of PPP for the first time through its national budget in the FY 2009-2010 and made an allocation of TK 2500 crore for PPP projects, demonstrating a strong commitment from the government side to implement of PPPs in the country. Accordingly, in 2009, the government issued a position paper. In spite of all these commitments, the PPP initiatives did not achieve significant results in terms of project work on the ground. This was mainly due to the absence of clear policy and strategic guideline. To fill this gap, in 2010, the government issued the `Policy and strategy for PPP.' In September 2015, the government passed an Act on PPP.

Functional Aspects of PPP in Bangladesh

Despite some hurdles, the economic growth of Bangladesh is seemed to be bright. Referring different statistics and prospects to boost up the country's economy, IMF (2015) in its `Regional Economic Outlook: Asia and Pacific' report forecasts that the export-driven economy of Bangladesh will be unbolted in India in one hand and the possibility of investment of China in Bangladesh would further increase on the other. Hence, the country needs to be prepared to reap the harvest of potential economic growth. It is seemed that considering potentiality the government of Bangladesh has approved more than Tk 100 lakh crore for annual development programme for coming fiscal year. About 1000 projects have been approved for this and more than 1000 projects have been kept under consideration (The Daily Star, May 15, 2015). Experts assert that it's a good sign for the development of the country provided that the government can implement it with full concentration. For this, it needs functional clarity and capability of the government agencies. But many studies reveal that ADP could not be implemented fully due to poor governance, corruption, lack of proper functional guidelines, misallocation of funds, and so on. In the fiscal (2014-15), as many as 34 projects were undertaken to implement under PPP and at the end of the fiscal, the number of projects rose at 43, but except one, no agreement has been signed to implement these projects (Prothom Alo, May 16, 2015). This does not indicate that these projects could not be implemented due to shortage of funds. It is seemed that it is happened owing to lack of functional capability. It may be further seemed that the government could not advocate properly about these projects to the private entrepreneurs to invest their money to these projects. On the other hand, it may be that the entrepreneurs could not show their interest, considering long-term investment and low return as profit.

Besides, Metropolitan Chamber of Commerce and Industry) (MCCI), one of the leading business associations in the country, in its quarterly economic review of January-March of 2014-2015 fiscal highlights four hurdles to economic growth in the country. These are infrastructural weakness, shortage of electricity and energy, political uncertainty and reducing demand of Bangladeshi commodities in the international and the domestic market (Prothom Alo, May 17, 2015). The influential business chamber in its economic review of July-September of 2015-2016 reiterates same problems, adding that the business environment is deteriorating. It asserts that investment is one of the main conditions for economic growth but it does not happen due to different problems (Prothom Alo, November 13, 2015). So, to improve the overall developmental situation, implementation of projects under PPP might bring fruitful results.

Now one of the potential issues is `demographic dividend' prevailing in Bangladesh. Like many other countries, it is very important to materialize this opportunity for the development of the country. Each year two million people are entering the job market. To capitalize and achieve its fruits, Bangladesh needs to increase its investment-GDP ratio. Without huge investment, the economy would be unable to absorb the potential human resources as the labor force.

Now let us take a look at the Foreign Direct Investments in the country. In 2013, Bangladesh managed to rake in only $1.5 billion FDI as compared to India ($28 billion), Malaysia ($11.5 billion), Indonesia ($23 billion), Vietnam ($9 billion) and China ($347 billion). We know that on the upside, Bangladesh has the advantage of cheaper labour over its comparators and a large market size. But despite the positives, the country is raking up only a fraction of FDI compared to its neighbors. The MCCI thinks that the foreign investors take such sluggish move due to lack of business environment (Prothom Alo, November 13, 2015). World Bank in its report `Doing Business' asserts that Bangladesh steps down `two tier' compared to last year in term of doing business in the country. What is the problem for such measurable condition? What are the constraints to attract foreign investment and why Bangladesh is lagging behind of its neighbours in terms of FDI attraction? Simply its answer may be that it happens due to lack of cordial and congenial business environment.

So, it appears that there is no remarkable achievement in terms of implementation of PPP projects in the country. As many as 44 projects have been undertaken for the implementation under PPP this fiscal. But only Dhaka-Elevated Expressway, a PPP project in transport sector, is under construction stage. But functionally, its implementation stage is in very initial phase. Two other projects-- Hemodialysis Centre at Chittagong Medical College Hospital and Hemodialysis Centre at National Institute of

Kidney Diseases and Urology (NIKDU)--in the health sector are also under construction stage. However, the following table-1 shows the state and number of projects to be implemented under PPP in the country.

Table-1 Status and number of projects to be implemented under PPP

Sector	Status	N	
Transport	Construction stage	1	16
	Negotiation completed	1	
	Procurement stage-RFQ	2	
	Feasibility study	8	
	Advisor appointment Project Development Stage)	2	
	CCEA approved	2	
Health	Construction	2	6
	Procurement stage	1	
	CCEA approved	3	
Zone (IT/economic)	Contract signed	1	8
	Letter of award	1	
	Procurement stage-RFP	1	
	Feasibility study	3	
	Advisor appointment (Project Development Stage)	1	
	CCEA approved	1	
Tourism	Procurement stage-RFQ	2	4
	Advisor appointment (Project development stage)	1	
	CCEA approved	1	
Civil accommodation	Procurement stage-RFQ	1	5
	Feasibility study	4	
Education	Feasibility study	1	2
	Advisor appointment (Project development stage)	1	
Energy	Advisor appointment (Project development stage)	1	1
Social infrastructure	CCEA approved	2	2
Total projects			44

Source: http://www.pppo.gov.bd/projects.php/ accessed 14 11 2015

The table-1 depicts that the implementation scenario of PPP projects in Bangladesh is not satisfactory. So, it appears that PPP governance in Bangladesh is not functionally effective due to multidimensional problems.

However, the above table-1 also makes us clear that transport sector is still dominating in undertaking projects under PPP but its progress trend of implementation is not pleasant. Thought every sector is very vibrant sector in term of national development, it is very pity that only one project has been undertaken under PPP but its progress level is only appointment of advisor which is labeled as project development stage. Another vibrant sector is education sector which accounts only two projects under PPP and its progress level is `feasibility study' and `advisor appointment.'

Legal aspects of PPP in Bangladesh

Before enactment of PPP Act-2015, the policy guideline was `Policy and Strategy for Public Private Partnership-2010' to implement all projects undertaken through PPP (GoB, 2012). The Government of Bangladesh also declared `Guideline for Public Private Partnership Technical Assistance Financing (PPPTAF)-2012, and Scheme for Public Private Partnership Technical Assistance Financing (PPPTAF)-2012.' Moreover, before PPP initiatives, there were some authorities or organisations to finance or look after projects which were undertaken in collaboration with the government and private sectors. In 1997, the government established a limited company `Infrastructure Development Company Limited (IDCOL)' under Economic Relations Division to promote and encourage private sector investment in infrastructure development. In 2004, to gear up individual investment in the development and maintenance of infrastructure, the government issued `the Bangladesh Private Sector Infrastructure Guidelines (PSIG).' It was issued to facilitate projects in line with PPP concepts (Asia Foundation, 2010). Another initiative was taken in 2007 to finance government approved different infrastructure development projects. Basically, this initiative was a 5-year Investment Promotion and Financing Facility (IPFF) and it was created under Bangladesh Bank. However, IDCOL and IPFF continue to finance in PPP based projects in the country (Hasan, 2012). Moreover, in 2009, the government also issued a position papter on PPP titled 'Invigorating Investment Initiative Through Public-Private Partnership (GoB, 2009).' Despite these steps, the PPP initiative did not gain remarkable results in terms of project work on the ground. It is believed that this was basically due to the absence of clear policy and strategic guidelines. To fill this gap, the government issued `the Policy and Strategy for Public-Private Partnership-2010' in August 2010 (GoB, 2010).

After long time since formal introduction of PPP, the government, however, finally passed an Act on PPP on September 7, 2015 2015 in the Jatiya Sangsad (JS) to provide legal guards and guidelines for entrepreneurs. It also assumes that this Act will encourage private sector for investment in infrastructure, service sectors, and so on that would lead the country towards development- middle income to developed one.

After enactment of this Act, an authority will be constituted and Prime Minister will be the chairperson of this authority. Finance Minister will be vice-chairperson of this authority while ministers/state ministers of respective ministry will be members. Principal Secretary to PM will be chairman of the authority as ex-officio.

A newspaper reports might be noteworthy to mention here. The leading English daily (The Daily Star, May 20, 2015) publishes report that there are the three biggest constraints for investment in Bangladesh. These are enforcing contracts, getting electricity and registering property. It takes Bangladesh 1,442 days to enforce a contract and the financial cost of enforcement is 67 percent of the claim. Whereas it takes only 400 days in Vietnam and 453 days in China and the financial cost are 29 percent and 16 percent respectively. The time lag acts as a deterrent to investment and must be improved in order to increase investments, especially FDI. On the other hand, in acquiring electricity, it takes Bangladesh 429 days, which is much higher than Vietnam (115 days) and China (143) days. The relative cost of getting electricity measured as percentage of per capita GDP is much higher in Bangladesh relative to its comparators. The high cost is an indication of inadequate supply of electricity respective to demand. Domestic investors in many cases are able to use personal connections to cut through the time slag however, for foreign investors, the process remains difficult. As far as registering property is concerned, it takes Bangladesh 244 days, whereas it takes only 57 days in Vietnam and 19 days in China. High population and rapid urbanisation have led to a scarcity of land; in addition, the land market is inefficient which lowers availability of land for industrial purposes in urban areas in Bangladesh.

So, it makes us clear that legal barrier is one of the major problems in terms of investment by private entrepreneurs or to attract FDI in the country. It also indicates that legal governance might be a major concern in PPP projects in Bangladesh.

Scopes of PPP in Bangladesh

Bangladesh is a land of potential despite various problems such as natural disasters, political volatility, corruption, and so on. People of the country are very hard worker. They can adapt different situation easily. Besides, land of the country very fertile. It has different potential sectors. If these are capitalized, the country would lead to development rapidly. The potential sectors include: Power and Energy, Solar and Energy,Transport infrastructure i.e roads, rail, sea-ports, air ports & water transport, Tourism and Air transport, Information technology, Pure drinking water, Industry, Health and family welfare, Education (secondary and technical) and Research, Housing, Climate change, and so on.

Findings and Recommendations

Based on the preceding discussions, it comes into view that in spite of potentiality the country cannot move forward as expected due to various problems such as governance, political, corruption, natural hazards and so on. The specific findings include:

- There is lack of governance problems in terms of projects implementation. It is evident that it happens due to lack of skilled and experts personnel in administration. Due to such limitation, entrepreneurs do not show their interest to investment their money with less profit in return against long term contracts. We have already cited above about how many days are required in getting electricity connection, and property registration.
- Another concern is politicization in administration. Due to politicization, everything is considered through political prism. Quality and need is not considered as prime in such cases.
- Political instability is another concern here for investors. Not only local investors but also foreign investors fear to invest money in any projects under political volatility.
- Corruption is one of the major problems in Bangladesh. Nobody can do one's job fairly here.
- The recent trend in business arena is selection instead of election to lead business association. For this, system and process even legal issues, is manipulated with political motive. It happens in the name of election of the Federation of Bangladesh Chambers and Commerce of Industry (FBCCI), the apex body of business entrepreneurs. Its present president is not elected one by its voters directly. He is nominated and selected from a chamber as director to the FBCCI. It also happens in the leadership of Bangladesh Garments Manufactures and Exporters Association (BGMEA).
- Political good will is very important factor to lead a country towards prosperity and development. In many cases, it appears ill motive of political move to undertake projects. Consequently, expected results are not achieved and target people are benefitted rather it gains political will.
- The foregoing discussions reveal that micro level initiative has not got due importance in undertaking projects.

Recommendations

Still Bangladesh is a developing country and trying to come out from the list of least developed countries. It is also thriving for becoming a middle income country by 2021, and has already achieved recognition as lower middle income country, meeting the criteria of World Bank. However, the Planning Minister of Bangladesh AHM Mustafa Kamal claimed the rise in per capita income makes Bangladesh the 58^{th} largest economy in the world in terms of nominal value. On the other hand, on the scale of purchasing power parity, the per capita income in the country is $3,019, making the economy the 36th largest in the world, he said, (the Daily Star, May 15, 2015).

So, it is high time to capitalize its potential resources to lead the country towards development. For this, it requires more investment in different sectors with the demands of its need. In this situation, PPP might be a vital tool. To materialize the PPP techniques, the government should take special initiatives. For this, micro-level projects along with big projects can be taken under consideration. Local entrepreneurs along with non-resident Bangladeshi (NRB) can be involved in this process. To make effective progress of projects undertaken under PPP, legal safeguards of investors should be protected strictly. To run project activities, nepotism and favorism should be avoided firmly. Moreover, bureaucratic triangle should also be minimized in order to accomplish project activities smoothly.

Conclusion

The tenure of millennium development goals (MDG) is coming to an end this December of 2015 and sustainable development goals (SDG) is going to set new agenda from January 2016. Bangladesh has already achieved some MDG targets such as poverty reduction, decrease of child mortality, and on track to achieve other targets. To achieve these targets, private sectors such as NGOs have played a vital role. Most of the initiatives were not undertaken under PPP. Most of them were public-private collaboration. However, experts assert that MDGs were mainly about the poor in the low-income countries, but the SDGs are supposed to go far beyond with goals proposed for productive employment, urbanisation, infrastructure, standard of governance, income equality and environmental conservation. The number of goals reflects the broadness of the vision. There are 17 overarching goals and 169 targets in the SDGs compared to only eight goals in the MDGs. International Monetary Fund (IMF) in its regional economic outlook asserts that business friendly environment and monitoring in financial sectors as well as continuous initiative for good governance are very essential for sustainable development and inclusive growth (IMF, 2015).

So, it is evident that sound governance of PPP is vital to lead the country towards prosperity and development.

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