

**Roundtable:** “The Governance of Power and Infrastructure Projects and the Implications for Public Debt Management”

**Date/Time:** 18 February 2026 | 10:00 AM–12:30 PM

**Venue:** CIRDA Auditorium, Chameli House, 17 Topkhana Road, Dhaka 1000

**Convened by:** Change Initiative in partnership with SOAS University of London

**Supported by:** Open Society Foundations as part of continued research following Sri Lanka’s 2022 financial meltdown, with the Bangladesh component undertaken by Change Initiative under the SOAS partnership.

### Why this matters now

Following Sri Lanka’s sovereign crisis in 2022, several countries including Bangladesh were flagged for unsustainable debt risks in power and infrastructure. Bangladesh has already begun struggling to make contracted payments to private power producers since 2023, while large repayments for major infrastructure loans are approaching.

This research argues that Bangladesh’s risk is not only “how much we borrow,” but how projects are governed from approval to procurement, contract design, and operations. When governance is weak, borrowing gradually shifts from a development instrument into a long-term claim on future public revenue.

### The five numbers to remember

Indicator	What it signals
<b>External debt:</b> US\$23.5B (2009) to nearly US\$112B (2025)	A <b>377% surge</b> in 16 years
<b>Debt-to-FX earnings: 192% (2025)</b>	Hard-currency liabilities rising far faster than dollar earning capacity
<b>Corrected debt ratio: 42% vs 33%</b>	The “moderate debt” comfort zone weakens once inflated GDP and unrecorded liabilities are accounted for
<b>Project leakage: 23%–40%</b>	Loss of infrastructure value through collusion, inflated costs, and variation-order extraction

<b>Power sector fixed burden: Tk 38,000 crore (2025)</b>	Capacity charges projected regardless of actual electricity dispatch
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### What the research finds

**1) The “moderate debt” narrative collapsed because diagnostics changed.** Corrected indicators point to solvency stress that was previously masked by statistical shielding and incomplete recording of liabilities.

**2) Hidden liabilities are part of the real debt story.** A layer of “implicit public debt” can form through direct negotiations that bypass scrutiny but still create obligations the state is bound to service.

**3) Project governance creates predictable “rent windows.”** The research identifies recurring extraction mechanisms that inflate costs and weaken value-for-money, including variation-order siphoning and front-end readiness deficits that trigger delays, claims, and budget drift.

**4) Operations determine whether debt becomes sustainable or punitive.** In power, take-or-pay structures can reward presence over performance, creating fiscal bleed even when energy is not used.

### What “Governance by Design” means

The research proposes a pivot from “Borrowing for Speed” to “Governance by Design,” prioritised by feasible implementation horizons:

- **Immediate (0–6 months): Restore integrity**
  - Independent debt audit to reconcile official records with unrecorded G2G contracts and implicit liabilities
  - Solvency-first reporting using debt-to-FX earnings as a mandatory stress test
- **Structural (6–18 months): Close rent windows**
  - Dual-key readiness gates before signing loans or starting construction (land and utility relocation independently verified)
  - Performance-linked O&M, including shifting power contracts from capacity charges to dispatchability-based payments

- **Institutional (18–36 months): Lock transparency and accountability**
  - Open-books G2G protocol publishing bid abstracts, evaluation minutes, and variation logs
  - Rings of responsibility with named officers accountable for delays and escalations

Bangladesh does not need panic. It needs precision: fewer opaque deals, fewer governance loopholes, and more performance-linked contracting so public borrowing produces real assets and sustainable cashflows.