Bangladesh
Journal of
Political
Economy


Vol. 37, No. 2, December 2021, pp. 295-309
Bangladesh Economic Association
ISSN 2227-3182
http:/doi.org/10.56138/bjpe.dec2118

# Public-Private Partnerships (PPP): Contextual Considerations and Areas for Reform to Offset Covid-19 Shock

**Partha Sarathee Ghosh***

**Abstract**

*Public-private partnerships (PPPs) are not new. However, they are becoming increasingly pivotal to accomplishing what both sides struggle to do: rolling out the high-quality development, redevelopment, and creation of public facilities and infrastructure, and as we look to the future, the development of digital infrastructure. Ideally, PPPs create a win-win opportunity for the private sector to work with governments. Companies assume management responsibility and much of the risk in exchange for profits linked to performance. The projects create a new source of business for companies while adding private sector expertise, efficiencies, and capital to public endeavours.*

*In most cases, these projects could not get off the ground without private support, as tightening budgets make it difficult for governments to fund improvements to ageing public assets or services. Bangladesh announced a revised PPP program in the 2009/10 Budget Session and introduced a new PPP policy in August 2010 (PPP Policy 2010). Before the mid-1990s, Bangladesh had entered into several individual PPP transactions & 1996 marked the first time that a policy framework was introduced for PPPs to enable private sector partnerships in power generation. In 2010, the 6$^{th}$ Five-Year Plan was launched, outlining the government's vision to improve the country's economic growth trajectory. Private-sector participation is essential to bridge the investment gap and satisfy infrastructure needs worldwide. PPPs are one of many arrangements to consider, but due to their complex, timely and costly procurement, governments often struggle to apply and leverage them. Governments can implement mechanisms to nurture their PPPs and infuse efficiency and performance throughout their maturity journey. These mechanisms should be carefully crafted and ensure that actors are clear on their role and are empowered to execute it. It is a paradox that the PPP project pipeline development and*

* First Assistant Vice President, United Commercial Bank Ltd., Bangladesh. Email: parsageco@gmail.com

*implementation cannot keep pace with the growing demand for infrastructure & power projects. At the same time, the government is also unable to utilise the allocated budget for the PPP. Hence, the challenges are essential for the policymakers to deal with the issue in the best possible way. Bangladesh faces the challenges of modernising and expanding its vital infrastructure services, including roads, power, gas, port, etc. However, the health sector is still one crucial area where the public-private partnership (PPP) model could play a prominent role, particularly in the diagnostic, specialised treatment and medical waste. This paper is an attempt to analyse and draw lessons in the perspectives of the institutional, regulatory, finance, and other policy-relevant issues for the development of PPP projects & try to figure out the potential of Public-private partnerships (PPPs) to contribute to a clean and green recovery from the on-going Covid-19 crisis in Bangladesh.*

**Keywords** *COVID-19 · Public-private partnerships · Reform to offset Covid shock · Bangladesh*

## 1. Understanding Public-Private Partnerships (PPP): Understanding and Origin

A public-private partnership (PPP) is a very particular type of contract whereby the public partner (government entity) delegates some of its responsibilities to a private partner under a long-term contract that defines the rights and obligations of each party during the term as well as the mechanisms for its financial re-equilibrium arising from unforeseen events or lack of compliance of the parties. It involves a contract between a public-sector authority and a private party. The private party provides a public service or project and assumes the project's substantial financial, technical and operational risk. In some types of PPP, the cost of using the service is borne exclusively by the users and not by the taxpayer. In other types, capital investment is made by the private sector on the strength of a contract with the government to provide agreed services. The government bears the cost of delivering the service wholly or partly. Government contributions to a PPP may also be in kind. In projects that create public goods, like in the infrastructure sector, the government may provide a capital subsidy as a one-time grant to make it more attractive to private investors. In other cases, the government may support the project by providing revenue subsidies, including tax breaks or guaranteed annual revenues for a fixed period. Ideally, PPPs create a win-win opportunity for the private sector to work with governments. Companies assume management responsibility and much of the risk in exchange for profits linked to performance.

Public-Private Partnership (PPP) projects are becoming popular as an innovative approach for developing infrastructure with the involvement of the private sector (Rashed, 2011). PPP has gained utmost attention from the public sector and donor groups, particularly in service quality, procurement efficiency, risk minimisation and the ability to combine adequate managerial and technical capabilities. The concept of PPP though not relatively new but has not yet been developed and defined straight forward (World Bank, 2007). According to Asian Development Bank, PPP is a range of possible relationships among public and private entities in the context of infrastructure and other services that present a framework for engaging the private sector and also structure the role of government in ensuring that social obligations are met (ADB, 2008).

Who first introduced Pubic Private Partnerships (PPPs)? It is a question that often leads to endless discussions, provides an opportunity for one-upmanship and is an entertaining diversion for practitioners on the margins of international PPP conferences. Throughout these debates, many examples are quoted – the early 20$^{th}$-century oil concessions in the Persian Gulf, the late 19$^{th}$ century cross-continental railway in the USA & so on. During the macroeconomic dislocation of the 1970s and 1980s, pressure to change the standard public procurement model arose initially from concerns about the level of public debt, which increased. Governments sought to encourage private investment in infrastructure, based initially on accounting fallacies arising from the fact that public accounts did not distinguish between recurrent and capital expenditures. The idea that private provision of infrastructure represented a way of providing infrastructure at no cost to the public has now been generally neglected; however, interest in alternatives to the standard public procurement model persisted. It is argued that models involving an enhanced role for the private sector, with a single private-sector organisation taking responsibility for most aspects of service provisions for a given project, could yield an improved allocation of risk while maintaining public accountability for essential elements of service provision. Initially, most public-private partnerships were negotiated individually as one-off deals.

As the debate on the origin of PPPs continues, the modern-day popularity of PPPs is more commonly acknowledged to have emerged in the United Kingdom following the introduction of Private Finance Initiatives (PFI) in 1992's autumn budget statement by RH Norman Lamont, then Chancellor under John Major's Conservative government. The 1992 programme focused on reducing the Public Sector Borrowing Requirement, although, as already noted, the effect on public accounts was largely illusory. The Labour government of Tony Blair, elected in 1997, persisted with the PFI but sought to shift the emphasis to the achievement of "value for money," mainly through an appropriate allocation of risk. In the intervening years, many developed and developing nations have started PPP programs of their own. Indeed, the growth of PPPs in developing countries is phenomenal, with the mechanism being used in more than 134 developing countries and contributing to 15–20 per cent of total infrastructure investment. Although PPPs are an ancient phenomenon, they were not studied seriously by scholars until the late 1980s, when they began to be adopted in public administration and management in both developed and developing countries. PPPs have been a topic of political controversy and scholarly debate, especially regarding the advantages and disadvantages of PPPs compared to traditional government-run services and the nature of the partnerships they bring about.

## 2. PPP: Structure, Selection, and Financing Projects

The art of a PPP resides in the project's allocation of risks and the definition of the framework, principles, and rules to deal with change because it will occur. So basically, in structuring a PPP contract, we need to articulate a set of incentives and penalties for potential actions of the parties to ensure the project's stability and sustainability. PPPs are complex long-term contracts which typically span 15, 20, or 25 years, sometimes more, depending on the nature of the project. In that period, technology, demographics, environment, and politics can all change, so contracts must be flexible to adjust to the project's life cycle.

PPPs always occur in the political economy arena because the parties contracting are not equal. One party is a government/public entity, and the other one is a private entity. Governments change, and so do policies. Moreover, in countries where the rule of law is not established enough to maintain the contract's stability, investors see a significant political risk that will need to be mitigated. It applies to the termination of contracts but also payment risks. The public party also needs to safeguard from the private partner. Private investors usually provide performance guarantees, sometimes parent guarantees that can be unlimited or capped. If the company does not deliver the product or service at the agreed quality or the timing contracted—if the building is not finished on time, if the water supply does not meet the specified safety levels—the government draws on such guarantees.

Proportionality of penalties regarding the type of non-compliance is crucial for the sustainability of the contract over the long term. However, contracts should mainly rule by incentives rather than penalties, giving both parties every reason to fulfil their obligations for the whole contract duration.

Due to the costly and time-consuming procurement process, PPP agreements are more suitable for large, expensive projects. It is even more relevant for countries that are new to PPP procurement. One way to ensure economic viability for PPP procurement is by establishing eligibility thresholds. In this approach, a minimum threshold is needed to:

- From a public-sector view – justify procurement costs incurred and maintain value for money.
- From a private-sector view – secure project financing; typically, this is not economical for banks/borrowers below specific amounts, and bidders would have to give full recourse to raise financing/justify transaction costs incurred by bidder.

PPPs need to be financed, so bankability is critical at the end of the day. For that, a contract must allocate risk properly. The tools for financing keep developing and adjusting, and participation of local banks is more accessible when an abundance of liquidity prevails. In some developing economies, private banks will not be able to finance in the long term, so financing will depend on leveraging or simply mobilising organisations like the World Bank's International Finance Corporation, Asian Development Bank or others. Guarantees for a project can leverage private lenders and lower the cost of financing, but it is definite to the country and the project's structure.

## 3. Applicability and Non-applicability of PPP

Project in PPP where at least one of the following circumstances exists:

- Financial resources constraint or absence of expertise with the government alone;
- Private investment would increase the quality or level of service or reduce the time to implement;
- Opportunity for competition among prospective private investors;
- Private investment in public service provides an opportunity for innovation; and
- No regulatory or legislative restrictions in taking private investment in the delivery of public service

### Non-applicability of PPP

The following actions/activities will not fall under the PPP purview:

- Outsourcing of a simple function of public service;
- Creating a government-owned enterprise (State Owned Company); and
- Borrowing by the government from the private sector

## 4. PPP Implementation Models

There are different models and approaches for PPPs. While other countries have adopted a wide range of models, the following are among the standard models:

### Build-Own-Operate (BOO)

In this model, the private sector manages the infrastructure on a build-own-operate basis. The government usually does not manage the infrastructure developed under this model (Government of Bangladesh 2009). The private sector is responsible for building the project, owning the project & operate the project. The government sector is obligated to provide advisory services for developing infrastructure projects & implementing the linked government sector projects, which are predecessors for implementing any project. The Independent Power Producer (IPP) is an example of the BOO model in Bangladesh (Government of Bangladesh, 2009).

### Build-Operate-Transfer (BOT)

Here private sector manages the infrastructure on a build-operate-transfer basis, and the private sector drives the infrastructure until a specified time. After that period, a project is transferred to the responsible government for its management. (Government of Bangladesh, 2009). Sonamasjid Land Port is an example of the BOT model in Bangladesh.

### Build-Own-Operate-Transfer (BOOT)

It is an extended version of the BOT model. Under this model, ownership and management belong to the private sector until a specified time. After the expiry of the term, ownership and management are transferred to the government (Government of Bangladesh, 2009). Jatrabari-Gulistan Flyover Project is an example of the BOOT model in Bangladesh.

## 5. Sectoral Coverage of PPP

"Any project fulfilling one or more of the PPP applicability criteria in any economic sector, according to the International Standard Industrial Classification (ISIC) of all Economic Activities, Revision 4, specified by the United Nations, is eligible for PPP. With this coverage in perspective, the government of Bangladesh has identified the following priority sectors:

- Exploration, production, transmission, and distribution of oil, gas, coal, and other mineral resources (ISIC 05-09).
- Oil refinery and production of LPG (ISIC 19).
- Production of fertiliser (ISIC 20).
- Power generation, transmission, distribution, and services (ISIC 35).
- Airports, terminals and related aviation facilities (ISIC 42 and 51).
- Water supply and distribution, sewerage and drainage, effluent treatment plans (ISIC 36-39).
- Land reclamation, dredging of rivers, canals, wetlands, lakes, and other related facilities (ISIC 42).
- Highways and expressways, including mass transit, bridges, tunnels, flyovers, interchanges, city roads, bus terminals, and commercial car parking (ISIC 42 and 49).
- Port development (sea, river and land) including inland container terminals, inland container depot, and other services (ISIC 52).
- Deep sea port development (ISIC 52).
- Telecommunication systems, networks and services, including information and communication technology (ICT) (ISIC 60-63).
- Environmental, industrial, and solid waste management projects (ISIC 38-39). Railway systems, rolling stock, equipment and facilities (ISIC 49).
- Tourism industry (ISIC 79).
- Economic zone, industrial estates and parks, city and property development,

and services supporting commercial and non-commercial activities (ISIC 81-82).

- Social infrastructure, e.g. health, education, human resource development, research and development, and cultural facilities, (ISIC 85-88).
- E-service delivery to citizens (ISIC 85).
- Poverty Alleviation Projects (ISIC 84).
  - o Pourashava and village water supply (ISIC 36).
  - o Remote Area Power Supply Systems (RAPSS), rural gas supply (ISIC 35).
  - o Rural Internet projects (ISIC 61).
  - o River passenger terminals/landing stations (ISIC 52).
  - o Rural health services and hospitals (ISIC 86).
  - o Irrigation and other agricultural services (ISIC 36).
- Other urban, municipal, and rural projects that the Government views as priority areas for development to support economic development activities" (The Asia Foundation, 2010).

## 6. History of Public-Private Partnership (PPP) in Bangladesh

The PPP Foundation in Bangladesh covers three generations: the first generation of PPP began in 1996 with independent energy procedures following Bangladesh's electricity generation policy; the second generation started with broader dimensions covering many sectors when the government approved the private-sector infrastructure guidelines in Bangladesh in 2004. Finally, the third generation of PPPs began in 2009. Moreover, the government of Bangladesh approved PPP Policy & Strategy-2010 as a guiding framework (Rashed et al., 2017). The PPP Policy and Strategy 2010 describes regulation and oversight of PPP projects and suggests opening a PPP office to promote PPP. Finally, in 2015, a PPP law was passed with some amendments and adjustments (ADB, 2017). Bangladesh's government started to partner with the private sector in myriad ways. The partnership program on project-based initiatives continued until 1995. After that, sectorial initiatives were taken from 1996-to 2004. To make the PPP program more successful, the government opted for making program initiatives. Centrally integrated program initiative was born in 2010 to bring institutional change & regulatory changes, and this approach continues till now (PPP Authority, 2016).

## 7. Institutional Frameworks for Public-Private Partnership in Bangladesh

The institutional framework of the PPP is a 23-member national PPP Advisory Council (PPPAC), cabinet committee on economic affairs, office of the PPP, line ministry or executive agency, finance division and planning commission. The PPP Advisory Council (PPPAC) will advise on the overall PPP policy and give broad guidance on PPP affairs under the direct supervision of the Prime Minister. The Government has established Cabinet Committee on Economic Affairs (CCEA) under Clause 18 of the Rules of Business, 1996. CCEA is the final approval authority of Large PPP projects. The final approval authority of the Medium Projects is Finance Minister. The final approval authority of the Small Projects is the respective Minister of line Ministry. The institutional framework for public-private partnership can be described as the following matrix:

| Institution | Responsibility | Form |
|---|---|---|
| Public-Private Partnership Advisory Council (PPPAC | Provide guidance/advice/review achievements | PM Chairperson, Finance Minister, Vice Chairman and 21 Members |
| Cabinet Committee on Economic Affairs (CCEA); | Approval of regulatory instruments/Guidelines/In-principle approval for a large project, Final approval of Large/Medium project/Approval of all VGF received project, approval of incentives, Termination of the concession contract. | |
| PPP Office | Facilitating/Central point of promoting the PPP concept | An autonomous unit under PM Office |
| Line Ministry/ implementing agency | Identification, Formulation, Appraisal, Procurement, Monitoring | |
| PPPU, Finance Division | Financing (VGF,TA & Debt/equity through SPV) | A regular Branch of Division |
| Planning Commission | Link Components/ADP | |

In 2011, Government established Office for Public-Private Partnership (PPP) under the control & supervision of the Prime Minister's Office to implement PPP in Bangladesh. PPP Office supports line Ministries in identifying, formulating, selecting, contracting and monitoring the implementation of PPP projects. The Office for PPP also coordinates among various government and private agencies for fast-tracking PPP projects. The Chief Executive Officer (CEO) of the Office for PPP shall report directly to the Prime Minister.

## 8. Classification of PPP Project and Approval Authority

In Bangladesh, PPP projects are classified into the three groups in terms of total investment, excluding on-going capital for expansion: Large Project (investment above BDT 2.5 billion), Medium Project (investment between BDT 500 million and 2.5 billion) and Small Project (investment below BDT 500 million). The government is expected that PPP will cover 18 sectors, including energy, power, fertiliser, port economic zones, e-service delivery, and poverty alleviation projects.

| Size | Investment size as per Pre-feasibility Study Report | In-principle approval authority | Final approval authority | If VGF provided Final approval |
|---|---|---|---|---|
| Large | Above BDT 2.5 billion | CCEA | CCEA | CCEA |
| Medium | BDT 500m to 2.5 billion | CCEA | FM | CCEA |
| Small | Below BDT 500 million | Line Minister | LM | CCEA |

## 9. Applied contractual PPP models in Bangladesh

Several contractual models of PPPs have been developed globally and are widely applied in projects. Each PPP model represents a different allocation of risk and responsibility between the public and private sectors. These can differ with the size of investment by the private sector, the basis of the revenue stream, the obligations undertaken about construction, operation, maintenance and service performance, ownership of the asset and the length of the contract period. Where the public sector retains too much risk or transfers most of it to the private sector, it falls outside the framework of a PPP.

The PPP models may be broadly categorised into two categories: a. PPP delivery models relate to the allocation of risk and responsibilities; and b. PPP revenue models relate to how the private sector investors shall be compensated. The range of contractual models concerning the delivery of PPP projects and revenue models that typically fall under the PPP framework is shown below. The optimal PPP model is determined on a case-by-case basis following the conclusion of the feasibility and market engagement study that will determine the optimum option to deliver the public sector objectives through a viable, bankable and sustainable project for the private sector.

Selecting a Private Partner for the delivery of PPP projects may be classified into 4 (four) broad phases.

| Phases | Activities |
|---|---|
| Identification Phase | - Identification of a project to be delivered on a PPP basis by any government agency, line ministry, contracting authority and/or the PPP Authority OR submission of a concept note by an interested party to the agency/line ministry for delivering a PPP project.<br>- Project screening by PPP Authority and In-principal approval by the Cabinet Committee of Economic Affairs (CCEA) 2. Development Phase |
| Development Phase | - Appointment of Project Delivery Team and Project Assessment Team<br>- Carrying out feasibility study and appointment of transaction advisor |
| Bidding Phase | - Evaluation of the applications, proposals or bids obtained through a single-stage bidding process or a two-stage bidding process for selection of the private partner for the implementation of the project on a PPP basis<br>- Negotiation of the PPP contract with the preferred bidder |
| Approval and Award Phase | - Issuance of Letter of Award to the Preferred Bidder by the Contracting Authority with the support of the PPP Authority |

After selecting the Private Partner and awarding the PPP Contract, the Private Partner arranges finance and delivers the project, and the Contracting Authority shall monitor the implementation of the project.

## 10. Incorporation of community and product in the PPP model

Nowadays, a new model is also being discussed, called the Public-Private Community Partnership (PPCP) model, wherein both the government and private players work together for social welfare, eliminating the prime focus of private players on profit. This model is being applied more in developing nations such as India, and success is being achieved through this model too. It mainly helps ramp up the development process as the focus is shifted towards target achievement rather than profit achievement. During the first wave of the pandemic, grants and health resources donated by cross-sector agencies and development partners supported the threats of Covid-19, which will continue to play a vital role as Covid-19 surges in Bangladesh, especially ensuring that hospitals have ready access to oxygen, vaccines, and other necessities. Actions are taken by the community and local NGOs to initially combat the Covid-19 pandemic by various means, including through cash assistance programmes for the poor, raising awareness of the risks of Covid, and mobilising critical supplies like personal protective equipment and oxygen if we would be able to incorporate these types of community-led and community-owned initiatives in PPP model that could bring forth success in Public-Private Community Partnership (PPCP) model.

Product development partnerships (PDPs) are another public-private partnership that focuses on pharmaceutical product development for diseases in the developing world. These include preventive medicines such as vaccines, microbicides, and treatments for otherwise neglected diseases. PDPs were created in the 1990s to unite the public sector's commitment to international public goods for health with the industry's intellectual property, product development, and marketing expertise. International PDPs work to accelerate the research and development of pharmaceutical products for underserved populations that are not profitable for private companies. They may also be involved in helping plan for access and availability of the products they develop to those in need in their target populations. Publicly financed, with intellectual property rights granted by pharmaceutical industry partners for specific markets, PDPs can focus on their missions rather than concerns about recouping development costs through the profitability of the developed products. These not-for-profit organisations bridge public- and private-sector interests to resolve the specific incentive and financial barriers to increased industry involvement in developing safe and effective pharmaceutical products.

## 11. Significance of PPP in 8th Five Year Plan (8FYP) and & Vision 2041 (2021-2041)

Mindful of the resource constraints and high investment costs, the 8FYP financing strategy would combine ADP allocations with a robust public-private partnership (PPP) effort. The PPP institution will be strengthened with internationally competent staff with experience in negotiating and managing international PPP contracts. The 8FYP would emphasise improving the intermodal transport balance, where progress was limited during the 7FYP, highlighting inland waterways that are low-cost and environmentally friendly. The importance of transport, especially air transport, for tourism would be emphasised with a focus on strengthening inter-district airline connectivity and the construction of new international transport. More extraordinary efforts will be made to improve resource mobilisation by introducing user charges for various public transport services, including road user charges, air and sea port charges, and inland water and rail fares. Effective Regulatory Mechanisms will expand the PPP in service delivery, and medical and allied education areas will be further developed and strengthened during the 8FYP with effective regulatory mechanisms.

The PP2021 under Vision 2041 Long Term Economic Planning included

- A strategy for improved governance – is based on four key pillars: (i) strengthening the civil service; (ii) promoting devolution to local governments; (iii) strengthening Public-Private Partnerships (PPP); and (iv) reforming the processes of planning and budgeting (Vision 2041, Page No-18) & The PP2021 under Vision 2041 under Short to medium-term up to 2031 included

- Mobilisation of private resources, including PPP, for the development of ICT and related skills (Vision 2041, Page No-21)

Besides this, the reform of the PPP strategy has also been addressed to achieve more robust progress under the PP2041 Transport Sector Strategy for PP2041. (Vision 2041, Page No-171).

## 12. Challenges of PPP Project Implementation

Despite efforts to enable private-sector participation, countries often struggle to implement PPPs and structure projects properly. They face four key challenges:

1. Striking the right balance between empowering sectors and maintaining quality.
2. Ensuring the project pipeline is suitable and vital.
3. Ensuring the project is structured correctly, protecting both public and private sectors.
4. Optimising implementation to maximise the success of PPPs.

Along with those challenges mentioned above, Bangladesh also faces the following problems in project development phases which is the most crucial part of materialising a PPP project:

- Capacity
- Political Stability
- Political Commitment

- Economic & Financial Stability
- Market Demand
- Managing unsolicited proposal
- Procurement Process.

## 1.3 Investment in Health in the Covid-19 Era

Public-Private Partnership (PPP) is also being practised in the health sector by the government to enhance effective health service delivery. PPPs can help address innovations in service design and management expertise, empowerment of the service recipients, protection of the environment, social justice and right-based service provision. The PPP in service delivery and medical and allied education areas will be further expanded and strengthened during the 8FYP with effective regulatory mechanisms.

To date, 75% of agencies in developed countries and 42% in developing countries are promoting investment in health (UNCTAD, The IPA Observer, July 2021) through online outreach and engagement activities. They are promoting investment opportunities across a broad range of subsectors, with a particular focus on the manufacturing of medical devices, pharmaceuticals and vaccines, as well as digital health and the production of personal protection equipment. There is a significant disparity among IPAs (Investment Promotion & Facilitation) in the quality and quantity of information provided online, possibly reflecting not only different priorities but differences in resources and digital capacity between agencies, as well in their ability to adopt a strategic approach to investment promotion in health

The annual budget planning process for health facilities rarely considers local needs; instead, budgets are just increased proportionally based on the previous year's allocations. On top of this, surplus funds dedicated to specific items are not allowed to be spent on another item; unused money is returned to the central treasury & treated as unused ADP. Hence, significant reforms are required to enable the private sector to perform efficiently in the health sector. The need for reforms will become even more relevant in the post–Covid-19 recovery phase when scarce public resources are likely to be prioritised in the social sectors. The reform agenda is now more critical than ever.

## 14. Conclusion

Generally, public sector projects are remarkably different from private sector projects. These two sectors' concerned stakes and interests vary due to the generic nature of objectives that these two sectors try to achieve. Therefore, when a private investor selects a public sector project, some tuning factors must be based on which these two sectors can come up in the same slot. Hence, the government has to consider the concerns of the private sector. As far as Government awareness is concerned, they should consider that over-tightening and over-safety turn away investors and thus highly require negotiation skills. The capacity of Government officials needs to be urgently built in this sector. A typical PPP project usually passes the design and construction risk to the private sector. At the same time, the government retains the risk of regulatory uncertainty, law changes, and delays in approvals. All risks that the private sector can manage efficiently, like availability of finance, design, construction costs, completion time, and quality of service, are passed to the private investor through contracts. Since PPPs have to be awarded through tenders to ensure transparency in the front end-development of PPPs, the activities before the award of a PPP may take a long time to occur. The inappropriate project identification process, lack of commercial focus and experience in project development often jeopardises the outcomes of PPP projects in Bangladesh. Most Government utilities in Bangladesh primarily have technical staff. The focus is rarely on the utility's commercial, Financial, Legal and Negotiation aspects. However, to manage a PPP contract, the focus shifts to how well; complex commercial contracts are understood and managed. With PPP, Government officials of Bangladesh need to understand complex business aspects of risks versus returns and make judgments on the risks to transfer and the risks to retain. A paradigm with changing skills and mindsets is needed to solve the existing situation. Only with such changes will PPP occur on a large scale.

### *References*

Asian Development Bank. May 2009, Public-Private Partnership Monitor, Second Edition,

8th Five Year Plan, July 2020-June 2025, General Economic Division (GED), December 2020

Vision 2021-2041, General Economic Division (GED), March 2020,

Asian Development Bank, February 2021, Covid-19 & Public-Private Partnerships in Asia & Pacific

UNCTAD, July 2021, Issue 11, The IPA Observer

PPP Authority, Annual Report 2019-2020.

Arthur D Little,www.adl.com/ppp, Successful Public-Private Partnerships

James Leigland, Public-Private Partnerships in Developing Countries: The Emerging Evidence-based Critique, The World Bank Research Observer, Vol.33no.1 (February 2018), https://academic.oup.com/wbro/article/33/1/103/4951689

Jose' Nederhand' & Eric Hans Klijinn', 2019, Stakeholder Involvement in Public-Private Partnerships: Its Influence on the Innovative Character of Projects and Project Performance.

Rashed, M.A., Alam, M.M., & Fahim, F. 2017. The Performances and Challenges of Public-Private Partnership (PPP) Projects in Bangladesh. In Islam, M.F., Quazi R.M., and Khan, F.C. (ed.), Money and Macroeconomics: Selected Topics from Bangladesh, Chapter 9, pp. 161-179, Dhaka: University Press Ltd

Islam Robiul., & Rahman Abdur, Journal of Governance & Innovation, Vol. V, No.1, January-June 2019

Asian Development Bank. 2008. Public-Private Participation Handbook. Manilla, Philippines, pp.1, 55.

Alam, M.M., & Rashed, M.A. 2011a. The Processes of Location Study for Developing Economic Zones under Public Private Partnership Model: Country Study on Bangladesh, Journal of Economics and Business Research 17(2): 51-63. Online (Accessed on 30 Aug 2012)

Rashed M.A., & Alam M.M. 2009. Central PPP Development Facility: Enhancing Government Obligation in Promoting Public-Private Partnership (PPP). Proceedings of the international conference on Administrative Development: Towards Excellence in Public Sector Performance, Institute of Public Administration (IPA), Intercontinental Hotel, Riyadh, Saudi Arabia, Nov 1-4.

Md. Faruque Hossain, Deputy Secretary, PPP Unit, Finance Division, GOB, Policy & Strategy for PPP in Bangladesh

Asian Development Bank. (2012). Public-private Partnership Operational Plan 2012-2020: Realising the Vision for Strategy 2020: the Transformation Role of Public-private Partnerships in Asian Development Bank Operations. Asian Development Bank. 16.

Asian Development Bank. (2017). Public-Private Partnership Monitor, http://dx.doi.org/10.22617/TCS179134-2 .1.

Bangladesh Economic Review, (2005-2018). Finance Division, Ministry of Finance, Bangladesh

Daily Star, (2019). Transforming the power sector of Bangladesh. https://www.dhakatribune.com/opinion/oped/2019/06/21/transforming-the-power-sector-of-Bangladesh

Economic Relations Division, (2020). Ministry of Finance, Government of Bangladesh. Bangladesh National Report On Istanbul Programme of Action (IPoA) 2011-2020. 33. http://unohrlls.org/customcontent/uploads/2020/01/IPoA-Bangladesh-National-Report.pdf

PPP Authority. (2019). Overview of the PPP Programme of Bangladesh. 4-5. https://bdcgtoronto.ca/wp-content/uploads/2019/07/PPP.pdf

World Bank. (2018). Bangladesh: Reducing Poverty and Sharing Prosperity.

Rashed, M., Alam, M., & Faisal, F. (2014). The performances and challenges of public-private partnership (PPP) projects in Bangladesh. Journal of Bangladesh Studies. 15 (2). 62-71.

http//blogs-worldbank.org/ppps, The World Bank's Public-Private Partnerships Blog,2013

The Asia Foundation, (2010. Promoting Public-Private Partnership in Bangladesh, A brief Guide for Partners (p- 6,7).

Government of Bangladesh (2009). Invigorating Investment Initiative Through Public-Private Partnership: A Position Paper, Finance Division, Ministry of Finance.