

Government of the People's Republic of Bangladesh

Ministry of Power, Energy and Mineral Resource

Power Division

Development-1 Section

Bangladesh Secretariat, Dhaka

Date: 07 April 2026

Subject: Guidelines for Development of Renewable Energy Projects using Land Owned by Government Agencies under PPP Modality, 2026

Whereas the Government of Bangladesh has adopted the Renewable Energy Policy 2025 to accelerate the transition toward clean and sustainable sources of power generation;

And whereas large-scale renewable energy projects require extensive land resources which are not always available under the institutions of the Power Division;

And whereas various ministries, divisions, directorates, corporations, statutory bodies, state-owned enterprises, departments and other government organizations possess substantial tracts of unused or underutilized land;

And whereas it is expedient to establish a Guidelines for the utilization of such land for Renewable Energy (RE) projects under the Public-Private Partnership (PPP) modality in accordance with the PPP Act, 2015;

Now, therefore, the Government is pleased to issue this Guidelines aiming to facilitate the utilization of unused or underutilized public land for renewable energy deployment while ensuring transparency, competitive procurement, and institutional coordination under the PPP framework.

1. Title and Commencement

1.1 This Guidelines shall be called the "Guidelines for Development of Renewable Energy Projects using Land Owned by Government Agencies under PPP Modality, 2026".

1.2 It shall come into force immediately upon issuance and shall apply to all Renewable Energy projects using land owned by government agencies, including those under jurisdiction of the Power Division, including those under development and have obtained In-Principle Approval from Cabinet Committee on Economic Affairs (CCEA) as per PPP Act, 2015, as of the date of issuance of this Guidelines. This Guidelines shall not invalidate any approval previously granted, but future implementation steps shall comply with this Guidelines.

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1.3 This Guidelines shall be read in conjunction with the PPP Act, 2015 and shall not override any provision of the Act or other applicable laws.

2. Definition

- a) **“Contracting Authority”** means, as per PPP Act 2015, a line ministry or division; or any office or directorate or corporation or statutory organization or local government or any similar organization under the line ministry or its division which proposes to enter into a PPP Contract or other contractual agreement with the preferred bidder and/or the Project Company/Special Purpose Vehicle. For this Guidelines Bangladesh Power Development Board (BPDB) shall be the Contracting Authority.
- b) **“Land Owner”** means the government agency whose land is identified, allocated, or made available for the implementation of the Renewable Energy project.
- c) **Government Facilitation Agreement (GFA)** means the agreement signed among Power Division, Power Grid Bangladesh PLC and Project Company/SPV to ensure the bankability of the project and to facilitate the implementation of the project.
- d) **“PPP Contract”** means the contract signed between the Contracting Authority and the preferred bidder selected and/or the Project Company/SPV, as the case may be, for the implementation of the PPP project. contract will cover technical, commercial and legal considerations applicable for a bankable agreement for power purchase. The GFA, PPP Contract, Land Lease Agreement, Shareholder's Agreement (as applicable) constitutes an integral part of the contract package for the project.
- e) **“Project Company”** or **“Special Purpose Vehicle (SPV)”** means the special purpose company duly incorporated under the applicable laws of Bangladesh, either by the preferred bidder prior to execution of the PPP Contract or the private partner(s) after execution of the PPP Contract (as applicable) for the delivery of the PPP Project.
- f) **“Renewable Energy (RE)”** means energy generated from natural resources that are constantly replenished, such as sunlight, wind, rain, tides, waves, geothermal heat, and other similar sources, as stated in Renewable Energy Policy, 2025.
- g) **“Transaction Adviser”** means any firm, entity, or consortium of advisers/ consultants/ experts appointed to provide technical, financial, legal, marketing, environmental, social and commercial advisory services, but not limited to, for the preparation, development, structuring, procurement, negotiations, contract signing and implementation of a PPP Project under this Guidelines.



3. Applicability

This Guidelines shall apply to all ministries, divisions, directorates, corporations, statutory organizations, state-owned enterprises, departments, and any government organizations which have land suitable for implementing renewable energy projects, including those under the jurisdiction of Power Division.

4. Eligibility and Pre-development Requirements

4.1 Land Ownership

- a) The Land Owner shall possess full legal ownership, possession and legal right to lease or use the land for the proposed project period, including any extension thereof.
- b) Proof of ownership and possession must be duly certified by the relevant district administration or competent authority.

4.2 Project Size

The minimum capacity of each solar or wind project shall be 50 MW (AC). For other renewable energy resources, the Power Division may determine a lower capacity, as deemed appropriate.

4.3 Memorandum of Understanding (MoU)

- a) The Contracting Authority (BPDB) and the Land Owner shall execute an MoU, as set forth in Annex I, defining the roles, responsibilities, coordination mechanism, and modality for delivery of the PPP Project under this Guidelines.
- b) Execution of the MoU shall satisfy any inter-agency coordination requirements to initiate the PPP process under this Guidelines. The process may be initiated either by the Contracting Authority or by the Land Owner. The initiating party shall formally notify the other party in writing, following which the MoU shall be executed. However, the BPDB, as the Contracting Authority, shall determine whether to proceed with the project and enter into the MoU with the Land Owner based on due justification.
- c) For projects that are already under development phase and have obtained CCEA In-Principle Approval prior to the date of this Guidelines coming into force, the Contracting Authority and Land Owner shall take necessary steps to execute MoU immediately upon this Guidelines becoming effective.

4.4 PPP Framework Compliance

Upon execution of the MoU, all subsequent steps shall follow the PPP Act, 2015, the PPP regulatory framework, and related policies and guidelines. No renewable energy project using land owned by Government agencies under the scope of this Guideline shall be implemented outside the PPP framework specified herein.

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5. Institutional Roles

5.1 Land Owner

Land Owner shall provide the land for each project and will be compensated for land through a lease fee or minority equity stake in a Project Company/SPV or a combination thereof, as determined based on the results of the feasibility study. All compensation mechanisms for land shall be determined in a manner that ensures transparency, competitiveness, and value for money. The Land Owner may, in coordination with BPDB and subject to the PPP Act, 2015, appoint or support the appointment of Transaction Adviser(s).

5.2 PPP Authority

The PPP Authority (“PPPA”) functions as the central coordination body, and shall be responsible for ensuring PPP framework compliance and resolving inter-agency issues.

5.3 Power Division (PD)

Power Division shall be the signatory to the Government Facilitation Agreement (GFA) pursuant to which the government support shall be contractually provided to the project, for ensuring the bankability of the project under a PPP modality.

5.4 Bangladesh Power Development Board (BPDB)

BPDB shall act as the Contracting Authority under the PPP Act, 2015, and shall be responsible for; (a) develop and procure the PPP Project; (b) execute the PPP Contract with the Project Company/SPV and (c) manage the PPP Contract during the implementation of the Project.

5.5 Power Grid Bangladesh PLC (Power Grid)

Power Grid shall also be the signatory to the Government Facilitation Agreement (GFA) and shall identify the requisite infrastructure for grid interconnection and shall execute the necessary connection agreement under GFA with the Project Company/SPV for the evacuation and integration of power from the project into the national transmission grid in compliance with the Grid Code and applicable regulatory framework.

5.6 Sustainable and Renewable Energy Development Authority (SREDA)

The SREDA, as the nodal agency for renewable energy-related regulatory and facilitative functions, shall be engaged, as required by the Renewable Energy Policy, 2025 and relevant policies promulgated by the government time to time, in all relevant activities throughout the project lifecycle.

Nothing herein shall dilute the statutory role of the PPP Authority under the PPP Act, 2015. All projects initiated under this Guidelines shall be disclosed on the PPPA’s website.



6. Project Development Process

6.1 Feasibility Study

a) Each feasibility study shall be:

- i. conducted in accordance with PPP regulatory framework.
- ii. at a minimum assess demand, technical solution, bankability assessment, grid integration, and land compensation options including but not limited to matters in respect of minority equity, lease fee, or hybrid mechanisms and environmental and social considerations.

b) Feasibility study, tariff structure and procurement documents of any project shall be shared for review and input from the Contracting Authority, the Land Owner and Power Grid and shall comply with approval requirements under the PPP regulatory framework.

c) The Land Owner, PPP Authority along with Contracting Authority with the assistance of Transaction Adviser shall manage the project preparatory and development activities including conducting feasibility study, drafting tender documents and contracts.

6.2 Procurement

a) A private partner shall be selected through international competitive bidding or other procurement modalities in accordance with the PPP regulatory framework.

b) The Contracting Authority will launch the procurement process.

c) The Land Owner, PPP Authority along with Contracting Authority with the assistance of Transaction Adviser shall manage the procurement process till signing PPP Contract.

d) The bid evaluation committee shall include representatives from the Contracting Authority, Power Grid, Land Owner and others specified in Procurement Guidelines for PPP Projects 2018 and as amended subsequently.

7. Contractual Framework

a) PPP Contract

To be executed between BPDB and the Project Company/SPV.

b) Government Facilitation Agreement (GFA)

To be executed among the Power Division, Power Grid and the Project Company/SPV to ensure bankability of the project.

c) **Land Lease Agreement**

To be executed between the Land Owner and the Project Company/SPV to grant leasehold rights over the project land for the agreed term. The agreement shall specify lease payments and other commercial terms related solely to land use.

d) **Shareholders' Agreement**

(i) To be executed between the Project Sponsor(s) and the Land Owner, in the event that the Land Owner is provided with an equity stake in the Project Company, whether as full or partial consideration for land use. agreement shall govern the rights, obligations, and shareholding structure of the parties.

(ii) The Land Owner shall get full or partial consideration for land use through a Land Lease Agreement or minority equity stake in a Project Company/SPV through a Shareholders' Agreement, or a combination thereof, as determined based on the results of the feasibility study.

8. Infrastructure Responsibilities

The Project Company/SPV shall be responsible for:

- a) Designing, financing, constructing, operating, maintaining and decommissioning RE facilities; and
- b) Developing associated interconnection lines, substations, and related works as agreed in the PPP Contract.
- c) Obtaining all necessary permits and clearances as per the applicable laws and regulations of Bangladesh.

9. Oversight and Coordination

9.1 A joint working group will be formed comprising representatives from the PPPA, Land Owner, Power Division, BPDB and Power Grid for project oversight. PPPA shall convene monthly progress meetings of the joint working group or as and when deemed necessary.

9.2 PPPA shall clarify responsibilities amongst organizations and resolve issues arising during the project cycle.


10. Post-Expiry Use of Land

Where any RE project is implemented under this Guidelines, upon expiry or termination of the PPP Contract, the Land Owner shall, in consultation with the Power Division, determine the future use of the land. The land shall not be used, leased, transferred, or otherwise disposed of for any purpose other than the development, extension, or continuation of a RE power project, except with the prior written consent of both the Land Owner and the Power Division.

11. Annexures

The following annexes shall form an integral part of this Guidelines:

- a) **Annex I:** Template for MoU between Land Owner and Contracting Authority


07.04.2026
Mohammad Solaiman
Deputy Secretary

ANNEX I: Template of Memorandum of Understanding (MoU)

MEMORANDUM OF UNDERSTANDING

Between

Bangladesh Power Development Board (BPDB)

and

[Name of Land Owner]

Memorandum of Understanding (“MoU”) is made on [--] day of [--], 20[--], between Bangladesh Power Development Board (BPDB), established under the relevant laws of Bangladesh and acting as the Contracting Authority, having its principal office at [address];

And

[Name of Land Owner], a public entity under the Government of the People’s Republic of Bangladesh, being the lawful owner and custodian of the land proposed for the Project, having its principal office at [address].

BPDB and the Land Owner are hereinafter individually referred to as a “Party” and collectively as the “Parties”.

1. Purpose

The purpose of MoU is to establish a framework for cooperation between the Parties for the development of Renewable Energy (RE) projects under the Public–Private Partnership (PPP) modality, utilizing land owned by the Land Owner, in accordance with the Guidelines for Development of Renewable Energy Projects using Land Owned by Government Agencies under PPP Modality, 2026.

2. Nature and Legal Effect

- 2.1 MoU does not create any financial obligation, guarantee, or commercial commitment on either Party. MoU is intended solely to facilitate coordination for project preparation under the PPP framework.
- 2.2 MoU does not constitute approval of a PPP Project, nor does it substitute any approval required under the PPP Act, 2015 or related regulations.
- 2.3 Any legally binding obligations shall arise only upon execution of definitive agreements, including but not limited to the PPP Contract, Land Lease Agreement (LLA), and other project documents.



3. Scope Of Cooperation

The Parties agree to cooperate in respect of:

- a) identification and preliminary assessment of suitable land. The land under consideration is described in Schedule A to MoU;
- b) undertaking feasibility studies under the PPP framework;
- c) structuring land compensation mechanisms (lease fee, equity participation, or hybrid);
- d) supporting PPP procurement and approvals; and
- e) coordination with relevant government agencies for the implementation of the RE project.

4. Responsibilities of the Land Owner

The Land Owner shall:

- a) confirm legal ownership, possession, and right to lease or use the land;
- b) provide all relevant land records and certifications;
- c) may appoint and manage the Transaction Advisor in coordination with BPDB;
- d) participate in feasibility study review and procurement processes;
- e) enter into a Land Lease Agreement and/or Shareholders' Agreement, as applicable.

5. Responsibilities of BPDB

BPDB shall:

- a) act as the Contracting Authority for the PPP Project;
- b) may appoint Transaction Advisers and facilitate the PPP project development process;
- c) enter into the PPP Contract with the Project Company/SPV;
- d) coordinate with Power Division, Power Grid, PPPA and other agencies.

6. PPP Framework Compliance

All activities under MoU shall be undertaken in compliance with:

- i. The PPP Act, 2015 and as amended from time to time;
- ii. PPP rules, guidelines, and circulars;
- iii. applicable energy sector laws, regulations and policies.

7. Confidentiality

The Parties shall treat all shared information as confidential unless disclosure is required by law or permitted in writing by the other Party.

8. Term And Termination

8.1 MoU shall remain valid for 3 years from the date of signing, unless terminated earlier or extended.

8.2 Either Party may terminate MoU by giving [-60] days' written notice. However, the Land Owner shall not withdraw the identified land or use the land for any other purpose without prior written consultation and reasonable opportunity for coordination under the PPP framework.

9. Dispute Resolution

Any dispute arising under MoU shall be resolved amicably through mutual consultation and, if required, through administrative coordination facilitated by the PPP Authority.

10. Amendment

MoU may be amended only by mutual written consent of the Parties.

11. Governing Law

MoU shall be governed by and construed in accordance with the laws of Bangladesh.

IN WITNESS WHEREOF, the Parties have executed MoU on the date first written above.

For Bangladesh Power Development Board For [Land Owner]
(BPDB)

Signature:
Name:
Designation:
Seal:

Signature:
Name:
Designation:
Seal:

<u>Witness</u> For Power Division	<u>Witness</u> For PPP Authority
Signature: Name: Designation: Seal:	Signature: Name: Designation: Seal:

Schedule A: Land Details

1. Location:
 - District:
 - Upazila:
 - Union Parishad/Paurashava:
 - Mouza:
 - Coordinates:
2. Area (Acres):
3. Current Use:
4. Proof of Ownership:

