**Grant No. 10**

**113 - Economic Relations Division**

**Medium Term Expenditure**

(Taka in Thousands)

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Budget**  **2020-21** | **Projection** | |
| **2021-22** | **2022-23** |
| Operating Expenditure |  |  |  |
| Development Expenditure |  |  |  |
| **Total** |  |  |  |
|  | | | |
| Recurrent |  |  |  |
| Capital |  |  |  |
| Financial Asset |  |  |  |
| Liability |  |  |  |
| **Total** |  |  |  |

**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. 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);
    2. Foreign debt management including debt profiling, debt servicing and maintaining accounts thereof;
    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;
    4. Strengthening external economic relations with international development organizations/agencies;
    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).
    6. Administration of economic wings of Bangladesh missions abroad and appointments of officers and staff thereof;
    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
    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** |
| Support to achieve targets of five year plan and SDGs through mobilization of external resources. | Ease disbursement of committed external loans and the process of signing agreement and mobilize grantsNegotiation with development PartnersConfirm the utilization of Foreign Aid | Economic Relations Division |
| Maintain sustainable external debt | Develop and implement aid management systemExternal debt servicingAnalyze cost of loans |
| Improve economic relations with development partners | Develop, implement and monitor Joint Cooperation Strategies (JCS) under the Paris, Accra, Busan Declaration frameworkOrganize Bangladesh Development Forum (BDF) meetings and monitor follow-up actionsRaise 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**  **2020-21** | **Projection** | |
| **2021-22** | **2022-23** |
| Poverty Reduction |  |  |  |
| Gender |  |  |  |

**4.1 Priority Spending Areas/Schemes**

| **Priority Spending Areas/Schemes** | **Related Strategic Objectives** |
| --- | --- |
| **Development of aid management system**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. | Maintain sustainable external debt |
| **Attraction of FDI in Bangladesh and Protection of economic interest of Bangladesh in abroad**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. | Improve economic relations with development partners |
| **Institutionalization of the effective utilization of aid**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. | Support to achieve targets of five year plan and SDGs through mobilization of external resources |

**4.2 Medium Term Expenditure Estimates and Projection (2020-21 to 2022-23)**

**4.2.1 Expenditure by Department/Agencies/Institutional Units**

(Taka in Thousands)

| **Description** | **Budget** | **Revised** | **Budget**  **2020-21** | **Projection** | |
| --- | --- | --- | --- | --- | --- |
| **2019-20** | | **2021-22** | **2022-23** |
|  |  |  |  |  |  |

**4.2.2 Expenditure by Economic Group Wise**

(Taka in Thousands)

| **Economic**  **Group** | **Description** | **Budget** | **Revised** | **Budget**  **2020-21** | **Projection** |
| --- | --- | --- | --- | --- | --- |

**5.0 Key Performance Indicator (KPIs)**

| **Indicator** | **Related Strategic Objectives** | **Unit** | **Revised**  **Target** | **Actual** | **Target** | **Revised Target** | **Medium Term Targets** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2018-19** | | **2019-20** | | **2020-21** | **2021-22** | **2022-23** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
| 1. Disbursement of Foreign Aid | 1 & 2 | **% of GDP** | 1.80 |  | 1.76 |  | 1.54 | 1.24 |  |
| 1. TDS\*/XGS\*\* | 2 | % | 2.80 |  | 2.80 |  | 2.70 | 2.60 |  |
| TDS/GDP | 2 | % | 0.54 |  | 0.54 |  | 0.51 | 0.50 |  |
| TOED\*\*\*/XGS | 2 | % | 64.04 |  | 64.83 |  | 64.87 | 64.09 |  |
| TOED/GDP | 2 | % | 12.50 |  | 12.65 |  | 12.54 | 12.30 |  |
| Amount of untied aid as % of total aid inflow | 3 | % | 75 |  | 75 |  | 75 | 75 |  |
| Amount of grants as % of total foreign assistance | 3 | % | 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** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2018-19** | | **2019-20** | | **2020-21** | **2021-22** | **2022-23** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** |
| Ease disbursement of committed external loans and the process of signing agreement and mobilize grants | Foreign aid committed | 1 | Million US$ | 6000 |  | 6000 |  | 6000 | 6000 |  |
| Foreign aid disbursed | 6351 |  | 8477 |  | 8853 | 9205 |  |
| Confirm the utilization of foreign aid | Amount of resources collected | 1 | Million US$ | 6351 |  | 8477 |  | 8853 | 9205 |  |
| Negotiation with development partners | Number of negotiations | 1 | No. | 75 |  | 80 |  | 82 | 82 |  |
| 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$ | 32.98 |  | 37.00 |  | 44.00 | 40.00 |  |
| Expediate international agreements through organizing Joint Economic Commission (JEC) meetings | No. of MOUs/  Agreements signed | 3 | No. | 1 |  | 4 |  | 5 | 5 |  |
| Develop and implement aid management system | Implementation of AIMS | 2 | % | 100 |  | 100 |  | 100 | 100 |  |
| External debt servicing | Loan repayment | 2 | Million US$ | 1650 |  | 1850 |  | 2000 | 2200 |  |
| Total Outstanding External Debt | 37783 |  | 43180 |  | 48780 | 54415 |  |
| 1. Analyze cost of loans | Report prepared and updated | 2 | No. | 5 |  | 5 |  | 5 | 5 |  |
| 1. Develop, implement and monitor Joint Cooperation Strategies under the Paris, Accra, Busan declaration framework \* | % of meeting under the JCS activities | 3 | No. | 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**  **2018-19** | **Budget** | **Revised** | **Medium Term Expenditure Estimates** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **2019-20** | | **2020-21** | **2021-22** | **2022-23** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** |
|  |  |  |  |  |  |  |  |