

## Grant No. 10

## 113 - Economic Relations Division

## Medium Term Expenditure

(Taka in Thousands)

Description	Budget 2023-24	Projection	
		2024-25	2025-26
Operating Expenditure	37775,61,00	41965,25,88	46588,59,31
Development Expenditure	65,61,00	38,49,12	35,57,69
<b>Total</b>	<b>37841,22,00</b>	<b>42003,75,00</b>	<b>46624,17,00</b>
Recurrent	12544,95,50	11102,06,80	11627,44,20
Capital	4,22,50	2,47,00	2,62,60
Financial Asset	592,04,00	594,21,20	404,60,20
Liability	24700,00,00	30305,00,00	34589,50,00
<b>Total</b>	<b>37841,22,00</b>	<b>42003,75,00</b>	<b>46624,17,00</b>

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

Implementation of national development strategies through proper management of external resources and 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. Mobilization of foreign resources from development partners	<ul style="list-style-type: none"> <li>Ease disbursement of committed external loans and the process of signing agreement and mobilize grants</li> <li>Negotiation with development partners</li> <li>Confirm the utilization of Foreign Aid</li> </ul>	<ul style="list-style-type: none"> <li>Economic Relations Division</li> </ul>
2. Maintain sustainable external debt	<ul style="list-style-type: none"> <li>Develop and implement aid management system</li> <li>External debt servicing</li> <li>Analyse cost of loans</li> </ul>	
3. Improve economic relations with development partners	<ul style="list-style-type: none"> <li>Raise voice in various international forums about the negative effects of climate change and mobilize resources from various international climate funds</li> <li>Expedite international agreements signing by organizing Joint Economic Commission (JEC) meetings</li> </ul>	

## 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 to 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 2023-24	Projection	
		2024-25	2025-26
Poverty Reduction	102463,09,62	105786,16,15	106684,31,57
Gender	105095,22,62	112237,52,90	123415,59,78

#### 4.1 Priority Spending Areas/Schemes

Priority Spending Areas/Schemes	Related Strategic Objectives
<p><b>1. Development of aid management system</b></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, Foreign Aid Management System (FAMS) software has been also developed.</p>	<ul style="list-style-type: none"> <li>Maintain sustainable external debt</li> </ul>
<p><b>2. Attraction of FDI in Bangladesh and Protection of economic interest of Bangladesh in abroad</b></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"> <li>Improve economic relations with development partners</li> </ul>
<p><b>3. Institutionalization of the effective utilization of aid</b></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), GPEDC, and UN-DCF. This area has been accorded as third priority because of the importance of the loan effectiveness.</p>	<ul style="list-style-type: none"> <li>Mobilization of foreign resources from development partners</li> </ul>

#### 4.2 Medium Term Expenditure Estimates and Projection (2023-24 to 2025-26)

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

(Taka in Thousands)

Description	Budget	Revised	Budget 2023-24	Projection	
	2022-23			2024-25	2025-26
Secretariat, Economic Relations Division (ERD)	25062,45,15	28183,38,17	37808,86,00	41970,21,70	46590,97,46
Economic Offices Abroad	30,69,85	27,72,15	32,36,00	33,53,30	33,19,54
<b>Grand Total :</b>	<b>25093,15,00</b>	<b>28211,10,32</b>	<b>37841,22,00</b>	<b>42003,75,00</b>	<b>46624,17,00</b>

##### 4.2.2 Expenditure by Economic Group Wise

(Taka in Thousands)

Economic Group	Description	Budget	Revised	Budget 2023-24	Projection	
		2022-23			2024-25	2025-26
	<b>Recurrent Expenditure</b>					
3111	Wages and salaries in cash	48,32,57	46,47,58	49,49,50	52,98,08	55,74,25
3211	Administrative expenses	83,71,23	92,25,41	44,13,67	18,53,12	18,93,71
3221	Fees, charges and commissions	16,75	18,05	13,05	19,10	15,50
3231	Training	6,85,10	2,67,15	4,06,50	1,81,70	1,32,60
3243	Petrol, oil and lubricants	1,62,20	1,62,20	1,75,00	2,01,20	2,20,00
3244	Travel and Transfer	10,77,92	7,21,00	10,58,00	8,18,20	6,60,00
3253	Public order and safety supplies	33,00	19,00	28,50	29,00	29,50
3255	Printing and stationery	2,35,66	1,15,14	1,97,80	1,26,67	1,29,02
3256	General supplies and materials	14,85	12,65	14,63	15,93	19,93
3257	Professional services, honorariums and special expenses	49,07,23	39,84,60	47,68,14	37,04,60	34,90,20
3258	Repairs and maintenance	6,76,28	6,04,79	7,23,64	7,71,05	8,30,55
3411	Interest on foreign loan	7200,00,00	9322,00,00	12376,01,07	10971,63,65	11497,19,44
3821	Current transfers not elsewhere classified	1,18,36	38,00	1,45,00	24,50	29,50

Economic Group	Description	Budget	Revised	Budget	Projection	
		2022-23		2023-24	2024-25	2025-26
3831	Premiums, fees, and current claims	0	30,00,00	0	0	0
3911	Reserve	0	0	1,00	0	0
	<b>Total : - Recurrent Expenditure</b>	<b>7411,31,15</b>	<b>9550,15,57</b>	<b>12544,95,50</b>	<b>11102,06,80</b>	<b>11627,44,20</b>
	<b>Capital Expenditure</b>					
4112	Machinery and equipment	3,80,15	44,05	4,04,70	2,27,75	2,41,85
4113	Other fixed assets	12,85	11,00	17,80	19,25	20,75
4911	Reserve	6,99,00	0	0	0	0
	<b>Total : - Capital Expenditure</b>	<b>10,92,00</b>	<b>55,05</b>	<b>4,22,50</b>	<b>2,47,00</b>	<b>2,62,60</b>
	<b>Assets</b>					
7215	Loans	30,00	23,00	23,00	30,00	30,00
7216	Equity and investment fund shares	624,46,85	457,91,70	591,81,00	593,91,20	404,30,20
7224	Equity and investment fund shares	46,15,00	52,25,00	0	0	0
	<b>Total : - Assets</b>	<b>670,91,85</b>	<b>510,39,70</b>	<b>592,04,00</b>	<b>594,21,20</b>	<b>404,60,20</b>
	<b>Liabilities</b>					
8231	External loans	17000,00,00	18150,00,00	24700,00,00	30305,00,00	34589,50,00
	<b>Total : - Liabilities</b>	<b>17000,00,00</b>	<b>18150,00,00</b>	<b>24700,00,00</b>	<b>30305,00,00</b>	<b>34589,50,00</b>
	<b>Grand Total :</b>	<b>25093,15,00</b>	<b>28211,10,32</b>	<b>37841,22,00</b>	<b>42003,75,00</b>	<b>46624,17,00</b>

## 5.0 Key Performance Indicator (KPIs)

Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
			2021-22	2022-23	2023-24	2024-25	2025-26		
1	2	3	4	5	6	7	8	9	10
1. Foreign aid receipt commitment rate	1 & 2	% of GDP	1.32	2.21	1.17	1.58	1.44	1.29	1.15
2. Foreign aid disbursement rate	2	%	1.8	2.38	2.16	2.09	2.11	1.85	1.67
3. Rate of allocated project assistance compared to total ADP	2	%	32.62	34.36	38.41	33.78	37.35	32.42	26.67
4. Disbursement rate of aid compared to foreign aid accumulated in the pipeline	2	%	16.28	21.79	22.97	20.59	23.83	25.41	27.81
5. Ratio of gross external debt to GDP	2	%	12.53	12.07	12.84	14.11	14.44	14.14	13.65
6. Ratio of gross foreign debt to exports of goods and services	3	%	69.78	69.28	70.37	72.16	72.74	70.61	66.7
7. Ratio of loan and interest repayment compared to exports of goods and services	3	%	3.00	2.52	2.97	3.21	3.70	3.87	3.78

## 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 2021-22, disbursement of the foreign aid raised to US\$ 10,969.29 million. In the previous two years, i.e. FY 2019-20 and 2020-21, disbursements totalled US\$ 7,381.00 million and 7,957.56 million respectively. In FY 2021-22, foreign assistance agreements have been signed amounting US\$ 10,173.24 million. Moreover, during the previous two years i.e., 2019-20 and 2020-21, foreign assistance agreements have been signed amounting US\$ 9,797.00 million and 9,442.37 million respectively. A total of 105 agreements were signed in FY 2021-22 for mobilizing external resources, of which 71 were for grants and the remaining 34 were for loans. In FY 2020-21, 106 agreements were signed of which 70 were for grants and 36 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		
				2021-22	2022-23	2023-24	2024-25	2025-26		
1	2	3	4	5	6	7	8	9	10	11
1. Simplify the process of disbursing committed external loans, agreement signing and mobilizing grants	Foreign aid committed	1	Million US\$	6000	10173	6000	6000	6000	6000	6000
	Foreign aid disbursed			8193	10969	11064	9304	10216	10077	10174
2. Confirm the utilization of foreign aid	Amount of resources collected	1	Million US\$	8193	10969	11064	9304	10216	10077	10174
3. Negotiation with development partners	Number of negotiations	1	No.	65	44	61	28	38	40	36
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\$	10.34	9.21	23.91	25.65	34.08	44.82	50
5. Expedite international agreements through organizing Joint Economic Commission (JEC) meetings	No. of MOUs/ Agreements signed	3	No.	2	2	3	1	3	3	3
6. Develop and implement aid management system	Implementation of AIMS	2	%	100	91.61	100	0	0	0	0
7. External debt servicing	Loan repayment	2	Million US\$	2446	2017	2775	2790	3565	4210	4720
	Total Outstanding External Debt			56953	55602	65662	62660	70076	76822	83267
8. Analyze cost of loans	Report prepared and updated	2	No.	5	5	5	5	5	5	5

### 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 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23	2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8
<b>Operating Activities</b>							
<b>General Activity</b>							
1130101 - Secretariat, Economic Relations Division (ERD)	1-7	30,17,06	45,51,85	69,85,55	46,31,00	50,35,80	53,42,65
1130102 - Economic Offices Abroad	1-3	17,52,26	30,69,85	27,72,15	32,36,00	33,53,30	33,19,54
<b>Total : General Activity</b>		<b>47,69,32</b>	<b>76,21,70</b>	<b>97,57,70</b>	<b>78,67,00</b>	<b>83,89,10</b>	<b>86,62,19</b>
<b>Special Activity</b>							
120000303 - Foreign Debt	7-8	12017,72,21	17000,00,00	18150,00,00	24700,00,00	30305,00,00	34589,50,00
120000405 - Interest on Foreign Debt	7-8	1385,90,13	7200,00,00	9322,00,00	12376,01,07	10971,63,65	11497,19,44
120000702 - Investment in Share (Foreign)	2	45,00,11	46,15,00	52,25,00	0	0	0
120000801 - Loans to Government Employees	8	0	30,00	23,00	23,00	30,00	30,00
127003301 - Colombo Plan for South and South-East Asia TA (CPS)	1-3	14,76	15,50	16,80	19,00	19,50	20,50
127003901 - Commonwealth Foundation	1-3	51,65	31,00	36,00	35,00	37,00	38,55
127004001 - Commonwealth Fund for Technical Co-operation (CFTC)	1-3	1,61,32	2,00,00	2,50,00	2,20,00	2,30,00	2,42,00
127007001 - IDA (International Development Association)	1-3	71,12	80,00	1,30,00	0	0	0
127007101 - IDB (Islami Development Bank)	1-3	25,72,94	51,70,00	56,57,00	90,50,00	91,50,20	91,50,20
127008401 - International Finance Corporation	1-3	0	45,00,00	45,00,00	45,00,00	46,10,00	1,80,00
127008501 - International Fund for Agricultural Development (IFAD)	1-3	9,54,00	6,00,00	15,50,00	7,50,00	0	0
127011501 - Islamic solidarity fund for Development (ISFD)	1-3	16,96,01	8,85,00	11,00,00	11,00,00	0	0

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23		2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8
127014501 - Singapore-Colombo Plan Staff College (CPSC)	1-3	12,20	13,50	15,75	17,00	17,50	18,50
127014801 - South-South Co-operation	1-3	12,72	13,30	15,75	16,50	16,50	16,50
127015501 - UN Environment Programme (UNEP)	1-3	1,70	1,80	2,10	2,20	2,20	2,20
127015701 - UNWOMEN	1-3	13,99	14,65	17,33	18,15	18,15	18,15
127015901 - UN Fund for Drug Abuse Control	1-3	1,70	1,80	2,10	2,20	2,20	2,20
127016601 - UN Volunteers	1-3	1,70	1,80	2,10	2,20	2,20	2,20
127017101 - UNDP-HQ	1-3	4,24,00	4,36,60	5,25,00	5,50,00	5,50,00	5,50,00
127017201 - UNDP-Local Programme	1-3	15,00	16,00	15,00	16,00	16,00	16,00
127017601 - UNFPA (United Nations Population Fund)	1-3	32,90	34,50	40,74	42,68	42,68	42,68
127017801 - UNICEF (United Nations Children's Fund)	1-3	46,64	49,00	57,75	60,50	60,50	60,50
127018501 - USAID (United States Agency for International Development)	1-3	34,95	35,00	35,00	35,00	35,00	35,00
127020401 - International Aid Transparency Initiative (IATI)	1-3	0	4,00	2,50	2,50	2,50	2,50
127020501 - Asian Infrastructure Investment Bank (AIIB)	1-3	112,02,08	114,25,00	141,34,70	145,31,00	145,31,00	0
127023401 - New Development Bank (NDB)	1-3	0	458,51,85	260,00,00	311,00,00	311,00,00	311,00,00
<b>Total : Special Activity</b>		<b>13621,83,83</b>	<b>24940,25,30</b>	<b>28065,53,62</b>	<b>37696,94,00</b>	<b>41881,36,78</b>	<b>46501,97,12</b>
<b>Total : Operating Activities</b>		<b>13669,53,15</b>	<b>25016,47,00</b>	<b>28163,11,32</b>	<b>37775,61,00</b>	<b>41965,25,88</b>	<b>46588,59,31</b>
<b>Development Activities</b>							
<b>Annual Development Program</b>							
221000113 - Reserve for unapproved project Economic Relations Division (ERD)	1-8	0	6,99,00	0	1,00	0	0
223001700 - Japan Human Resource Development Scholarship (JDS) (01/07/2001 - 30/06/2020)-approved	1-8	22,05,48	33,21,00	30,38,00	33,21,00	33,23,00	33,25,00
223034000 - Support to Sustainable Graduation' Project	1-8	10,75,83	17,81,00	6,83,00	17,11,00	0	0
223037000 - Strengthening Capacity of ERD Officials (01/07/2019-30/06/2023)	1-8	34,05	2,43,00	27,00	0	0	0
223042300 - Central Coordination Unit of the Private Investment and Digital Entrepreneurship (CCU-PRIDE) Project	1-8	0	5,15,00	5,15,00	5,23,00	5,26,12	2,32,69
223044700 - Knowledge for Development Management (K4DM), Phase II	1-8	0	11,09,00	5,36,00	10,05,00	0	0
<b>Total : Annual Development Program</b>		<b>33,15,36</b>	<b>76,68,00</b>	<b>47,99,00</b>	<b>65,61,00</b>	<b>38,49,12</b>	<b>35,57,69</b>
<b>Total : Development Activities</b>		<b>33,15,36</b>	<b>76,68,00</b>	<b>47,99,00</b>	<b>65,61,00</b>	<b>38,49,12</b>	<b>35,57,69</b>
<b>Total :</b>		<b>13702,68,51</b>	<b>25093,15,00</b>	<b>28211,10,32</b>	<b>37841,22,00</b>	<b>42003,75,00</b>	<b>46624,17,00</b>