

Report On
Challenges in Project Implementation-A case study in BEZA

By

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An internship report submitted to the BRAC Institute of Governance & Development (BIGD)
in partial fulfillment of the requirements for the degree of
Masters in Procurement and Supply Management (MPSM)

BRAC Institute of Governance & Development (BIGD)
BRAC University
October 2023

Declaration

Student Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Subject: Challenges in Project Implementation-A case study in BEZA

Dear Sir,

This is my pleasure to display my entry level position provide details regarding 'Challenges in Project Implementation-A case study in BEZA, which I was appointed by your direction. I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

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Acknowledgement

I would like to acknowledge my heartiest gratitude to my supervisor **Md. Mosta Gausul Hoque, PMP, Senior Trainer BIGD, BRAC University** for his guidance, supervision and help in all stages of carrying out the work and also in preparation of the manuscript. I would like to express my sincere thanks and profound gratitude to Mr. Abdullah Al Mahmud Faruk, Project Director (Joint Secretary), Bangabandhu Sheikh Mujib Shilpa Nagar Development Project under PRIDE of the World Bank, BEZA, PMO for his kind support. I would specially like to thank my family, colleagues and friends for their continuous support and encouragement.

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Non-Disclosure Agreement

This agreement is made and entered into by and between Bangladesh Economic Zones Authority and the undersigned student of BRAC University. I understand that during the preparation of report, information have been collected from BEZA. The undersigned certifies, acknowledges and being informed of the confidentiality policy concerning confidentiality and do not disclose any confidential data or information regarding the company in my report which may affect the good will of organization.

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Bangladesh Economic Zones Authority

Prime Minister's Office

Executive Summary

As we know that the Bangladesh Economic Zones Authority under Prime Minister's Office is one of the leading investment promotion agencies in the south and south-east Asia. To meet the demand of investor's especially ready land & connectivity and utilities e.g. power, gas and water, BEZA needs to handle lots of procurement every day. BEZA also needs to procure PPP Developer and G2G developer for developing, operating and finance EZs, CETP, STP and Solid Waste Management. This study aims to identify the current scenario of procurement management, the challenges of procurement and the possible barriers of implementing projects in BEZA. Bangladesh Economic Zones Authority (BEZA), an autonomous organization, has been chosen as scope of the Report since it follows procurement guidelines of Government of Bangladesh and all of development partners under their financed projects.

In this Report, I have tried my best to present the procurement progress and its challenges in BEZA for developing EZs. There are 7 separate chapters in this study. Firstly, in the chapter 1 general introduction has been discussed. Secondly, in the chapter 2, there are discussion about BEZA including its projects with the using of primary survey and secondary surveys. Later chapter 3 contains discussion on sustainable procurement and involvement of BEZA. In chapter 4 includes Literature Review of this report. Procurement Manpower Analysis of BEZA has been discussed in chapter 5. In the penultimate part, chapter 6, Challenges of Procurement in BEZA has been discussed and finally In Chapter 7 specific recommendations to overcome challenges of project implementation in BEZA is being included.

In order to complete the analysis, BEZA officials, procurement experts and project directors of different project under BEZA have been interviewed, and some BEZA employees and some bidders have been surveyed. They were asked to provide their opinions on current status of Project implementation including which challenges they find in Project implementation. Which changes they expect in public sector procurement, and what they think about the changes in future for improvement for project implementation. After finding their opinions, data analysis has been completed using analytical tools. This has been found that BEZA has already an existing capacity of Project implementation through procurement management, Project directors and field staffs. In order to ensure efficiency in project implementation no. & capacity of technical person and improving cross-functional coordination should be considered with more importance. According to experts, this is essential now to put more emphasis on financial allocation and strategic coordinated effort for project implementation capacity development in order to extract the success of BEZA by implementing its projects efficiently. Findings of this study would be useful to Project implementing personnel and BEZA officials.

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List of Acronyms

ADB	Asian Development Bank
ADP	Annual Development Plan
BEZA	Bangladesh Economic Zones Authority
BOT	Build-Operate-Transfer
CIPS	Chartered Institute of Procurement and Supply
CPTU	Central Procurement Technical Unit
DFID	Department for International Development
DPP	Development Project Proposal
EB	Executive Board
EM	Executive Member
ES	Environmental and Social
ESIA	Environmental and Social Impact Assessment
FDI	Foreign Direct Investment
GB	Governing Board
GCC	General Conditions of Contract
GDP	Gross Domestic Product
GOB	Government of Bangladesh
G2G	Government to Government
IMED	Implementation, Monitoring and Evaluation Division
JICA	Japan International Cooperation
KPI	Key Performance Indicator
LAP	Land Acquisition Plan
NOA	Notification of Award
NOIA	Notification of Intention to Award
NPF	New Procurement Framework
P & D	Planning and development
PDD	Planning and Development Division
PMO	Prime Minister's Office
PPA, 2006	Public Procurement Act, 2006
PPP	Public Private Partnership
PPR, 2008	Public Procurement Rules, 2008
PPSD	Project Procurement Strategy for Development
PRIDE	Private Investment & Digital Entrepreneurship Project
PSDSP	Private Sector Development Support Project
PVD	Prefabricated vertical drain
RAP	Resettlement Action Plan

Glossary

BEZA	Bangladesh Economic Zones Authority attached with Prime Minister's Office is one of the leading investment promotion agency of South & South East Asia. The organization is responsible for establishing and managing of EZs in Bangladesh. As the Government of Bangladesh took the initiative to become a developed nation under Vision 2041, the government plans to set up at least 100 EZs across the country. Bangladesh Economic Zones Authority was founded through the Bangladesh Economic Zones Act 2010 and established in November 2012 with topmost priority to attract more FDI and to increase and diversify country's export to the world. Prime Minister Sheikh Hasina is the chair of the BEZA Governing Board.
Planning & Development Division (PDD) of BEZA	BEZA have 3 separate division e.g. Planning & Development, Investment Promotion, Admin & Finance. Planning and Development division of BEZA headed by Executive Member (P&D) with GM, Managers, Deputy Managers, Assistant Managers and team of consultants. The PDD of BEZA is responsible for handle the procurement related issues.
Public Private Partnership (PPP) Cell	BEZA have separate PPP cell to procure and monitor the PPP projects which is attached with PDD, BEZA. The member of PPP cell well experience in PPP sector.
Environmental and Social Cell	To ensure the sustainable procurement, BEZA has formed an Environmental and Social Cell. The responsibility of cell is to monitor and ensure compliance of procurement, developers, operators and unit investor's activities and to ensure quality and sustainable implementation of development works. The cell is attached with PDD, BEZA.
Engineering Unit of BEZA	BEZA has separate unit to handle the engineering issues. The responsibilities of Engineering Unit are as follows: <ul style="list-style-type: none">• To prepare infrastructure plan for BEZA• To provide technical support to project directors for any kind of infrastructure project

- To prepare design and structure plan for infrastructure project
- To ensure quality and sustainable implementation of infrastructure projects
- To provide necessary support for procuring the works, goods and services to PDD and Project Directors of BEZA

Chapter 1: Introduction

1.1 Bangladesh

Bangladesh has made prompt economic and social progress in recent years and the country could attain middle-income status in the coming 2026 if it maintains its economic growth momentum. The growth rates of the services and industrial sectors have outpaced growth in the agricultural sector in line with urbanization and the country's integration in the global economy. More than 1/3 people of Bangladeshis will reach working age in the coming decade and the growth in the number of new jobs has slowed and it seems to have decoupled from the growth in output more recently. The population of Bangladesh about 165,650,475 and GDP growth are forecasted by the ADB 7.1% in 2023¹. Bangladesh Economic Zones Authority is working for developing 100 EZs, creating jobs for 10 million people and \$40 billion additional export/production from the EZs. To achieve these targets, BEZA is working day and night but due to long procurement process it is very difficult to achieve.

The key objectives of this report are to find out the key challenges of Bangladesh Economic Zones Authority in Project implementation. BEZA as a government entity have a good relation with different donor agency e.g. the World Bank Group, JICA, DFID. BEZA also developing zones G2G basis where the BEZA is using credit facilities for developing the G2G EZs². BEZA as partners of the donor agencies is ensuing and implementing the procurement rules and guidelines. As well as different projects are implemented by govt. fund through ADP & by using BEZA's own fund.

1.2 Objectives of the preparation of report

1.2.1 Broad Objective

The main objective of the preparation of report is to know the project implementation challenges of Bangladesh Economic Zones Authority and provide the possible recommendations to overcome the Project implementation challenges.

1.2.2 Specific Objectives

- a) To gather the project implementation progress of BEZA.
- b) Role of project implementation for developing the Economic Zones
- c) To identify the possible impact of Economic Zone in the community;
- d) To find out solutions to overcome the challenges

1.3 Questions prepared for data collection

The following questions have been prepared for collection of data:

¹ <https://www.adb.org/countries/bangladesh/economy>

² <https://www.beza.gov.bd/wp-content/uploads/2021/01/Annual-Report-of-BEZA-2020-draft.pdf>

- i. What is the current project implementation status of BEZA?
- ii. How BEZA is ensuring the sustainability of the procurement during project implementation.
- iii. What was the major lesson learnt from the procurement and implementing procedure of BEZA.
- iv. Do you have any procurement plan for next year?
- v. How BEZA can overcome the challenges of project implementation?
- vi. Please provide specific recommendations for overall project implementation of BEZA

The responded of the questioners was senior officials of BEZA, Project Directors, ES & Engineering cell and Procurement Experts of BEZA.

1.4 Scope of the Study

The main area of this report is to identify the major challenges of BEZA. As a part of preparation of this report, I have reviewed the numbers of BEZA’s publication, reviewed the similar kind of publications, conducted KII and surveys with BEZA officials, Project Directors & staffs related in implementation of projects, Investors and bidders who regularly participate in different biddings of BEZA.

Maximum officials of BEZA and Projects were very much positive to provide the information but the experts were not interested to provide the information due to obligations of contract. The conduction of survey was very much challenging due to business of the officers and experts.

1.5 Methodology of preparation of report

To achieve the study’s result primary approach was to collect and review the information of Economic Zones. I have also collected the information from secondary sources e.g. annual report of PMO, BEZA, and ERD, published journals of EZ and procurement, procurement related articles, CPTU, BEZA website and reputed publications. Some of international publications also been reviewed. I have discussed with project directors, project implementing personals to know the in depth about Economic Zones and their challenges. I have developed survey questioners to carry out the primary survey and Key Information’s Interview with the help of economic zones officials, consultants, Project implementing & procurement experts, bidders, contractors, project directors etc.

The following producers have been adopted for collection of data :



Chapter 2: About BEZA

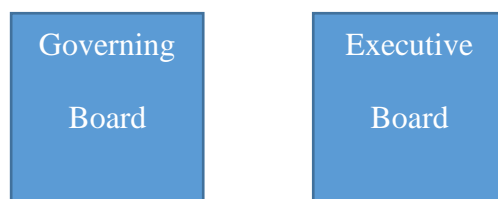
2.1 Bangladesh Economic Zones Authority

I have reviewed the publications and BEZA website to know the Bangladesh Economic Zones Authority. As per study economic zones authority has been emerged by the Bangladesh Economic Zones Act, 2010, the Bangladesh Economic Zones Authority was officially instituted by the government on 9 November 2010 and the authority has been started their function on 2012³.

The economic zones authority aims to development EZs in the potential areas of Bangladesh with undeveloped district but financially and economically viable area. Economic Zones Authority is under the Prime Minister's Office of Bangladesh and responsible for developing, operating, licensing, managing the Ezs in Bangladesh.

Economic Zones is governed by a 2 level management structure which are as follows:

BEZA Management Structure



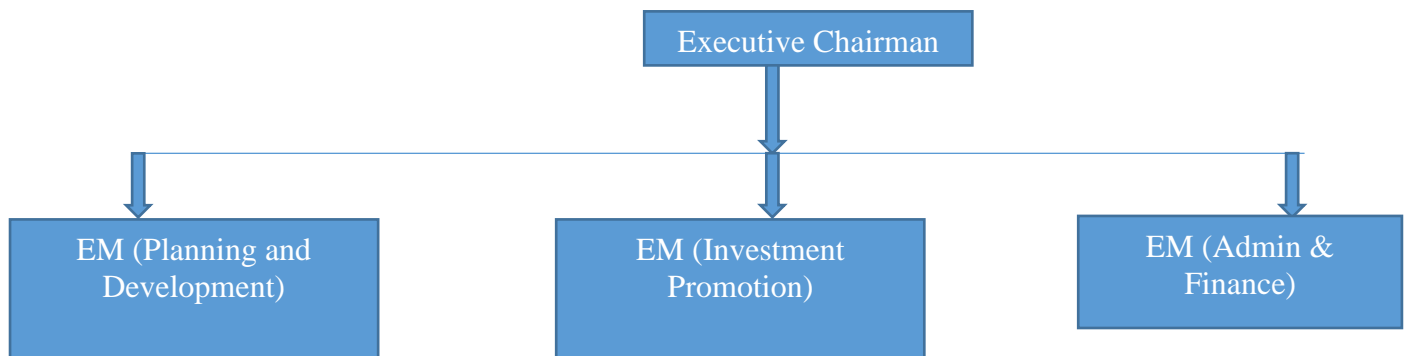
Governing Board (GB) : The GB is the main decision making figure that take on inclusive policy decisions to implement the Ezs . The GB is the chair by the HPM with highest representations from Ministries or Divisions of Trades, Finance, Planning, Commerce, Science and Information and Communication Technology, Power, Energy and Mineral Resources, Labor and Employment, Communications, Environment and Forests, Agriculture, Posts and Telecommunications, Foreign Affairs, Home, Shipping, and the Prime Minister's Office including the apex chambers and private sectors.

Executive Board (EB) : The EB headed by Executive Chairman (as Chief Representative) and 3 members (Executive Member Planning and Development, Investment Promotion and Admin and Finance) to manage regular functions. The EB also responsible for implementing the decision of GB.

³ www.beza.gov.bd

2.2 Secretariat of EZ

The organogram BEZA are as follows;



Please see annexure-01 for the BEZA organogram

The Planning and Development division is the key division for planning and procurement. The different projects are also supervised and monitor from the planning and development division of BEZA

2.3 Project of BEZA

BEZA has a very good track record for implementing donor funded projects. Recently BEZA has implemented 3 projects with the technical and monetary support of the World Bank, DFID and JICA. BEZA has recently initiated about (\$) 500 million project with the financial support of the World Bank. JICA is also supporting BEZA for implementing Japanese Economic Zone Development Project. BEZA also implementing a Indian Economic Zone project under Indian Line of Credit (LOC). BEZA is implementing Water treatment plant, Tourism park, and different facilities like road, drainage network of Economic zones by its own fund & through ADP also. BEZA has projects under ADP & its own fund also.



2.4 Completed Projects

As of today, BEZA has completed 3 projects. Support to Capacity Building of BEZA project is TA project which is help to BEZA for formulation of laws//rules/SRO/guidelines/investment promotion and capacity building in the procurement. The Bangladesh Economic Zones Development Project is financed by the World Bank. This project helps to BEZA to construct infrastructure at Mirsarai and Mongla EZ.

The summary of project are as follows:

Table 1 : Completed Projects

Sl Number	Name of Project	Duration of Project	Development Partners	Budget (BDT Crore)	Major item of procurement
1	Support to Capacity Building of BEZA Project	March 2013 to June 2021	The World bank and DFID	135	Capacity building, consultancy services etc.
2	Bangladesh Economic Zones Development Project (Phase-1)	June 2017 to June 2021	The World bank and DFID	974	Land Filling, Construction of Road, embankment, road, admin building etc.
3	Jamalpur Economic Zone Establishment Project (1st Revised)	January 2016 - December 2021	GoB	330.14	Land Filling, Construction of Road, Utility's, road, admin building etc.

2.5 Ongoing Projects of BEZA

As per survey report total 8 projects are ongoing. There are one project with the technical and financial support of the World Bank Group, one project under Indian LoC and one project financed by the JICA and rest of the project finance by the GoB. The summary of projects is as follows:

Table 2: Ongoing projects

Sl Number	Name of Project	Duration of Project	Development Partners	Budget (BDT Crore)	Major item of procurement
1	Bangabandhu Sheikh Mujib Shilpa Nagar Development Project	January 2021- December 2025	The World Bank and GoB	4347	Construction of CETP, STP, Desalinization Plan, Solar Power, Road, gas, water and electricity line and Land Filling
2	Project for establishment of Indian Economic Zone at Mirsrai	April 2019- June 2024	Indian LoC and GoB	919	Construction of CETP, STP, Road, Gas, Water and Electricity line and Land Filling
3	Construction of water treatment plant and deep tube well project at Bangabandhu Sheikh Mujib Shilpanagar	July 2019 to September24	GoB	633	Construction of water treatment plant and deep tube well project
4	Construction of 2 Modern Fire Stations in Bangabandhu Sheikh Mujib Shilpa Nagar	January 2022- June 2024	GoB	123	Construction of 2 Modern Fire Stations

Sl Number	Name of Project	Duration of Project	Development Partners	Budget (BDT Crore)	Major item of procurement
5	Land Acquisition for Establishment of Economic Zones (Arai Hazar, Narayanganj and Mirsarai, Chittagong) Scheme (1st Revised)	January 2017 - December 2023	GoB	3195.81	Necessary land is being acquired for setting up economic zones in Narayanganj and Mirsarai.
6	Infrastructure Development Project for Japanese Economic Zone in AraiHajar, Narayanganj	March 2019 - June 2023	JICA & GoB	4711	Infrastructure development required for establishment of Japanese Economic Zone in Narayanganj
7	Infrastructure Development in BSMSN & in other Economic Zones (Own Fund-2)	November2020-June2023	Own Fund	496	Infrastructure development required for establishment of BSMSN & other Economic Zones.
8	Development of Infrastructure & Drainage facilities and others Services in Mirsarai Economic Zone at BSMSN (Own Fund-1)	April2021-June2023	Own Fund	273	Infrastructure & Drainage facilities and others Services in Mirsarai Economic Zone at BSMSN

2.6 Planned Projects of BEZA

BEZA is working for development of 100 EZs all around the country. As a part of this, BEZA has taken another 12 projects to develop the zone of Netrokona, Nowbabganj, Moheshkhali, Gopalganj. The summary of projects is as follows:

Table 3: Planned projects

Sl Number	Name of Project	Duration of Project	Development Partners	Budget (BDT Crore)	Major item of procurement
1	Setting up of Common Effluent Treatment Plant (CETP-3A) and Desalination Plant (DSAL-2A) at Bangabandhu Sheikh Mujib Shilpanagar.	July 2021- June 2025	LoC and Gob	3513	50 MLD CETP & Desalination Plant and 27.5 KM internal Road
2	Basic Infrastructure Development Project of Zone-7	July 2022-	GoB	1003	Land development of Zone-7 in Bangabandhu Sheikh

Sl Number	Name of Project	Duration of Project	Development Partners	Budget (BDT Crore)	Major item of procurement
	in Bangabandhu Sheikh Mujib Shilpa Nagar	June 2024			Mujib Shilpa Nagar and establishment of road connectivity through construction of necessary roads, bridges and dams. Besides, construction of effective drainage infrastructure for water drainage
3	Infrastructure development project of different zones of Bangabandhu Sheikh Mujib Shilpa Nagar	July 2022 to June 2025	GoB	3560	Under the project, including land acquisition, construction of necessary roads, bridges, dams, water supply lines, gas supply lines and water drainage infrastructure in various zones, CETP, desalination plant and sub-station for uninterrupted power supply will be constructed. The project will be implemented in Zone-4, 5, 6, 11, 12 and 13.
4	Power Infrastructure Construction Project in Bangabandhu Sheikh Mujib Industrial City	January 2023- June 2026	GoB	2200	Under the project, power transmission lines and distribution lines along with sub-stations will be established in different zones.
5	Construction of 2nd water treatment plant and deep tube well with a capacity of 50 MLD at Bangabandhu Sheikh Mujib Shilpanagar	January 2023- June 2026	GoB	1114	50 MLD water treatment plant will be constructed to supply water to neighboring zones including zones 6 and 19 of Bangabandhu Sheikh Mujib Shilpa Nagar.
6	Nawabganj Economic Zone Establishment Project	July 2022- June 2025	GoB	1915.14	To ensure balanced economic development of the country including creating employment opportunities by establishing an economic zone in Nawabganj Upazila in Dhaka District
7	Gopalganj Economic Zone Establishment Project	July 2022- December 2024	GoB	484.77	To ensure balanced economic development of the country including creating employment opportunities by

Sl Number	Name of Project	Duration of Project	Development Partners	Budget (BDT Crore)	Major item of procurement
					establishing an economic zone in Gopalganj district
8	Maheshkhali Economic Zone-3 (Dhalghata) Establishment Project	January 2022-December 2023	GoB	1081.77	Construction of necessary infrastructure for establishment of Maheshkhali Economic Zone-3 (Dhalghata).
9	Infrastructure Construction of Sabrang Tourism Park	July 2022-June 2025	GoB	2212	Under the project, construction of service buildings, development of canals with landscaping, construction of underground water reservoir, construction of sub-station and construction of desalination plant and water treatment plant will be done for establishing Sabrang Tourism Park.
10	Bogra Economic Zone Establishment Project	July 2022-June 2025	GoB	524.99	To ensure balanced economic development of the country including creating employment opportunities by establishing an economic zone in Bogra district
11	Resettlement of Jamalpur Economic Zone including establishment of water supply network and procurement of furniture for administrative buildings and dormitories	July 2022-June 2024	GoB	42.55	To complete the rehabilitation/resettlement of the poor in Jamalpur Economic Zone including establishing water supply network and providing necessary furniture in the administrative/dormitory buildings to create a suitable environment.
12	Feasibility Study, Master Plan and Water Availability Study for Economic Zones of BEZA	July 2022 to June 2025	GoB	43.35	Feasibility Study, Environmental and Social Assessment (ESA), Land Acquisition and Resettlement Plan will be prepared under the project.

2.7 Details of Completed, Ongoing and Planned Project

As a part of study, I have collected some basic information of different stages of projects as like- completed, ongoing and planned projects.

completed, ongoing and planned Project. The objective of collection of information was to present the main procurement activities performed by the project. As an example, I am providing details about one TA project & one development project completed by the BEZA and presenting details about 3 ongoing development project;

2.7.1 Completed Project of BEZA

2.7.1.1 Capacity Building project for Economic Zones Authority

Support to Capacity Building of BEZA project being an early facilitator of BEZA has got the privilege to assist BEZA in different fields e.g. Investment Promotion, Environmental and Social Compliance, Legal and policy improvement, Economic Zone development, negotiation capacity etc. In fact, it has contributed BEZA to transform into a well-known and investment friendly organization. With the active support of the project BEZA has been able to appoint reputed developer based on the experience of PPP Economic Zone .It is important to note that BEZA has initiated to develop 28 Economic Zones based on the success of PSDSP Project. The long awaiting master plan of BSMSN and ESIA reports for different Private Economic Zones has been accomplished with the active support of this project. A good number of rules, policies, guidelines and SROs have been formulated with the project support to promote investment facilitation. BEZA has drafted green Economic Zone Guideline with the support of STCB of BEZA project based on the experience of world class investment friendly EZs .BEZA officials have visited world class planned Economic Zones which helps to prepare quality master plan for EZs in Bangladesh .The Project has completed a good number of pre –feasibility and feasibility studies which are helping BEZA to prepare DPP for many EZs. The Project has provided training to the developers and investors in different sectors e.g. investment promotion, OSS, project management, procurement, financial management, safeguards issues which surely help BEZA to achieve its objectives.

Major Procurement Package are as follows :

- Individual Consultants (10)
- Consultancy Firm for Pre-Feasibility Study (3 package)
- TAS Firm for TAS for Design and Supervision of Infrastructure works.
- Preparation of a Master Plan of BSMSN
- TAS Firm for the Centralized Effluent Treatment Plant (CETP) at Bangabandhu Sheikh Mujib Shilpa Nagar

- Consultancy Firm for Transaction Advisory Services
- Initial Site Assessment for EZs

2.7.1.2 Economic Zones Development Project (Phase-1)

Bangladesh Economic Zones Development Project is also project finance by the World Bank and DFID. The Duration of project was July 2018 to December 2021. The major procurement component of this project was:

Embankment:

To protect the project area along with its infrastructures from tidal surge and flood, it is utmost important to construct protection embankment. A total of 14.15 km embankment has been constructed in Bangabandhu Sheikh Mujib Shilpa Nagar. For protecting Mirsarai-1 EZ, a 6.40 km embankment has been completed. To protect Mirsarai-2 (2A EZ) from coastal surge, a 7.75 km embankment including a 3 km super dyke has been built. Construction of the super dyke has been the most challenging work for the project. The bearing capacity of subsoil has been found extremely low. Prefabricated vertical drain (PVD) has been used to improve the subsoil condition. The work for this package can be considered monumental

Land Development:

To uplift the natural ground level into specified level, a total of 1330 acres of land in Mirsarai-1 and Mirsarai-2 using 122.70 lakh CUM of dredging soil from the sea has been developed.

Roads & Highway:

It is required to establish well-articulated road network to smooth transport of goods and construction materials. To take account of huge number of vehicles movement in BSMSN in future, it is necessary to construct two-lane-two-way road. Furthermore, to reach the Coastal Embankment-the emergency road, it is needed to extend road up-to Coastal Embankment. As a result, 20.50 km standard two-lane road has been constructed in BSMSN by the project.

Bridge:

Seven bridges have been constructed over Ichakhali, Bamonsundor and Daborkhali khal in BSMSN to connect road for smooth movement of vehicle.

Street Lighting:

It has been constructed 14.52 km street lighting to smooth movement during night.

Non-residential Building & Accommodation:

As a practical requirement, it is required to provide office spaces for the investors, all relevant agencies and for Bangladesh Economic Zones Authority. For this reason, a five-storied Administrative Building has been constructed. The total space of the Administrative Building is 7480 (1496x5)Sqm. To facilitate accommodation for the members of law enforcing agency and BEZA staff, 3 Accommodation Sheds have been built by the project in Bangabandhu Sheikh Mujib Shilpa Nagar. Each shed has an accommodation area of 747 sqm.

Sanitation and Water Supply:

Taking consideration of water demand, two Production-tube-wells, one underground water reservoir (30 lakh litres) and a 7 km transmission pipeline for water supply have been installed for BSMSN by the fund of this Project.

Sluice Gate:

To control water flow of Ichakhali channel in BSMSN, a 16-vent sluice gate has been constructed on the Ichakhali Khal to control the water flow of the channel. Size of each vent is 1.5m x 1.8m.

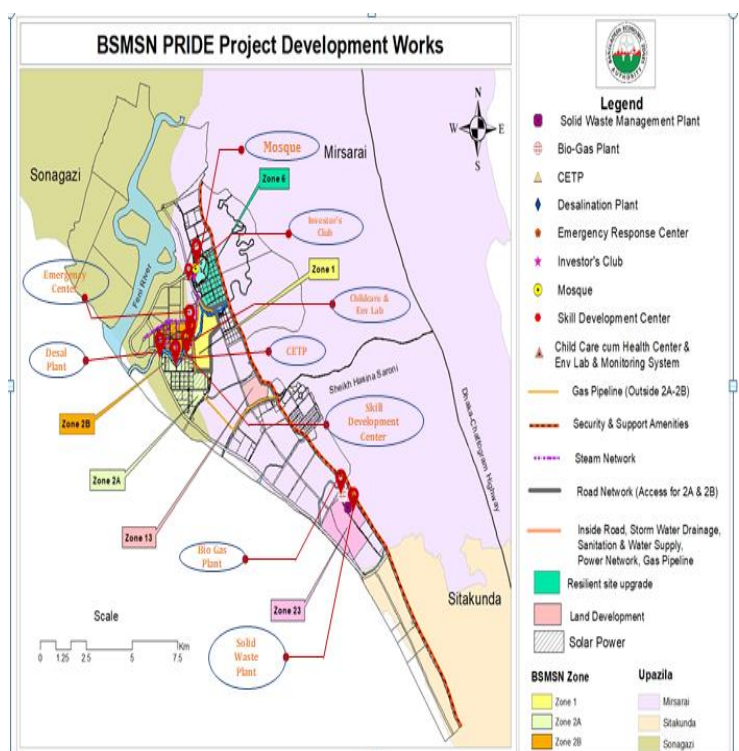
Electricity Supply:

To ensure quality electricity, two electric substations of 33/11 KV has been installed. The capacity of the substation is 28 MVA and 56 MVA, respectively.

2.7.2.3 Brief about Bangabandhu Sheikh Mujib Shilpa Nagar Project

As per Dhaka tribune report “ BSMSN , an upcoming smart industrial city, is shaping the future of Bangladesh by attracting a huge amount of local and foreign investments, observed an expert on economic zones. The strategic location of BSMSN along the Dhaka-Chittagong Highway and the advantages of being an ocean-front economic zone motivated BEZA to dream of a bigger canvas. Bangladesh is one of the fastest-growing economies in the world, even during the Covid pandemic⁴.

The EZs is set to invest Tk 4,367 crore on a fresh project aimed at developing a greener BSMSN. BEZA decided to undertake this initiative, to be implemented between January 2021 and December 2025, in order to create an enabling environment for sustainable private investment and a dynamic local market for industrial land. The World



⁴ <https://archive.dhakatribune.com/bangladesh/2021/06/26/expert-bangabandhu-shilpa-nagar-to-shape-future-of-bangladesh>

Bank will provide \$467 million (about Tk 3,970 crore) for the initiative under its Private Investment and Digital Entrepreneurship (PRIDE) project. Major procurement of this project is as follows:

- Construction of 30 KM 4 lane approach road
- Construction of storm drainage system
- Construction of Power Network
- Construction of Gas Network
- Land development
- Consultancy services for feasibility study, ESIA, PPP
- Skills development program for 22,000 peoples
- Grant voucher program for green production
- Construction of CETP, Desalinization Plant, Solar Plant, Solid Waste Management etc.

2.7.2.4 Indian Economic Zone Development Project

As per the Business Standard report Economic Zones Authority and Adani Ports & SEZ Limited of India have signed term sheet agreement for the development of an Indian special economic zone at BSMSN

The objectives of this project is to develop a special economic zone at Mirsarai to attract Indian investors. The estimated project cost is Tk 964.

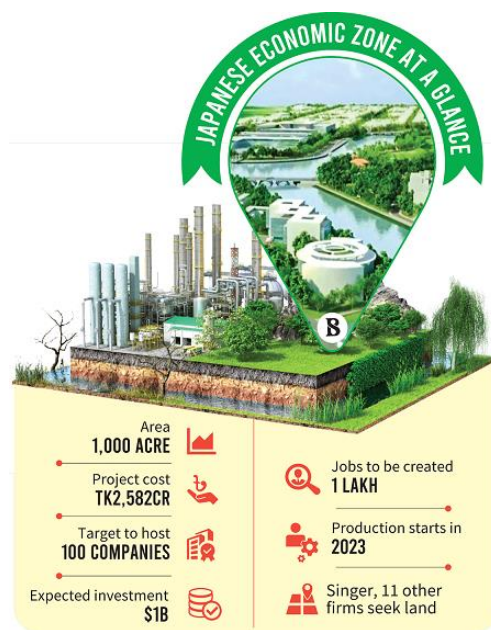
Adani Ports & SEZ Limited will work as a developer. Major procurement of this project is as follows:

- Construction of internal road
- Construction of CETP
- Land development
- Consultancy services

2.7.2.5 Development of Japanese Economic Zone at Arai-hajar, Narayanganj

According to the report of the Business Standard of Bangladesh,"the GoB and Japan are jointly developing the zone about 1,000 acres of land in Arai-hajar at Narayanganj. The distance of zone about 32 km from the Capital City of Bangladesh. A good number of Japanese investors have shown their interest.

The BSEZ, may go for production on the end of this year. The Japanese ambassador said that "This



special economic zone would be ready and we are expecting FDI [foreign direct investment] by the end of this year,"

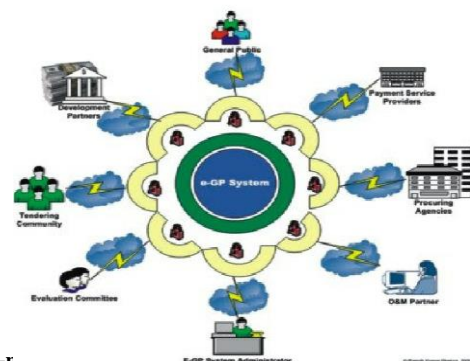
According to the report of TBS, financial progress till January 2023 is 79% and physical progress is 95%. The land development and boundary wall building work has been completed.⁵

The major procurement components are as follows

- Land Development
- Approach road to connect with Dhaka-Sylhet Highway at Araihaajar
- Construction gas pipeline
- Construction of internal road and drainage
- Construction of Boundary Wall

Chapter3: Literature Review

I have reviewed the some of the important publication to the challenges of procurement as an important part of project implementation. “Challenges facing procurement professionals in developing economies: Unlocking value through professional international purchasing”⁶ As per the Marti n Tukuta and Fanny Saruchera “Fanny Saruchera “until recently, procurement was seen as a necessity only. In fact, in many developing economies the profession is still being treated as a ‘back-office’ function. However, not much has been done to explore and address challenges facing procurement professionals in developing economies. As per the study’s findings imply that there is limited understanding regarding the role procurement plays in both government and non-government institutions in developing economies. The article suggests solutions which procurement professionals and organisations can implement in order to unlock the potential value in the procurement function. I have reviewed the publication of “Public procurement and corruption in Bangladesh confronting the challenges and opportunities” by Shakeel Mahmood⁷. As per the study there are reports of wide-ranging corruption, political control and pressure from trade unions in the procurement process. Public trust in the process is generally absent. The World Banks evaluation of Bangladesh concluded that the implementation of procurement process is far from satisfactory, due to the following problems, poor advertisement, short bidding periods, poor specifications, nondisclosure of selection criteria, contract awards by lottery, one-sided contract documents, negotiations with all bidders and rebidding



⁵ <https://www.tbsnews.net/economy/japanese-economic-zone-gears-production-1...>

⁶

https://www.researchgate.net/publication/277346929_Challenges_facing_procurement_professionals_in_developing_economies_Unlocking_value_through_professional_international_purchasing

⁷

https://www.researchgate.net/publication/228991974_Public_procurement_and_corruption_in_Bangladesh_confronting_the_challenges_and_opportunities

without adequate grounds, occurrence of corruption involving donor agency are not uncommon at nationally or globally and or other levels. I have reviewed the e-GP process in Bangladesh. As per the article⁸ “the top recommendations given by the Auditor General were to improve internal control, to enhance monitoring, to establish planning in details, to improve assets management and to take appropriate actions toward contractors and procurement officers when needed. Originality/value this is among a few studies that attempted to systematically examine the main issues regarding the public procurement activities in Malaysia. This study highlighted pertinent aspects of the public procurement activities, which need close attention by the relevant authorities to ensure efficient and effective public procurement.

As per the article⁹ “The cost of development finance is much higher in public procurement than that of others in Bangladesh. There have been no unified rules or laws regarding government purchases since 2006. The Government of Bangladesh enacted its ever first act of public procurement, the Public Procurement Act, 2006, and the Public Procurement Rules, 2008. The procurement entity must disseminate procurement information through electronic medium i.e. Electronic Government Procurement (hereinafter e-GP). Despite passing over an era since its enactment, the role of the PPA, 2006 remains seriously under-researched area, specifically there is no research on the issue of the grievance redress mechanisms. Ismail A. Changelima & Gift Mushi ¹⁰“ Public Procurement is one of the major challenges of Tanzania”

3.1 Introduction about BEZA procurement

I have discussed about background of procurement, its vulnerabilities and challenges, in economic importance. As per study the Economic Zones Authority is implementing procurement activities by using the World Bank Procurement Guidelines, JICA Guidelines, PPA and PPR of Bangladesh.

3.2 Role of BEZA for Procurement

As per primary and secondary information there are different kinds of procurement in BEZA. Procurement is the key challenges for developing 100 EZs all around the Bangladesh. BEZA

⁸ Siti Maryam Mohamad Azmi & Suhaiza Ismail “Weaknesses of Malaysian public procurement: a review of auditor general’s reports”, January 2022, Journal of Financial Reporting and Accounting ahead-of-print(ahead-of-print), DOI:10.1108/JFRA-05-2021-0132

⁹ Habibullah Mohammad Himel & Shuvra Chowdhury “Does Digitalization Matter for Grievance Redress Mechanism? An Analysis of the E-Government Procurement in the Local Government (January 2022, DOI: 10.30564/mmpp.v3i4.4269)

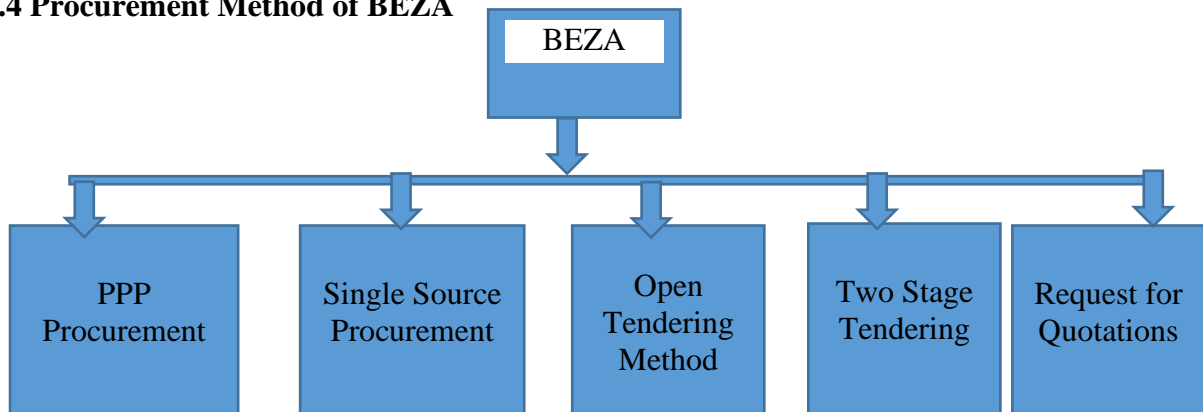
¹⁰ Ismail A. Changelima, Gift Mushi & Shadrack Mwaiseje “Procurement planning as a strategic tool for public procurement effectiveness: Experience from selected public procuring entities in Dodoma city, Tanzania” May 2021, Journal of Public Procurement 21(1):37-52, DOI:10.1108/JOPP-05-2020-0047

is procuring PPP Developers, G2G developers, Contractors, Government Organization for delegated works, consultancy firm and individual consultant for implementing the economic zones concept successful.

3.3 Procurement Progress of BEZA

- As per information of BEZA, they have already appointed 2 PPP developers (PowerPac Economic Zone Ltd and SBG Economic Zone), 2 G2G developer (Bangladesh Special Economic Zone Ltd-Japanese Economic Zone and Indian Economic Zone at BSMSN) and another 2 G2G developers procurement is in progress.
- BEZA has procured and completed land development at BSMSN, Mongla, Sabrnag, Shreehatta and Jamalpur.
- BEZA has constructed gas pipeline at BSMSN, Shreehatta & Jamalpur EZ as a deposit or Single Source Procurement basis.
- BEZA has constructed Power Distribution Network and 33/11 KVA Grid Substation with the help of Bangladesh Rural Electrification Board
- BEZA has install deep-tub well for ensuring Water Supply at BSMSN, Mongla, Sabrnag, Shreehatta and Jamalpur with the help of DPHE
- BEZA has constructed internal road at BSMSN, Mongla, Sabrnag, Shreehatta and Jamalpur.
- BEZA has constructed admin building at BSMSN, Shreehatta, Sabrang and Jamalpur
- Procurement of contractors for construction of bridges at BSMSN and Sabrnag
- Procurement of different consultancy firm for Feasibility Study, Water Demand, ESIA, RAP and LAP

3.4 Procurement Method of BEZA



- PPP Procurement:** BEZA as an investment promotion agency responsible for appointment of developers for PPP Economic Zones, CETP, Water Treatment Plant, Solid Waste Management. As a part of this as of today BEZA has appointed PowerPac Economic Zone Ltd. as a developer of Mongla Economic Zone, SBG Economic Zone Ltd. as a developer of Mirsarai Economic Zone (1st phase). BEZA with the support of BSMSN Development Project has initiated tendering process for

appointment of developer for CETP. In the BSMSN development project have a plan to appointment of PPP developers for Solar Power Plant, Desalinization Plant, Solid Waste Management Plant, Biogas etc. BEZA is appointing PPP developers for developing the EZs as a open tendering method. BEZA is appointing PPP developers by using both two and one stage tendering method. The list of PPP projects are as follows :

Project	Next Step
CETP	Issue RfQ
Green, Smart Economic Zone	Recruit Advisor : Market Sounding & PPP Structure; Feasibility Study
Solar Power	Recruit Transaction Advisor
Steam Facility & Network	Determine demand & Land / Biogas availability: BEZA's PPP Cell
Solid Waste Management	Recruit Advisor for detailed Feasibility Study; followed by Transaction advisor
Desalination	Recruit Consultant for Feasibility study (incl. overall BSMSN water demand and supply assessment)
Mirsarai Port	Detailed Feasibility assessment and PPP Structure

3.4.2 Single Source Procurement: As we know that BEZA is one of the prompt service providers for their investors. To ensure the prompt services BEZA need to procure some items within shortage possible of time. BEZA has following single source procurement method in different sectors which is consultancy firm, gas service provided, electricity service providers, water service providers. BEZA is preparing Feasibility Study report, ESIA, RAP with the help of government selected firm which is Institutes of Water Modeling, CEGIS, MIST, IIFC, CUET, BUET. BEZA is ensuring water supply with the support of Department of Public Health Engineering, electricity with the support of Bangladesh Rural Electrification Board, Gas with the support of TGDCL, JGDCL as single source procurement entity with delegated partners. The summary is as follows:

- BEZA has appointed IIFC to complete the technical feasibility study for 5 Economic Zones e.g. Pabna, Bagura, Kustia, Chandpur and Moheshkhali Economic Zone
- BEZA has appointed CEGIS to complete the ESIA Study for Nabwabganj Economic Zone and Netrokona EZ
- BEZA has appointed IWM for technical Feasibility Study of Netrokona EZ and Water Demand Study for BSMSN, Naf and Sabrnag Tourism Park .
- BEZA has procured MIST to complete the ESIA of Sonadia Eco-Tourism Park

3.4.3 Open Tendering Method: BEZA as a government entity maximum works, consultancy services and goods are procuring with the using of OTM. The major items of works for OTM are as follows:

- Land Development for BSMSN, Sabrnag Tourism Park, Jamaplur EZ, Shreehatta EZ etc.
- Construction of Admin Building for BSMSN, Sabrnag Tourism Park, Jamaplur EZ and Shreehatta EZ.
- Internal road connectivity for BSMSN, Sabrnag Tourism Park, Jamaplur EZ and Shreehatta EZ.
- Bridges for BSMSN, Sabrnag Tourism Park, Jamaplur EZ and Shreehatta EZ.
- Drainage system for BSMSN, Sabrnag Tourism Park, Jamaplur EZ and Shreehatta EZ.

BEZA is procuring maximum goods with the using of OTM. The major items of goods are as follows :

- Computers
- Motor Cycles
- Stationary items
- Brochures
- Printing items

3.4.4 Two Stage Tendering: BEZA is implementing almost 80% procurement with the following of Two Stage Tendering. The major items of two stage procurement of economic zones authority are as follows:

- Construction of Road
- Construction of bridges
- Construction of CETP
- IMD EZ development
- Technical study
- Solar Power Plant
- Super Dyke

3.5 Implementation of Projects in field: After completing procurement, in case works the implementing stage in the field starts. Different stakeholder has to face in this time. From technical person to non- technical, social worker, Contractor, Supplier, local people, local

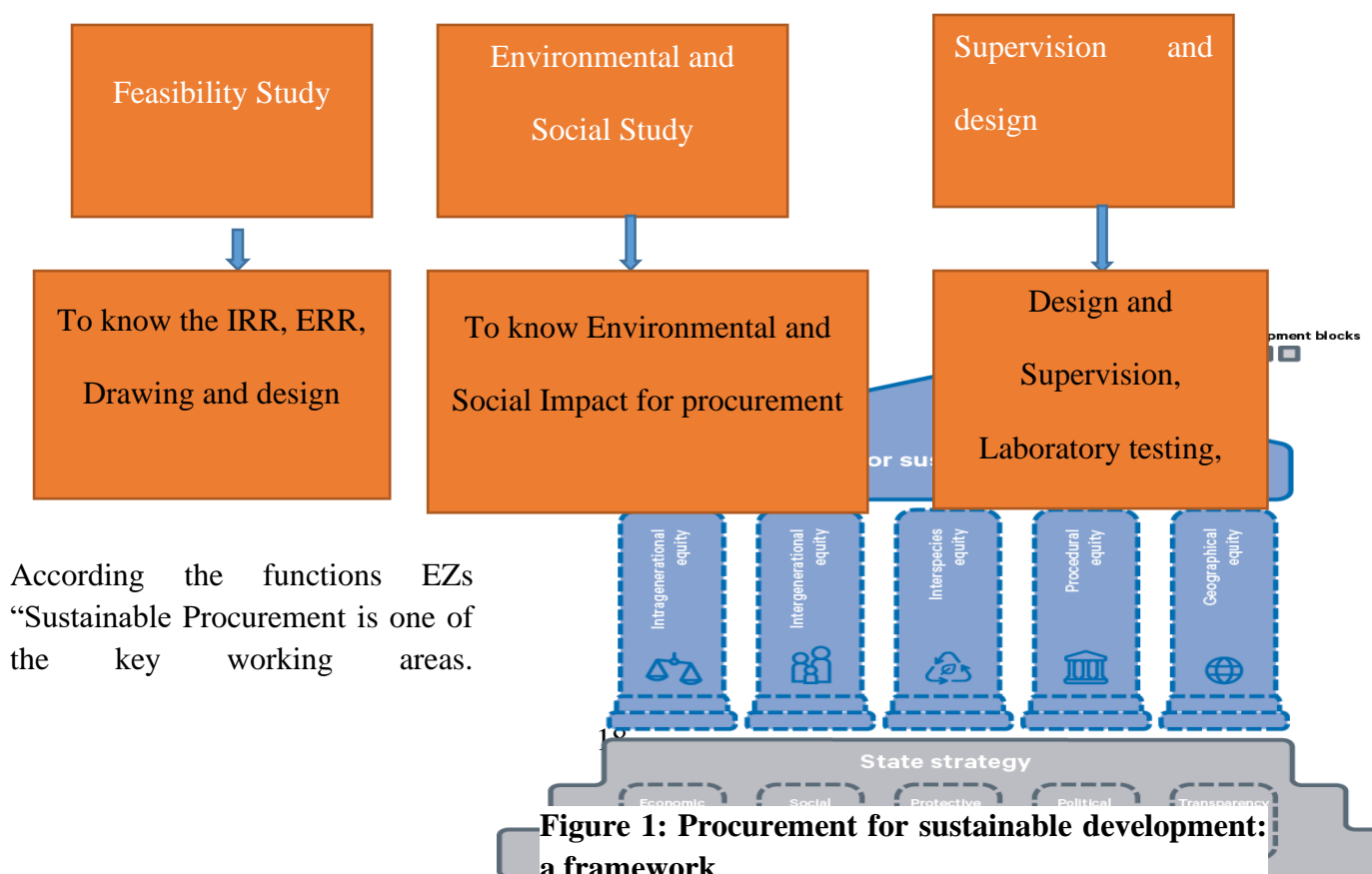
administration, Beneficiaries, Investors has to face carefully. Everything cannot be control only by contract management. The implementing staffs, Project director has to use the knowledge of Stakeholder management. Different project faces problems like: scarcity of expert manpower in field, Timely decision, getting approval or permission from different Authorities. Considering all these problems some works already completed within time but many of them cannot finish within time. In case of Goods & Services BEZA takes the advice of Consultant. The completion time of these types are better than works.

Due to changes in Schedule and price escalation hampers the project progress also. In recent past pandemic is another cause which delayed project implementation in general. BEZA by following different strategies reduces the time delayed for pandemic and continue its works of Zone development. As BEZA is under prime minister’s office we enjoy the advantage of coordination of different offices in many cases.

Problems like inadequate Feasibility study and flawed design resulting in cost & time overrun also. Engineering design is crucial in the field as well as in implementing projects.

Chapter 4: Sustainable Procurement in Project Implementation of BEZA

In project implementation BEZA also consider sustainability of procurement. Sustainable procurement can help BEZA for achieving the goal for project implementation. BEZA is introducing sustainable procurement in every stage in the procurement process. We have reviewed that BEZA is considering each of the points of sustainable procurement with the help of World Bank Group, JICA and Supervision consultant. To ensure the sustainable procurement BEZA is following a well-planned process which is;



Sustainability is a process where the developers and investors meet their needs from the EZs. EZs is trying to achieve the Sustainable Development Goals in every aspects of procurement. I have reviewed several tenders' documents to know the process of sustainable procurement in BEZA. The finding of sustainable procurement in BEZA is as follows;

4.1 Economic Facilities: I have reviewed several tender documents to know the economic facilities are being created by BEZA. BEZA is ensuring economic benefits in every aspects of the procurement. To initiate the procurement, BEZA as a organization prepare the feasibility study of the project. If the project is economically viable then BEZA go for procurement.

4.2 Social opportunities: In the sector of social opportunities to ensure the sustainable procurement, BEZA is considering the society at first. As we know that one of the objective of development of EZs is to create the new jobs for the society. So, BEZA is developing the zone considering society after that going for procurement. I have conducted 3 Focus Group Discussion sessions with the adjacent area of the BSMSN regarding the social opportunities. The response was that the BEZA should ensure jobs at first for the adjacent area people

4.3 Sustainable Procurement and Environmental & Social Cell:

To ensure the sustainable issues in the procurement BEZA has formulated an Environmental & Social Cell. The educational qualification of the cell members are as follows:

- One Manger, Civil Engineering background;
- One Deputy Manager, Environmental background;
- One Assistant Manager, Social Science background

The Environmental and Social Consultant under BSMSN Development Project are helping this cell to ensure the sustainability of procurement. They are incorporating necessary terms and condition in the bidding documents and monitoring the development works in sustainable manner. As an example I have reviewed tender documents of “**Road and Storm Water Network for Mirsarai-2A EZ**” and I have found the following sustainability terms and condition:

Code of Conduct (ES)⁶

- (i) **All bidders shall submit Code of Conduct for Contractor's: (Details of ES and SEA/SH are available in Section 7, under Works Requirements).**

As per the Code of Conduct the Contractors shall follow the following conditions to submit the bid documents:

- Environmental Pollution (Air, Water, Noise, Soil Quality) management and Monitoring plan Pre-construction and Construction phases;
- Occupational Health and Safety Management plan;
- Grievance Redress management (GRM) Plan;
- Emergency Response and Management Plan including man-made disaster;
- Sexual Abuse prevention and response action Plan;
- Traffic Management Plan.

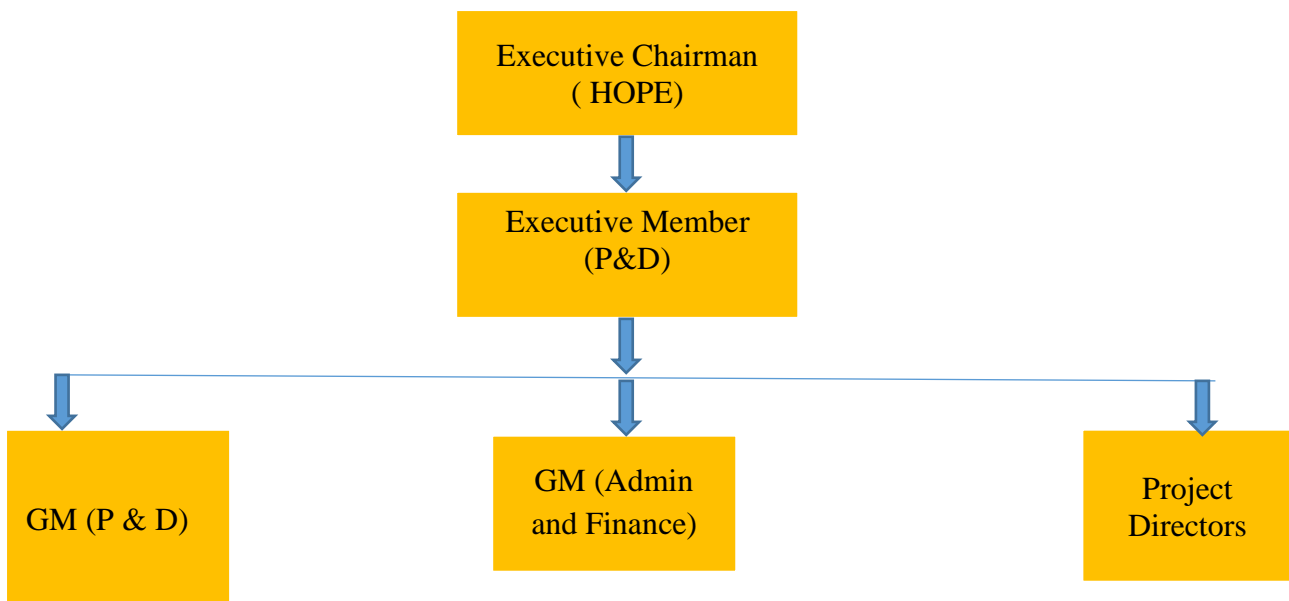
As per tender Documents of 2B “ The Bidder shall submit comprehensive Environment and Social Management Plans as Required by ITB 11.1(h) of the Bid Data Sheet and consider following issues:

- Environmental and Social Assessment(ESA);
- Environmental and Social Management Plan(ESMP);
- Environmental and Social Commitment Plan(ESCP);
- GBV/SEA/SH Plan

Chapter 5: Analysis of data for Project Implementation in BEZA

5.1 BEZA Procurement System

BEZA as a government organization following the PPR rules and guideline for government funded project. For the donor funded project the PD is implementing the project as per PPR and donor guidelines. The organogram for implementation of government and donor funded projects are as follows:



Role in Procurement

Executive Chairman: The Executive Chairman of BEZA is the head of procurement entity of BEZA.

Executive Member (Planning and Development) : The Executive Member (P&D) is the responsible for providing necessary support to the Executive Chairman of BEZA to complete the procurement.

Executive Member (Admin&Finance) : The Executive Member (Admin and Finance) is the responsible for procure the day to day office supplies of BEZA

Project Directors: Project director is the responsible for the procurement of works, goods and services under the specification of DPP. He is reportable to Executive Member (P&D) and Executive Chairman of BEZA.

General Manager (Planning and Development): there are 4 (four) managers who are related to procurement of goods and works for different zones.

General Manager (Admin & Finance): Some procurements for transport and logistics are procured through direct procurement method (DPM).

5.2: Procurement Manpower of BEZA & Project

As a part of Challenges in project Implementation analysis of BEZA, I have collected relevant information from the primary source using the prescribed format and secondary source. BEZA as an autonomous body following different kind of procurement method to procure contractors for works, consultancy services firm and goods for day to day's activities.

To handle the procurement activities in BEZA and its project has following manpower.

Table 4 : Procurement Manpower of BEZA & Project

SL	Particulars	BEZA Own Procurement Officers	Deputation Officers in Procurement	Consultant/ Expert
1	Planning division of BEZA	-	2	1
2	BSMSN Development Project	-	1	5
3	Indian Economic Zone Development Project	-	-	3
4	Japanese Economic Zone Development Project	-	1	2
5	PPP Cell for procuring the PPP developers	2	1	-
6	Engineering cell of BEZA	1	2	0
Total		3	7	11

Experience of BEZA own officers: As a part of KII, I have consulted with them. 2 officers background in Engineering, One in MBA from IBA.

Deputation: The deputed officers are well experience in the filed for procurement with average 8 to 10 years' experience. It is good in a sense of using their experience in relevant fields for a comparatively new organization like BEZA. Deputed officers are also sharing their vast experience and thus train the newly recruited officers of BEZA which will be good and sustainable for BEZA in long term.

Consultant: The maximum consultant background is engineering and they have average 15 to 20 years' experience in this filed. 3 consultants come from LGED, one from PWD , One from DPHE and rest of consultant are civil engineering background who are come from India and Japan.

5.3: Challenges in project implementation

For my preparing Report I have collected data from different personnel related to Project implementation of BEZA. Different projects faces different problem. I have expressed the result of my data collection in tabular & graphical form in below:

Table 5: Challenges in project implementation

Challenges in project implementation	No. of response	In %
Lack of Technical person	3	30
Delayed Decision	3	30
Delayed payment	1	10
Cost overrun/Change in schedule	1	10
Getting approval of DPP/Forest/Other Authority	1	10
Stakeholder Management	1	10
Total responses	10	100

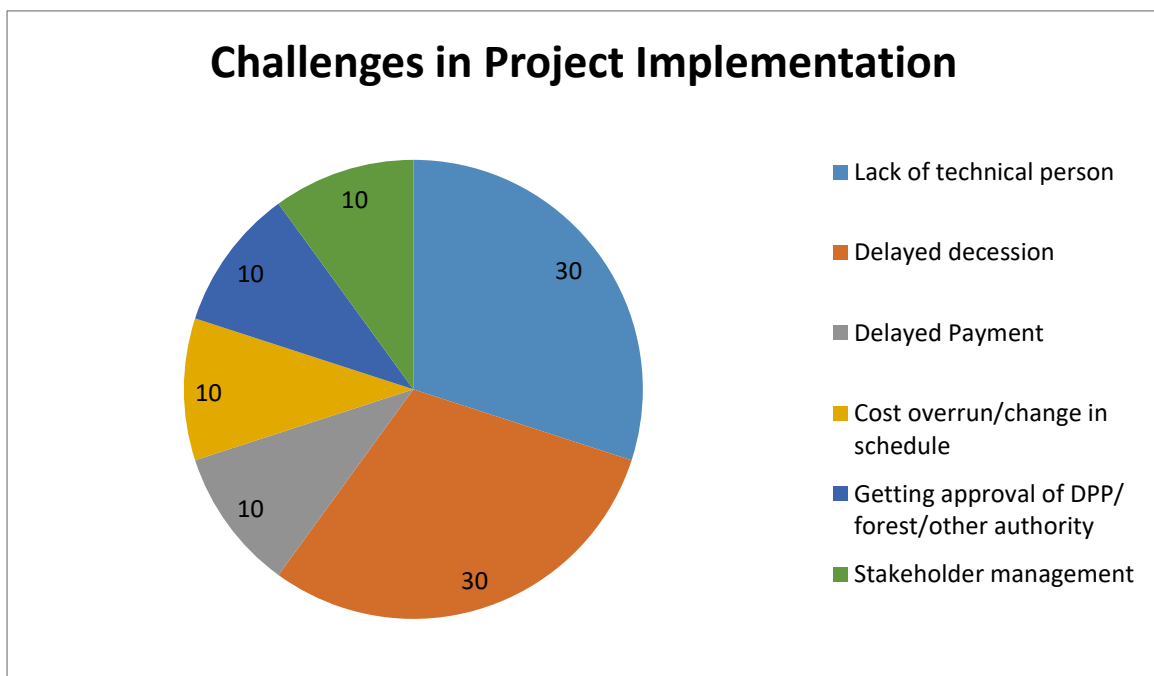


Figure 2: Challenges in project implementation

Chapter 6: Challenges of Project Implementation in BEZA

BEZA as an autonomous government organization involved with different kind of procurement based on nature of activity for implementing its different projects. BEZA is following all kind of procurement method to complete the development works and technical study within shortage possible of time. As per study key challenges of BEZA in implementing projects are as follows:

- BEZA has no specific procurement and engineering setup to procure the contractors of works. As we know that the engineering unit is one of the key aspects for any kind of development works. BEZA need to think about this. BEZA officials have mentioned that they are going to open a full faced engineering cell for handle the procurement activities smoothly.
- BEZA is depended on the procurement consultant. BEZA need to appoint permanent officers in the procurement because it is the permanent officers who will be doing those procurements in the long run
- As per study, I did not found any plan for maintenance the works. To ensure the sustainable development BEZA should include the maintenance close in the contract.
- BEZA as an Economic Zone Development Agency need to conduct lots of technical study. BEZA may appoint a separate cell to conduct all kind of study. As of today BEZA is depending on consultant.
- BEZA is working with different government organization (Bangladesh Water Development Board, Petro Bangla, Bangladesh Rural Electrification Board, Power Grid Company of Bangladesh) to meet the demand of gas, water and power. BEZA should have separate procurement plan for ensuring quality procurement with other agency.
- Support to capacity building project, financed by the World Bank and DFID. The implementation major challenges were to frequently change of project director. About 10 project director was involving the implementation of project. To ensure the quality and timely implementation of project BEZA should appoint their own manpower.
- The performance of consultancy firm was not satisfactory regarding submission of deliverable. In this case project extended the time several time for the firm. I have

reviewed about ten packages of procurement where I have found average additional time of contracts was 12 months. BEZA have no own manpower to ensure the suitability of procurement. BEZA should think about the sustainable procurement.

- PPP procurement always challenging Economic Zones as a new concept, it is very difficult to select the right partners for developing the zone. BEZA has appointed two PPP partners for developing Mongla Economic Zone and Mirsarai Economic Zone (1st Phase) both of the partners are local and they have no previous track record for developing the zone. Only for this reason both of the zones still have no success. BEZA should develop new criteria for procuring the PPP partners in every aspect.
- To develop the zones as a G2G basis, BEZA needs to develop the negotiation skills in procurement and contract management. BEZA is the only 30% equity partners for the Japanese EZs, 30% Chinese EZs. BEZA as an implementing agency is providing finance for acquisition of land and off-site infrastructure facilities. BEZA should ensure more equity from the developers.
- Land filling is one of the big procurement areas as per existing analysis and most of the contractors are outsider due to absence of experience firm in Bangladesh. BEZA or CPTU can take lead to build the capacity of Bangladeshi contractors in this filed.
- BEZA have no plan for maintenance the works as of today. To ensure the sustainable development they should include the maintenance close in the contract.
- Contract Management is one of the key challenges of BEZA. I have reviewed the duration of contract for works and services. Almost cases, I have found that the time have been extended several times. BEZA have no specific manpower for contract management.
- The evaluation time of contract should be time specific. Average contract evaluation for works, services and goods is very long. BEZA should maintain proper time to ensure the time and PPR rules
- In the World Bank funded project BEZA is using FIDIC documents but BEZA officers have no specific training to use the FIDIC documents. BEZA may organize training program for the use of FIDIC documents to build the capacity of the officers.
- BEZA is procuring several works and services but in the some cases it is very new procurement item in Bangladesh. In this case BEZA consult with CPTU. CPTU

should provide the clarification on time but some time it take long time. CPTU may update the PPR and e-gp system based on requirement of BEZA.

- Due to time extension and missing the deadline of contract the contractor are requesting to BEZA for variation contract. This is one of the major challenges of BEZA. Almost 70% works package involve with variation. BEZA as well as project under BEZA should take necessary pre-requisite measures for stop the variation because it is kill the time of contract and sometime miss-use of the public money.
- BEZA as an investment promotion agency needs to ensure gas, power, water, road etc. for the investors. BEZA have no skills manpower in the mentioned sectors. In this regards, BEZA seek the support from the relevant government agency to complete the tasks as a delegated way. As of today PWD, BREB, KGDCL, RHD, IWM are involved with BEZA for developing infrastructures but BEZA have no monitoring on it. BEZA may appoint skills manpower for following sectors for quality implementation of works.
- I have found that the World Bank finance projects under BEZA are incorporating the sustainable terms and condition in the procurement documents but in the BEZA own procurement documents the suitability condition is missing.
- Additional charges of PD & frequent transfer of project staffs also causes delay in project implementation

Real time case studies of BEZA:

As example of challenges in implementing projects two example of variation in one case of works & one case of Service is explained below:

Case 1: (related to works)

Contract signed with CCECC-CRCC harbor JV for the work of Site development & construction of Embankment for Mirsarai- 2A EZ (Pacakage no-BEZAWD -1201) with a value of Tk. 305, 30,65, 623.98. The work is related to protect Mirsarai EZ 2A with alignment of BWDB super Dyke. Causes of variation was:

- I) The area is near to sea coast & super dyke of BWDB. Due to change in Sub-soil Condition the variation was prepared by following BWDB verified & recommended design of Embankment.
- II) Sub-soil condition is very different from the sub-soil condition described in the contract. Different item is included & some items volume is increased due to change in design.
- III) Embankment length is increased from 4.85 Km to 7.75 Km(59.8% increase), Top width of Embankment increased from 5m to 10m(to make Embankment cum road), improvement of Sub-soil condition by following soil improvement method(New item).
- IV) Land development area is increased from 800Acre to 938.50 Acre(20.30% increase).
- V) Project cost increased Tk.21,62,83,7454.00(From Tk. 305,30,65,623.98 to 326,93,49,369), i.e, 7.08%increase. Time also needed 24 months more to implement this work.
- VI) Main contract is approved by CCGP (>100crore), so variation was approved by CCGP.

Case 2: (related to service)

Under the BSMSN Development Project a CETP is proposed on PPP basis. For this one service was procured internationally, named as “Transaction Advisory Services for the Central Effluent Treatment Plant (CETP) in Mirsarai EZ” under “Support to capacity Building of BEZA” project. Both the project was funded by World Bank. “Association of Deloitte Touche Tohmatsu India LLP (DTTILLP), India and BETS Consulting Services Ltd.(BETS), Bangladesh was selected. The “Support to capacity Building of BEZA” Project duration was completed on 28.02.21 but till that date the service procurement was not completed, because the deliverables was related to CETP works procurement package of BSMSN Development Project. In every step World Bank NOC was needed as it was funded by World Bank, Simultaneously Recommendation was also needed from PPP Authority as per Government regulation.

- i) Out of 11 deliverables they completed 4 Deliverables only (Expending \$257,939.26 out of Contract Amount \$ 472,888.63)
- ii) Rest 7 Deliverables need \$214,949.37

- iii) By considering Assignment of continuous work “Association of Deloitte Touche Tohmatsu India LLP (DTTILLP), India and BETS, Bangladesh was selected as Transaction Advisory of CETP works procurement package of BSMSN Development Project.
- iv) NOC from World Bank & Recommendation from PPP Authority was received.
- v) RFP was sent to Association of Deloitte- BETS on 27.07.21 & proposal was received on 05.08.21.
- vi) As per DPP, CETP Transaction Advisory (Phase-2) – Financial Closure Support (package no: PMC11-BSMSN-BEZA) estimated price was 950 lac was approved by PMO as Ministry.

Chapter 7: Recommendations

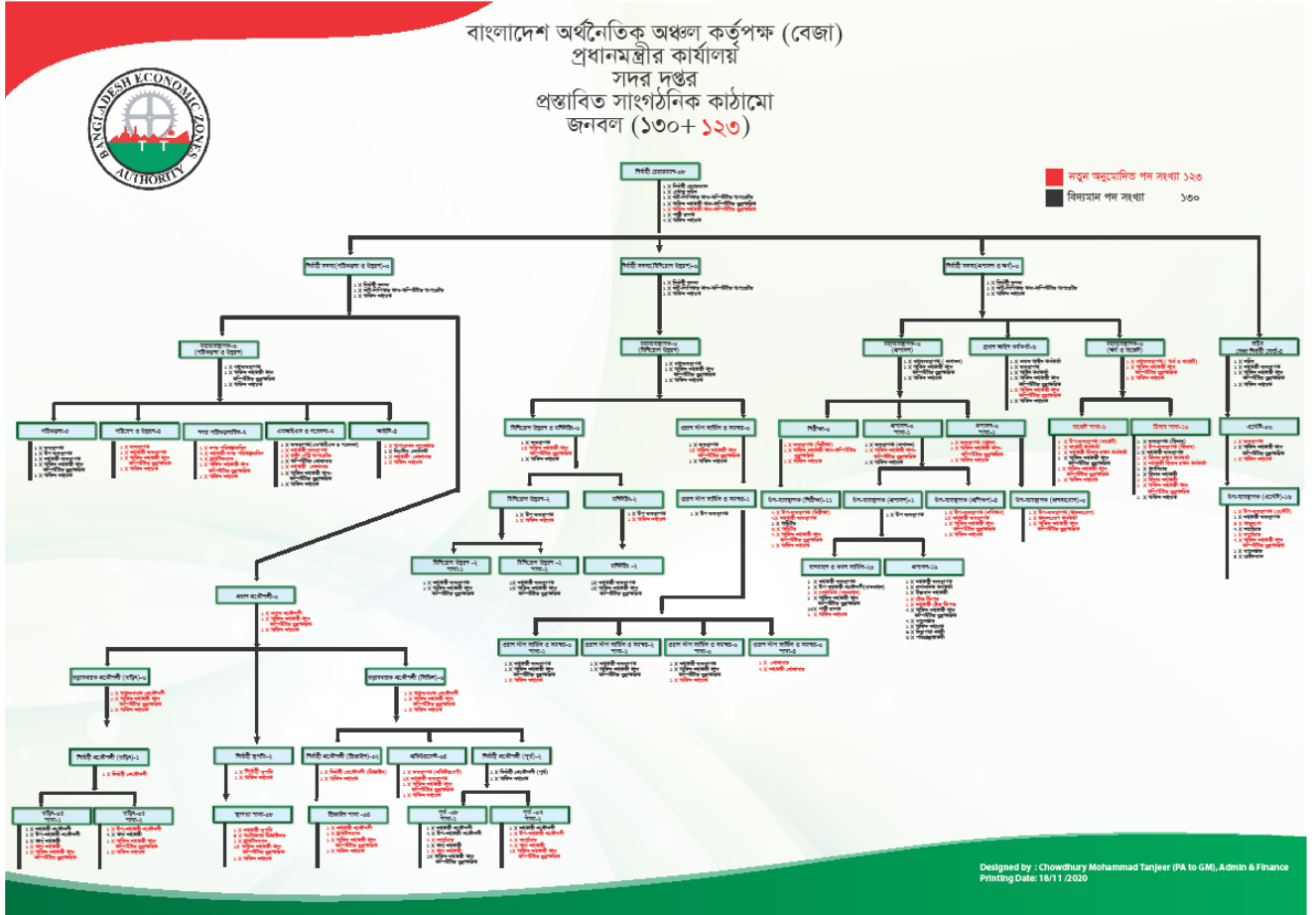
In the previous chapter we have able to identify the procurement challenges of BEZA. BEZA as a world class investment promotion agency should follow the world class procurement process to meet the demand of investors. As a part of this the specific recommendations are as follows-

- As per new organogram of BEZA has own engineering manpower but it may take time to appoint the officers. To meet the immediate demand BEZA should appoint experience officers in engineering, procurement, planning etc.
- BEZA should have separate PPP, Contract Management, Procurement and Engineering cells for ensuring the quality implementation of works and contract.
- BEZA should have sufficient training for stakeholder management for project implementing staffs and Project directors.
- BEZA should have alternative budget for complete the project on time.
- BEZA should have long, mid and short term procurement plan to develop 100 EZs within 2030 including source of finance and proper manpower to deal with project implementation.
- BEZA should incorporate the sustainability terms and condition in the procurement documents.
- To ensure the quality implementation of delegated works BEZA should have experience officers to monitor the works.
- BEZA should take necessary pre-requisite measures to control the variation of contract.
- The government of Bangladesh should consider BEZA as a leading investment promotion agency and the government should provide money to BEZA from the government's regular development budget. As a result, all types of project implementation will be completed quickly and the economic zone development work will be accelerated.
- BEZA should have enough budgets to ensure the maintenance of the works for quality services for the investors. The government can help to BEZA for providing budget from the regular development budget.
- Insufficient capacity & efficiency, weak sustainability & exit plan and coordination among implementing agencies should be given due importance.

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Annexure-1 : BEZA organogram



Annexure 2: Questionnaires' has been used for survey in BEZA

1. What is the name of the project and its objectives?
2. What is the duration of project and its budget?
3. What were the major procurement packages in last 3 years under your project?
4. How you are ensuring the sustainability of the procurement?
5. What were the major challenges in Procurement of BEZA?
6. What were the major lesson learn from the procurement and supply Chain of BEZA ?
7. Do you have any procurement plan for next year? If yes, please share the procurement plan
8. How you can overcome the challenges of procurement in your project?
9. Please provide specific recommendations for overall procurement of BEZA/project