

Grant No. 10

113 - Economic Relations Division

Medium Term Expenditure

(Taka in Thousands)

Description	Budget 2019-20	Projection	
		2020-21	2021-22
Operating Expenditure	15966,54,00	17563,19,00	19319,51,00
Development Expenditure	66,08,00	72,69,00	79,96,00
Total	16032,62,00	17635,88,00	19399,47,00
Recurrent	4397,78,96	5245,40,92	6091,02,90
Capital	10,96,74	21,97,21	33,31,16
Financial Asset	151,75,50	138,98,00	139,48,00
Liability	11472,10,80	12229,51,87	13135,64,94
Total	16032,62,00	17635,88,00	19399,47,00

1.0 Mission Statement and Major Functions**1.1 Mission Statement**

Acceleration of national development through mobilization of external resources to support development plans/programs of the government by strengthening bilateral and multilateral diplomatic relations.

1.2 Major Functions

- 1.2.1 Assessment, mobilization, negotiation, reviewing and monitoring of foreign aid as well as allocation of all external resources for implementation of development projects under Annual Development Program (ADP);
- 1.2.2 Foreign debt management including debt profiling, debt servicing and maintaining accounts thereof;
- 1.2.3 Arrange annual meetings of the Bangladesh Development Forum (BDF) and monitoring follow-up actions. Arrange regular meetings with the World Bank, ADB, IDB and other multilateral and bilateral development partners and monitoring implementation of decisions;
- 1.2.4 Strengthening external economic relations with international development organizations/agencies;
- 1.2.5 Facilitating various types of international agreements involving financial economic and technical co-operation. Resolve economic and financial issues and facilitating signing of contracts through Joint Commission (JC) and Joint Economic Commission (JEC).
- 1.2.6 Administration of economic wings of Bangladesh missions abroad and appointments of officers and staff thereof;
- 1.2.7 Play roles relating to economic and technical cooperation, resources allocation, external debt management between developed and developing countries and also among developing countries in various forums; and
- 1.2.8 Initiating activities for aid harmonization and aid effectiveness with development partners.

2.0 Medium Term Strategic Objectives and Activities

Medium-Term Strategic Objectives	Activities	Implementing Departments/Agencies
1	2	3
1. Support to achieve targets of five year plan and SDGs through mobilization of external resources.	<ul style="list-style-type: none"> Ease disbursement of committed external loans and the process of signing agreement and mobilize grants Negotiation with development Partners Confirm the utilization of Foreign Aid 	<ul style="list-style-type: none"> Economic Relations Division
2. Maintain sustainable external debt	<ul style="list-style-type: none"> Develop and implement aid management system External debt servicing Analyze cost of loans 	
3. Improve economic relations with development partners	<ul style="list-style-type: none"> Develop, implement and monitor Joint Cooperation Strategies (JCS) under the Paris, Accra, Busan Declaration framework Organize Bangladesh Development Forum (BDF) meetings and monitor follow-up actions Raise voice in various international forums about the negative effects of climate change and mobilize resources from various international climate funds Expedite international agreements signing by organizing Joint Economic Commission (JEC) meetings 	

3.0 Poverty Reduction and Gender Advancement Reporting

3.1 Impact of Strategic Objectives on Poverty Reduction and Women's Advancement

3.1.1 Support to achieve targets of five year plan and SDGs through mobilization of external resources

Impact on poverty reduction: ERD mobilizes financial resources to design and implement targeted poverty reduction schemes and development programs in agriculture, education, health and infrastructure sectors. These schemes and programs directly reduce poverty and creates employments, increase access to health and education services for the poor.

Impact on women's advancement: Foreign aid is also used in projects to improve gender development and to reduce poverty. It helps create employment opportunity for women which reduce poverty.

3.1.2 Maintain sustainable external debt

Impact on poverty reduction:: Debt service management has no direct impact on poverty reduction.

Impact on women's advancement: It has no direct impact on gender advancement.

3.1.3 Improve economic relations with Development Partners

Impact on poverty reduction: No direct impact.

Impact on women's advancement: No direct impact.

3.2 Poverty Reduction and Women's Advancement Related Spending

(Taka in Thousands)

Description	Budget 2019-20	Projection	
		2020-21	2021-22
Poverty Reduction	3877,12,79	3412,87,74	3223,72,62
Women's Advancement	1755,98,81	1548,33,54	1463,06,58

4.1 Priority Spending Areas/Schemes

Priority Spending Areas/Schemes	Related Strategic Objectives
<p>1. Development of aid management system</p> <p>ERD records and analyses external debt data and services debt to keep the debt at the desirable level. In this context, Debt Management Financial Analysis System (DMFAS) Version-6 has been installed to enhance effectiveness of debt management. Besides, Aid Information Management System (AIMS) and Foreign Aid Management System (FAMS) software has been developed. Since debt management plays a vital role in mobilizing and analysing external resources, this area has been accorded the highest priority.</p>	<ul style="list-style-type: none"> Maintain sustainable external debt
<p>2. Attraction of FDI in Bangladesh and Protection of economic interest of Bangladesh in abroad</p> <p>Nine Economic Wings of ERD is working abroad to support the mobilization of external resources and to promote bilateral economic relations with the respective countries and organizations. Therefore, this has been given the second priority.</p>	<ul style="list-style-type: none"> Improve economic relations with development partners
<p>3. Institutionalization of the effective utilization of aid</p> <p>ERD coordinates all the disbursements and commitments of external resources to Bangladesh. In order to ensure aid effectiveness, ERD regularly survey and organize series of workshops, meetings and seminars with the Organization for Economic Cooperation Development - Development Assistance Committee (OECD-DAC). Given the importance of loan effectiveness, this area has been accorded as third priority.</p>	<ul style="list-style-type: none"> Support to achieve targets of five year plan and SDGs through mobilization of external resources

4.2 Medium Term Expenditure Estimation and Projection (2019-20 to 2021-22)

4.2.1 Expenditure by Department/Agencies/Institutional Units

(Taka in Thousands)

Description	Budget	Revised	Budget 2019-20	Projection	
	2018-19			2020-21	2021-22
Secretariat, Economic Relations Division (ERD)	13693,62,96	14120,80,13	16006,37,49	17610,02,06	19372,47,30
Economic Offices Abroad	24,03,04	24,89,94	26,24,51	25,85,94	26,99,70
Grand Total :	13717,66,00	14145,70,07	16032,62,00	17635,88,00	19399,47,00

4.2.2 Economic Group Wise Expenditure

(Taka in Thousands)

Economic Group	Description	Budget	Revised	Budget 2019-20	Projection	
		2018-19			2020-21	2021-22
	Recurrent Expenditure					
3111	Wages and salaries in cash	39,83,27	38,94,20	43,59,71	45,52,08	47,47,65
3211	Administrative expenses	5,72,56	7,53,03	33,02,54	34,34,85	30,02,90
3221	Fees, charges and commissions	32,82	5,12	10,95	11,85	11,25

Economic Group	Description	Budget	Revised	Budget	Projection	
		2018-19		2019-20	2020-21	2021-22
3231	Training	1,83,63	6,01,33	6,50,20	4,28,80	3,51,00
3243	Petrol, oil and lubricants	2,55,60	1,40,00	1,66,30	1,80,38	1,83,99
3244	Travel and Transfer	7,16,50	9,02,95	6,85,91	5,76,75	6,09,82
3253	Public order and safety supplies	0	50	0	0	0
3255	Printing and stationery	45,33	80,16	1,28,94	1,03,54	97,12
3256	General supplies and materials	0	8,27	14,60	10,93	11,34
3257	Professional services, honorariums and special expenses	32,40,28	29,50,37	43,88,80	40,74,61	39,43,80
3258	Repairs and maintenance	3,81,30	5,37,85	6,27,01	6,11,53	6,14,43
3411	Interest on foreign loan	2940,00,00	3444,00,00	4250,00,00	5100,00,00	5950,00,00
3631	Current grants	19,72,57	21,05,03	0	0	0
3821	Current transfers not elsewhere classified	30,00	12,60	17,00	18,00	20,00
3911	Reserve	5,25	0	4,27,00	5,37,60	5,09,60
	Total : - Recurrent Expenditure	3054,19,11	3563,91,41	4397,78,96	5245,40,92	6091,02,90
	Capital Expenditure					
4112	Machinery and equipment	1,75,25	4,83,55	2,77,49	2,42,88	2,23,91
4113	Other fixed assets	20,25	22,01	22,25	48,39	27,25
4911	Reserve	0	0	7,97,00	19,05,94	30,80,00
	Total : - Capital Expenditure	1,95,50	5,05,56	10,96,74	21,97,21	33,31,16
	Assets					
7215	Loans	37,00	5,00	37,00	37,00	37,00
7216	Equity and investment fund shares	162,31,87	160,68,10	151,38,50	138,61,00	139,11,00
	Total : - Assets	162,68,87	160,73,10	151,75,50	138,98,00	139,48,00
	Liabilities					
8231	External loans	10498,82,52	10416,00,00	11472,10,80	12229,51,87	13135,64,94
	Total : - Liabilities	10498,82,52	10416,00,00	11472,10,80	12229,51,87	13135,64,94
	Grand Total :	13717,66,00	14145,70,07	16032,62,00	17635,88,00	19399,47,00

5.0 Key Performance Indicator (KPIs)

Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
			2017-18		2018-19		2019-20	2020-21	2021-22
1	2	3	4	5	6	7	8	9	10
1. Disbursement of Foreign Aid	1 & 2	% of GDP	2.12	5.44	1.80	1.80	1.76	1.54	1.24
2. TDS*/XGS**	2	%	2.07	2.34	2.88	2.80	2.80	2.70	2.60
3. TDS/GDP	2	%	0.41	0.51	0.47	0.54	0.54	0.51	0.50
4. TOED***XGS	2	%	68.39	55.75	79.23	64.04	64.83	64.87	64.09
5. TOED/GDP	2	%	11.64	12.23	14.55	12.50	12.65	12.54	12.30
6. Amount of untied aid as % of total aid inflow	3	%	81	78	78	75	75	75	75
7. Amount of grants as % of total foreign assistance	3	%	8.56	6.0	6.77	6.77	5.60	5.35	4.92

Note: *TDS – Total Debt Service (External)

**XGS – Export of Goods and Services

*** TOED - Total Outstanding External Debt

6.0 Recent Achievements, Activities, Output Indicators, Targets and Expenditure Estimates of the Departments/Agencies

6.1 Economic Relations Division (ERD)

6.1.1 Recent Achievements: In FY 2017-18, disbursement of the foreign aid raised to US\$ 6,369.38 million. In the previous two years, i.e. FY 2015-16 and 2016-17, disbursements totalled US\$ 3,564 and 3,677 million

respectively. In FY 2017-18, foreign assistance agreements have been signed amounting US\$ 14,898.90 million. Moreover, during the previous two years i.e., 2015-16 and 2016-17, foreign assistance agreements have been signed amounting US\$ 7,048 million and 17,962 million respectively. A total of 100 agreements were signed in FY 2017-18 for mobilizing external resources, of which 50 were for grants and the remaining 50 were for loans. In FY 2016-17, 144 agreements were signed of which 70 were for grants and 44 were for loans.

6.1.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2017-18	2018-19	2019-20	2020-21	2021-22		
1	2	3	4	5	6	7	8	9	10	11
1. Ease disbursement of committed external loans and the process of signing agreement and mobilize grants	Foreign aid committed	1	Million US\$	6000	14899	6000	6000	6000	6000	6000
	Foreign aid disbursed			6311	6369	7172	6351	8477	8853	9205
2. Confirm the utilization of foreign aid	Amount of resources collected	1	Million US\$	6311	6369	7172	6351	8477	8853	9205
3. Negotiation with development partners	Number of negotiations	1	No.	100	98	76	75	80	82	82
4. Raise voice in various international forums about the negative effects of climate change and mobilize resources from various international climate funds	Amt. of resource mobilization	3	Million US\$	30.00	40.00	34.00	32.98	37.00	44.00	40.00
5. Expediate international agreements through organizing Joint Economic Commission (JEC) meetings	No. of MOUs/Agreements signed	3	No.	4	2	4	1	4	5	5
6. Develop and implement aid management system	Implementation of AIMS	2	%	-	-	100	100	100	100	100
7. External debt servicing	Loan repayment	2	Million US\$	1430	1409	1600	1650	1850	2000	2200
	Total Outstanding External Debt			36520	33511	38966	37783	43180	48780	54415
8. Analyze cost of loans	Report prepared and updated	2	No.	5	5	5	5	5	5	5
9. Develop, implement and monitor Joint Cooperation Strategies under the Paris, Accra, Busan declaration framework *	% of meeting under the JCS activities	3	No.	1	1	0	0	1	0	0

* According to the decision of Bangladesh Development (BDF) Meeting, the program of JCS (2016-20) is going on. This is why, next targets of will be fixed after new JCS approved

6.1.3 Medium Term Expenditure Estimates by Institutional Unit, Schemes and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/Project	Related Activity	Actual 2017-18	Budget	Revised	Medium Term Expenditure Estimates		
			2018-19		2019-20	2020-21	2021-22
1	2	3	4	5	6	7	8
Operating Activities							
General Activity							
1130101 - Secretariat, Economic Relations Division (ERD)	1-7	138,25,96	37,84,00	41,64,00	45,42,50	45,39,00	47,06,50
1130102 - Economic Offices Abroad	1-3	14,53,83	24,03,04	24,89,94	26,24,51	25,85,94	26,99,70
Total : General Activity		152,79,79	61,87,04	66,53,94	71,67,01	71,24,94	74,06,20
Special Activity							
120000303 - Foreign Debt	-	2166,89,69	10498,82,52	10416,00,00	11472,10,80	12229,51,87	13135,64,94
120000405 - Interest on Foreign Debt	-	0	2940,00,00	3444,00,00	4250,00,00	5100,00,00	5950,00,00
120000801 - Loans to Government Employees		0	0	0	37,00	37,00	37,00
120007600 - Examination Expense Management		0	0	46,00	0	0	0

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2017-18	Budget	Revised	Medium Term Expenditure Estimates		
			2018-19			2019-20	2020-21
1	2	3	4	5	6	7	8
127003301 - Colombo Plan for South and South-East Asia TA (CPS)	1-3	0	0	0	15,00	15,00	15,00
127003901 - Commonwealth Foundation	1-3	0	0	0	30,00	30,00	30,00
127004001 - Commonwealth Fund for Technical Co-operation (CFTC)	1-3	0	0	0	1,80,00	1,82,00	1,82,00
127007101 - IDB (Islami Development Bank)	1-3	0	0	0	25,00,00	25,00,00	25,50,00
127008501 - International Fund for Agricultural Development (IFAD)	1-3	0	0	0	3,22,50	6,50,00	3,22,50
127011001 - Islamic Corporation for the Development of the private sector (ICD)	1-3	0	0	0	12,77,50	0	0
127011501 - Islamic solidarity fund for Development (ISFD)	1-3	0	0	0	8,60,00	8,60,00	8,70,00
127014501 - Singapore-Colombo Plan Staff College (CPSC)	1-3	0	0	0	12,38	12,38	12,39
127014801 - South-South Co-operation	1-3	0	0	0	12,90	12,90	13,00
127015501 - UN Environment Programme (UNEP)	1-3	0	0	0	1,72	1,72	1,73
127015701 - UNWOMEN	1-3	0	0	0	14,19	14,19	14,20
127015901 - UN Fund for Drug Abuse Control	1-3	0	0	0	1,72	1,72	1,73
127016601 - UN Volunteers	1-3	0	0	0	1,72	1,72	1,73
127017101 - UNDP-HQ	1-3	0	0	0	4,30,00	4,30,00	4,35,00
127017201 - UNDP-Local Programme	1-3	0	0	0	15,00	15,00	15,00
127017601 - UNFPA (United Nations Population Fund)	1-3	0	0	0	33,36	33,36	33,38
127017801 - UNICEF (United Nations Children's Fund)	1-3	0	0	0	47,30	47,30	47,30
127018501 - USAID (United States Agency for International Development)	1-3	0	0	0	35,00	35,00	35,00
127020401 - International Aid Transparency Initiative (IATI)	1-3	0	0	0	1,90	1,90	1,90
127020501 - Asian Infrastructure Investment Bank (AIIB)	1-3	0	0	0	113,61,00	113,61,00	113,61,00
127022201 - UN Resident Co-ordination System	1-3	0	0	0	86,00	0	0
Total : Special Activity		2166,89,69	13438,82,52	13860,46,00	15894,86,99	17491,94,06	19245,44,80
Support Activity							
136003300 - Colombo Plan for South and South-East Asia TA (CPS)	1-7	13,64	15,00	14,58	0	0	0
136003900 - Commonwealth Foundation	1-7	21,51	30,00	30,00	0	0	0
136004000 - Commonwealth Fund for Technical Co-operation (CFTC)	1-7	1,52,02	1,82,40	3,33,00	0	0	0
136007100 - IDB (Islami Development Bank)	1-7	213,91,79	25,00,00	25,00,00	0	0	0
136008500 - International Fund for Agricultural Development (IFAD)	1-7	2,45,36	3,00,00	2,89,46	0	0	0
136011000 - Islamic Corporation for the Development of the private sector (ICD)	1-7	0	25,31,87	24,91,10	0	0	0
136011500 - Islamic solidarity fund for Development (ISFD)	1-7	7,84,00	8,50,00	8,50,00	0	0	0
136014500 - Singapore-Colombo Plan Staff College (CPSC)	1-7	5,64	12,22	12,05	0	0	0
136014800 - South-South Co-operation	1-7	1,05	12,75	12,57	0	0	0
136015500 - UN Environment Programme (UNEP)	1-7	72	1,70	1,68	0	0	0
136015700 - UNWOMEN	1-7	21,27	12,75	12,57	0	0	0
136015900 - UN Fund for Drug Abuse Control	1-7	1,05	1,70	1,68	0	0	0
136016600 - UN Volunteers	1-7	1,04	1,70	1,68	0	0	0
136017100 - UNDP-HQ	1-7	4,02,75	4,25,00	4,19,00	0	0	0
136017200 - UNDP-Local Programme	1-7	13,75	15,00	15,00	0	0	0
136017600 - UNFPA (United Nations Population Fund)	1-7	27,87	32,98	32,98	0	0	0
136017800 - UNICEF (United Nations Children's Fund)	1-7	34,80	42,50	41,91	0	0	0

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2017-18	Budget	Revised	Medium Term Expenditure Estimates		
			2018-19		2019-20	2020-21	2021-22
1	2	3	4	5	6	7	8
136018500 - USAID (United States Agency for International Development)	1-7	1,05,00	35,00	35,00	0	0	0
136020400 - International Aid Transparency Initiative (IATI)	1-7	1,77	1,87	1,87	0	0	0
136020500 - Asian Infrastructure Investment Bank (AIIB)	1-7	104,02,88	112,00,00	110,77,00	0	0	0
Total : Support Activity		336,27,91	182,04,44	181,73,13	0	0	0
Total : Operating Activities		2655,97,39	13682,74,00	14108,73,07	15966,54,00	17563,19,00	19319,51,00
Development Activities							
Annual Development Program							
221000113 - Reserve for unapproved project Economic Relations Division (ERD)	1-7	0	0	0	7,97,00	19,05,94	30,80,00
223001400 - Support Implementation of the Revenue Mobilization Program for Result: VAT Improvement Program. (01/07/2014-30/06/2020)	1-7	2,72,30	3,53,00	2,44,00	8,31,00	0	0
223001500 - Knowledge for Development Management (K4DM) for ERD UN Wing (01/01/2015 - 30/06/2019) Approved	1-7	5,69,93	1,60,00	1,60,00	80,00	0	0
223001600 - Central Co-ordination unit of the private sector development support project (CCU Project) (01/01/2012 - 31/01/2021)	1-7	2,45,28	1,50,00	2,00,00	2,57,00	2,02,06	0
223001700 - Japan Human Resource Development Scholarship (JDS) (01/07/2001 - 30/06/2020)-approved	1-7	49,38,08	28,29,00	25,43,00	25,43,00	32,27,00	33,28,00
223033800 - Enhancing GoB's Aid Management and Coordination Capacity for Sustainable Development	1	0	0	1,00,00	1,00,00	2,74,00	0
223034000 - Support to Bangladesh's Smooth and Sustainable Graduation from LDC Status	1-9	0	0	4,50,00	20,00,00	16,60,00	15,88,00
Total : Annual Development Program		60,25,59	34,92,00	36,97,00	66,08,00	72,69,00	79,96,00
Total : Development Activities		60,25,59	34,92,00	36,97,00	66,08,00	72,69,00	79,96,00
Total :		2716,22,98	13717,66,00	14145,70,07	16032,62,00	17635,88,00	19399,47,00