

Lessons Learned and Recommendations for Future Public-Private Partnerships Projects in Bangladesh

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Prepared for external circulation by the Netherlands Enterprise Agency (RVO), this document summarises key lessons and forward-looking recommendations from recent Public-Private Partnerships (PPP) and Business-to-Business (B2B) initiatives in Bangladesh's water and waste management sectors.





1. Context and Purpose

Bangladesh is increasingly turning to Public-Private Partnerships (PPPs) to finance and manage water and waste infrastructure. As the country is projected to become the world's 20th-largest economy by 2038, systemic engagement in this market is worthwhile, despite its reputation for bureaucracy causing delays in project development. To minimise these delays, the Embassy of the Kingdom of the Netherlands (EKN) is currently planning to sign a Government-to-Government (G2G) Memorandum of Understanding (MOU) for PPP projects. This summary outlines key insights and recommendations from recent Dutch supported initiatives aimed at positioning Dutch companies as long-term partners in the Bangladesh emerging market.

2. Institutional Environment

Engagement with Bangladesh's PPP Authority revealed critical institutional dependencies on the Chief Advisor's Office, resulting in slow progress toward signing the G2G MOU with the Government of Bangladesh (GoB). This reflects the hierarchical nature of Bangladesh's governance structures, where policy-level decisions are concentrated at the highest levels of government. Building strong strategic relationships is therefore essential to developing commercially viable projects for Dutch companies.

3. Strategic Engagement

Given EKN's limited in-country resources, collaborating with partners that combine policy access with commercial expertise is critical. The International Finance Corporation (IFC), for example, has a success-fee-based advisory model and offers equity investment capabilities for PPP projects. Collaborations with partners such as the IFC can effectively de-risk future of Dutch investments in Bangladesh.



4. Collaboration with BEZA

EKN's existing MoU with the Bangladesh Economic Zones Authority (BEZA) provides immediate potential collaborations in industrial (greenfield) zones such as Sirajganj, Mirsarai, Jamalpur and Sreehatta. These greenfield zones can offer opportunities for Dutch-led initiatives in industrial wastewater treatment, solid waste management and circular-economy applications, while also improving Bangladesh's export competitiveness.

5. Project Pipeline and Private Sector Role

Recent collaboration with Bangladeshi private-sector partners has revealed promising opportunities for Dutch engagement in sectors such as waste management, faecal sludge treatment, circular textiles, cold storage and LNG infrastructure. Several Dutch firms—such as Haskoning, SweepSmart, DeltaContext and Nijhuis Industries—have already shown concrete interest in these areas. However, because traditional project developers have so far shown limited appetite for entering the Bangladeshi market, consulting firms like Haskoning are temporarily taking on the role of project developer or sponsor. This is atypical, as in most PPP frameworks the project developer or sponsor is responsible for structuring the project and later assumes majority equity ownership once the Government of Bangladesh awards the contract. Strengthening Dutch developer and investor involvement is therefore essential to move these early opportunities towards fully bankable projects under the planned G2G PPP framework.

Countries such as Denmark, South Korea, Saudi Arabia, Japan, the UAE and Singapore are implementing a developer-led strategy for structuring G2G PPP projects. However, limited interest from Dutch project developers/sponsors has led EKN to rely on consulting firms for the early-stage structuring of these projects. While these firms can assist with initial project phase, the long-term success is dependent on developer- or investor-led project ownership. To attract Dutch developers/sponsors, it is crucial to raise awareness about the G2G PPP framework and highlight the market opportunities available in Bangladesh.

6. Data Quality and Market Realism

Developing commercially viable PPP projects for potential Dutch investors depends on accurate market data collection and realistic financial projections. Reliable data is also crucial for the G2G PPP project negotiations. A recent review of a pre-feasibility study for a PPP project, which may attract future investment from Dutch companies, has raised concerns about the accuracy of the data provided. The overly optimistic financial projections for this project could mislead Dutch investors. Future feasibility and pre-feasibility studies should emphasise the importance of credible data collection and validation.

7. Competitive Landscape

Field visits in several priority PPP project locations revealed intensive project development activities from Chinese, Japanese and Korean companies. These countries have effectively combined long-term institutional-level relationship development with technical assistance support. They utilise institutional relationships to implement technically feasible projects through traditional





procurement, funded by the Government of Bangladesh. In these projects, they act as contractors, supported by loans from development banks such as JICA and KOICA.

For infrastructure projects that require significant operations and maintenance (O&M), these countries typically use their G2G PPP MOU, exemplified by Japan's PPP project for the Dhaka airport. Additionally, where projects can generate direct revenue from end users, such as a container terminal, they proactively design and implement a PPP model from the outset.

8. Expanding B2B Opportunities

Beyond PPPs, Bangladesh's ready-made garment, leather and pharmaceutical sectors offer immediate potential for Dutch water reuse and efficiency technologies. B2B projects can facilitate a relatively quick market entry for Dutch technology suppliers and contractors. For example, Lenntech Water Treatment Solutions is paving the way by piloting and demonstrating how circular water systems can work in real textile factory settings enabling up to 80% water reuse in a large factory in Bangladesh. In the long run, some of these companies (Dutch water reuse and efficiency technologies companies) might engage in water PPP projects.

9. Key Recommendations

- Prioritise export-oriented PPP projects that provide clear revenue streams for Dutch companies.
- Engage experienced advisors to ensure realistic market data collection and improve institutional access.
- Apply stricter consultant selection criteria with clear accountability and local presence.
- Collaborate with partners to identify commercially viable projects. The planned "Scoping Study for Identifying Bankable Project Leads in Water Reuse and Recycling in Bangladesh" can play a crucial role in identifying commercially viable projects.
- Collaborate with proactive Bangladeshi private partners to identify commercially viable projects and accelerate project development.
- Prepare the Dutch delegation team and potential Dutch investors through briefings well ahead of the planned G2G platform meeting in December 2025.

10. Conclusion

Bangladesh offers a promising but administratively complex PPP landscape. Success depends on combining technical expertise with strategic diplomacy, project data integrity and consistent in-country engagement. Through a coordinated PPP and B2B approach, the Netherlands can help develop resilient, circular and commercially viable water infrastructure in Bangladesh.