



Local Level Stakeholders Consultation on Inclusive, Smooth and Sustainable LDC Graduation

Organized by the Support to Sustainable Graduation Project (SSGP), ERD
in collaboration with District Administration, Khulna

Thursday 25 May 2023

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Outcome Document

Background:

Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) organized a workshop on “Local Level Stakeholders Consultation on Inclusive, Smooth and Sustainable LDC Graduation” in collaboration with the district administration of Khulna and the Khulna Chamber of Commerce and Industry on 25 May 2023 in Khulna.

ERD Secretary Ms. Sharifa Khan graced the occasion as chief guest while Divisional Commissioner of Khulna Mr. Md. Zillur Rahman Chowdhury attended the event as special guests. Deputy Commissioner of Khulna Mr. Khandaker Yasir Arefin chaired the workshop. Additional Secretary of ERD and the Project Director of SSGP Mr. Farid Aziz delivered the welcome address of the event.



ERD Secretary Ms. Sharifa Khan speaking during the workshop

The main objectives of the event were:

- to sensitize the local level stakeholders regarding LDC graduation – its processes, opportunities and challenges;
- to discuss how the local level stakeholders can be involved in the process of ensuring smooth and sustainable graduation of Bangladesh from the LDC status; and
- to discuss the ways and means to overcome probable challenges and to utilize the opportunities of graduation from the LDC status.

International Trade Expert of SSGP Mr. Nesar Ahmed delivered a presentation providing an overview of LDC Graduation process while Component Manager of SSGP and Joint Secretary Dr. Md. Rezaul Bashar Siddique delivered a presentation on ‘Measures undertaken for Sustainable Graduation and the Role of Local Level Stakeholders’.

Khulna’s Superintendent of police Mr. Muhammad Mahbub Hasan also spoke during the occasion. Professor of Khulna University of Engineering and Technology Mr. Md. Mustafa Saroar, former Commander of the Khulna City Muktiyoddha Command Council Professor Md. Alamgir Kabir and the President of Khulna Press Club Mr. S. M. Nazrul Islam spoke during the event as panelists. Senior Vice President of Khulna Chamber of Commerce and Industry Mr. Sharif Atiar Rahman also spoke during the event as designated discussant.

Officials from the district administration as well as representatives from private sector and civil society and officials from ERD and SSGP participated in the workshop.



Participants providing their feedback during the workshop

Major Recommendations:

Taking into consideration the importance of regional participation and contribution in the national economy during the Post-LDC graduation regime, the workshop pointed out following recommendations (specifically for Khulna region) to be taken care of:

Shrimp, Fisheries, Agriculture:

- Relevant businessmen including exporters should make the best use of the incentives provided on the export of frozen fish and shrimp.
- Effective steps should be taken to ensure that the marginal shrimp cultivators at the grassroot level receive the fair share of cash incentives provided on shrimp export.

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- Khulna has witnessed a boost in its agricultural output in recent years. The region has experienced bumper production of watermelons and various types of vegetables in recent times. In this context, effective measures should be taken for the growth of export oriented agro-based industry in the region.
 - Improved and wider access to cold storage facilities is crucial for tapping the potentials of local agriculture.

Infrastructure development and Planned Urbanization:

- Planned urbanization is crucial for sustaining the socioeconomic progress. Therefore, urbanization issues should receive adequate attention during the formulation of Smooth Transition Strategy.
- Better infrastructure and logistical facilities are essential for tapping the potentials of tourism in Sundarbans.
- Local infrastructure and human resource should be geared up for the Fourth Industrial Revolution.
- Better connectivity of Mongla port with Dhaka and the rest of the country through railways is crucial for tapping the full potentials of this age old sea port.

Industrial Growth:

- Steps should be taken by the government to reopen the closed industrial units in Khulna.
- Government should strongly monitor the quality control issues in pharmaceuticals and other industrial sectors.
- Trade associations should play a more active role in ensuring ethical business practice.
- Industry-academia collaboration is essential to foster innovation and to prepare the country for more stringent IPR (Intellectual Property Rights) regime after LDC graduation.
- Better access to fossil fuel as well as renewable energy can help in reviving the growth of local industries.

Environmental Sustainability & Disaster management:

- There should be proper research on the root causes of increased water salinity in the region.
- Coordinated initiatives are needed to resolve the waterlogging problem in the Khulna region.
- New projects need to be designed for protecting the coastal region of Khulna, Bagerhat and Shatkhira from natural disasters (e.g.- cyclone) considering the issues of sustainability and the unique geological features of the region.

Socioeconomic Policies and Governance:

- Enhancing the domestic capacity and decreasing the production cost would be crucial for coping with the challenges of LDC graduation.
- The country should make the best utilization of the ongoing demographic dividend.
- Skill development and institutional strengthening should receive adequate focus during the LDC graduation related policy formulation.
- There should be increased allocation in the government budget for facilitating research and development.
- Effective strategies should be taken to avoid the Middle Income Trap.

- Bangladesh needs to have a more active role in various regional and global platforms to diversify its market and trade portfolio in the aftermath of LDC graduation. Prudent economic diplomacy would be crucial for a more vibrant role in the regional and global platforms.
- Strong and effective governance needs to be ensured in the banking sector to bring discipline and reduce irregularities in the financial arena.
- Local health infrastructure needs to be improved with adequate supply of medical equipment.
- Improved law and order situation is essential for ensuring sustainable development.
- ERD, with support from SSGP should prepare an action matrix based on the recommendations coming from these local level workshop and will share it with the National Committee on LDC graduation.

Key Policy Recommendations

The workshop has resulted in increased understanding of the local level stakeholders about the graduation process, probable challenges and consequences of the graduation from the LDC status. The event has also come up with several key policy recommendations as appended below:

- Effective steps should be taken to ensure that the marginal shrimp cultivators at the grassroots level receive the fair share of cash incentives provided on shrimp export.
- Khulna has witnessed a boost in its agricultural output in recent years. The region has experienced bumper production of watermelons and various types of vegetables in recent times. In this context, effective measures should be taken for the growth of export oriented agro-based industry in the region.
- Planned urbanization is crucial for sustaining the socioeconomic progress. Therefore, urbanization issues should receive adequate attention during the formulation of Smooth Transition Strategy.
- Steps should be taken by the government to reopen and revitalize the closed industrial units in Khulna.
- Trade associations should play a more active role in ensuring ethical business practice.
- Better access to fossil fuel as well as renewable energy can help in reviving the growth of local industries.
- New projects need to be designed for protecting the coastal region of Khulna, Bagerhat and Shatkhira from natural disasters (e.g.- cyclones) considering the issues of sustainability and the unique geological features of the region.