

Methodology

It is felt pertinent to provide a short overview of the methodology used in compiling the publication “Flow of External Resources into Bangladesh”. The debt management software used is a globally adopted system, following international best practices. This UNCTAD-developed software ‘Debt Management and Financial Analysis System (DMFAS)’ has been in use by the Foreign Aid Budget and Accounts (FABA) Branch of the Economic Relations Division (ERD) since 1992. It is used to record and maintain data on the total debt and grant flow of the Bangladesh government. Some secondary data have been collected from the Bangladesh Bank, the Bureau of Statistics, and development partners to enrich the publication. Key methodologies followed in compiling, analyzing, and reporting data for this publication are as follows:

1. Only external debt of the government and grants from development partners are included. The external debt of defense and the private sector are excluded. Other Public Sector External Borrowing which includes some special borrowings for purchasing aircraft, ships, food, and crude oil is shown separately in an aggregate form. Debt extended by the IMF for the balance of payment support, administered by Bangladesh Bank is also added separately. Besides, it presents external loan and grants channeled through NGOs in a separate table.
2. The debt data are converted into US dollars in the following manner:
 - Stock figures such as debt outstanding are converted using end-period exchange rates;
 - Flow figures such as debt service and disbursement during the period are converted using exchange rates as of the date of each transaction.
3. Outstanding debt is calculated by adding net disbursement (gross disbursement minus principal paid) during the year with the stock of debt of the previous year after making adjustments of cancellations, conversion of loans into grants, and exchange rate fluctuations, if any.
4. The amount of aid in the pipeline is determined after adjustment of cancellation, conversion of loans into grants, and exchange rate fluctuations.
5. Most of the debt classification in each table complies with internationally adopted standards.