

Chapter-II: Aid Mobilization

3. Foreign Aid:

Foreign aid is the international transfer of capital, goods, or services from a country or international organization for the benefit of the recipient country or its population. Aid can be economic, military, or emergency humanitarian (e.g., aid given following natural disasters). The earliest form of foreign aid was military assistance designed to help warring parties. The modern form of foreign aid began in the 18th century, when Prussia subsidized some of its allies. European powers in the 19th and 20th centuries provided large amounts of money to their colonies, typically to improve infrastructure with the ultimate goal of increasing the colony's economic output. The structure and scope of today's foreign aid can be traced back to two major developments following World War II: (i) the implementation of the Marshall Plan, a U.S.-sponsored package to rehabilitate the economies of 17 western and southern European countries, and (ii) the founding of significant international organizations, including the United Nations, IMF, and World Bank.

The postwar programs of the United Kingdom, France, and other European former colonial powers grew out of the assistance they had provided to their colonial possessions. The United States and Soviet Union and their allies during the Cold War used foreign aid as a diplomatic tool to foster political alliances and strategic advantages. Since the end of the Cold War, the United States has furnished foreign aid as part of peacemaking or peacekeeping initiatives. Foreign aid also has been used to promote smooth transitions to democracy and capitalism in former communist countries, most notably Russia. Several non-European governments also implemented their own aid programs after World War II. For example, Japan developed an extensive foreign aid program—an outgrowth of its reparations payments made following the war—that provided assistance primarily to Asian countries. Much of Japan's aid came through procurement from Japanese companies, which helped fuel economic development in Japan. By the late 20th century, Japan had become one of the world's two leading donor countries, and its aid programs had extended to non-Asian countries, though much of the country's assistance was still directed toward Asia.

The vast majority of Official Development Assistance (ODA) comes from the countries of the Organization for Economic Cooperation and Development (OECD), specifically the nearly two dozen countries that make up the OECD's Development Assistance Committee (DAC). The DAC includes western European countries, the United States, Canada, Japan, Australia, and New Zealand. Other providers of significant assistance include Brazil, China, Iceland, India, Kuwait, Poland, Qatar, Saudi Arabia, South Korea, Taiwan, Turkey, and the United Arab Emirates. In the 1970s the international community, through the United Nations, set 0.7 percent of a country's gross national income (GNI) as the benchmark for foreign aid. However, only a small number of countries (Denmark, Luxembourg, the Netherlands, Norway, and Sweden) reached that mark. Although the United States and Japan have been the world's two largest donors, their levels of foreign aid have fallen significantly short of the UN's goal.

What is ODA?

It is the assistance to developing countries provided by various organizations, including multilateral institutions, government of industrialized countries and private sector organizations. ODA, as defined by the DAC of OECD, must meet the following three requirements:

- It should be undertaken by governments or government agencies.
- The main objective is the promotion of economic development and welfare in developing countries.
- It has concessional terms, having grant element of at least 25 percent.

(A) Types of Foreign Aids

Generally four kinds of assistance are obtained from external sources and they are (i) Food Aid; (ii) Commodity Aid; (iii) Project Aid; (iv) Programme Support; and (v) Technical Assistance.

(i) **Food Aid:** The food aid is to meet the gap between consumption and stock requirement on the one hand and domestic production on the other. With achievement of self-sufficiency in food grain production, food aid may have to take a different shape. Then instead of actual shipment of food, it may be necessary to obtain funds to buy food locally and use it for social safety net purposes like Food for Works Programme or Vulnerable Group Feeding Programme with an objective to reduce poverty.

(ii) **Commodity Aid:** The commodity aid meets the import needs for various inputs, raw materials and spares which cannot be financed with own resources. Import of edible oil and fertiliser occupy a special position of importance. Then there are other imports needed for development programmes such as road building equipment, laboratory supplies etc. Finally there are imports under the commercial import policy- construction materials, raw materials, transport equipment, spares and supplies for which sufficient financing is not available. Commodity aid is to take care of these imports. Occasionally there may be straight balance of payment support to meet a critical or acute payment gap. Both these kinds of assistance may be treated as one category of aid.

(iii) **Project Aid:** Another kind of aid is project assistance which is more easily understood. Here we obtain essentially capital assistance. Project aid is mostly to meet the implementation costs of various development projects. This aid, however, not only finances capital imports but also provides for related commodity imports, e.g., cement for construction as also payments for services. It is customary now for project aid to finance a part of local currency expenditure on projects. The important point is that this is tied to projects.

(iv) **Programme Support/Aid:** Sometimes financial assistance is provided as budgetary support to meet the deficit financing under programme aid. This is based on the principle of coordinated support for a locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme or a programme of a specific organisation.

(v) **Technical Assistance:** Technical assistance is services of experts, supply of equipments that improves skills and provision of training. Feasibility studies or project preparatory works are carried out under technical assistance programme. Fellowships, training courses and study tours are provided under technical assistance programme. Capacity building institutions are established under such programme. Expert service for any job or institution is obtained under technical assistance programme.

(B) The Basic Objectives

(i) External assistance is required in Bangladesh to meet both for balance of payments gap and investment. It is, therefore, revealed that project and technical assistance alone are not sufficient. A part of assistance is also received in the form of

food and commodity aid. Project assistance does not simply finance import of capital goods and related services but meets a part of local currency expenditure. Programme assistance provides budgets support hence allow import of project related goods and services. Marshalling of external assistance has to be with a dual purpose namely, financing requirements of project that are aided and financing other imports including food grains that are required in the economy. These commodity imports generate counterpart local currency funds from which large budget demands for both welfare services and development expenditures are met.

(ii) It is not possible to line up financing for projects or for commodities from the sources which are most desirable. Again, it is also not possible to identify very easily as to which source will pick up which project or programme. It is, therefore, necessary almost invariably to make multiple approaches for assistance for a programme or a project. When multiple approaches are made, it is essential that the total picture is known to all concerned agencies. It is required to ensure that when one such approach yields positive results other approaches are dropped. While making multiple approaches, it is necessary also to ensure that they are made only where *prima-facie* a favourable attitude prevails. Knowledge on interest, preference and profile of Development Partners is very helpful in this respect.

(iii) In negotiating external assistance it should be ensured that costly and low quality goods and services are not obtained. It is not always possible to exercise a free choice in this respect but probably wrong or unfavourable choice should better be not exercised at all. A judicious mixture of own foreign exchange and external technical assistance should be attempted to meet the demands of executing agencies.

(iv) It is also not possible on occasions to line up financing for a project or programme at the right time. Obviously there will be a gap between approach for aid and its actual materialisation. Therefore, it is essential to initiate the process of aid negotiation at a very early stage at a time when only ideas on projects or balance of payments gap have been formed. Proper judgement is required in determining the stage at which external assistance should be talked about, sought and then negotiated. Time is of essence in implementing development programmes.

(v) All these objectives namely financing of development budget, obtaining supplies of goods and services and raw materials, ensuring that the sources of supplies are worthy and obtaining support for projects and programmes from likely sources at the quickest opportunity must be clearly understood in negotiating and allocating external resource.

(vi) It is important to ensure that the gap between a pledge and a commitment is minimal. When a pledge is subject to approval of the budget of the Development Partner, it is necessary to watch the budget process carefully and obtain commitment as soon as the process is through. The gap between commitment of funds and its allocation has also to be narrowed down. Finally, the gap between allocation and utilisation should also be minimal. Placing of orders and opening of letters of credit do not mean final utilisation, final utilisation is also not disbursement of funds, but final utilization is the ultimate use of goods received or installation of plants imported. Monitoring of the process of commitment and utilization is extremely important.

(C) Negotiations and Allocation of Food Aid

1. The starting point for aid negotiation and allocation is the annual or multi-year food budget. The food budget indicates the food gap on the one and the requirement of stocks for the public distribution system on the other. The food budget is prepared by the Ministry of Food in consultation with Ministries of Agriculture, Disaster Management, Planning, and Finance Division and Economic Relations Division. When the import target for the year is available it is necessary to see how this can be met. Negotiation for food aid begins at this point. Food aid is specifically committed either in terms of tonnage or in terms of value. It therefore needs no specific allocation instructions. The terms of commitment of food aid are negotiated on the advice of the Ministries of Food, Disaster Management and Agriculture.

2. In most negotiations the important points turn out to be:

(i) **The use of food grains:** To ensure that the public distribution system operates, the needs of the poor and rural areas have also to be catered for. Objectives of stock building and price stabilization through open market sales are important. Earmarking of quantities for Food for Works, Relief, Vulnerable Group Feeding Programmes is often, required. It is necessary to exercise vigilance on bilateral nature of food aid given by various countries. Programmes of World Food Programme (WFP) should not be supported from bilateral aid, for that WFP should seek aid from Development Partners directly and then make it available to us.

(ii) **Pricing policy:** Sale price of foodgrains received from aid under public distribution system is quite often a point of negotiation. Also incentive price for domestic production is another issue of concern.

(iii) **Counterpart funds:** Accounting of food sales and use of counterpart funds are tricky issues.

(iv) **Shipping arrangement:** Freight stipulations, chartering of vessels and shipment schedule are important issues.

(v) **Storage and handling:** Adequacy of storage facilities, storage administration, port clearance and upcountry movement are few other issues of concern.

3. Food aid related issues are coordinated at the Coordination and Nordic Wing in ERD. Periodic review of the food situation has also to be made by this Wing. The Wing is expected to produce quarterly statements on food aid situation. In the FPMU, Coordination and Nordic Wing represents Economic Relations Division. Therefore, individual programming desks in dealing with food aid must work in close association with this Wing. Pledges received, commitments made or shipment schedule agreed to must be communicated immediately to the Coordination Wing. Individual desks are also required to be in communication with the Ministry of Food and Ministry of Disaster Management and Relief particularly on the question of shipment schedule.

4. The obligations of the individual programming desks are as follows:
 - a. Request for food aid must be made sufficiently ahead of the programming cycle of the Development Partners. And the request must give an account of the total situation.
 - b. As soon as pledges are known these should be pursued with the Development Partners.
 - c. If commitment involves negotiation of agreements these must be negotiated in good time allowing that the gap between actual arrival of foodgrains and negotiation of an agreement can be a minimum of three months.
 - d. Shipment schedules should be arranged with the Development Partners according to requirements of Ministry of Food and Ministry of Disaster Management and Relief.
 - e. The situation should be kept under review and shipments should be monitored carefully.
 - f. Emergence of any difficulty, an inordinate delay in commitment, a shortfall in arrival, a significant slippage in shipment schedule or sudden changes in domestic availability, price or stocks situation must be immediately brought to the notice of higher quarters.

(D) Negotiations and Allocation of Commodity Assistance

1) In the allocation of commodity assistance the following principles should be followed:

- (i) In order to obtain fast disbursement of commodity assistance simple procedure should be stipulated at the time of negotiation. Untied assistance will move faster than tied aid. If there is an agreed shopping list, either positive or negative, disbursements will be easier. Simple procedure for placing orders (determination of specifications, tendering procedure, award approval, etc.) facilitates quick procurement. Free shipping and coverage of freight and insurance costs if permitted under aid funds also contribute to fast disbursement. Insurance by Sadharan Bima is procedurally simple and should be insisted upon so that we have a share in such services. Simple procedure for establishing letters of credit (L/C) also helps quick flow of goods. At times it is useful to cover retrospective financing or reimbursement of expenses incurred. All these points should be borne in mind in negotiating commodity assistance.
- (ii) Commodity aid negotiated between the second half of May and July should not be finally allocated before finalization of the Import Policy and the review of ADP for the purpose of foreign exchange allocation. Where negotiation on shopping list is involved it may be commenced on tentative basis in consultation with Coordination Wing but firmed up only after the finalization of the import policy and the review of ADP.
- (iii) Aid committed by March should be made available for the Import policy of that fiscal year. Aid committed in April and June should be allocated for financing Import Policy of the year beginning next July.

- (iv) The priority in allocating commodity aid may be considered as follows:
- 1) petroleum and petroleum products
 - 2) fertilizers and raw materials for fertilizers,
 - 3) edible oil and oil seeds,
 - 4) import policy financing,
 - 5) development imports,
 - 6) revenue imports,
 - 7) feasibility studies,
 - 8) project financing.
- (v) How allocations should be distributed between edible oil, fertilizers, import policy financing and the rest will be determined in the Fortnightly Coordination Meeting on the basis of core papers on these three subjects from the Coordination Wing.
- (vi) Aid available for commodity imports, except in very special circumstances which should be recorded, should not be allocated for any feasibility study. These should be financed either from technical assistance or from project oriented or sector oriented commodity or technical assistance.
- (vii) Project financing under commodity aid should be minimum. It may become, unavoidable at times e.g, financing a gap as in the case of Chittagong Dry Dock or Mongla Port. Projects with very small components of foreign exchange expenditure also need commodity aid financing e.g., Engineering College projects. In such cases steps should be taken to ensure that counterpart funds are not required to be deposited. In some cases Development Partners' concurrence may also have to be obtained. Finance Division and Bangladesh Bank should be informed about it in time.
- (viii) When commodity aid is allocated for development imports, the projects for which allocations are made should be specifically mentioned and the budget provisions should be cited. When it refers to several projects such as in the case of spares for Roads and Highways Department all the projects should be indicated.
- (ix) If there is no provision under the "others" column in the ADP no allocation can be made without first obtaining the clearance of the Planning Commission. Also where allocation is in excess of provision in the ADP, clearance of Planning Commission will be necessary. In case of multi-year allocation (when goods ordered will be received in several years) also clearance of Planning Commission will be necessary.
- (x) Allocations for revenue imports can be made only when either there is budget provision for the same or the user agency is prepared to provide its own resources for such imports. Here also budget provision should be cited or it should be indicated that user agency will provide its own resources. Where allocations under both development and revenue imports refer to the same items they should be separately shown e.g, spares under revenue imports should be itemized separately from spares under development imports.
- (xi) Commodity aid cannot be used for importing goods or services which are locally manufactured or available. User agencies will be required to certify before

receiving allocations that list of imports submitted by them are neither locally manufactured nor fabricated nor available in the domestic market.

- (xii) The bulk of commodity assistance after meeting the first two priorities i.e. petroleum and petroleum products and fertilizers should be earmarked for financing the import policy. Untied assistance, as far as practicable, should be made available for Import policy financing.

* Bangladesh Bank has been authorised to allocate commodity aid (vide No. ERD cord-2/Misc-41/90/148 dt. 29/10/90).

- (xiii) For commodity aid that turns out to be costly because of tying of the source of supply, measures may be considered to provide relief to user agencies to the extent of the difference with the international price. In the light of the precedent for tied imports from UK, counterpart funds should be deposited on the basis of international price and taxes and duties also should be levied on such price.

2) The procedure for allocation of commodity aid will be as follows:

- (i) Disposition of all commodity aid must be clearly stated in formal allocation letters in the proforma attached with these instructions.
- (ii) No allocation letter can be issued by a desk until it has consulted with the Coordination Wing and resolved all differences on allocations with that Wing.
- (iii) Cancellation of allocations or reallocations must also be made in consultation with and under intimation to the Coordination Wing.
- (iv) Soon after the ADP is finalized, demands of executing agencies for foreign exchange will be fully reviewed. During this exercise, allocation of cash as well as commodity aid and review of project aid and technical assistance will take place. Coordination Wing will prepare a Register for commodity aid allocation by sources on the basis of such review and also note in it the allocation agreed to for financing the import policy. It will also circulate to the country and agency desks the allocation required for financing the ADP. Allocations made by individual desks should take care of these requirements. The entries in the Register maintained by the Coordination Wing will be amended as and when reprogramming takes place.
- (v) Allocation letter should clearly state the purpose for which funds should be used i.e., development imports, revenue imports, project financing, feasibility study, fertilizer import or the like. It should also refer to budget provisions.
- (vi) Allocation letter should clearly state the source of procurement and also the system to be followed in procurement operation. Whether funds are tied or partially untied or fully untied should be made known. Whether procurement will be done by the Development Partner or by the user agency should be stated. Whether procurement will be through international bidding or international shopping or limited tender or negotiation should be explained. The approval procedure for contracting should be specified.

- (vii) Allocation letter should indicate the shipping and insurance details. Whether shipment has to be affected by specific flag vessels should be clarified. How insurance has to be covered should be specified. Also how the costs will be borne for shipment and insurance should be stated.
 - (viii) Allocation letter should mention the banking procedure. Separate banking instructions as are issued by Bangladesh Bank should be referred to.
 - (ix) Allocation letter should also stipulate the utilization period and the reporting system for this purpose. Not only specific periods for L/C opening, shipment and documents retirement should be stipulated but reporting requirements and dates should also be given.
- 3) Utilization of commodity aid should be periodically reviewed by programming desks:**
- (i) In such reviews reprogramming, where necessary, should take place promptly and notified to the Coordination Wing. Specific cases of slow utilization or problem areas should be brought to the notice of the higher authorities. Generally quarterly review of allocations and utilization should take place.
 - (ii) In reviewing commodity aid utilization the position in respect of counterpart fund generation should be given special attention. Statements on counterpart fund generation should be obtained from Foreign Aid Budget and Accounts Branch before a review is undertaken. It should be observed if agencies have deposited necessary counterpart funds in retiring letters of credit. It should also be scrutinized if agencies receiving allocations have matching counterpart funds. Specific attention should be given to commodities that are procured by Development Partners and shipped to the user agencies by them directly. In such cases it should be ensured that shipping documents are cleared through designated banks that can collect counterpart funds for such imports.
 - (iii) Coordination Wing will monitor the import programme of selected sensitive and important items. Besides edible oil and fertilizers for which special measures are to be taken items like cotton, coal, steel billet and scrap and pharmaceuticals, spares for cotton and others to be specified from time to time, should be under special watch. Allocations made for these both under development imports and import policy should be noted at the beginning of the year. Thereafter quarterly stock taking should take place usually with the help of programming desks and CCI&E and, if necessary, the importing agencies.

(E) Allocation for Import of Edible Oil

- (1) Like the Food Budget the import programme for edible oil should also be determined well before the commencement of a financial year. The agencies undertake import of edible oil or oil seeds namely, the Ministry of Food and Ministry of Disaster Management and Relief, Bangladesh Sugar and Food Industries Corporation (BSFIC) and the private oil mill owners. Imports are secured under commodity aid, barter and also with own foreign exchange resources.
- (2) There are few traditional sources of edible oil supply under commodity assistance, namely USA, the Netherlands, Sweden, Canada and the EU. In negotiating with these

countries the requirement of edible oil should always be kept in mind. At the time of critical supply, other Development Partners should also be approached for edible oil.

- (3) Against commodity aid allocations made to the Ministry of Food for edible oil there is no generation of counterpart funds while in other cases counterpart funds are generated. This point should be noted in making estimates of counterpart funds generation as well as monitoring it.
- (4) Allocation for edible oil or oil seeds, whether in favour of BSFIC or the private sector, is treated as part of import policy financing.
- (5) The following points should be considered in making allocations for edible oil:
 - (i) There is a demand for oil seeds for the grinding mills and this should be sufficiently met. It may be necessary to allocate own foreign exchange resources to obtain supply of oil seeds. Gradually import of oil seeds should be stopped.
 - (ii) There is also a demand for crude oil for the hydro generation industry and this also must be met.
 - (iii) Under the public distribution system a limited supply of edible oil is made on a regular basis every month. It should be ensured that the Ministry Food and Disaster Management gets sufficient supplies to meet this obligation;
 - (iv) Import of high cost refined oil should, as far as possible, be substituted by import of crude oil which should be refined at home. The existing refining capacity within the country should not only be fully used but also be expanded if necessary. Even the Ministry of Food and Disaster Management may be asked to obtain import of crude oil for which they can work out arrangements with domestic industry for refining it.
- (6) There should be a review of the supply situation of edible oil every four months. In this review exercise association of Food and Disaster Management and Commerce Ministries may be necessary. The preparation of the edible oil budget and the periodical review of the supply situation will be the responsibility of the Coordination Wing.

(F) Allocation for Import of Fertilizer and Raw Materials for Fertilizers

- (1) Fertilizer budgeting is generally done on a multi-year basis. At least six months before the commencement of a financial year a firm fertilizer budget for the year should be prepared. Preparation of such a budget will need the joint efforts of the Ministry of Agriculture, BADC, Ministry of Industries and BCIC.
- (2) Once the requirement of import is estimated the Co-ordination Wing should indicate as to how much will be available under multi-year programmes and how the rest of the gap should be met. Estimate of import requirement must provide for buffer stocks for the prospective three months for urea and five months for other fertilizers.
- (3) The traditional suppliers for fertilizers are: USA, Canada, the Netherlands, Norway, Japan and Saudi Arabia. Small quantities from other sources are also available. One of the important items of raw materials for fertilizers that we imported is phosphatic rock. While phosphatic rock is imported by BCIC, all other fertilizers are imported by BADC. Allocation for phosphatic rocks is made under the import policy while to

BADC all allocations are made directly. It is possible to obtain supplies of fertilizers under barter but this should be a source of the last resort.

- (4) Fertilizer situation both in terms of supply and demand is kept under constant review. A stock-taking in every four months should be undertaken by the Coordination Wing. Other issues that will be relevant in such a stock-taking are fertilizer pricing, storage situation and domestic supply situation.
- (5) In allocating commodity aid for fertilizers it should be observed that maximum efforts are made to obtain supplies from the best source. As much as possible untied funds should be allocated after meeting the needs of import policy financing.

(G) Allocation for Import Policy Financing

- (1) The annual import level is a matter for decision by the joint deliberations of the Planning Commission (General Economics Division), Finance Division, Commerce Ministry and ERD. Ministry of Industries, Power, Energy and Mineral Resources, Agriculture and Food and Disaster Management as importers of major items also contribute to the ultimate determination of the size of the import programme. Import of capital goods, food and fertilizer are essentially financed by external assistance. In addition, imports for development projects not financed by project assistance are also largely financed by external assistance (commodity assistance for "others" column of the Annual Development Programme). The Annual Import Policy which is prepared in the Ministry of Commerce covers imports of items other than those mentioned above (i.e., capital goods, food, fertilizer and development imports) and the limited imports under revenue budget of various governmental agencies.
- (2) For financing the import policy items, which are usually raw materials for public and private sector industries, consumer goods imported by private and public traders, spares for industries, utilities, etc., construction materials, transport equipment and the like, there are limited sources at present. The largest source is own foreign exchange resources followed by wage earners remittance which is financing an increasingly larger share of imports each year. Commodity aid and barter trade covers only a small part of the import programme.
- (3) In the month of May each year, the Coordination Wing will make an estimate of the gap in import policy financing which will be required to be met by commodity assistance. The size of the annual import programme is usually estimated about six months before the commencement of the fiscal year. Requirement of food and fertilizer import can be firmed up by March. Then in April when ADP is finalized, it will be possible to estimate development imports and imports under project aid. Imports under revenue budget grow slowly but steadily. It remains then to estimate the level of imports under the annual Import Policy. Projections about availability of own foreign exchange under barter trade and remittances will indicate the gap.
- (4) For import policy financing, as far as practicable, untied funds should be made available. Import policy financing should also enjoy higher priority in the negotiations as well as allocation of commodity assistance. Only allocations for edible oil and fertilizers enjoy precedence in priority.
- (5) Allocations for import policy financing shall take care of the following:

- (i) It should be clearly indicated as to what items can be imported with allocated funds.
 - (ii) If allocations are required to be made in favour of public corporations, it should be done in consultation with the Ministry of Commerce.
 - (iii) Allocations should be made immediately as funds are committed and specially during the first half of the fiscal year.
 - (iv) No allocation of new funds should be made between April and June of any year.
 - (v) Review of allocations should be made frequently along with the Ministry of Commerce.
 - (vi) Progress in licensing under aid funds and establishment and retirement of letters of credit should be regularly monitored.
- (6) Allocation of commodity aid for the import policy should be finalized in consultation with the Ministry of Commerce. In some cases, only the CCI&E is invited to attend meetings for the purpose. Mere presence of a representative of CCI&E should not be treated as sufficient since consultation with Ministry of Commerce is essential before finalizing such allocation. Ministry of Commerce can alone advise if allocations are in conformity with Import Policy and its Financing Plan. For this purpose the following procedure will be followed:
- i) Respective desks in the Economic Relations Division must ensure that the Ministry of Commerce is invariably consulted in all cases of commodity aid allocation and subsequent amendments or modifications. The Ministry of Commerce should be associated in the processing of commodity aid by way of requesting them to be present in wrap-up sessions, inter-ministrial meetings for examination of draft credit agreements or annual consultation with relevant bilateral Development Partners.
 - ii) The allocations made under different credits/grants should be made in conformity with the Financing Plan issued by the Ministry of Commerce. In case, provisions of the credit/grant agreement do not permit adherence to Financing Plan, the Ministry of Commerce should be informed of the provisions in order to enable them to adjust the Financing Plan accordingly. Once allocations are made, requests from agencies for any modification or alteration may be entertained only on the recommendation of and clearance from Ministry of Commerce.

ERDP-1

Proforma for Allocation of Commodity Assistance

- (i) Name and nature of credit (e.g. UK Commodity Credit No..... of 19..)
- (ii) Purpose of allocation (Import Programme, Development Imports, Non-development Imports, Fertilizer Import, Edible oil Import).
- (iii) Agency to which allocation made
- (iv) Amount of allocation
- (v) Nature of allocation (tied, United or partially United)
- (vi) Name of the Project against which or purpose for which allocation made.
- (vii) Stipulations on counterpart resourcing of the imports- either provision of own resources by an agency or availability of funds under "other column" of the ADP.
- (viii) Date of opening of letter of credit.
- (ix) Date of shipment
- (x) Procurement condition and procedure-if there are specific instructions they should be furnished.
- (xi) Insurance stipulations.

FINANCE MINISTRY ERD

No. ERD/COORDINATION-2/MISCELLANEOUS-41/90/148, October 29, 1990.

Subject: Authorization of Bangladesh Bank to allocate Commodity Aid.

1. Commodity loans and grants provided by the foreign countries/agencies are allocated by ERD of the Finance Ministry among user Ministries/Divisions/agencies for the import of various commodities.
2. Henceforth, ERD will allocate the funds under the loans/grants in the form of block allocation to Bangladesh Bank after signing the agreement for the commodity loans/grants. Bangladesh Bank will be authorized to allocate this block allocation among user Ministries/agencies for the import of various commodities on the basis of the allocation recommended by the Commerce Ministry. This procedure will come into immediate effect.

ENAM AHMED CHAUDHURY
Secretary.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
অর্থনৈতিক সম্পর্ক বিভাগ

নং-অসবি/সমস্বয়-২/বিবিধ-৪১/৯০ (অংশ-৩)/১৬৭,

পরিপত্র

বিষয়ঃ- বৈদেশিক পণ্য সাহায্য বরাদ্দের ক্ষমতা বাংলাদেশ ব্যাংককে প্রদান প্রসঙ্গে।

সূত্রঃ- বসবি/সমস্বয়-২/বিবিধ-৪১/৯০ (অংশ-৩)/১৮৮

৩০-১২-১৩৯৭ বাং

তারিখঃ- -----

১৪-০৪-১৯৯১ ইং

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তারিখঃ- -----

২৮-১০-১৯৯০ ইং

উপরোক্ত বিষয়ে অত্র বিভাগের ২৮-১০-১৯৯০ ইং/১২-০৭-১৩৯৭ বাং তারিখের একই নম্বরে জারীকৃত পরিপত্রের আংশিক সংশোধনপূর্বক নিম্নস্বাক্ষরকারী জানাইতে আদিষ্ট হইয়াছে যে, শুধুমাত্র শর্তমুক্ত (Untied) বৈদেশিক পণ্য ঋণ/অনুদানের অর্থ খোক বরাদ্দ হিসাবে বাংলাদেশ ব্যাংককে অর্থনৈতিক সম্পর্ক বিভাগ বরাদ্দ করিবে। ইহার ফলে কানাডা, যুক্তরাজ্য, জার্মানী, যুক্তরাষ্ট্র, হল্যান্ড, ডেনমার্ক, নরওয়ে, বেলজিয়াম, ফ্রান্স, ইসলামী উন্নয়ন ব্যাংক, ওপেক ইত্যাদি সূত্র হইতে প্রাপ্তব্য উৎসবন্দী (Tied) বৈদেশিক পণ্য ঋণ/অনুদানের বরাদ্দ সংক্রান্ত জারীকৃত ক্ষমতা বাংলাদেশ ব্যাংক হইতে প্রত্যাহার করা হইল। এইসব সূত্র হইতে প্রাপ্তব্য পণ্য ঋণ/অনুদানের প্রাপ্তব্য অর্থ সংশ্লিষ্ট বিভিন্ন মন্ত্রণালয়/বিভাগ/সংস্থাকে পূর্বেরমত অর্থনৈতিক সম্পর্ক বিভাগ হইতে জারী করা হইবে। এইসব সূত্র হইতে প্রাপ্ত পণ্য সাহায্যের বরাদ্দের বিকল্প মুদ্রা বাজার (SEM) এর মাধ্যমে করা হইবে না।

২। অন্যান্য শর্তমুক্ত (Untied) পণ্য ঋণ/অনুদানের অর্থ খোক বরাদ্দ হিসাবে অত্র বিভাগ হইতে বাংলাদেশ ব্যাংককে দেওয়া হইবে। বাংলাদেশ ব্যাংক বিভিন্ন সূত্র হইতে প্রাপ্তব্য শর্তমুক্ত (Untied) পণ্য ঋণ/অনুদানের অর্থ বিভিন্ন মন্ত্রণালয়/বিভাগ/সংস্থা ও বেসরকারী খাতকে বিকল্প মুদ্রা বাজারের (SEM) মাধ্যমে বরাদ্দ করিবেন। এই বরাদ্দের ক্ষেত্রে বাংলাদেশ ব্যাংক “প্রথম আসিলে প্রথমে পাইবেন” (first-come-first served) ভিত্তিতে বরাদ্দ করিতে পারিবেন। তবে এই বরাদ্দ কোন ক্রমেই বাণিজ্য মন্ত্রণালয় কর্তৃক প্রণীত আমদানী নীতি বাস্তবায়নের পরিপন্থী হইবে না। এই সংশোধিত পরিপত্র অবিলম্বে কার্যকরী হইবে।

এম, নজরুল ইসলাম
উপ-প্রধান

বিতরণঃ-

- ১। গভর্নর, বাংলাদেশ ব্যাংক।
- ২। মূখ্য অর্থ সচিব, অর্থ বিভাগ, অর্থ মন্ত্রণালয়।
- ৩। সচিব, বাণিজ্য মন্ত্রণালয়।

DESH
MINISTRY OF FINANCE
ECONOMIC RELATIONS DIVISION
Sher-e-Bangla Nagar, Dhaka-7

No.ERD/IDA-8/18/91 (Part-2)/ dated: 11.2.1992

Subject: Procedure for Utilization of Commodity Aid.

Reference: Circular No.ERD/Coordination-2/Misc-41/90 (Part-3/167 dated: April, 1991.

NOTIFICATION

In partial modification of the circular referred to above it is hereby notified that in so far as the aid agreements do not contain provision to the contrary all commodity aid programmes will be made available to importers on a first -come-first served basis through authorized dealers in foreign exchange. Bangladesh Bank will administer the commodity aid programmes in accordance with the terms of the agreement with the respective Development Partner.

2. The Economic Relations Division will administer commodity aid programmes on the basis of direct allocation to importers only when specially requested to do so by the Development Partners. In such cases of direct allocation the designated importer shall be required to pay local currency counterpart funds as outlined in the terms of the respective aid agreement.

MUSHFIQ-US-SWALEHEEN
Deputy Chief (C.C.)

Distribution:

(H) Negotiations and Allocation of Project Assistance

(1) **Stages of Project Preparation:** Negotiation of project assistance is a matter of lengthy procedure. Essentially the process should begin very early at the stage of a project idea or project conception. The life cycle of a project till its execution begins can be as follows: First, there is the project idea, a rough and hazy thinking about a scheme. Then it is possible to draw a project profile with some idea of location, components, purposes and rough costs. At the next stage, a scheme/ write-up in sufficient details is to be prepared. Staffing, phasing of work programme, firm-up estimates and benefits statement be given at this stage. During these two stages Development Partners may like to, or be asked to, mount fact finding, reconnaissance or project identification missions. For some projects, even after these stage a fourth step is necessary. This step consists of detailed economic and engineering feasibility report. For this, Development Partners will undertake technical assistance appraisal work. Feasibility studies are necessary for larger or complex projects or projects where there are clear alternatives. The final stage for every project is the stage at which a Project Proposal is prepared by the executing agency and approved by the Competent Authority. DPP preparation should begin immediately following appraisal of a project by the Authority. This appraisal may take various forms including a visit by an appraisal mission. At times the transformation from the idea stage to the final DPP through all the five stages may take few years. Seldom is the transformation effected in less than a year and in case of externally assisted projects in less than two years.

(2) **Guiding Documents:** Project preparation in the past was guided by the Poverty Reduction Strategy Paper (PRSP) and Five Year Plan. At present, Perspective Plan and Five Year Plan take place over the Poverty Reduction Strategy Paper (PRSP) as the Government's plan document. The Perspective Plan and Five Year Plan will form the basis of undertaking projects according to the needs of various sectors to attain the goal of becoming a middle income country by 2021.

(3) **Initiation of Discussion with Development Partners:** Project ideas and programmes must be discussed by executing agencies and ministries/divisions with possible Development Partners as long as they appear to be consistent with plan objectives and strategies. In doubtful cases consultation with Planning Commission is necessary. It is also necessary that some judgment on the interest of the Development Partners and its areas of excellence should be made before talking about a project with a Development Partner. For example, seeking commodity aid from Belgium may be as futile as asking for a computer from Yugoslavia. In case of doubt, consultation with ERD (the concerned desk or the Coordination Branch) should be made. It is very important that when such initial sounding seems propitious, it is immediately reported to ERD as also the concerned division of the Planning Commission. The next stage is preparation of DPP for approval by ECNEC. This will be followed by invitation for a fact finding, reconnaissance or project identification mission. At this stage executing agencies as also ministries should not act unilaterally, they must process the case through ERD. This is the time to assess if the project or programme fits in with our plan objectives, targets, strategy and allocations. At this stage of dealings with Development Partners, programming desks have to take active interest and start keeping an account of Development Partner's reaction. This is also the stage at which Coordination Wing has to come into the picture-either will process the project profile to the programming desks or programming desks will seek its concurrence in transmitting any project profile to a Development Partner or

Development Partners. The Coordination Wing will enter a project in its Project Register at this stage if not already entered.

(4) **Continuation of Discussion with Development Partners:** In the next round executing agencies should continue discussion with Development Partners till support to the project is committed by a Development Partner. Multiple approaches should be normal but ERD is expected to keep the Development Partners informed of multiple approaches when a Development Partner seeks information. When the concerned desk of ERD gets the initial information on acceptance of a project from a Development Partner whether tentatively or in principle or finally, it should inform Coordination Wing instantaneously as also the executing agency and its administrative ministry so that multiple approaches are immediately stopped. If an executing agency or Ministry gets the initial hints about Development Partner's acceptance they should pass the information immediately to ERD and desist talking about the project with other Development Partners. In case a project is in need of support from more than one Development Partner, the effort should be to find a minimum number of compatible Development Partners to co-finance or, joint-finance the project. It should also be tried to find a lead agency among the multiple Development Partners. The programming desk dealing with the leading Development Partners coordinate action on our part for a co-financed or joint-financed project. The Coordination Wing of ERD will periodically compile a statement of aid requests made and also the results thereof and circulate it to all desks of ERD as also to Planning Commission and concerned ministries and executing agencies.

(5) **Appraisal/Feasibility Study:** If a feasibility study or engineering exercise is insisted upon by a Development Partner, it should be ensured that the scope of such an exercise is kept as limited as possible and terms of reference are drawn up clearly and with reference to specific objectives. It should also be tried to carry out such work with local talents or at least with them associating the expatriates. The feasibility study or designing work should be commissioned promptly, counterpart assistance should be provided fully and the work completed with expedition. The gap between completion of a feasibility study and approval of a project should be minimised. Detailed appraisal, when the results of the feasibility study are in favour of a project, should be resisted and only terms of agreement should be arrived at during appraisal. A programming desk cannot by itself achieve all that is listed in this paragraph as most of the substantive work is in the domain of the executing agencies. A programming desk has only to impress upon the imperatives of actions outlined here and take them up with agencies every now and then.

(6) **Appraisal Documents:** At the stage of final appraisal of a project the questions of plan provision, project design and project organization in particular and all questions involving major commitments should be cleared with concerned agencies, especially Planning Commission. Appraisal mission should be accepted when the executing agency has clarified its ideas and obtained clearance of concerned agencies. Usually a three weeks notice for arrival of appraisal mission should be insisted upon. The programming desk should try to obtain an aide memoire or a memorandum of understanding, or minutes of discussion, or a letter of intent from the appraisal team. A project digest and issues of importance should be listed in the aide memoire or such other document. The contents of such a document should, as far as practicable, be discussed with the executing agency, its administrative ministry and the Planning Commission. In fact ERD should, invariably organize a wrap-up session with the appraisal mission to discuss the aide memoire or similar paper.

(7) **Initiation of DPP Preparation:** Two points need special attention and these are (i) organizational changes proposed in a project agreement; and (ii) the stage of project preparation from the point of view of our approval procedure. Commitments on organizational changes or structure for project management should be cleared with Finance Division, Ministry of Law and Ministry of Public Administration and may even be cleared at political level in the executing agency. As for the stage of project preparation, preliminary work on drafting the DPP should commence when a project is being appraised, if not earlier. And as soon as appraisal is completed and understanding is reached on scope and cost of a project, the DPP should be prepared for the approval of competent authority. As soon as negotiation for a loan or grant is concluded, negotiating team should submit a report to all concerned indicating actions to be taken. And finalization of DPP should be done not later than a fortnight after circulation of the report of the negotiating team. ECNEC approval should be considered as a sufficient condition for loan effectiveness if such a stipulation has at all to be made. In case approval process in the GOB takes time, concurrence of the Planning Commission in principle may obtain for expediting the negotiation process.

(8) **Obtaining Concurrence from Concerned Ministries/Division for Agreement:** Negotiation of a project agreement, in whatever form it is done, must be preceded by inter-ministerial consultations. A grant or loan agreement, a memorandum of understanding, an exchange of notes or a contract must be cleared by all concerned agencies. The Planning Commission, Finance Division, Ministry of Law, Justice and Parliamentary Affairs, National Board of Revenue and Ministry of Foreign Affairs are usually required in any inter-ministerial consultation. Depending on time available written views may be solicited or positions may be cleared in short notice meetings. The minutes of ECNEC meeting on the DPP should be treated as negotiating instructions in addition to whatever the inter-ministerial consultation may decide. For such consultation, strict time schedule should be observed. If an agency fails to offer any comment, concurrence will be automatically assumed.

(9) **Allocation Letter:** Presently, no allocation letter for project aid is issued when individual agreements are negotiated for projects. It is assumed that the loan or grant document is enough. In cases of assistance negotiated annually or biannually for projects and programmes together, as in the case of Sweden or the Netherlands, there is a kind of allocation letter for project aid. It is felt that similar system or commodity aid allocation letter may introduce to issue project aid allocation. Copies of project document or other relevant papers should be attached. These Instructions will be issued by the concerned desks and master copies will be endorsed to Coordination Wing. Coordination wing will enter necessary details in their Project Register.

(10) The allocation letter should detail the following:

- (i) Statement of Sector, Sub-sector and name and status of the project.
- (ii) Name of the executing agency/agencies.
- (iii) Total cost of the project and its foreign exchange cost.
- (iv) Annual phasing of project expenditure and share of aid in each year.

- (v) Statement of aid for the project. This will contain information on total aid, local cost element, element of retroactive financing, if any, and cost of consultancy service, if any.
- (vi) Statement of components of the project indicating their total costs and element of aid financing and period required for implementation of the components.
- (vii) Statement of conditions of aid effectivity with stipulated time for their fulfillment. Such conditions may be DPP approval, appointment or short listing of consultants, furnishing of legal opinion or ratification, establishment of project office or appointment of key personnel, introduction of some accounting system or opening of a revolving fund, institutional changes like creation of an autonomous body or passing of a charter or incorporation of a company, submission of reports or plans, acquisition of land or site development and commissioning or completion of specific studies or reviews.
- (viii) Statement on aid disbursement procedure and deadlines. In particular procedure for reimbursement or claiming of retroactive financing or adjustment of advances should be specified.
- (ix) Relending terms of the assistance specifying interest charge, grace period and amortization schedule;
- (x) Provisions relating to insurance.
- (xi) Provisions relating to accounting and submission of audit reports,
- (xii) Provisions relating to Implementation or fund utilization reports.
- (xiii) Provisions relating to appointment of consultants.
- (xiv) Provisions relating to procurement of goods like plants and equipment, construction materials, physical inputs, spares and raw materials etc.
- (xv) Provisions relating to procurement of services such as civil work contracts, management assistance, accounting and auditing service, etc.
- (xvi) List of loan covenants to be fulfilled with timing of each action, specifically mention should be made of institutional, management, financial and accounting obligations. Also studies or reviews to be undertaken or work programme to be acted upon should be stated.

(11) **Review of Utilization:** Review of utilization as well as allocation of project assistance should specifically take place three times in a year. First review will be in June/July when the ADP provisions for foreign exchange are reviewed with all agencies. At this time a list of projects for which assistance should be committed or sought during the year should also be assessed. Provisions under project aid for both foreign and local expenditure should be reviewed. The next important review will be in December for the purpose of revisions of the ADP. The other review will be in March for the preparation of the ADP for the following fiscal year. Both December and March reviews should result in project aid statements in the attached proforma (ERDP-2). In these reviews, if felt necessary, an executing agency may be consulted but these are essentially internal reviews. The results of these reviews should be transmitted to Programming and Sector Division of the Planning Commission. In the usual quarterly desk review of aid allocation along with detailed review of commodity aid allocation, project aid situation should also be reviewed with executing agencies. The Important points to note in such review will be:

- (i) the rate of disbursement of assistance and the bottlenecks where they exist;
- (ii) accuracy of projections of disbursement and provision in the ADP;

- (iii) estimates of local currency reimbursement and actual position in respect of reimbursement;
 - (iv) adequacy of local currency provisions for assisted projects particularly for payment of taxes and duties;
 - (v) stage of placement of orders for goods and equipment and contracts for civil works or consultancy services.
- (12) **Sector Review:** Sector review with a view to scrutinising aid utilization and assess the needs of aid should be a regular feature in the ERD. Such reviews should be made with concerned agencies periodically and occasionally with development partners as well. The important point in this respect is preparation of basic papers on sectoral aid picture- a picture of availability as also of demand. Updating of this paper will be a prime responsibility of the Coordination Wing though the basic paper may be prepared by the desk most concerned with a sector.

4. WINGWISE RESOURCE MOBILISATION PROCESS

WING-1 (Japan, America and EEP)

1) Japan

Japan entered into the Organization for Economic Cooperation and Development (OECD) in 1964 and became the largest Development Partner country in 1989. The diplomatic relations between Bangladesh and Japan was established on February 10, 1972. During this period Japan has contributed greatly to the overall development of Bangladesh. It has covered a wide range of cooperation in Power, Transportation, Telecommunication, Agriculture & Rural Development, Health, Education, Water and Sanitation, Environment, Human Resource Development and in other sectors in terms of concessional loan, grant, technical cooperation, development studies, dispatching volunteers, experts etc. So far, Japan is the single largest bi-lateral Development Partner of Bangladesh. Since independence to March 2012, Japan has provided a total financial support of over US\$ 9 billion as Project Aid, Food Aid and Commodity Aid to Bangladesh in the form of Grant Aid and concessional Loans.

The Japan Bank for International Cooperation (JBIC) and the Japan International Cooperation Agency (JICA) operated as two separate organizations under Government of Japan till September 2008. However, the two organizations merged on October 2008 and formed new JICA.

JBIC is a state owned financial institution of Japan. Formerly it was Export-Import Bank of Japan since 1952. From 2008 it becomes the International Wing of Japan Finance Corporation.

Although JICA has been established in 1974 as ‘a special public institution’ of the Government of Japan, it has been transformed into an ‘independent administrative institution’ on 1st October 2003 as an outcome of Japans administrative reform plan. Under the new system, formulation of policy remains a government function, while policy implementation is delegated to the JICA being an independent administrative institution. Therefore, JICA commits itself to autonomous and flexible operations.

JICA provided bilateral Grant Assistance and Technical Cooperation in different sectors. After merging with JBIC, JICA implements the soft loan activities of JBIC. JICA is reborn as Development Partner providing Technical Cooperation, concessional Loan (ODA Loan) and Grant Assistance ‘under one roof’.

JICA Bangladesh office was established in 1974 replacing the Overseas Technical Cooperation Agency (OTCA) Office. JICA’s cooperation in Bangladesh aims at (1) balanced development to three aspects, namely economic growth, social development and good governance, (2) quality, quantity and capacity development and (3) focus on climate change and disaster management issues.

- **Agreed Areas of Assistance (Priority Areas)**
 - Power
 - Transportation
 - Telecommunications
 - Agriculture & Rural Development
 - Climate change mitigation and disaster management.
 - Social Development
 - Human Resources Development

▪ **General Terms for ODA Loans**

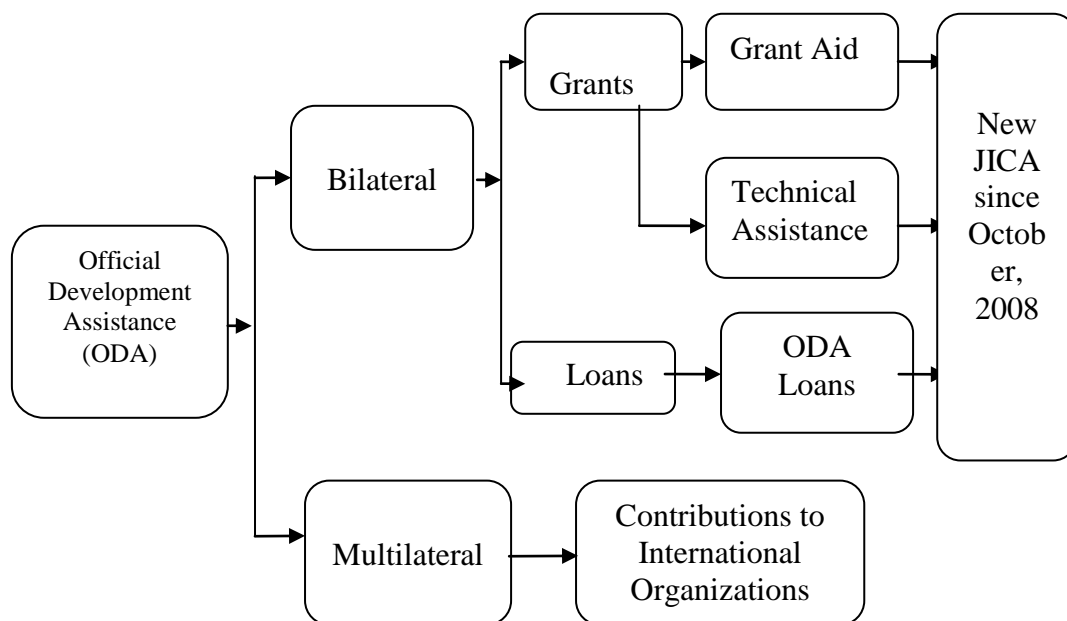
- Interest Rate: 0.01%
- Repayment Period: 40 years
- Grace Period: 10 years
- Procurement: United
- Commitment Charge : Nil

ODA Loans write off:

In FY 2003, the Government of Japan through JBIC decided to write off an amount of approx. US\$ 1.5 billion of the outstanding ODA loans that was committed to Bangladesh before 1988. Since 2004, the write off is taking place through a new measure i.e. in the form of Japan Debt Cancellation Fund (JDCF), which has replaced the earlier DRGA** (Debt Relief Grant Assistance), a mechanism through which Bangladesh used to receive (since 1971 to March 1988) back the amount it paid to Japan in the form of debt servicing. Through the new mechanism of JDCF measure, the total debt amounting to US\$ 1.46 billion (158.09 billion Japanese Yen) would be cancelled on yearly basis until 2018. Under JDCF arrangements Bangladesh will get the benefit of debt cancellation of about US\$160 million (equivalent to about Tk. 900 crore) each year up to 2018. As per the condition of GoJ, each year GoB is undertaking a number of priority projects utilizing this Fund.

** DRGA is a grant, which was given by the Government of Japan (GoJ) equivalent to the debt service payments paid on Japanese loans by GoB. The money which was paid back as debt relief grant was used for import financing of project. The principle of utilizing the money was that 75% of the local currency equivalent of the Letter of Credit amount would be allocated to the Government consolidated fund and the rest 25% would be deposited in bank account as Counterpart Fund (DRGA-CF) for financing of the development projects of GoB with the concurrence of the GoJ.

Official Development Assistance (ODA) by JICA



Target and Procedures of the Program

JICA carries out the following procedures to implement a project.

(1) **Request**

When a developing country wishes for assistance from Japan, it must submit a formal request in writing to a local Japanese diplomatic mission.

(2) **Study**

In response to the approval notification for a prior study from the ministry of Foreign Affairs (MOFA) of Japan, JICA deploy study team that includes private consultants to carry out a study in terms of the level of public interests, management and operation systems and coordination with technical cooperation. Checkpoints of the study are basic condition such as the purpose, content, effects and optimal scale and environment of implementation of the assistance, project cost is estimated based on the study.

(3) **Examination**

Based on the related documents, including the basic design study report compiled during the study; MOFA of Japan examines the contents of cooperation. Subsequent consultation between MOFA and the ministry of Finance takes place to secure the necessary budget. After certain formalities, the Cabinet decides whether the cooperation should be implemented or not.

(4) **Implementation**

Following the Cabinet decision, the ODA Loan/Grant project commences with the signing of E/N (Exchange of Notes) and Loan/Grant Agreement, which stipulates the purpose and content of the cooperation, by the government of Japan and the recipient country.

(5) **Follow-up**

After the completion of cooperation, the government of the recipient country takes charge of maintenance and management of the project. However, sometimes unexpected problems such as the breakdown of equipment and insufficient budget undermine the operation of the project. In response, JICA provides follow-up cooperation as necessary; for example, the procurement of equipment and materials, dispatch of a repair team, emergency work, etc, to support the sustainability of the effect of cooperation provided to the developing county.

2) Assistance of the United States to Bangladesh:

The United States of America (USA) is one of the major bilateral development partners of Bangladesh and has been an active member in the annual Bangladesh Development Forum (BDF), the central high-level coordination mechanism, and plenary member in the Local Consultative Group (LCG). The USA provides assistance to Bangladesh mainly through the United States Agency for International Development (USAID). In addition to financing and implementing projects through Government of Bangladesh (GoB) organizations, USAID also implements projects through their partner organizations and NGOs in Bangladesh. Apart from that, considering emergency and importance,

sometimes the USAID Head Office at Washington provides assistance to their designated areas directly through governmental or semi-governmental organizations and NGOs. USAID is also a signatory in Bangladesh Joint Cooperation Strategy (2010-2015).

Based on Bangladesh's need for foreign assistance for development, an Agreement was signed between the Government of Bangladesh and the United States of America (USA) in 1974 on economic, technical and related assistance. Till date Bangladesh has received US assistance over US\$ 4 billion (up to 30 June 2012 according to Flow of External Resources into Bangladesh published by ERD). The assistances are in the form of project aid, food aid, and commodity aid. Larger portion of this amount is food aid.

USAID has been a major contributor to the development of some important institutions like Bangladesh Rice Research Institute (BRRI), International Centre for Diarrheal Disease Research, Bangladesh (ICDDR,B), Bangladesh Agricultural University, and the Social Marketing Company (SMC) in areas such as research, training and capacity building.

Program Objective Grant Agreement (PROAG):

USAID provides assistance to Bangladesh by way of PROAG. Earlier it was called Strategic Objective Grant Agreement (SOAG). USAID and Economic Relations Division (ERD) have signed multiple PROAGs since August, 2007. Currently there are following 10 active agreements under PROAG:

1. PROAG-Economic Growth
2. PROAG for Environment
3. Early Childhood Education Programs and Activities.
4. PROAG for Energy Program (PROAG-Energy).
5. PROAG for Health and Population Programs (PROAG-UBHPP).
6. PROAG for Disaster Reconstruction and Mitigation Program (PROAG-Disaster).
7. PROAG for Program Support (PROAG-PSU).
8. PROAG for Democracy and Governance Programs and Activities.
9. PROAG for Food, Disaster, and Humanitarian Assistance Programs and Activities.
10. PROAG for Agriculture Programs and Activities.

These agreements cover activities before USAID developed their current Country Development Cooperation Strategy and Development Objective Grant Agreement with ERD.

Development Objective Grant Agreement (DOAG):

To better align all USAID programs with those of the GoB, a single bilateral agreement titled the Development Objective Grant Agreement (DOAG) was signed on 14th August 2012 between GoB and USAID. This agreement presents a more comprehensive, transparent and unified view of USAID and Bangladesh programs than the earlier agreements. The advantages are expected to be as follows:

- a) A more efficient and streamlined negotiation and approval process- one document as opposed to many.

- b) Synchronizes all programs and aligns it to USAID's new Country Development Cooperation Strategy (CDCS).
- c) Provides more specific and detailed program descriptions covering each area of intervention.
- d) Includes an illustrative four year budget summarizing USAID full budget, including funds for US-based, centrally managed projects that were not reflected in the previous bilateral agreements.

Important features of DOAG:

- Program Implementation Letters (PILs): whenever necessary, for smooth implementation of USAID funded projects under DOAG, PILs are jointly signed by USAID and ERD.
- Selecting projects to be implemented by partner organizations or NGOs: A Technical Evaluation Committee (TEC) having representation from the GoB makes recommendations for the award of grants or contracts funded by USAID.
- Auditing: USAID funded projects are subject to audit by Supreme Audit Institution of Bangladesh or an independent auditor.
- Reports: USAID provides semi-annual progress and financial reports to ERD, respective line ministries and other GoB counterparts.

Country Development Cooperation Strategy(2011-2016):

US government has developed a Country Development Cooperation Strategy (2011-2016), focusing on the following sectors:

- Democracy and Governance
- Food Security
- Health and Education
- Climate Change

Country Program Notional Budget (Bilateral):

Under the DOAG, USAID has committed to fund programs in Bangladesh through the US Fiscal Year 2016. The estimated total investment is \$571,622,000, pending annual appropriations from the US Congress.

3) Assistance of Canda to Bangladesh:

Canada, as one of the major development partners of Bangladesh, has been providing financial and technical supports to Bangladesh to achieve its goals in diverse sectors. The Government of Canada provides assistances to Bangladesh primarily through its Department of Foreign Affairs, Trade and Development (DFATD). This department is an amalgamation of what were formerly the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT). In addition to financing projects through GoB organizations, DFATD implements projects

through their partner organizations and NGOs in Bangladesh. Bangladesh has been one of Canada's largest aid recipients for the past four decades. A general Agreement was signed between Canada and Bangladesh in 1986 to work mutually for the development of Bangladesh. Till date Bangladesh received Canadian assistance over US\$ 2 billion (up to 30 June 2012 according to Flow of External Resources into Bangladesh, published by ERD).

In 2009, Bangladesh was selected as one of 20 "countries of focus" for Canada's aid program. Bangladesh was chosen for assistance based on her level of need, her ability to use fund wisely and because Canada could make a real difference.

Canada has been an active member in the annual Bangladesh Development Forum (BDF), the central high-level coordination mechanism, and plenary member in the Local Consultative Group (LCG), including its array of more than 20 sectoral sub-groups. DFITD is also a signatory in Bangladesh Joint Cooperation Strategy (2010-2015).

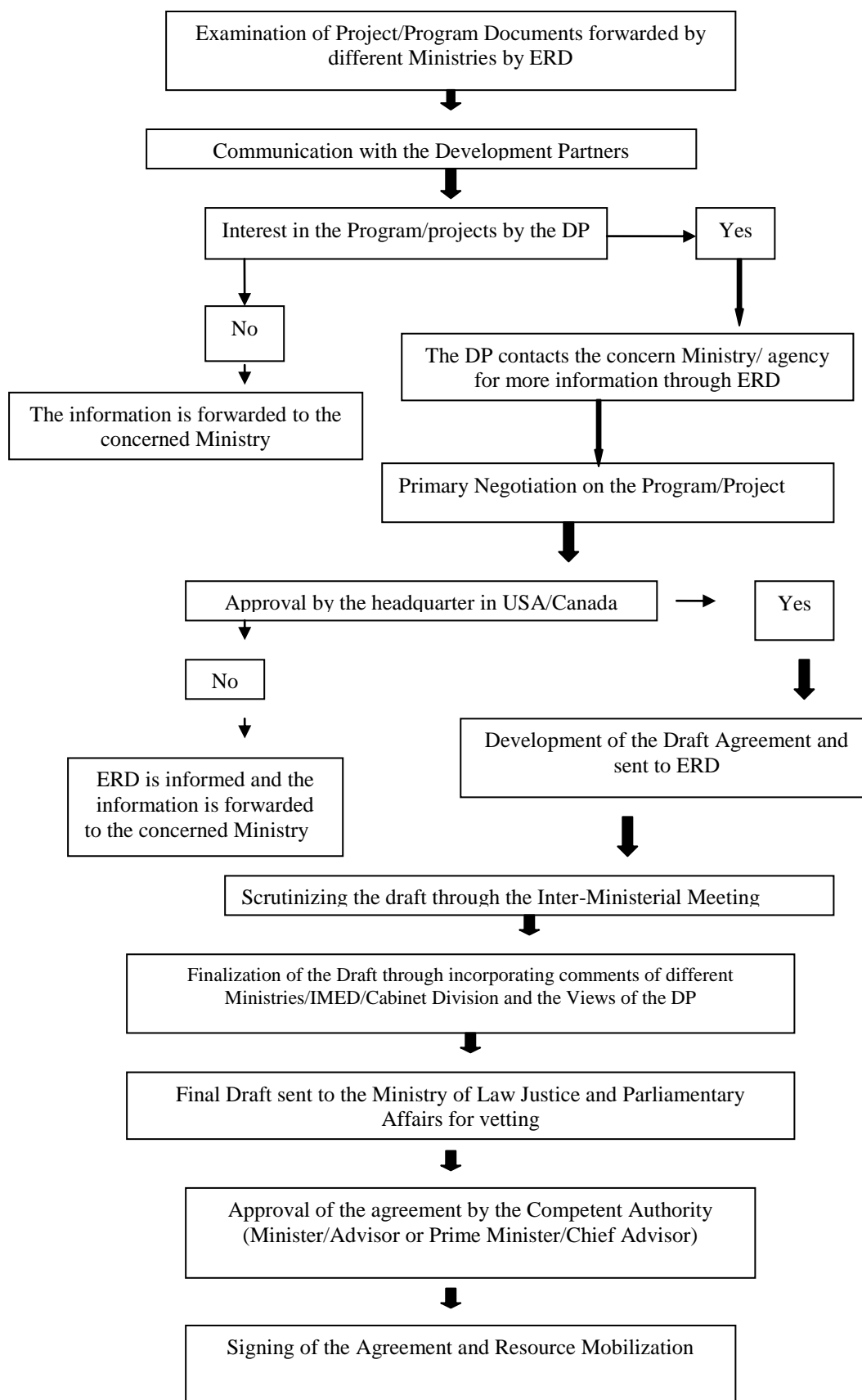
Country Strategy (2009):

DFATD provides development assistance to Bangladesh through its Development Program Country Strategy (2009).

Strategic Directions:

- Children and youth, including maternal, newborn and child health
- In education, Canada supports efforts to:
 - Improve the quality and delivery of education.
 - Increase access and retention rates in primary schools.
 - Reduce gaps between girls and boys.
- In health, Canada supports efforts to:
 - Ensure that healthcare and medicines are delivered efficiently.
 - Improve maternal and child health delivery systems.
 - Provide essential drugs and medicines.
- Economic growth
 - Canada supports efforts to strengthen the enabling environment for the growth of employment-intensive industries and for the promotion of international trade. This includes:
 - Increasing access to skills for employment, particularly for youth.
 - Streamlining legal, fiscal, and regulatory frameworks for business development.
 - Improving public financial management.

4) Business Process (Grant) for USA and Canada



Wing-2 (World Bank)

World Bank: The Largest Accumulator and Manipulator of Knowledge

“A unique and special institution of knowledge and learning which collects invaluable data and research aimed an inclusive and sustainable globalization”.

Robert B. Zoellick, President,the World Bank, 10 October, 2007.

The World Bank is an international financial institution that provides loans to developing countries for capital programs.

The World Bank's official goal is to reduce poverty. According to its Articles of Agreement (as amended effective 16 February 1989), all its decisions must be guided by a commitment to the promotion of foreign investment and international trade and to the facilitation of capital investment.

The World Bank comprises two institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

The World Bank should not be confused with the World Bank Group, which comprises the World Bank, the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

The World Bank came into formal existence on 27 December, 1945 following the international ratification of the Breton Woods agreements, that emerged from the United Nations Monetary and Financial Conference held in Bretton Woods, New Hampshire,USA during 1-22 July, 1944, in order to help reconstruction of the war ravaged European countries. 44 countries were present.

Mission of World Bank

The mission of World Bank is to fight poverty with passion and professionalism for lasting results; to help people help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnership.

Establishment, Membership and Activities of World Bank Group

Names of Organizations	Establishment time	No. of Members	Activities
International Bank for Reconstruction and Development (IBRD)	27 December, 1945	187	IBRD provides loans to governments, and public enterprises.
International Development Association (IDA)	24 September, 1996	166	Soft window of WB, provides long-term interest-free loans to

Names of Organizations	Establishment time	No. of Members	Activities
			its member countries.
International Finance Corporation (IFC)	1956	179	Basically provides loans to private sectors.
Multilateral Investment Guarantee Agency (MIGA)	1988	171	Provides guarantees for loans and credits.
International Centre for Settlement of Investment Disputes (ICSID)	1966	155	Provides facilities for the conciliation and arbitration of investment.

Country Assistance Strategy (CAS)

The Bank's main vehicle for making strategic choices about the program design and resource allocations for individual countries is its **Country Assistance Strategy (CAS)** since July 2002, which has been based on **Poverty Reduction Strategy Papers (PRSPs)** when dealing with low-income countries.

In producing its Country Assistance Strategy, the Bank conducts extensive analysis of the country's economic and social situation in consultation with the government. Studies may be conducted into issues such as poverty levels, agriculture, the health and education systems, environmental policies and government procurement or financial management.

Access to IBRD/IDA Loans

Access to IBRD/IDA loans is determined primarily by a country's per capita income and creditworthiness. For determining repayment terms, countries are assigned by per capita GNI (formerly GNP).

Classification of Countries

IDA-only Countries: Countries which have $GNI \leq USD 1195$ are IDA-only countries. These countries have access to only IDA credits and grants. **Bangladesh is an IDA-only country.**

Blend Countries: Countries which have $GNI > USD 1195$ but $\leq USD 7035$ are Blend countries. These countries have access to both IDA and IBRD credits and grants.

IBRD-only Countries: Countries which have $GNI > USD 7035$ are IBRD-only countries. These countries have access to only IBRD credits.

IBRD Credits

IBRD offers two loan products for new loan commitments: fixed-spread loans (FSLs), and variable-spread loans (VSLs, formerly known as variable-rate single currency loans or VSCLs). These loan products provide borrowers the flexibility to select terms that are consistent with their debt management strategy and suited for their debt servicing capacity. They are available for all standard IBRD lending operations. Both FSLs and VSLs are provided on LIBOR basis.

Fixed-Spread Loans (FSLs)

Currencies: FSLs are committed and repayable in the currency or currencies of the loan selected by the borrower. IBRD offers FSLs in euro, Japanese yen, U.S. dollars, and other currencies that it can efficiently intermediate. Borrowers may decide to contract FSLs in more than one currency tranche.

Lending Rate: The initial interest rate on FSLs consists of (a) a variable base rate of six-month LIBOR in respect of each interest period for each loan; and (b) a spread, fixed for the life of the loan. The lending rate is expressed and interest accrues on a LIBOR day-count convention on daily principal volumes disbursed and outstanding. Interest continues to accrue on any overdue principal amounts, but IBRD does not charge interest on overdue interest on its loans.

The lending rate is reset every six months on the interest payment dates for the loan and applies to the interest period beginning on that date. Semiannual interest payment dates fall on the 1st or 15th day of the month, as specified in the Loan Agreement.

Commitment Charge: The contractual commitment charge for FSLs is 0.85 percent annually on undisbursed loan amounts for the first four years of the loan's life, and 0.75 percent thereafter. Commitment charges begin accruing 60 days after the Loan Agreement is signed.

Repayment Terms: For all FSLs, there is an absolute final maturity of 25 years. Borrowers may choose between two amortization schedules for FSLs: a commitment-linked schedule or a disbursement-linked schedule.

Commitment-linked Amortization Schedule: Under this schedule, the timing of principal repayments is linked to the time of loan commitment. The grace period starts running from the time of expected IBRD loan approval. The expected first interest payment date is no more than six months from the expected date of loan approval. Disbursed and outstanding amount of the loan.

Disbursement-linked Amortization Schedule: Under this option, the schedule has a level pattern of repayment, and the timing of principal repayments depends on the timing of actual disbursements. Cumulative disbursements during each interest period (a "Disbursed Amount") are repayable on a schedule that commences at the beginning of the interest period following the date of such disbursement. The grace period and amortization period selected by the borrower must be the same for all Disbursed Amounts under the loan.

Variable-Spread Loans (VSLs)

Currencies: Same as for FSLs (see para. 3). VSLs or VSL tranches committed in Deutsche mark, French francs, or Netherlands guilders before the introduction of the euro on January 1, 1999, were redenominated by IBRD in euro on December 1, 2001.

Pricing: Lending Rate: The lending rate on VSLs consists of: (a) a variable base rate of six-month LIBOR in respect of each interest period for each loan; and (b) a variable spread.

The lending rate is reset every six months, on each interest payment date, and applies to the interest period beginning on that date. All VSL interest payment dates fall on the 15th of the month. The lending rate is expressed and interest accrues on a LIBOR day-count convention on daily principal volumes disbursed and outstanding. Interest continues to accrue on any overdue principal, but IBRD does not charge interest on overdue interest on its loans.

Commitment Charge: The contractual commitment charge for a VSL is 0.75 percent annually on the undisbursed amount of the loan. Commitment charges begin accruing 60 days after the Loan Agreement is signed.

Repayment Terms: Standard Repayment Terms: GNI of a country sets out the standard country terms for VSLs for each country category.

Determination of Terms: The amortization, grace period, and final maturity of the loan are set at the time of IBRD approval of the loan. Grace periods and final maturities are expressed in periods of six or 12 months, with the first and final principal repayment dates identified as follows:

(a) The first principal repayment date generally occurs six months after the expiration of the grace period.

(b) The final principal repayment date is calculated as the first interest payment date plus the number of years to final maturity, less six months.

IDA Credit

Currencies: IDA credits approved by the World Bank on or after August 1, 1980, are denominated in Special Drawing Rights (SDRs). Also denominated in SDRs are the amounts disbursed, service and commitment charges, and repayments. Principal payments and service/commitment charges are due in the currency (U.S. dollars, pounds sterling, or euros) specified in the Development Credit Agreement in an amount equivalent to the SDRs required under the Agreement.

Credit Charges:

Interest and Service Charges: No interest is charged on credits, but a service charge is levied at the rate of 0.75 percent per annum on the principal amount withdrawn and outstanding.

Commitment Charge: In 1982, the Executive Directors approved the introduction of a commitment charge, payable on the undisbursed amount of the credit and beginning to

accrue 60 days after the Development Credit Agreement is signed. Each year, the Board approves the commitment charge that will apply for that fiscal year (from 0 to and including 0.50 percent). At the beginning of each fiscal year, IDA notifies each borrower of the commitment charge applicable for that year. The service and commitment charges are payable on the semiannual payment dates specified in the Development Credit Agreement/Financing Agreement. For the last few years no commitment charges are applied.

Repayment Terms: IDA credits approved by the Board through June 30, 1987, have a final maturity of 50 years. IDA credits approved after that date have three different final maturities and repayment schedules (for the countries' current maturities and repayment schedules).

(a) For IDA-only countries or countries classified as least developed by the United Nations (LDCs), credits are repayable over 40 years, with principal repayment at the rate of two percent of the credit amount per year from the 11th to the 20th year, and four percent per year thereafter. Repayment is made twice in a year.

(b) For other IDA-eligible countries, credits are repayable over 35 years, with repayments of 2.5 percent of the credit amount per year from the 11th to the 20th year, and 5 percent per year thereafter. Repayment is made twice in a year.

(c) For credits approved after June 30, 2002, for IDA-eligible countries with a GNI per capita, that has been above the operational cut off for IDA eligibility for more than two consecutive years, credits are repayable over 20 years, with principal repayment at the rate of 10 percent per year from the 11th to the 20th year. Repayment is made twice in a year.

The first amortization payment on a credit is due on the semiannual payment date immediately following the 10th anniversary of the date the credit was approved by IDA. For credits approved through June 30, 1987, the last amortization payment is due on the semiannual payment date immediately preceding the 50th anniversary. For credits approved after that date, the last amortization payment is due on the semiannual payment date immediately preceding the 20th, 35th or 40th anniversary, as the case may be.

World Bank Operation

The World Bank funds three basic types of operations: **investment operations, development policy operations, and Program-for-Results operations**. Investment operations provide funding (in the form of IBRD loans or IDA credits and grants) to governments to cover specific expenditures related to economic and social development projects in a broad range of sectors. Development Policy operations provide untied, direct budget support to governments for policy and institutional reforms aimed at achieving a set of specific development results. Program-for-Results operations support the performance of government programs by strengthening institutions and building capacity. The instrument links the disbursement of funds directly to the delivery of defined results.

INVESTMENT OPERATIONS

Investment loans, credits and grants provide financing for a wide range of activities aimed at creating the physical and social infrastructure necessary to reduce poverty and create sustainable development. Over the past two decades, investment operations have, on average, accounted for 75 to 80 percent of the Bank's portfolio.

The nature of investment operations has changed over time. Originally focused on hardware, engineering services, and bricks and mortar, investment lending and grants have come to focus more on institution building, social development, and improving the public policy infrastructure needed to strengthen private sector activity.

The World Bank has simplified the policies and procedures related to investment operations in order to support clients more effectively. The new Investment Financing Policy, which went into effect April 8, 2013, provides greater flexibility for fragile and conflict-affected situations, as well as small states. The procurement and safeguards policies which are part of the investment financing process are being reviewed in separate efforts.

Eligibility: Investment operations are available to International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) borrowers who are not in arrears with the Bank Group.

Disbursement: Funds are disbursed against specific foreign or local expenditures related to the investment project, including pre-identified equipment, materials, civil works, technical and consulting services, studies, and incremental recurrent costs. Procurement of these goods, works, and services is an important aspect of project implementation. To ensure satisfactory performance, the loan or credit agreement may include conditions of disbursement for specific project components.

Policy: Investment operations are governed by an operational policy (OP 10.0) covering various aspects of the instrument.

DEVELOPMENT POLICY OPERATIONS

Development Policy operations provide rapid financial assistance to allow countries to deal with actual or anticipated development financing requirements of domestic or external origins. They typically support the achievement of a set of development results through a medium-term program of policy and institutional actions consistent with a country's economic and sectoral policies.

In Fiscal Year 2008, IDA and IBRD development policy operations accounted for 27 percent of total Bank commitments; in Fiscal Year 2009 they were at 40 percent as the Bank supported countries in their response to the financial crisis.

Development Policy operations can be stand-alone operations or more frequently be part of a programmatic series of operations. In programmatic operations, the Bank supports the implementation of a medium-term program of policy reforms through a series of annual operations, each of which is disbursed against a mutually agreed set of policy and institutional actions. In low-income countries where a national poverty reduction strategy

(PRS) has been officially adopted by the government and where a Development Policy series supports PRS implementation, Development Policy operations may also be called Poverty Reduction Support Credits (PRSCs). They typically consist of a programmatic series of three annual operations.

Eligibility: Eligibility for a development policy operation requires agreement on monitorable policy and institutional reform actions, and maintenance of a sound macroeconomic policy framework. Low-income IDA-only countries with heightened risks of debt distress are eligible for development policy operations in the form of grants. See Debt Sustainability and Grants.

Terms: Development policy operations are available to IBRD and IDA borrowers not in arrears to the Bank Group. They can also be extended from other sources of funding, such as trust-funds.

Disbursement: Funds are disbursed in one or more stages (tranches). Tranches are released upon a satisfactory assessment of performance against a set of indicators in the form of institutional or policy reform measures that reflect progress in implementing a country-owned reform program.

Program-for-Results (PforR)

Program-for-Results is an innovative new financing instrument for scaled up results and capacity building adopted by the World Bank. The World Bank's Board of Executive Directors approved the Program-for-Results (PforR) financing instrument on January 24, 2012. PforR is an innovative financing instrument for the World Bank's client countries that links the disbursement of funds directly to the delivery of defined results.

In today's world, development is about results. Everyone—government officials, parliamentarians, civil society, poor people, the private sector—is demanding programs that help deliver sustainable results. The World Bank is developing the Program-for-Results (PforR) instrument—the first major development financing instrument to formally link disbursements to the achievement of results. With PforR, the Bank will help partner countries improve the design and implementation of their development programs and achieve lasting results by strengthening institutions and building capacity.

KEY FEATURES:

- Finances and supports borrowers' programs;
- Disburses upon achievement of results;
- Focuses on strengthening institutional capacity; and
- Provides assurance that Bank financing is used appropriately and that the environmental and social impacts of the program are adequately addressed.

Focuses on results:

- Results are at the center of all that the World Bank does. With PforR, this focus on results will be taken to a new level as disbursements will be linked to the achievement of tangible and verifiable results.

- Disbursement-linked indicators (DLIs) will play a critical role in PforR operations—they provide the government with incentives to achieve key program milestones and improve performance.

Builds capacity and strengthens program institutions:

- PforR will focus on behavioral and institutional changes required to achieve results and manage associated risks.
- Capacity building support will be provided in different ways—from direct technical assistance and training to specific actions or DLIs to strengthen performance.
- Capacity building activities will be informed by assessments of the program’s technical, fiduciary, and environmental and social systems.

Leverages Bank funds:

- In aggregate, the Bank finances between 1-2 percent of the public expenditures of developing countries. Under PforR, the Bank will provide a fraction of the overall funding for a larger program and will be able to apply its technical expertise, capacity building support, fiduciary, environmental and anticorruption oversight and Access to Information Policy to a larger range of government spending.

Provides assurance that financing is used appropriately:

- The Bank will assess the program’s fiduciary systems, including the capacity to manage fraud and corruption.
- All contracts above a certain threshold/value will be excluded from PforR operations.
- The Bank will have the right to investigate all allegations of fraud and corruption in the entire program supported by PforR, not only those related to Bank financing. The Bank’s sanctions regime and its debarment list will also apply to the entire program. Borrowers will be obliged to follow new Anticorruption Guidelines.

Addresses environmental and social impacts:

- All Category A activities (activities that pose a risk of potentially significant and irreversible adverse impacts on the environment and/or affected people) will be excluded from PforR.
- The Bank will thoroughly assess the environmental and social systems, and make these assessments publicly available. There will be consultation on the systems assessments, while they are still in draft form, with key stakeholders. The final assessment will also be made publicly available.
- The Bank will monitor agreed actions to mitigate identified risks throughout implementation. In some cases, they will be used to trigger disbursements.

Strengthens effective partnerships:

- PforR will provide a major opportunity to improve coordination among development partners in government programs and pool Bank resources with governments and other development partners.

Rollout of the new instrument:

- In the first few years, lending will be limited.
- After two years of implementation, the Bank will prepare a progress report which will be discussed with the Bank's Board of Executive Directors and disclosed publicly. Management welcomes an early evaluation of implementation by the Bank's Independent Evaluation Group, which would provide a useful independent input for ongoing improvements to the instrument.

Eligibility: Program-for-Results operations are available to International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) borrowers who are not in arrears with the Bank Group. It can be used by a broad range of countries, sectors, and programs. Category A activities – defined in Investment Lending as having potentially significant, irreversible adverse impacts on the environment and affected people – are excluded from Program-for-Results financing. In addition, all high-value contracts (above OPRC thresholds) are excluded.

Disbursement: Disbursements are determined by the achievement of verified results. Results indicators are defined together with the borrower for every operation and each one is required to have a credible verification protocol. Together with funds from other sources, Bank disbursements finance the borrower's expenditure program rather than being linked to individual transactions.

The Single Currency Lending Pilot Program

The Single Currency Lending Pilot Program is a 2 year, SDR3 billion equivalent lending pilot program that allows IDA recipients to denominate new credits in any one of the four constituent currencies of the Special Drawing Right (SDR), specifically US Dollar, Euro, British Pound Sterling and Japanese Yen. These new currency options are available for recipients in addition to the traditional SDR-denominated option. The pilot program has been established in response to recipient feedback regarding the difficulty in managing currency risk and the likely demand for single-currency credits.

Who is eligible for Single Currency Lending?

During the pilot program phase, all IDA countries that receive IDA credits are eligible for single-currency credits up to the equivalent of SDR 150 million each per project, on a first-come, first-served basis. The pilot program is available for 2 years or until SDR 3 billion equivalent has been committed, whichever comes first.

Committing to a long-term single-currency credit is a financial commitment some recipients may not feel ready to make without consultation and assistance. Therefore, as was done when IBRD introduced single-currency lending, resource teams from the Bank will be available to provide guidance to recipient countries on currency choice, and to

facilitate informed borrower decisions as the final choice to proceed with SCL will remain with the borrower. In addition, currency management workshops may be available as part of Treasury's and PREM's ongoing work to assist low income countries with building debt management capacity. Establishing this initiative as a pilot program will enable Bank staff to manage these needs on a case-by-case basis and would permit gradually expanding the program, if warranted.

A team comprising staff from CTR, TRE, and PREM, led by CFPIR staff, will work with project transactions teams to ensure that proposed SCL transactions are feasible in light of any operational constraints that may exist at the time and suitable for the borrower. The individual country suitability for single-currency credits will then be reflected in the respective Project Appraisal Documents (PAD) submitted for approval to the Executive Directors.

What are the benefits of Single Currency Lending for recipients?

Single-Currency Lending helps decrease some recipients' financial risk in three ways. First, it will better align the currency of some recipients' revenues with debts. Second, it will provide better matching of credit currency terms with project expenditures; and finally, it will simplify and strengthen the financial management of recipients' borrowing portfolios.

Why is aligning revenue and debt currencies desirable?

When a country's debt and revenue currencies are aligned, the risk of debt distress caused by currency volatility is reduced. Many IDA recipients either directly use or have currencies that are closely linked to one of the currencies in the SDR basket (i.e., CFA franc countries in Africa are pegged to the Euro). As a result, they may benefit from being able to borrow only in that currency instead of incurring unnecessary exposure to multiple currencies via the SDR. For some recipients, the currency volatility associated with the SDR could be in the order of 123% of the volatility associated with a single currency. Indeed, in a recipient survey conducted during the fact finding phase of the Single Currency Lending pilot program design, 82% of survey respondents indicated that they were "very likely" or "likely" to demand single currency credits.

How will SCL reduce the number of currencies IDA borrowers need to manage?

When IDA borrowers take IDA credits in SDR, they are effectively borrowing in four different currencies; USD, EUR, JPY and GBP³. Managing exposure to four currencies for every credit can be difficult for IDA countries, many of which have poorly developed capital markets. In the recipient survey, 65% of the survey respondents indicated that they found it either "very difficult" or "difficult" to manage foreign exchange risk associated with an IDA credit denominated in SDR.

Features of Single Currency Lending credits

SCL credits are similar to traditional IDA credits in almost all aspects. The key differences between regular IDA credits and SCL credits are i) the currency of commitment/payment; and ii) pricing.

Currency of commitment/repayment

For SCL credits, when IDA borrowers choose which one of the 4 current SDR constituent currencies they want to denominate their credit in (the commitment currency), they will be automatically obligated to repay IDA in the same currency (the payment currency). This is a change from the current practice in which recipients choose a payment currency during negotiation, and are informed by the Bank of the payment due (in the chosen payment currency) on each billing date, depending on prevailing exchange rates.

Pricing

Pricing of SCL credits will be set such that there is no financial difference to recipients, or to IDA, between borrowing in a single currency and borrowing in SDR. As a result of this financial equivalence constraint, the level of service charges (and interest charges for blend countries) for an SCL credit may differ from a traditional SDR credit, and may also differ between the SCL currencies. The difference between the traditional SDR credit service charge and a SCL credit service charge is called the basis adjustment.

The basis adjustment will vary depending on prevailing foreign exchange rates, interest rates and type of credit (i.e., IDA-only or IDA blend credit). Paragraph 4.2 provides a detailed explanation on how the service charge, and interest charge for IDA blend credits, will be adjusted. To ensure that IDA covers its administrative expenses, and to prevent a negative interest charge, IDA applies a floor of 75 bps for the service charge and a floor of 0 bps for interest charges for all currencies during this pilot program.

IDA management will determine and publish the required basis adjustment (and the resulting service and interest charge after the basis adjustments) for each of the four currencies on a regular basis (i.e., quarterly or more often as required). The service and interest charge after basis adjustments will be fixed for the life of each approved credit, based on the prevailing published figures as at the date of approval of the credit by the Executive Directors.

What are the steps necessary to implement a single currency loan?

SCL credits will not require much change to the current workflow for transaction teams or loan accounting teams. The key changes staff need to be aware of are in the credit negotiation and approval process. In addition, during the pilot phase, transaction teams will need to involve CFPIR in any projects proposed for SCL as outlined in Paragraph 1.4.

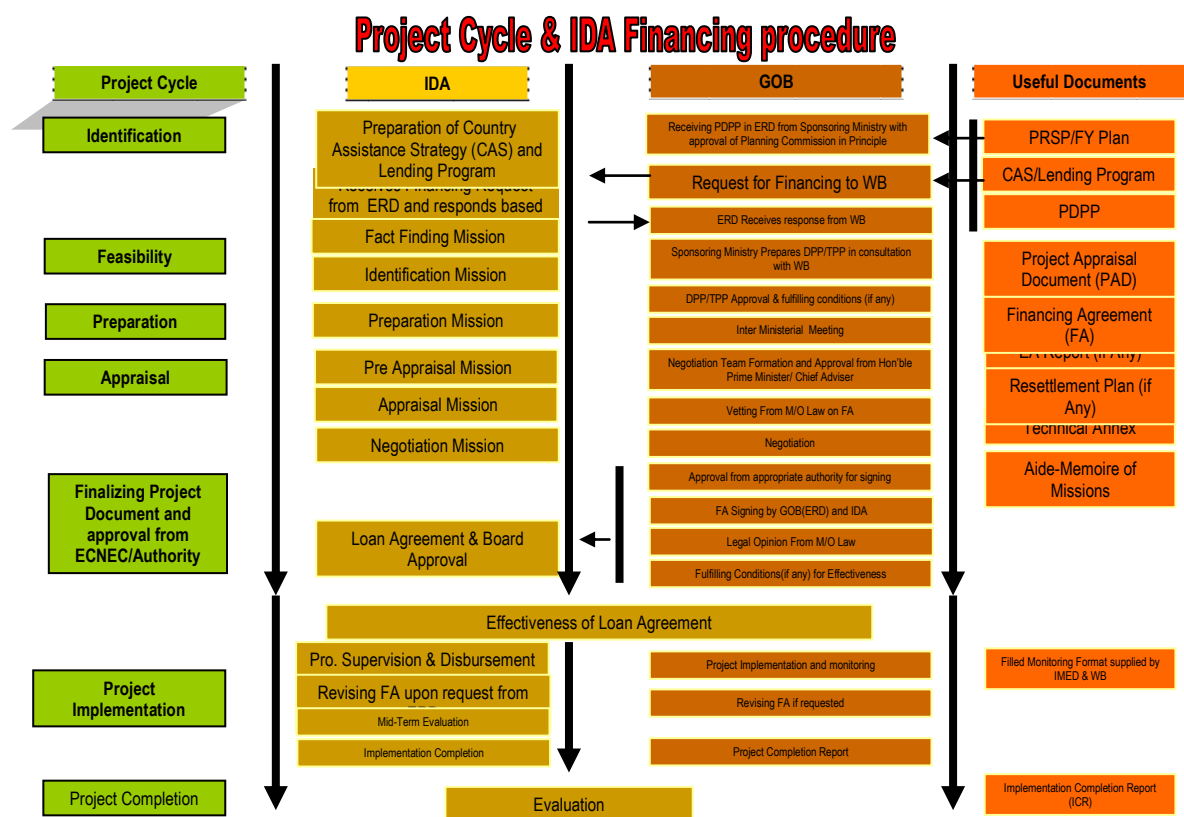
Changes to the IDA credit negotiation and approval process

Currently, IDA task teams typically plan projects in US dollars and convert the dollar amount into SDR following negotiations with the IDA borrower. For SCL, the changes to this process are as described in the following paragraph.

For single-currency credits, the IDA project task team will negotiate with IDA borrowers for the single currency amount that they request. Upon completion of negotiations, as is currently the practice, an estimated SDR amount will be established based on the SDR exchange rate at the end of the previous month. Executive Directors will be asked to

approve the project, the single currency amount and the estimated SDR amount reflected in the Project Appraisal Document (PAD). The PAD will make it clear that the single currency amount will be converted to a final SDR amount for commitment authority and country allocation management purposes on the day of project approval. The credit agreement between IDA and the recipient country will reflect the single currency chosen and the negotiated amount, as well as the service charge (and interest charge where applicable) and basis adjustments. The Loan Department team (CTRLN and CTRLA) will be responsible for setting up the single-currency credits in iLAP.

Note that despite recipients' ability to now negotiate and borrow in single currencies, IDA remains an SDR-based organization and commitment authority and country allocations will continue to be managed in SDR.



**Wing-3
(Middle East)**

Project Cycle and Financing procedure

Project Cycle	Middle East	GoB	Useful Document
Identification	Preparation of Country Assistance Strategy (CAS)/MCPS and Lending Program	Receiving PDPP in ERD from Sponsoring Ministry with approval of Planning Commission in Principle	
	Receiving financing Request from ERD and responds based on CAS/Lending Program	Request for Financing to IDB, KFAED, OPEC, SFD, ADFD etc.	CAS/MCPS /Lending Program
Feasibility	Fact Finding Mission	ERD Receives response from Donor Agency/Country (IDB, KFAED, OPEC, SFD, ADFD etc.)	Letter offering terms & conditions
	Preparatory Mission	Sponsoring Ministry Prepares DPP.	
Appraisal	Appraisal Mission	Negotiation on the project's scope, Components, design and monitoring frame work, projects outcome targets, financing plan, loan assurances and conditions of loan	Appraisal Report & Aide memoire/Mi nutes of Meeting
		Inter Ministerial Meeting & Negotiation with the Development Partner/Country	
Approval		Vetting from M/o Law on Financing Agreement	Draft Financing Agreement
		Approval from Hon'ble Finance Minister/Hon'ble Prime Minister for signing	
	Board Approval & signing of Loan Agreement	FA Signing by GoB (ERD) and Development Partner/Country (IDB, KFAED, OPEC, SFD, ADFD etc.)	
Finalizing Project Document and approval from ECNEC/ Authority			
		Legal Opinion from Legislative Affairs Division of M/o Law, Justice and Parliamentary Affairs	Prescribed Legal Opinion Form

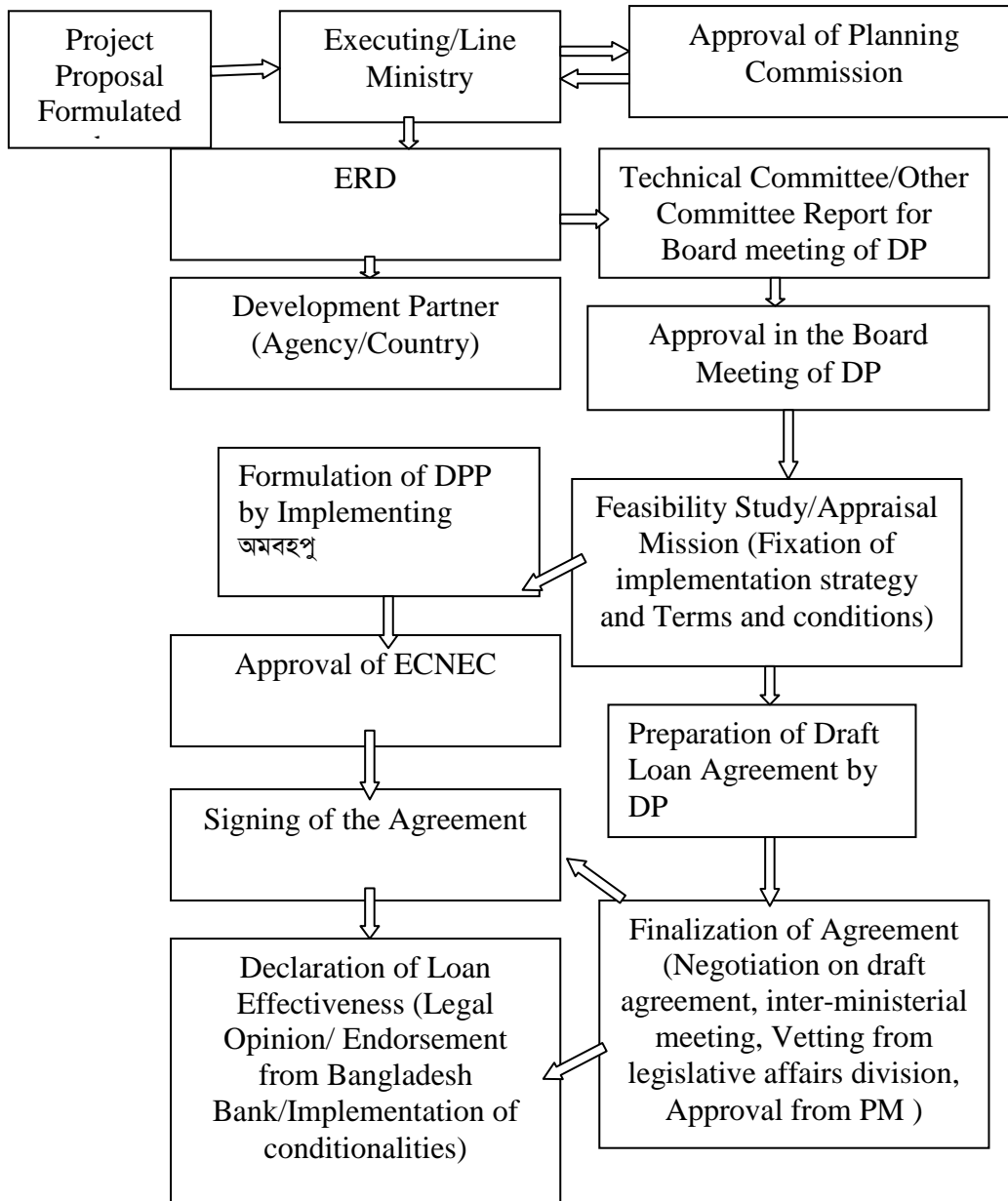
Project Cycle	Middle East	GoB	Useful Document
Effectiveness of Loan Agreement			
Project Implementation	Project Supervision & Disbursement	Project Implementation and monitoring	
	Mid-Term Evaluation	Revising FA if requested for	Development Partner/Country
	Implementation completion	Project Completion Report	
Project Completion			

The Steps generally follows in the processing of Middle East, African & other Countries/Agencies under the Wing for Financial Assistances are given below:

1. ERD, Middle East Wing receives project proposals from implementing agencies through there own Ministry for Financing with approval of Planning Commission in principle.
2. Depending upon the Priority of the Government the project proposals are sent to different Middle East, African & other Countries/Agencies under the wing (IDB, KFAED, OPEC, SFD, ADFD, etc.) for financing.
3. Development Partner Countries/Agencies place proposals to their Board Meeting receiving the project proposals for primary/preliminary approval anf send proposal with financing terms and conditions along with proposal either for feasibility study or for an appraisal mission.
4. Sometimes, after identifying a project a fact-finding mission is fielded from development partner Countries/Agencies to discuss the relevant sectoral issues with the Government. The Mission and the Government discuss on the institutional organization and management aspects relating to the implementation of the proposed project. Indicative project activities, scope & implementation arrangement as well as financing common understanding.
5. As a follow up of fact-finding mission an appraisal mission is fielded to undertaken detailed design of the project including its costing, Development Partner/Agency and the Government reach to a common agreement on the project's scope, components, design & monitoring frame work, project's outcome targets, financing plan, loan assurances and conditions of laon negotiate.
6. At this staged the implementing agency normally prepares project documents (DPP/TPP) on the basis of the final Aide Memoire/Minutes of Meeting with the Appraisal Mission and places the project documents to the competent authority of the Government for approval.

7. In the meantime, Development Partner Countries/Agencies prepares draft loan agreement and the report/recommendation and sends those documents to ERD for processing of loan negotiation.
8. Sometimes negotiation team is formed which includes representative of ERD, Executing Ministry and Implementation Agency with the approval of the head of Government and this team holds meeting with the Development Partner Countries/Agencies on Project proposal and Loan Agreement. ERD plays the coordinating role in the negotiation activities.
9. Negotiation concluded.
10. After successful negotiation of a particular loan proposal Development Partner Countries/Agencies takes up the project proposal to their respective Board for approval and sends draft loan agreement for finalization.
11. On receipt of draft loan agreement ERD starts inter-ministerial consultation meeting on the draft document and prepares negotiation points to be taken up with Development Partner Countries/Agencies during the negotiation of the loan. ERD also proposes for necessary amendments in the draft to the Development Partner Countries/Agencies as per decision of the inter-ministerial consultation meeting. Once both ERD and the Development Partner Countries/Agencies agree on the draft agreement, ERD solicits vetting of the Legislative Affairs Division of the Ministry of Law, Justice and Parliamentary Affairs on the loan documents.
12. After finalizing the internal procedure ERD places file for approval of Hon'ble Finance Minister/Hon'ble Prime Minister signing Agreement with the Development Partner Countries/Agencies.

Flow Chart



IDB's Mode of Financing / Financing Instruments:

Financing Instruments:

The Islamic Development Bank (IDB) utilizes various [Shariah](#)-compliant financing instruments to support development projects in its member countries. Through these instruments, the IDB finances a variety of projects in the agricultural, industrial, agro-industrial and infrastructural sectors. The Bank also finances small and medium-scale enterprises (SMEs), micro-finance schemes etc. These instruments fall under following categories:

1. Loan Financing

Loans are extended mostly to governments or to public institutions having the government guarantee and provide long-term financing for development projects in basic infrastructure and agriculture.

Loans are limited to a maximum of [ID](#) 7 million per project. They are given interest free and bear a service fee to cover related administrative expenses incurred by IDB (this fee will not exceed 2.5% p.a.). Repayment is made over a period of 15 to 25 years, including a grace period of 3 to 7 years, depending on the classification of the beneficiary country.

Loan financing with even softer conditions may be provided for certain types of projects in the least developed member countries. The repayment would then go up to 30 years including 10 years of grace, with the administrative fee ceiling set at 0.75% p.a.

2. Technical Assistance

The purpose of this assistance is to finance the acquisition of technical expertise to prepare or implement a particular project, or for the purpose of formulating policies, or for providing institutional support or human resources development and training.

Technical Assistance is generally of two types. The first type is extended directly to the project to help prepare the required technical and economic feasibility studies, detailed technical designs and tender/bid documents or to provide the necessary services for technical supervision of project implementation. The second type is provided to help determining sectoral policies, preparing sectoral plans, construction program and institutional support for capacity building. Taking into consideration the nature and type of the project, technical assistance is provided either as a grant up to a maximum amount of [ID](#) 300,000 or in the form of an interest-free loan for 16 years, including a grace period of 4 years. Such financing is subject to a lump sum service fee that would cover part of the actual administrative costs incurred by the Bank, at a maximum rate of 1.5% per annum if calculated on an annual basis. The technical assistance may combine a grant element and an interest-free loan.

3. Leasing

According to this mode, IDB procures the assets that constitute similar and independent items, such as machinery and equipment needed for lines of production in case of factory financing, power generation plants, or ships, etc. Then it leases them to the beneficiary for

a specific period of time. The assets procured remain the property of the Bank throughout the lease financing period, which may extend for up to 20 years, including a gestation period of up to 5 years. This mode is basically used in financing projects in medium- and high-income member countries. The Bank earns a profit margin or a mark-up on such leasing operations, currently at the rate of 5.1% annually (the beneficiary may also opt for a floating rate). The profit margin rate is reviewed periodically in the light of changes in the cost of alternative borrowing opportunities and other economic and financial factors. The beneficiary is required to provide a government guarantee, or a first class bank guarantee or any other guarantee acceptable to the Bank. The ceiling of IDB financing for a leasing operation is set at [ID 80 million](#).

Among the advantages of Leasing, for the beneficiary is that the goods involved are tax-exempt according to the Articles of Agreement establishing the Islamic Development Bank, who is owner of the commodity. From an accounting point of view, Lease installments are taken as part of the operating costs and are not considered a debt.

4. Instalment Sale

According to this mode of financing, IDB purchases the machinery/equipment needed for a certain project then re-sells them to the beneficiary adding a mark-up which is mutually agreed upon between the Bank and the beneficiary. The beneficiary then repays this higher price in semi-annual equal instalments over a period extending up to 20 years, including gestation period of up to 5 years. According to this mode of financing, ownership of the asset is transferred to the beneficiary upon delivery (this allows the beneficiary to give the asset in security to secure financing for operation purposes, for example). The return to the Bank in the form of a mark-up is currently calculated at the rate of 5.1% per annum. The mark-up is reviewed and subject to change from time to time. The beneficiary, under this mode of financing, is required to furnish a government, first class bank or any other guarantee acceptable to the Bank. The ceiling of IDB financing for an Installment Sale operation is set at [ID 80 million](#).

5. Istisna'a

This mode is applied in the financing of manufacturing of goods and equipment, as well as in the financing of construction works. From the Shari'ah point of view, it is defined as a contract in which one of the parties, the seller (the IDB, as financier, in this case) is obliged to manufacture/construct or produce a specific thing, which is possible to be made from materials available to him, according to certain agreed upon specifications, and have it delivered to the buyer at a determined price. In IDB operations, the buyer pays the price over an agreed upon period. The conditions governing the financing by way of Istisna' are the same as those governing Instalment Sale as far as the terms, rate of return, guarantees and ceiling are concerned.

6. Lines of Financing

IDB extends lines of financing to the National Development Financing Institutions (NDFIs) or Islamic Banks (IBs) to promote the growth of small and medium scale enterprises, particularly in the industrial sector.

The line is used by the NDFI/IB to finance sub-projects (SMEs) through leasing, Installment sale, or *istisna'a* modes (equity may be applicable in certain cases), on pre-agreed terms and conditions.

Request by an entrepreneur to have a project financed by the line is made to the NDFI/IB concerned. The latter is authorized to approve projects up to a certain level, depending on how it is categorized by IDB. Beyond that level, the NDFI/IB submits its appraisal report to IDB for decision.

The NDFI/IB are remunerated for their role as agents of IDB according to a pre-agreed formula.

7. Equity Participation

IDB participates in the capital share of productive industrial and agro-industrial projects that are economically and financially viable. The Bank's maximum participation in the capital share of a company/enterprise is limited to one-third of the equity capital, and is undertaken to encourage other financiers to participate in the financing of such companies/enterprises. A condition of the Bank participation is that the company/enterprise should not deal in interest in its financing operations.

8. Murabaha

This mode of financing is used in the financing of foreign trade, both 'imports' and 'exports'. The Bank purchases the commodity requested and re-sells it to the beneficiary. In case of import financing, the period of financing is up to 30 months, while, in case of export financing, it may extend up to 120 months. Preference is given to financing of commodities imported from member countries of the Bank, where they are subject to a lower mark-up rate. The financing is based on LIBOR rate as follows:

The LIBOR taken for the mark-up calculation will be the 12 month LIBOR quoted on the LIBOR OI page of Reuters as appropriate for the US Dollar or other currency offered, on the value date of each disbursement, plus a "gross spread" according to the risk, tenor, commodity being financed and market conditions. In all circumstances, mark-up rates will be competitive to those prevailing in the market.

In case of the beneficiary repaying on or before due date, he is given a rebate equivalent to 30% of the 'gross spread'.

The beneficiary's risk has to be accepted by IDB to qualify for this financing. The security provided could be in the form of an unconditional and irrevocable guarantee from the central bank in his country, any first class commercial bank acceptable to IDB, or any other security acceptable to IDB.

9. Profit Sharing

Profit Sharing is a form of partnership which involves the pooling of funds between the IDB and another party for the financing of a project, each partner obtaining a percentage of the net profit accruing from the venture. The profit accruing to (or loss incurred by) each partner is proportional to its share in the venture. This mode might be suitable for projects expected to have a high financial rate of return.

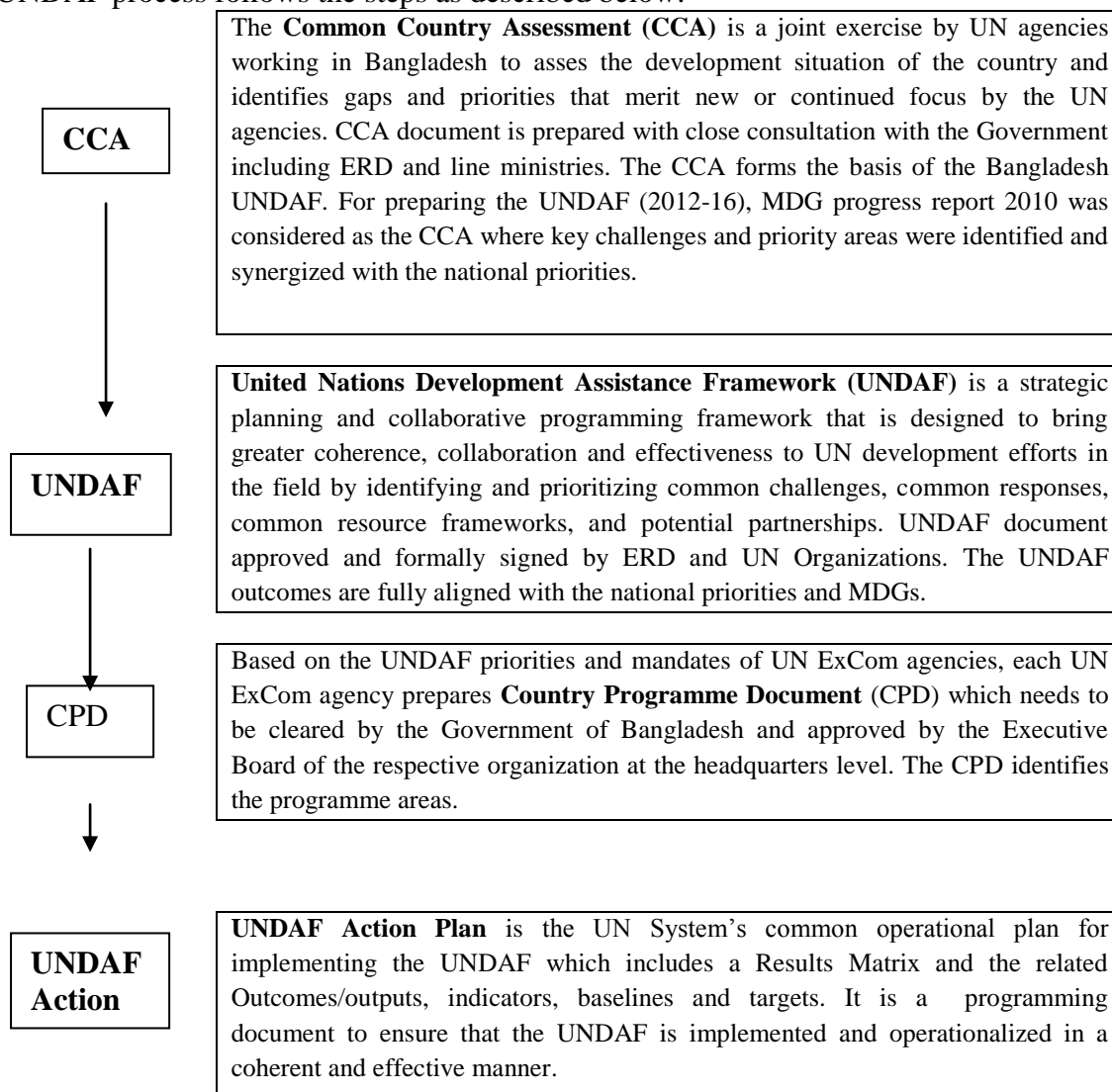
Wing-4 (United Nations)

Negotiation Process in UN Wing:

UN system provides development assistance to Bangladesh through a framework agreement named “United Nations Development Assistance Framework (UNDAF)”. The duration of the current UNDAF is from 2012 to 2016 which was signed between the Government of Bangladesh and UN agencies on 1 June 2011. Total twenty two (22) UN Agencies will provide support to the Government under the UNDAF (2012-16) over the next five years. Among them four (4) are the members of UN ExCom Agencies (UNICEF, UNDP, WFP, UNFPA). Seven (7) are specialized resident agencies (FAO, ILO, IOM, UNESCO, UNHCR,WHO, UNAIDS) and rest of the eleven (11) are known as non-resident organization (IAEA, UNCDF, UNEP, UNIDO, UN WOMEN, UNODC, UNHABITAT, IFAD, OHCHR, UNCTAD, UNOPS). UNDAF is being executed through the UNDAF Action Plan.

UNDAF Process:

UNDAF process follows the steps as described below:



UNDAF and UNDAF Action Plan preparation, approval and signing process:

- The UNDAF is prepared through an extensive consultation process with government, international and national non-government organizations, Development Partners, the private sector and UN agencies including non-resident agencies;
- Several National Dialogue are conducted between the UN Country Team, Government and others partners with the lead of General Economics Division (GED) of Planning Commission to identify the gaps and challenges of MDGs.
- After that Strategic Prioritization Retreat (SPR) meeting is conducted to identify the UNDAF intervention areas in line of the Government priorities and UN mandates. UN agencies prepare the draft UNDAF in consultation with the Government and other stakeholders.
- ERD organize GoB-UN consultation meeting and inter-ministerial meeting on draft UNDAF. The Ministries/Divisions/ Agencies also sent there written comments/views on the draft UNDAF. Based on those comments, UNDAF is finalized.
- After having the approval from the competent authority (Prime Minister / Finance Minister) UNDAF is signed between the Government of Bangladesh (ERD) and UN agencies.
- UNDAF action Plan also follows the GoB-UN consultation and inter-ministerial consultation process.

Under the UNDAF Action Plan, UN Agencies implement their respective programmes and projects with the support of relevant line Ministries at national and sub-national levels, under the overall coordination of the Economic Relations Division (ERD) and the UN Resident Coordinator's Office (UNRCO). For nationally executed projects, the formal TAPP/DPP process are also followed.

In addition to UNDAF Action Plan separate project document is also approved and signed for UNDP and other technical agencies assisted projects.

Negotiation process for separate project document:

- After receiving the draft project UN Wing shares the draft document/agreement with concerned line ministries/divisions, Planning Commission for their views, comments on it and negotiates with the concerned UN agency to amend the document in light of the comments received from government agencies.
- At the same time project implementing agency prepares and takes efforts to approve TPP keeping project consistent with the agreement/document.
- Then inter-ministerial meeting is being convened at ERD to finalise the document by the government side.
- In some cases (if necessary), vetting of Ministry of Law, Justice and Parliamentary Affairs is ensured by ERD.
- After completion of these steps, competent authority approves proposal to sign the agreement on behalf of the government and accordingly ERD signs it with the Development Partner(s).

Wing-5

(Asian Development Bank)

Processing Steps of the Asian Development Bank financing

Asian Development Bank (ADB) is the 2nd largest multilateral development partner (DP) of Bangladesh. Based in Manila, ADB is established on 22 August 1966 with the vision of an Asia and Pacific region free of poverty and mission to help its developing member countries (DMCs) substantially reduce poverty and improve the quality of life of their people. To achieve this, ADB will support three complementary development agendas: inclusive economic growth, environmentally sustainable growth, and regional integration. It has now 67 member countries (48 from the region and 19 outside the region) which were 31 at the time of establishment and Bangladesh became its member in 1973. At present ADB's 28 Resident Missions and 3 Representative Offices are working as field office in different member countries. In our country Bangladesh Resident Mission (BRM) opened in 1982. Since its membership, ADB's financing contribution to Bangladesh for its various development projects/programs is about \$14 billion as loans and \$221 million as technical assistance (TA) grants. ADB is now giving emphasis on 06 sectors; namely, (i) Agricultural and Natural Resources ; (ii) Education; (iii) Energy; (iv) Finance; (v) Transport; and (vi) Urban sector to provide financial assistance for undertaking projects/programs in Bangladesh on the basis of its Country Partnership Strategy (CPS) which was termed as Country Strategy and Program (CSP) earlier. The present CPS covering the period 2011-2015 has got approval by the ADB Board of Directors on 27 October 2011 following the GoB's no objection on it accorded on 25 August 2011. ADB under this CPS has a lending provision to provide \$2.4 billion ADF and \$2.3 billion OCR loan assistance as well as 9.5 million TA grant on an average per annum. The CPS is generally prepared considering Bangladesh's macroeconomic situation, progress in reform activities, portfolio performance, private sector potentials and scope of sub-regional cooperation. It also takes into account the GoB's 6th Five-year Plan (2011-2015) as well as poverty reduction strategy and other development priorities like MDGs. At the time of formulation of its country strategy ADB holds consultations with the Government including all relevant Ministries/Divisions and Agencies. ADB reviews its CPS annually with the Government and readjusts its program accordingly. During the CPS review Government places new funding request that arises due to current needs and urgency. As per its strategy and funding capacity, ADB tries to accommodate the request in the revised CPS. Therefore, generally CPS is the main basis for undertaking the development projects in case of ADB funding.

ADB's Lending and Non-Lending Assistance

ADB provides lending products as well as non-lending products and services. The lending support comes from two windows; i.e. namely, (i) Asian Development Fund (ADF), the concessional loan window; and Ordinary Capital Resources (OCR), London Inter-Bank Offered Rate (LIBOR)-based lending products. The non-lending fund (grant) is mainly provided in the form of the Project Preparatory Technical Assistance (PPTA),

Project Advisory Technical Assistance (PATA), Advisory Technical Assistance (ADTA), Capacity Development Technical Assistance (CDTA) and Regional Technical Assistance (RETA). The objective of PATA is to help prepare the new investment project proposal that is complex and multidimensional in nature. The CDTA aims at strengthening the institutional capacity of an organization and RETA for related to the strengthening regional co-operations.

ADB lending program covers project loan (both investment and TA) as well as policy/program loan (budgetary support). For project/program loans from ADF window the terms and conditions are now generally 25-year maturity including a 5-year grace period, 2-percent interest charge and semi-annual equal amortization. There is no commitment charge associated with these loans. For OCR loans the terms and conditions are generally 25-year maturity including a 5-year grace period and interest rate is LIBOR based. Besides, there is a provision for 1.5% commitment charge on an un-disbursed loan proceeds and premium charge on the basis of maturity period for these loans.

Steps Followed in the Processing of ADB's Assistance

The steps generally followed in the processing of ADB assistance for a project are as under:

- (i) Selection/conduct study on feasibility/sustainability of project for ADB assistance (generally mentioned in CPS) and in this stage some ADB Missions such as Consultation Mission, Project Administration Mission work on it;
- (ii) After identifying a project, a Fact-finding Mission is fielded from ADB to discuss the relevant sectoral issues with the Government. The Mission and Government reach common understanding on the institutional, organizational and management aspects relating to the implementation of the proposed project. The indicative project activities, scope, implementation arrangement, design and monitoring framework, project outcome targets, financing plan, loan assurances and conditions of loan negotiations and effectiveness are sorted out during this Mission. Sometimes this Mission follows a Pre-fact-finding Mission;
- (iii) Sometimes, an Appraisal Mission is fielded as a follow up of Fact-finding Mission when a project is of complicated nature and need to be reviewed the activities carried out by the previous Missions. This Mission may also follow a Pre-appraisal Mission;
- (iii) At this stage the implementing agency (IA) normally prepares project document (DPP/TPP) on the basis of the final Aide Memoire of the ADB's Fact-finding Mission and places the document to the competent authority of the Government for approval;
- (iv) In the meantime, ADB prepares draft loan agreement, project agreement (if IA is other than the government agency), project administration manual (PAM), Report and Recommendation of the ADB President (RRP) to the Board and such other related documents; and sends those documents to ERD with the proposal for loan negotiations;
- (v) On receipt of draft loan agreement and other documents, ERD holds inter-ministerial meeting to review the draft loan documents and prepares negotiating points to be taken up with ADB during the loan negotiations;
- (vi) The negotiation team of the Government including the representatives of ERD, Executing Ministry/Division (EA) and Implementing Agency (IA) and if necessary

other Ministries/Divisions is formed with the approval of the Head of the Government. ERD plays the main coordinating role in the negotiation activities and later on sends the negotiated documents to the Legislative and Parliamentary Affairs Division for their Vetting on it ;

- (vii) After successful negotiations of a particular loan proposal, ADB takes up the project loan-proposal to its Board for approval;
- (viii) Once ADB Board approves the project loan, it is ready for signing. ERD arranges signing of the loan agreement with ADB;
- (ix) The signed loan agreement is then sent by ERD to the Legislative and Parliamentary Affairs Division for their Legal Opinion on it;
- (x) In the meantime the Executing Ministry/Division accomplishes all other necessary activities in connection with loan effectiveness;
- (xi) Upon receipt of Legal Opinion and the papers on the fulfillment of other conditions for the loan effectiveness, ERD sends those documents to ADB with a formal request to declare the loan effective;
- (xii) Once the loan is declared effective by ADB, the project gets started;
- (xii) In case of grant financing, the process is much simpler. Generally only appraisal mission is mounted. It is followed by the ADB Board approval of the grant proposal. Preparation and approval of project document (TPP) and other related activities are done afterwards by the IA and concerned authority. Once the TA letter is signed or given concurrence to the proposed TA by ERD with the approval of competent authority of the Government, the TA project gets started;

It is pertinent to mention that it does not require any project document from Government side for processing of program/policy loan.

Asian Development Fund (ADF)/Ordinary Capital Resources (OCR):

ADF is ADB's concessional or soft-loan window under which loans carry low interest rates, and are for the poor developing member countries. ADF is the oldest and largest of the Bank's existing special funds whose resources consist mainly of contributions mobilized under periodic replenishments from the Bank's members. Now ADF XI replenishment is going on for raising the fund. ADF is designed to provide loans on concessional terms to those developing member countries (DMCs) with a low per capita gross national product (GNP) and limited debt-repayment capacity. Activities supported by the ADF promote reduction in poverty and improvements in the quality of life in the DMCs of the Asia and Pacific region. On the other hand, OCR is a pool of funds available for ADB's lending operations. These resources are replenished by borrowings from the world's capital markets. OCR loans are made at near-market terms to better-off borrowing countries. Bangladesh is in the category of blend countries since January 1999 and now is getting loan almost equal amount from ADF and OCR fund. Loans provided to Bangladesh from the OCR window are in power, gas and railway sectors.

Strategic Climate Fund (SCF):

In addition to the ADF and OCR loan, Bangladesh is now receiving loan and grant from SCF through ADB. SCF has been developed to promote and channel new and additional financing for addressing climate change through targeted programs. ADB, acting not in its individual capacity but solely in its capacity as an implementing entity of the SCF, has

established the ADB Strategic Climate Fund to receive, hold in trust and administer SCF resources.

Project Design Facility (PDF):

PDF is new financing instrument of ADB that supports project preparation, particularly detailed engineering designs, through providing advances from the upcoming loan to clients. These advances are to be provided from ADB-wide facility and are envisaged to be refinanced by ensuing OCR or ADF loans. PDF is intended to provide quick-disbursing resources for project formulation, including detailed engineering design and broader project and program preparatory work (such as feasibility studies and due diligence, safeguard, and pre-implementation work), including those for policy-based lending, if requested by the client. One advantage of the PDF is its shorter processing time compared with a technical assistance loan. Advances made under PDF are called Project Design Advance (PDA). The PDA is approved by the ADB in principle as part of concept clearance for ensuing projects.

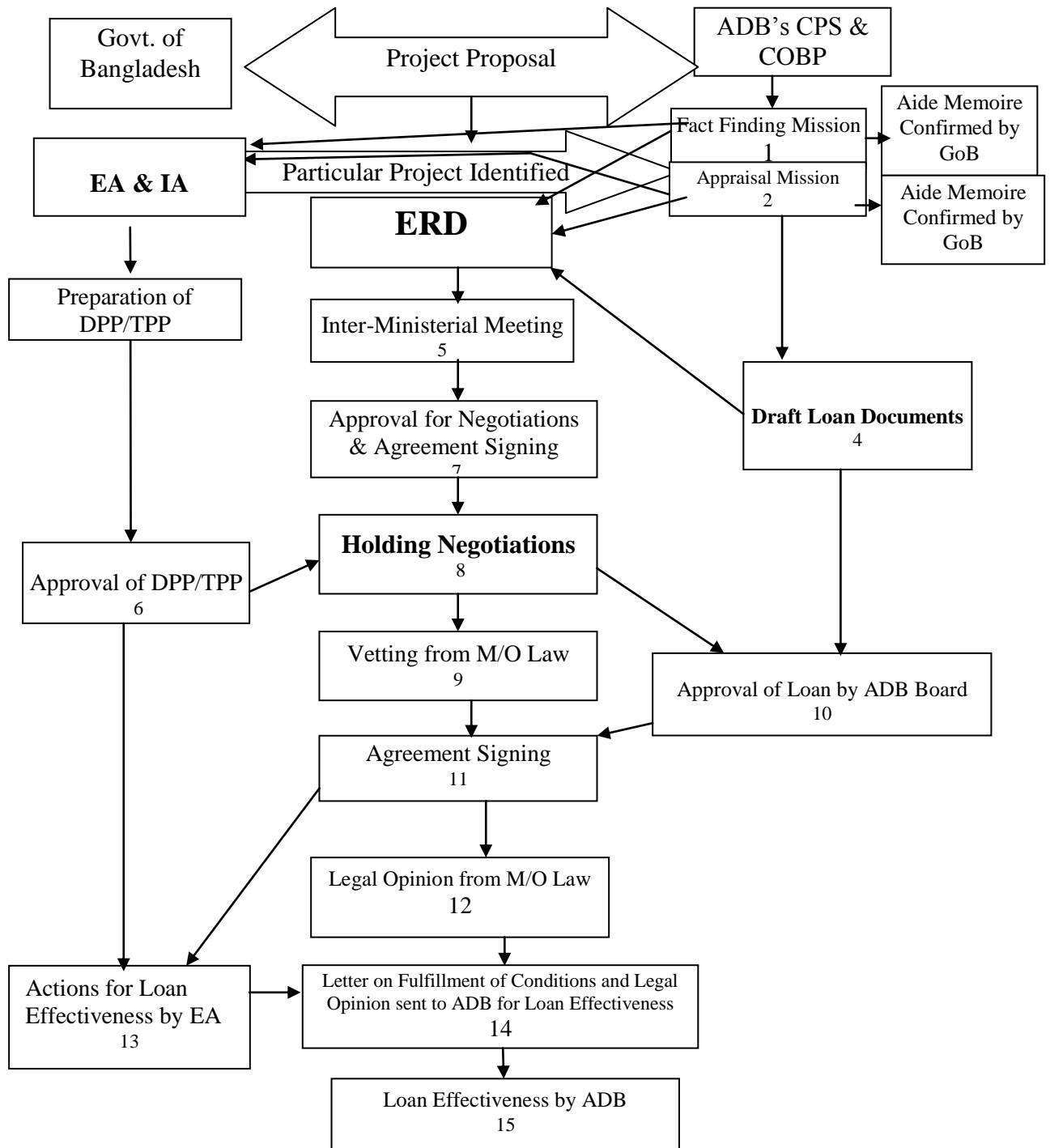
Multi-tranche Financing Facility (MFF):

The multi-tranche financing facility (MFF) is a flexible financing instrument offered by the ADB. It helps provide assistance programmatically by aligning the provision of financing with project readiness and the long-term needs of a client. The MFF offers financial resources to a client under a specific set of conditions, in a series of separate financing tranches (loans, grants, guarantees, or administered cofinancing) over a fixed period of time. It facilitates long-term partnerships between ADB and its clients, and provides opportunities for constructive dialogue on physical investments as well as nonphysical (thematic and sector) interventions. The MFF provides critical mass, predictability, and continuity to clients. The MFF helps to respond better to the needs of its clients by tailoring its assistance. The MFF also supports the creation and expansion of social and economic opportunities for the impoverished in Asia and the Pacific, and enables broader access to these opportunities.

Sector Wide Approach (SWAp)

Sector-Wide Approach (SWAp) is an approach to international development that brings together governments, Development Partners and other stakeholders within any sector for aiming the desired development. It is characterized by a set of operating principles rather than a specific package of policies or activities. The approach involves movement over time under government leadership towards- broadening policy dialogue; developing a single sector policy (that addresses private and public sector issues) and a common realistic expenditure program; common monitoring arrangements; and more coordinated procedures for funding and procurement. SWAps are represented in the basic principles of program-based approaches (PBA), which must form 66% of aid from signatories to the Paris Declaration on Aid Effectiveness.

Flow Chart: Processing Steps of ADB Financing



Note: CPS = Country Partnership Strategy; COBP= Country Operations Business Plan EA= Executing Agency; IA= Implementing Agency; 1-15= Various Steps of Processing ADB Financing.

Wing-6 (Coordination and NORDIC)

Working procedure in Nordic Branch:

Whenever any country of Nordic Region (e.g., Norway, Denmark and Sweden) and Nordic Development Fund (NDF) shows interest according to their priority to finance any project, they usually engage a consultant to formulate the project or conduct a feasibility study. According to the study the cost of the project is being estimated. The DPP is prepared on the basis of the study report. After the approval of the DPP, the draft 'Government to Government' agreement received from the local embassy is being consulted in an inter-ministerial meeting. The comments and suggestions of the inter-ministerial meeting then forwarded to the embassy for necessary incorporation/modification in the draft agreement. When the refresh draft is received from the embassy, the document is then sent to Ministry of Law for vetting. The draft agreement after being vetted by the Ministry of Law is sent to Hon'ble Prime Minister or Chief Advisor/Hon'ble Minister or Advisor for Finance for authorization to sign the agreement on behalf of the Government of Bangladesh. The signed agreement then distributed among the concerned authorities of Bangladesh.

Negotiation Process for International Fund for Agricultural Development (IFAD)

International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations. It was established as an international financial institution in 1977. The contribution of IFAD has particularly been laudable in the areas of aquaculture, technical support in micro-finance, agricultural extension and intensification, rural infrastructure and crop diversification. Main instrument of IFAD's financing is loan. It is a soft loan.

Membership in IFAD is open to any state, which is a member of the United Nations, any of its specialized agencies or the International Atomic Energy Agency. The Fund's 163 Member States are classified as follows: List A- Primarily OECD members; List B- Primarily OPEC members; and List C- developing Countries. List C is further divided into sub-list C1- Countries in Africa; sub-list C2- Countries in Europe, Asia and the Pacific; and sub-list C3- Countries in Latin America and the Caribbean. Bangladesh is in with C type membership.

The International Fund for Agricultural Development (IFAD) has prepared a new Country Strategic Opportunities Program (COSOP) outlining its objectives and scope of investment in Bangladesh for 2012-2018. The Government of Bangladesh has validated the COSOP in line with our Poverty Reduction Strategy Paper (PRSP) and in line with GoB's Sixth Five year Plan, Vision 2021 and the Country Investment Plan (CIP).. IFAD takes the project, which matches with COSOP. Once a project is decided to be taken up by Economic Relations Division, Inception Aide Memoire meeting is held firstly. Then formal meetings are held with formulation mission and appraisal mission of IFAD, regarding the project. After getting appraisal mission report, a draft Loan Agreement/ Financing Agreement is designed. In the mean while the project is taken to the Executive Board of IFAD for approval. At the same time, The Draft Agreement is sent to the Ministry of Law, Justice and Parliamentary Affairs for Legal Opinion. A negotiation is

held on draft agreement. Finally, the Loan Agreement/ Financing Agreement is signed. Before signing the Loan Agreement/ Financing Agreement ERD takes vetting from Ministry of Law, Justice and Parliamentary Affairs. ERD Secretary signs the agreement, or Secretary of ERD may delegate his power to other senior official to sign the agreement. For effectiveness of the agreement IFAD generally asks another legal opinion. In case of on going projects, IFAD sends different types of mission for sound execution of the project.

Wing-7 (Europe)

Assistance from the Sources of Europe (excepting NORDIC Countries)

Europe is one the major sources of development assistance for Bangladesh. In terms of assistance in grant, Europe is the largest source for the country.

European Commission (EC)

The EC assistance programme in Bangladesh is provided under its Country Strategy Paper and Multi-annual Indicative Programme (MIP). The Country Strategy Paper is formulated in full reference to the Poverty Reduction Strategy Paper of the Country. The MIP provides for a three or four year indicative financial allocation identifying the broad areas for assistance. Under the areas identified for assistance, individual projects/programme are earmarked for potential assistance. Individual projects/programme are identified through identification missions. These missions usually hold intense consultations with relevant stakeholders and Ministries of the Government prior to any project formulation. After successful completion of the identification stage, for selected projects draft Technical and Administrative Provisions (TAPs) are been elaborated and submitted to ERD. The TAPs are circulated by ERD for review among the concerned Ministries including the Planning Commission. Based on the comments and feed back received from GoB, the EC redrafts the TAPs. Once the final TAPs are found acceptable to GoB, on the basis of that, a Financing Agreement is signed between the Government and the EC. All EC assistance is provided in the form of grants. The current MIP covers the period 2007-2010 with an indicative allocation of Euro 205 million. Three focal areas and two non focal areas have been identified in the MIP. The focal areas are :(1)Human and Social Development (2)Good Governance and Human Rights (3)Economic and Trade Development; the non-focal areas are:(1)Environment and Disaster Management and (2)Food Security and Nutrition.

United Kingdom (UK)

The UK Department for International Development (DFID) is responsible for British development assistance overseas. The British support to Bangladesh is provided under a multi-year country strategy, which is based on the Government of Bangladesh's national PRS . The UK strategy sets out DFID's priority areas and approach for development in Bangladesh. Within the framework of CAP, individual projects are identified by DFID in consultations with Government and other development partners. Concept notes and Project Memorandums are then sent to ERD for discussions. In turn, ERD obtains the views of the concerned ministries on the Concept Notes and Project Memoranda and arranges for inter-ministerial consultation on those. Upon acceptance of a concept note and a memorandum for a programme or a project by the government, a MOU for that specific project is then signed between DFID and GoB.

The current DFID assistance is provided under an interim Country Assistance Plan (2007-2008) for Bangladesh. The strategy focuses on (a) better governance (b) reducing extreme poverty, and vulnerability to climate change and elimination of seasonal hunger (c)

improving basic health, education, water and sanitation services for the poor , and, (d) supporting private sector growth for creation of jobs to help the poor.

Swiss Agency for Development and Cooperation (SDC)

The assistance of the Swiss Government to Bangladesh is administered by the Swiss Agency for Development and Cooperation (SDC) under its Five Year Cooperation Strategy. The current Cooperation Strategy (2008-2012) for Bangladesh focuses on two thematic areas of (i) employment and income generation (ii) local governance in line with the PRSP of the Government. Gender equity and HIV/AIDS are crosscutting themes of the programme. It will also include disaster risk reduction (DRR) measures. The programme will be implemented through a variety of partners including GoB, Civil Society Organisations, Private Sector, Research Institutes and other development partners through identified projects. In addition, the goal of proposed SDC Strategy (2013-2017) in Bangladesh is to contribute to the improvement of well-being for the poor and disadvantaged people in Bangladesh. In particular, income, resilience, food security, women's economic empowerment, working conditions, life skills, choices as well as voice and satisfaction with local government performance will be increased and strengthened. SDC is aligned with priorities of Bangladesh's Joint Cooperation Strategy and the Country's 6th Five-Year Plan and is concerned with the stakeholders of the LCG.

The budget allocation for Swiss-funded development assistance-country at USD 32 million per year – will increase to about USD 40 million in 2016.

Germany

Bangladesh signed a framework agreement for Development Cooperation with Germany in 1972. Currently, German assistance to Bangladesh is provided under programme that are agreed upon between the two countries through annual bi-lateral negotiations. The programme delineates the priority of areas for assistance. It also includes an indicative financial envelope and a list of envisaged projects to be undertaken for a programme period. Following the programme, Financing Agreements are signed between the two countries for individual projects. All German assistance is provided in grant. For the first time in 2012, German Government proposed to allocate a soft loan amounting to 45 million euros for development of energy sector in Bangladesh. From 1972 to till now, total German assistance to Bangladesh is USD 3.25 billion.

In the current programme the priority areas of German development assistance to Bangladesh are: (a) Energy, Renewable Energy and Energy Efficiency, (b) Justice/Rule of Law/Governance and (c) Health. Future priority area of German assistance is adaptation to climate change in cities.

Netherlands

The Royal Netherlands Government has been providing development support to Bangladesh in grants for investment and technical assistance project under Financing Agreements signed between the two countries. Currently, the major priority sector of Netherlands assistance to Bangladesh are (i) Water Management, (ii) Food Security and (iii) Sexual and Reproductive Health and Rights.

Other European DPs

Other European development partners mostly provide loan which includes interest free loan, mixed and state credit under concessionary terms and suppliers credit. This category includes Italy, Spain and Russia. Loans are provided for specific projects following the stages of transmittal of proposal for financing from the Government, preliminary acceptance by the development partners for financing, negotiation of financial and other related terms and conditions, finalization and signing of loan/credit agreements, effectivity of loan/credit. Recently Russia has committed to provide both technical and financial support to Rooppur Nuclear Power Plant project. France also committed co-finance loan in the Greater Dhaka Sustainable Urban Transport Project. Some other loan proposals are being processed.

Countries like Czechoslovakia and Belgium that had extended assistance in the past, no longer provide bilateral development assistance.

Wing-8 (Asia)

1. China

Bangladesh and China established diplomatic relations in 1975. Since then, close and multi-faceted co-operations between Bangladesh and China have been increasing steadily. China is now a major trading and development partner of Bangladesh. In addition, considerable investments by the Chinese side have been gradually increasing in various fields. The close bilateral relations between two countries have reached to the level of a comprehensive partnership of co-operation. Usually Chinese Government is interested to provide assistance for the infrastructure development of Bangladesh. China provides development assistance in the form of grant, Interest free loan, Government Concessional Loan (GCL) and Preferential Buyer's Credit (PBC). Contribution of the Chinese Government for the economic development of Bangladesh is increasing gradually.

The funding procedures of projects by the Government of the People's Republic of China are shown in the Flow chart:



The general terms and conditions of Chinese Assistance.

Type of Loan	Grace Period	Repayment Period	Currency	Commitment Fee	Management Fee	Others
Government Concessional Loan (GCL)	5 (Five) years	15 (Fifteen) years	Renminbi (RMB Yuan)	0.2%	0.2%	Management Fee should be paid with 30 days after the Agreement becomes effective. The goods, technology and services purchased by using the proceeds of facility shall be purchased for China Preferentially.
Preferential Buyer's Credit (PBC)	5 (Five) years	15 (fifteen) years	US Dollar	0.2%	0.2%	-Do-
Interest Free Loan	5 (Five) years	10 years	Renminbi (RMB Yuan)	-	-	-

Note: The above terms and conditions are negotiable

Asia 2 Branch: Funding Procedure of the Republic of Korea

The Republic of Korea (RoK) is one of the newly rising development partners provides economic and technical cooperation to Bangladesh's major priority areas like- ICT, Telecommunication, Roads and Railways etc. All Korean assistances: grants and loan are channeled to Bangladesh through the following two organizations:

- a. Economic Development Co-operation Fund (EDCF)
- b. Korea International Cooperation Agency(KOICA)

The Government of Korea has established the Economic Development Cooperation Fund (EDCF) in June, 1987 for extending bilateral ODA loans to Developing countries. Entrusted by the Ministry of Finance and Economic, Korea Eximbank is responsible for the operation of the EDCF, including project appraisal, execution of the loan agreement

and evaluation after project completion. It provides various type of loan mentioned below:

- **Development Project Loan:** provides funds for projects such as roads, railway, hospital etc under the development plan
- **Equipment Loan:** provides funds to procure equipment and other materials needed for projects
- **Two-step loan:** provides funds to make sub-loans to end-users through the financial institutions of the recipient country
- **Commodity loan:** provides funds to import commodities to contribute to the economic stabilization of the recipient country
- **Project preparation Loan:** projects funds required for the preparation of the development projects, including feasibility studies, detailed designs, etc.

Funding Procedure of EDCF (Korean Exim Bank)

- Korean Appraisal Mission often visit Bangladesh and during their visit the Kick off Meeting/Discussion has been taken place at ERD regarding up-coming/candidate projects;
- Priority areas of Bangladesh have been identified in mutual consultation where the Korean Government can provide assistances;
- Based on priority areas, concerned ministries/divisions have been requested for sending project proposals;
- Project proposals have been forwarded to the Korean Embassy, Dhaka requesting for the EDCF assistances;
- Appraisal Mission visit Bangladesh and consult relevant ministries/divisions and departments as well as ERD;
- If it is found potential, Korean Government despatches Fact Finding Mission/Feasibility Study Team to Bangladesh
- Fact Finding Mission/Feasibility Study Team consults relevant ministries, departments as well as ERD and visits proposed project area (several times);
- Feasibility Study Team prepares a Feasibility Study Report and submit to Korean Government as well as the Government of Bangladesh;
- Based on the Feasibility Study Report the Korean Exim Bank (designated by the Korean Government for administering EDCF Loan) send Loan Request Form;
- Dully filled-in Loan Request Form forwarded to the Korean Embassy, Dhaka;
- After having Loan Request Form, the Korean Government despatch Appraisal Mission to Bangladesh/send draft Minutes of Discussion (MOD) for signing;
- Concerned ministries/divisions and departments are requested for reviewing the MOD and sending comment to ERD;
- During Appraisal Mission (some time after their departure) negotiation taken place on the MOD and finalized;
- MOD is signed between ERD and EDCF Appraisal Mission having permission from relevant authority;
- Receive PLEDGE mentioning TOR of EDCF loan through Korean Embassy, Dhaka;
- Concerned ministry/division has been consulted regarding the PLEDGE and based on their opinion the PLEDGE has been confirmed through the Korean Embassy, Dhaka;
- Receive draft Loan Agreement from the Korean Exim Bank through the Korean Embassy, Dhaka;

- Relevant ministries/divisions including Finance Division and NBR have requested for sending opinion reviewing the draft Agreement;
- An Inter-ministerial Meeting taken place at ERD for finalizing Draft Agreement;
- On the basis of the decisions of Inter-ministerial Meeting, the Korean Exim Bank has been requested to revised the draft Agreement;
- Korean Exim Bank makes necessary changes and sent for sign;
- Receive vetting from the Legislative and Parliamentary Affairs Division, Ministry Law, Justice and Parliamentary Affairs;
- Receive approval from the competent authority e. i. Hon'ble |Prime Minister (Chief Adviser), Finance Minister (Adviser);
- Finally signing Loan Agreement taken place between ERD and the Korean Exim Bank.

General Terms & Conditions of Korean EDCF Loan

1. Terms of Loan

Loan Amount	Up to 80% of total project cost in case of Development Project loan.
Grant Element	83.91%
Interest Rate	Zero point zero one percent (0.01%) per annum
Service Charge	One-tenth of one percent (0.1%) of the amount of each disbursement or the amount stated in the letter of commitment under the disbursement procedures.
Overdue charge	Two percent (2.0%) per annum above the interest rate
Maturity	Forty (40) years including fifteen (15) years of Grace Period
Method of Repayment	Semi-annual installments after the grace period
Interest Payment	Every Six (6) months in arrears on outstanding balance
2. Loan Denomination Currency	Korean Won
3. Procurement	
Eligible Source Countries	The Republic of Korea
Method of Procurement	Competitive bidding or Direct contract among Korean suppliers
Procurement Contract Period	Within Eighteen (18) months after the effective date of the Loan Agreement.
4. Employment of Consultant	
Eligible Source Country	The Republic of Korea
Method of Procurement	Limited competitive bidding among Korean consulting firms
Consulting Contract Period	Within Eighteen (18) months after the effective date of the Loan Agreement
5. Loan Disbursement	

Disbursement Period	Within Sixty six (66) months from the effective date of the Loan Agreement or within the date Korea Exim bank and the People's Republic of Bangladesh.
Disbursement Procedure	Commitment Procedure or Direct Payment Procedure.

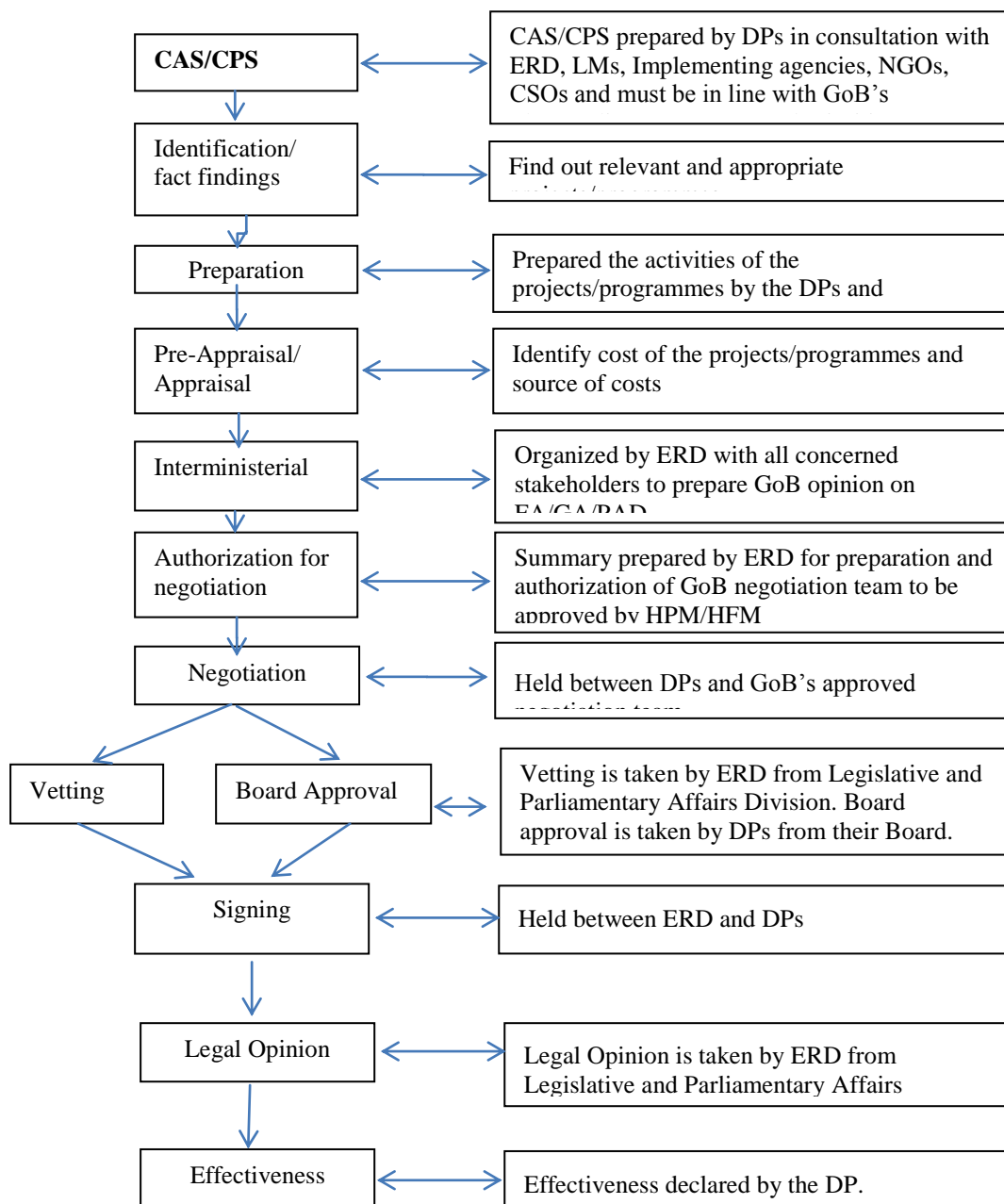
KOICA's Assistances to Bangladesh

Korean International Cooperation Agency (KOICA) office was established in Bangladesh in 1993 and started its activities for conducting various bilateral cooperation programmes as well as implementing projects in Bangladesh. KOICA provides assistance in the form of Project Grant, Fellowship, Training, Volunteers and Expert Supports.

Usually KOICA provides very small amount upto \$US 3/4 million per project. The following procedures are followed for KOICA's assistance to Bangladesh:

- KOICA's Resident Representative to Dhaka and KOICA Mission often visit Bangladesh and during their visit Discussion has been taken place at ERD regarding up-coming/candidate projects;
- Priority areas of Bangladesh have been identified in mutual consultation;
- Based on priority areas, concerned ministries/divisions have been requested for sending project proposals;
- Project proposals have been forwarded to the Korean Embassy, Dhaka requesting for the KOICA assistances;
- KOICA despatches Survey Implementation Team /Feasibility Study Team to Bangladesh
- Survey Implementation Team consults relevant ministries, departments as well as ERD and visits proposed project area (several times) and recommends for finalizing projects;
- Based on the Feasibility Study Report the KOICA send Record of Discussion (RD) and TOR;
- Concerned ministry/division has been consulted regarding the the RD and TOR;
- An Inter-ministerial Meeting taken place at ERD for finalizing Draft RD and TOR;
- On the basis of the decisions of Inter-ministerial Meeting, KOICA has been requested to revise the draft RD and TOR;
- KOICA makes necessary changes and send to ERD for signing;
- Receive vetting from the Legislative and Parliamentary Affairs, Ministry Law, Justice and Parliamentary Affairs Division;
- Receive approval from the competent authority e. i. Hon'ble Prime Minister (Chief Adviser), Finance Minister (Adviser);
- Finally signing of RD and TOR taken place between ERD and the KOICA.

5. Generalized Flow Chart of Foreign Aid Mobilization



HPM: Honorable Prime Minister
 HFM: Honorable Finance Minister
 CAS: Country Assistance Strategy
 CPS: Country Partnership Strategy
 ERD: Economic Relations Division
 GoB: Government of Bangladesh
 LMs: Line Ministries

CSOs: Civil Society Organizations
 NGOs: Non-Government Organizations
 FA: Financial Agreement
 GA: Grant Agreement
 PAD: Project Appraisal Document
 DPs: Development Partners.

6. THE EVOLVING AID EFFECTIVENESS AGENDA AND BANGLADESH: AN OVERVIEW

INTRODUCTION

At the beginning of the 21st century it became clear that aid was not delivering the expected results. Inadequate methods and differences in donor approaches made aid less effective. Action was needed to boost impact. It became apparent that promoting widespread and sustainable development was not only about amounts of aid given, but also about **how** aid was given. Some donor practices were proving problematic for developing countries to deal with. It is against this background that the international aid effectiveness movement began taking shape in the late 1990s. Donors/aid agencies, in particular, began to realize the costs they imposed on aid recipients by their many different approaches and requirements. They began working with each other, and with partner countries, to harmonize these approaches and requirements.

The movement picked up steam in 2002 at the **International Conference on Financing for Development in Monterrey**, Mexico. The international community agreed that it

Box: 1

Major features of the Monterrey Conference concerning ODA

- Making ODA effective
- Harmonization of operational procedures of the donors to reduce transaction costs to make ODA disbursement and delivery more flexible
- Country ownership
- Considering national development objectives and priorities
- Enhancement of untied aid
- Enhancement of the absorptive capacity and financial management of the receiving countries

would be important to provide more financing for development—but more money alone was not enough. Donors and partner countries alike wanted to ensure that aid would be used as effectively as possible. The aim of the Conference had been to examine the internationally agreed development goals adopted during the past development decade, and

especially the goal of halving the number of people living in absolute poverty by 2015, for their financial implications and to indicate ways of mobilizing the financial resources needed to achieve them.

EMERGENCE OF THE AID EFFECTIVENESS AGENDA: MILESTONES AT THE INTERNATIONAL LEVEL

Rome Declaration on Harmonization¹

Ministers, Heads of Aid Agencies and other Senior Officials representing 28 aid recipient countries and more than 40 multilateral and bilateral development institutions endorsed the Rome Declaration on Harmonization in February 2003. This is called as the **High-Level Forum on Harmonization (HLF-Rome)**. They committed to take action to improve the management and effectiveness of aid and to take stock of concrete progress, before meeting again in early 2005.

¹ www.oecd.org/dataoecd/54/50/31451637.pdf

The Rome Declaration on Harmonization set out an ambitious program of activities:

- To ensure that harmonization efforts are adapted to the country context and donor assistance is aligned with the recipient's priorities;
- To expand country-led efforts to streamline donor procedures and practices;
- To review and identify ways to adapt institutions' and countries' policies; procedures, and practices to facilitate harmonization;
- To implement the good practices, principles and standards formulated by the development community as the foundation for harmonization.

Paris Declaration on Aid Effectiveness²

In 2005, the international community came together again at the [Paris High-Level Forum on Aid Effectiveness \(2005\)](#), where over 100 signatories—from partner governments, bilateral and multilateral donor agencies, regional development banks, and international agencies—endorsed the [Paris Declaration on Aid Effectiveness](#), committing to specific actions that would promote the effective use of aid funds. More parties became signatories later.

Box: 2

The Paris Declaration is grounded on five mutually reinforcing principles:

- **Ownership:** Partner countries exercise effective leadership over their development policies and strategies, and coordinate development actions.
- **Alignment:** Donors base their overall support on partner countries' national development strategies, institutions, and procedures.
- **Harmonization:** Donors' actions are more harmonized, transparent, and collectively effective.
- **Managing for results:** Managing resources and improving decision making for development results.
- **Mutual accountability:** Donors and partners are accountable to each other and their electorates for development results.

The Paris Declaration on Aid Effectiveness expressed the international community's consensus on the direction for reforming aid delivery and management to achieve improved effectiveness and results. More than a statement of general principles, the Paris Declaration laid down a practical, action-orientated roadmap to improve the quality of aid and its impact on development. The 56 partnership commitments were

organized around the five key principles: ownership, alignment, harmonization, managing for results, and mutual accountability.

The Paris Declaration contained 56 partnership **commitments** to improve the quality of aid. For example, under ownership, partner countries commit to exercise leadership in developing and implementing their national development strategies, and donors commit to respect partner countries' leadership and help strengthen their capacity to exercise it.

The Paris Declaration also set out **12 indicators** to provide a measurable and evidence-based way to track progress, and sets targets for 11 of the indicators for the year 2010. A first round of monitoring of the 12 indicators was conducted in 2006 on the basis of activities undertaken in 2005 in 34 countries. It suggested that important efforts are still needed if we are to achieve the commitments agreed in the Paris Declaration and realize the full potential for improving development effectiveness at the country level. In the run-up to the Third High-Level Forum, [a second survey](#) was conducted in early 2008 in 56 countries to assess progress in implementing the Paris commitments and prompt tangible

² www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html

improvements in the way aid is delivered. The 2011 Survey on Monitoring the Paris Declaration followed previous surveys conducted in 2006 and 2008, and was critical in determining whether the targets set in the Paris Declaration for 2010 have been met. These results formed a key contribution to discussions at the Fourth High Level Forum on Aid Effectiveness (Busan, Korea, 29 November - 1 December 2011).

*Accra Agenda for Action (AAA)*³

Over 1700 participants including more than 100 ministers and heads of agencies from developing and donor countries, emerging economies, UN and multilateral institutions,

Box: 3

Key points agreed in the AAA

- **Predictability:** donors provide, when possible, 3- to - 5 year estimates of their planned aid.
- **Country systems:** partner countries strengthen their capacities; developing country systems are used to deliver aid as the first option.
- **Conditionality:** donors switch from prescriptive conditions on how and when aid money is spent to conditions based on the developing country's own objectives.
- **Untying:** donors relax restrictions that prevent developing countries from buying the goods and

global funds, foundations, and 80 civil society organizations attended the Third High Level Forum on Aid Effectiveness hosted by the Government of Ghana in Accra, on 2-4 September 2008. The Accra Agenda for Action (AAA), adopted in Accra on September 4, reflected the international commitment to support the reforms needed to accelerate an effective use of development assistance and

helped ensure the achievement of the MDGs by 2015. The AAA, the result of an extensive process of consultation and negotiations among countries and development partners, focused the aid effectiveness agenda on the main technical, institutional, and political challenges to full implementation of the Paris principles.

*Busan Partnership for Development Effectiveness*⁴

More than 3000 delegates from Government, Development Partners, CSOs, Academia,

Box: 4

Shared principles of Busan Partnership for Effective Development Co-operation guide the joined-up actions to:

- Deepen, extend and operationalise the democratic ownership of development policies and processes.
- Strengthen our efforts to achieve concrete and sustainable results. This involves better managing for results, monitoring, evaluating and communicating progress; as well as scaling up our support, strengthening national capacities and leveraging diverse resources and initiatives in support of development results.
- Broaden support for South--South and triangular co-operation, helping to tailor these horizontal partnerships to a greater diversity of country contexts and needs.
- Support developing countries in their efforts to facilitate, leverage and strengthen the impact of diverse forms of development finance and activities, ensuring that these diverse forms of co---operation have a catalytic effect on development.

Private Sector, Media etc. met to review the global progress in improving the impact and value for money of development aid in the Fourth High-Level Forum on Aid Effectiveness in Busan, South Korea. The Forum culminated in the signing of the Busan Partnership for Effective Development Co-operation by ministers of developed and developing nations, emerging economies, providers of South-South and triangular co-operation and civil society, marking a

³ www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html

⁴ http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html

critical turning point in development co-operation. The Forum represented a significant opportunity to effect real change in how donors and partner countries use development finance to achieve results in the lead-up to the 2015 deadline for MDGs.

The Global Partnership for Effective Development Co-operation emerged from an agreement reached at the Fourth High Level Forum on Aid Effectiveness. Busan Partnership for Effective Development Cooperation reaffirms four shared principles: (1) ownership of development priorities by developing countries; (2) focus on results; (3) inclusive development partnerships; and (4) transparency and accountability. The Outcome Document calls for using approaches that aim to manage - rather than avoid - risks. Inequality and inclusive growth is a common thread throughout the Document, consistent with messages coming out of the G20 and other major policy-setting forums. It is said that the Paris Declaration failed to link aid effectiveness principles to concrete development outcomes, and to capture the key political changes in a fast-changing world. In Busan, a first - but important - step was made to address these shortcomings. There are changes in the global multilateral architecture. The OECD-DAC's centrality in setting development policy has been reduced over the last few years, and the outcome of the negotiations in Busan confirmed that trend. This declaration for the first time establishes an agreed framework for development cooperation that embraces traditional donors, South-South cooperators, the BRICs (Brazil, Russia, India and China), CSOs and private funders. This marks a turning point for international development cooperation. The OECD and UNDP are meant to support the effective functioning of the Global Partnership.

AID EFFECTIVENESS AND BANGLADESH'S RESPONSES

Implementation of Paris Declaration, AAA and Busan Partnership for Effective Development Co-operation in Bangladesh

Bangladesh signed the Paris Declaration on Aid Effectiveness in 2005 and has advanced related issues through active participation in various international events and actions aiming to improve aid effectiveness and harmonization of international development assistance. Accra Agenda for Action has in fact revitalized Bangladesh's commitment to the Paris Declaration. Nevertheless, both Government of Bangladesh and Development Partners feel that there is scope for deeper and broader collaboration to improve aid effectiveness at country level. To make the declarations a reality in Bangladesh, a Statement of Intent to develop a Joint Cooperation Strategy (JCS) was signed by the Government of Bangladesh (GoB) and Development Partners (DPs) in Bangladesh in August 2008 and presented at the High Level Forum (HLF-3) in Accra, Ghana in September 2008. Bangladesh is one of the pioneers in developing such a common strategy with the development partners.

Partnership between government and DPs culminated in the signing of the Joint Cooperation Strategy (JCS) in 2010 between the government and 18 DPs. JCS represents mutual commitment of the government and DPs to create new and more effective ways of working together. JCS captures the spirit and principles of Paris Declaration on Aid Effectiveness (2005), Accra Agenda for Action (2008) and Busan Partnership Document (BPd) and reinforces common commitment to better address the development challenges in Bangladesh. JCS is expected to result in better harmonized and streamlined programs supporting Bangladesh's development plans and strategies by providing a common

platform for inclusive partnership between all development actors, including civil society. To make aid more effective it is necessary to ensure that our efforts jointly contribute to accelerate pace at which poverty is reduced, vulnerabilities are lessened, and opportunities are increased for all. JCS Action Plan sets out changes in approach and activities that help government and DPs to implement the principles of Paris, Accra and Busan in Bangladesh. The important ingredient of the document is the incorporation of a formal collective dialogue schemes such as Bangladesh Development Forum (BDF), GoB-DP Local Consultative Group (LCG) Mechanism. JCS in order to become an effective vehicle for development partnership incorporates annual action plan.

Ensuring Better Aid Governance:

As Bangladesh recognizes that transparency is a precondition for accountability, it is committed to the International Aid Transparency Initiative (IATI). In order to enhance transparency and foster evidence-based dialogue and decision-making and fulfilling the commitment of the IATI, Government of Bangladesh is in the process of establishing a web-based Aid Information Management System (AIMS) in the country. In collaboration with UNDP, ERD is implementing the “Strengthening Capacity for Aid Effectiveness in Bangladesh” project, whose objective is to increase the effectiveness, transparency and accountability in allocation, management and use of foreign assistance by strengthening national aid management capacities and systems, as well by enhancing collective dialogue and coordination mechanisms, in order to achieve improved development results. Under one of the project components it is foreseen to establish an online AIMS. This will improve GoB’s aid coordination capacity and thereby contribute to a further alignment and rationalization of foreign aid allocations in line with the national and sectoral priorities.

GoB has also taken initiative to develop a National Aid Policy defining the Government’s priorities regarding the provision of foreign assistance, including preferred aid modalities, basic principles to be followed, the main procedures and corresponding roles and responsibilities for the provision, acceptance, coordination and management of foreign assistance. An Inter-Ministerial Committee has been established to guide, facilitate and oversee the formulation of a national aid policy. The national aid policy should ensure that national priorities are served and aid is predictable. A joint Development Results Framework (DRF) has been formulated based on the national development strategy and has been incorporated in the Sixth Five Year Plan. The DRF provides a joint monitoring and evaluation benchmark, in order to facilitate progress monitoring and promote mutual accountability for country-specific development results.

GoB has been implementing reform programs to improve Public Financial Management (PFM) since 1992. These reforms have contributed to strengthen substantially the capacity of the Finance Division and other related agencies, but financial management in line ministries remains weak. However, an ongoing reform program started in July 2010 has been designed to improve financial management capacity of line ministries. Similarly a major reform program has been implemented to improve procurement system which has led to significant improvement in legal and policy framework and to an extent transparency of the procurement process without much impact on the overall efficiency of the system.

Bangladesh Development Forum [BDF]:

In continuation to the aid club meetings in Paris/Paris Consortium Meetings, from 2002 the Government of Bangladesh (GoB) organizes high level “Bangladesh Development Forum” (BDF) meeting in Dhaka. The objective of the forum is for the Government to share its national development strategies (NDS), reforms and priorities with DPs, CSOs (Civil Society Organizations), Parliamentarians’, Academia, private sector, etc., and discuss how to work together to realize it’s NDS. The last BDF meeting was held in Dhaka on 15-16 February 2010. It was the first such event since 2005, and it took place one year after the current government had taken office. The objective of BDF/2010 was for the Government to share, and discuss with development partners, its long-term plan to reach middle income status by 2021 (Vision 2021); the content of its new National Development Strategies; and its proposed reforms and delivery priorities. Commitments were captured in a ‘BDF Agreed Action Plan’ outlining 25 concrete actions for Government to be supported by development partners. A BDF follow up meeting was held in November 2010, where GoB shared progress on the BDF Agreed Action Points since February 2010. [For Detail, please visit: www.erd.gov.bd]

Local Consultative Group (LCG):

Bangladesh has the basic structure of a good formal machinery of collective dialogue in the form of the Local Consultative Group (LCG) mechanism. LCG comprises Development Partners (DPs) including the multilateral and bilateral agencies, international financial institutions, and the Government which is represented by Economic Relations Division (ERD). The current LCG is composed of 32 Bangladesh-based representatives of bilateral and multilateral donors and the Secretary, ERD, representing the Government. The LCG brings Government and DPs together to discuss development policy and implementation issues. Currently, the LCG Plenary is jointly co-chaired by Mr. Md. Abul Kalam Azad, Secretary, ERD and Mr. Neal Walker, UN Resident Coordinator in Bangladesh. [For Detail, please visit: www.lcgbangladesh.org]

7. UTILIZATION OF AID

7.1. UTILIZATION OF PROJECT AID

**GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF FINANCE
EXTERNAL RESOURCES DIVISION**

NO. ERD/Cord-II/Misc. Dated: April 14, 1990.

Subject: Utilization of Project Aid in Bangladesh.

1. The undersigned is directed to state that the Government of Bangladesh conducted a study on "The Utilization of Project Aid in Bangladesh" with assistance from the UNDP. The study was conducted by a Washington based firm in association with a local consulting firm. The Report which was submitted in early 1988 was discussed by the Local Consultation Group of Aid-giving Countries/Agencies (LCG) and a Working Committee was formed to further examine the recommendations made by the consultants. The Committee was headed by Division Chief, Programming Division, Planning Commission.

2. The Committee held several meetings including meetings with representatives of aid-giving countries and agencies and submitted its report in September, 1989. The report alongwith the recommendations were discussed in an interministerial meeting in ERD. In the light of the recommendations of the Working Committee and those of the interministerial meeting, the Government has decided to issue this circular with a view to improving the utilization of project aid. Concerned Ministries/Divisions/Agencies are advised to issue detailed instructions based on this circular:

- (i) A High-Powered Project Prioritization Committee is now reviewing the projects in the ADP. Action will be taken by the Planning Commission to implement the recommendations of this Committee.
- (ii) ERD will bring to the notice of the assisting countries/agencies the diversity of their procedures in the utilization of project aid and urge them to narrow down this diversity as far as possible.
- (iii) In case of a definitely fruitful and productive project of substantive size, if grant fund is not immediately available, it will not be inappropriate to finance needed technical assistance by loan with approval of the competent authority. (Action: ERD).
- (iv) ERD will examine the present procedure of appointing expatriate consultants and suggest measures for improvement.
- (v)
 - (a) Ministry of Land may review the procedure of land acquisition for development projects, particularly aided projects.
 - (b) Planning Commission may allocate sufficient local currency fund for projects which have land acquisition component.
 - (c) Administrative Ministries/Divisions should ensure that their need for land acquisition is the bare minimum.
 - (d) ERD should request bilateral countries/multilateral agencies to provide reimbursable project aid to meet this cost.

- (vi) Bilateral countries/multilateral agencies may be requested by ERD to harmonise their divergent procedures for procurement of goods and services, as far as possible.
- (vii) Project Proforma should include qualification, experience, pay scales and other requirements needed for personnel related to project execution, so that after approval of a project, deployment of personnel can start right away. (Action: Planning Commission).
- (vii) Finance Division may examine whether further delegation of powers to the Administrative Ministries can be made for smooth flow of funds to development projects.
- (ix) Administrative Ministries/Divisions should delegate to their Departments/ Project Directors the enhanced financial powers they have already received from Finance Division or will receive in future.
- (x) ERD should request the bilateral countries not to tie up counterpart fund generated out of their commodity aid to specific projects.
- (xi) Project Agreements or Prodocs should not be signed by ERD without enough transparency about availability of major project inputs immediately after approval of such projects.
- (xii) Both Administrative Ministries/Divisions and ERD should ensure availability of local currency funds before projects are approved or are included in ADP or Prodocs are signed.
- (xiii) ERD should urge the aid giving countries/agencies to provide more and more Reimbursible Project Aid.
- (xiv) Planning Commission, in consultation with Administrative Ministries, may keep a reasonable pipeline of projects up-to-date and ready for assistance by bilateral countries and multilateral agencies.
- (xv) After a scheme has been approved, if such scheme needs revision because of the following reasons, the Administrative Ministries should be authorized to approve such a revised scheme without reference to the Planning Commission:
 - (a) if the revision is due to change in exchange rate;
 - (b) if it is due to price inflation (Planning Commission may indicate an allowable percentage);
 - (c) if it is due to extension of the implementation period.
- (xvi) Planning Commission should prepare a list of projects to be started/implemented during a Five Year Plan. Such a list should be available at least one year before a plan starts.
- (xvii) Administrative Ministries while preparing Priority Investment Programmes (PIPs) may involve concerned bilateral aid-giving countries/agencies, as and to the extent they think necessary and proper.

- (xviii) Ministry of Public Administration and Administrative Ministries should strengthen the ability of the Ministries for planning, project design and implementation.
- (xix) ERD should ensure that aid-giving countries/agencies' regulations are widely known.
- (xx) Planning Commission may further review PP, PPP and TAPP formats so as to further simplify them.
- (xxi) ERD should request aid-giving countries and agencies to review their procurement rules and procedures.
- (xxii) ERD in consultation with Cabinet Division may review GOB procurement procedures and regulations.
- (xxiii) ERD should request the bilateral countries who currently control procurement administration to begin to transfer them to utilizing agencies/autonomous corporations.
- (xxiv) Administrative Ministry/Planning Commission may ensure that enough CDST fund is provided against projects in the ADP.
- (xxv) Subject to (xxiv) above NBR Should ensure that there is no undue delay in customs clearance.
- (xxvi) ERD should also bring to the attention of all concerned the recommendation of the Report that "aid-givers should comply with customs regulations".
- (xxvii) Administrative Ministries should advise the implementing agencies to ensure that project designs include realistic procurement schedules.
- (xxviii) ERD should publicize Aid-giving countries/agencies' procedures on procurement. Procurement actions to the Administrative Ministries. ERD can also organize training courses on procurement.
- (xxix) Finance Division with the help of IMED should modify RPA reporting forms to be compatible with other project reporting requirements.
- (xxx) Finance Division in collaboration with ERD should improve monitoring function on the performance of RPA processing.
- (xxxi) Project Managers should assign specific individuals for processing RPA (Action: Administrative Ministries).
- (xxxii) In co-financed project, ERD should ensure that there is a lead aid-giving Country/Agency.
- (xxxiii) The Implementing Agencies should closely overview activities of aid-giving countries/agencies to ensure better coordination. (Action: Administrative Ministries).
- (xxxiv) ERD should identify the key areas of divergence between GOB and the aid-giving countries in order to resolve them collaboratively (*i.e.*, with the aid-giving countries).

- (xxxv) Ministry of Public Administration may fill up vacant position in IMED and Planning Cells of the Administrative Ministries.
- (xxxvi) ERD may make available technical assistance including suitably designed course on monitoring and evaluation from bilateral countries and multilateral sources for officials of IMED and Planning Cells in the local and overseas training institutions.
- (xxxvii) ERD may request the aid-giving countries/agencies to associate the officials of line ministries, IMED and Planning Commission in evaluation sponsored by them and to distribute reports to all concerned.
- (xxxviii) IMED may examine whether there can be a standardized system for evaluation and monitoring of projects.
- (xxxix) ERD, IMED and Planning Commission should expedite establishment of the proposed central computer facility. Monitoring of RPA reimbursement and payment of subsidiary loan by autonomous bodies should also be incorporated in this facility in consultation with the Finance Division.
- (xL) IMED should take the initiative to ensure that the reporting requirements of IMED and aid-giving countries/Agencies are compatible. They should also share information.
- (xLi) Ministries should strengthen their project monitoring capacity.
- (xLii) Ministry of Public Administration may examine whether it is desirable to rotate civil servants engaged in development projects with more discretion, especially after training for specific posts.
- (xLiii) Ministry of Public Administration should develop policies to support and motivate trainers throughout the country.
- (xLiv) RMB & ERD should develop an aid-givers training course.
- (XLv) ERD should consolidate information about aid-giving countries/agencies' procedures and develop an aid-giving countries/agencies' profile handbook.
- (xLvi) Ministry of Public Administration may examine how civil servants' annual performance evaluation can better record their performance in development projects.
- (xLvii) Ministries should reward improved performance and encourage the introduction of better approaches to the work after training of individual staff members.
- (xLviii) Ministry of Public Administration may determine clear guidelines for what constitutes excellent performance for civil servants. These guidelines should be in line with the evaluation system used currently and should be applied parallel to that system.

M. NAZRUL ISLAM
Deputy Chief

Distribution:

7.2 UTILIZATION OF COMMODITY AID

**GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF FINANCE
External Resources Division
(Co-ordination-II)**

No. ERD CORD-II MISC-41/89, Dated April 14, 1990

Subject: Utilization of Commodity Aid in Bangladesh.

The undersigned is directed to state that Government of Bangladesh with technical assistance from the UNDP and executed by the World Bank undertook a Study on "Commodity Aid Utilization in Bangladesh". The study was conducted by a Washington based firm under the direction of a National Project Steering Committee. The Study Report which was submitted in June 1988 was discussed by the Local Consultation Group of Aid giving Countries/Agencies (LCG) and a Working Committee was formed to further examine the recommendations made by the consultants. The Group which was headed by Joint Secretary (UN), ERD had representatives both from the Government and the aid giving countries/agencies.

2. The Working Group met several times and submitted its report with recommendations to the Government of Bangladesh. The recommendations were examined in interministerial meetings and views of some aid utilizing agencies were also obtained. In the light of the recommendations of the Working Group and those of interministerial meetings, the Government had decided to issue the following broad guidelines to be followed in respect of allocation, utilization and monitoring of commodity aid received from bilateral countries/multilateral agencies. Concerned Ministries/Divisions/Agencies will issue detailed circulars based on these guidelines:

(i) The Government has noted the Working Group's observation that disbursement of commodity aid is faster than commitment and that the immediate problem is not slow disbursement but slow pace of commitment by some aid giving countries/agencies and therefore asks ERD to look into this issue and if necessary, bring it to the notice of the concerned countries/agencies.

(ii) The present allocation procedure of commodity aid by ERD may be discontinued. All commitments of commodity aid may be intimated by ERD to Bangladesh Bank (BB).

(iii) Bangladesh Bank will issue detailed instructions outlining the procedure of procurement under commodity aid. Such instructions will, however, be issued in consultation with ERD and Finance Division.

(iv) The office of the Chief Controller of Imports and Exports (CCI&E) will prepare a list of commodities/items which are of international standard and are available at internationally competitive prices in the countries which provide tied commodity aid. On the basis of such a list and on the basis of requests received from utilizing agencies, ERD will make efforts to incorporate only those commodities/items in the commodity aid

agreements with those countries. Once such a list of commodities/items procurable from the tied sources has been prepared, it will be distributed among the agencies who generally require and import such items, along with guidelines for import from such tied sources. The CCI&E will update this list from time to time.

(v) ERD will prepare a suitable guideline/Manual on the procurement of goods under commodity aid, based on the procurement policies and financial procedures of different aid giving countries/agencies and those of Bangladesh. Such Guidelines/Manual will be updated from time to time by ERD.

(vi) ERD will urge the countries who provide conditional and tied commodity aid to route their supplies through banking channel *i. e.*, through opening of Letters of Credit. If concerned countries are not agreeable to provide tied commodity aid through banking channel, ERD will request them to provide at least a quarterly statement of accounts for the commodities supplied by them under tied commodity aid regularly to ERD and Bangladesh Bank. ERD, in turn, may compare such statements with the reports of utilizing agencies to update Its disbursement statement.

(vii) ERD will make efforts to persuade countries who provide tied commodity aid to fix the prices of the commodities supplied by them at international price. In case their price is higher than international price, they may consider paying the difference as subsidy to their suppliers. If the suppliers do not agree to supply goods at the international price, or if the countries decline to provide such subsidy to their suppliers, those countries should be requested to compensate Bangladesh through providing additional commodity aid to the extent of the difference of price between their own and international price. If either of the above two options is accepted by the countries providing tied aid the Government of Bangladesh, as recipient of tied commodity aid, will be able to allow the beneficiary agencies to deposit counterpart fund of the commodities/items received under tied commodity aid at international price.

(viii) ERD while finalizing commodity aid agreements, will make efforts to persuade countries which do not provide commodity aid on retroactive financing basis to provide such facility.

(ix) ERD will endeavour to convince bilateral countries who provide commodity aid to deposit an advance sum of money into a Special Account with the Bangladesh Bank. It will then be easier to utilize commodity aid on reimbursible basis.

(x) The present practice of designating a particular commercial bank for utilizing commodity aid may be changed if it is found inconvenient to the utilizing agencies.

(xi) Bangladesh Bank will improve and strengthen its monitoring system of utilization of commodity aid and will send regular reports to ERD. The Foreign Aid Budget and Accounts Branch of ERD will also be strengthened for this purpose.

(xii) Mobilization of commodity loan on commercial terms for autonomous bodies with Government guarantee has adverse budgetary implications. Therefore, this type of loan should be discouraged as far as possible.

M. NAZRUL ISLAM
Deputy Chief

Distribution:

- (c) Loan/Credit/Grant number and date
- (d) Amount in Development Partner's currency (Million)
- (e) Terminal date of disbursement

11. Total PA disbursed upto 30th June

12. Undisbursed Project Aid as on 1st July

13. Allocation of project Aid in the ADP for ----- of which
(FY)

- a) Direct Project Aid
- (b) Reimbursible Project Aid

14. Disbursement status during the reporting period
(July-Oct.)

- (a) Direct Project Aid
 - (i) Amount disbursed on the basis of L/C retired/order fulfilled.
 - (ii) Estimated disbursement during November-June (On the basis of executed L/C retirement/fulfillment of orders).
- (b) Reimbursible Project Aid: Taka in Lakh
 - (i) Amount released/allotted by Finance Division
 - (ii) Expenditure made during July-Oct.
 - (iii) Amount claimed during the period
 - (iv) Amount reimbursed by Development Partner
 - (v) Revised Estimate for -----(FY).

8. COORDINATION OF AID MOBILIZATION AND NEGOTIATIONS

(No. ERD/Cord-1/Misc-3/81. dated Dacca, November 16, 1981).

Aid assessment, mobilization, negotiation and allocation are the responsibilities of External Resources Division. But in this effort all executing agencies have important roles and Planning Ministry has an all-pervasive special role. Aid assessment and mobilization must promote the objectives of planned growth and aid allocation should meet the discipline of the plan and the ADP allocations. Executing agencies have the best knowledge of projects and programmes to be aided and they are responsible for aid utilization. So they have to put up proposals for initiating aid mobilization and negotiation efforts. But over all perception of planned programme and aid availability of Development Partner preferences and suitability of aid sources and terms exist in the ERD. It is therefore, that Rule 27 of the Rules of Business specifically lays down that all formal efforts in mobilization of external resources should be made by the ERD. It is considered that initiative and drive of individual agencies should not be sacrificed but some discipline in efforts at aid mobilization should evolve.

2. ERD has to act as the coordinating agency and keep close liaison with Planning Ministry. In order that coordination is effective, communication between ERD and agencies should follow some systematic procedure. Besides informal contact which should be constantly maintained; sectoral review of aid requirement, availability and utilization should take place periodically at the instance of the ERD with the executing agencies and their administrative ministries in which Planning Ministry should participate. Inter-ministerial consultation should precede all aid negotiation. Guidelines may be followed in the matter of aid negotiation. It may be observed that a great deal of delegation of responsibility is being made under these measures in favour of executing agencies and ministries and it is expected that this delegated authority will be judiciously exercised.

- (i) Executing agencies and ministries will be free to discuss project ideas with Development Partners but such ideas should be in keeping with plan objectives, priorities and targets. Executing agencies should float ideas invariably with the acquiescence or approval of the Ministry. It is advisable to keep ERD informed about such discussion of project ideas with Development Partners. In no case, should any formal request or correspondence be made with Development Partners without ERD's clearance.
- (ii) When discussions with the Development Partner about a project or programme take place a report should be made immediately to ERD and Planning Commission.
- (iii) When it is time to present a project profile to a Development Partner and make a formal request for aid, it will be done by ERD. The project profile will have to be cleared with Planning Commission. But it will be appropriate to simultaneously process it to Planning Commission and ERD. If, however, the project profile is included in an approved investment portfolio, it will not require further clearance from Planning Commission.
- (iv) Scheduling of aid missions for reconnaissance, fact finding, identification or appraisal of projects or programme is the responsibility of ERD. However, in special cases, executing agencies/ministries may undertake the above function with concurrence of ERD.

- (v) Acceptance of feasibility or project reports commissioned under some aid programme will be cleared with Planning Commission and communicated through ERD.
 - (vi) All formal aid negotiation will take place under the aegis of ERD and will usually be preceded by inter-ministerial consultation on negotiating brief or PEC meeting on projects to be aided. Inter-ministerial consultations will include Planning Commission, Finance Division, M/O Establishment and concerned line agencies and ministries. When a legal document is cleared the Ministry of Law will be consulted. The Internal Resources Division will be consulted in all cases where questions of taxes and duties are involved. When commodity aid is being considered Ministry of Commerce will be consulted. When food aid is being considered the Ministry of Food and where necessary the Ministry of Food and Disaster Management will be consulted. In bilateral negotiations Ministry of Foreign Affairs will be associated.
 - (vii) Reports of visits during which external assistance of any kind is discussed or pledged should be passed on to ERD.
 - (viii) Discussions with visiting delegations or Development Partner resident missions on aid matters, including technical assistance, should be reported to ERD.
 - (ix) When a Development Partner expresses serious concern about an aided project, aid goods or aid procedures, it should be communicated to ERD.
 - (x) If discussions with a Development Partner takes place on possibility of technical assistance it should be reported to ERD. Any offer made by a Development Partner *for* fellowship or seminar participation should be cleared with ERD.
 - (xi) Offer of technical assistance or fellowship by Bangladesh should be made with prior clearance of ERD.
 - (xii) Any sectoral review of aid utilization or aid needs with a group of Development Partners or individual Development Partner should be cleared with ERD and held with ERD participation
 - (xiii) All joint commissions essentially dealing with development Co-operation and investment will be serviced by ERD.
 - (xiv) Appointment of consultants should be reported to ERD. Annually a list of expatriate consultants employee agency should be furnished to ERD.
 - (xv) As for activities of voluntary agencies receiving funds from abroad, their plans of operation submitted to any agency must be submitted to ERD for clearance.
 - (xvi) Cases of contracting suppliers credit should be reported to ERD at the stage of initiating negotiations and must be cleared finally by ERD through the Hard Loan Committee.
 - (xvii) Any deviation from stipulations of aid allocation letter should be reported to and cleared with ERD. For example, any deviation like reappropriation of funds from one component to another, procurement delays or relaxation of conditions, procedure for consultant appointment, variation in shipping schedule, need for supplementary financing or change in shopping list should be processed through ERD.
3. On its part ERD should regularly keep the agencies and ministries in the know of developments in aid mobilisation and utilisation. For this purpose sectoral reviews as well as reviews of aid utilisation should be periodically held. But in addition the following measures should also be taken by ERD:

- (i) Periodical statement on aid requests made to Development Partners should be compiled and circulated to concerned agencies as well as Planning Ministry.
- (ii) Development Partner reaction to aid request or any programme or project should be promptly communicated to all concerned agencies.
- (iii) All cases of multiple approach for assistance should be carefully tracked and agencies should be promptly informed as to when such approach should be halted.
- (iv) Outcome of visits by Development Partner missions or of aid delegation sent abroad should be promptly brought to the notice of concerned agencies.
- (v) Report on all aid negotiations for individual projects or programmes or for annual aid flow-should be circulated to all concerned agencies.
- (vi) Allocation of all aid-commodity, project or technical assistance should be made in clear terms showing allocations against project or programmes of various agencies, detailing procedure for utilisation and conditions there of.
- (vii) Periodic reports on aid climate, aid modalities, global economic outlook, debt situation, resource flow and developments in international economy negotiations should be complete and circulated.

4. These instructions aim at modifying and clarifying the practices now being followed and will be effective immediately.

9. Work Relating to Joint Economic Commissions/Joint Commissions

There are a number of Joint Economic Commissions or Committees which are now functioning. Some of them have been constituted under general economic and technical co-operation agreements, while others have come into existence under specific agreements/MoU providing the frame-work for economic and technical cooperation. *These Joint Economic Commissions/Joint Commissions cover subjects like aid, investment, trade, technical cooperation, manpower exchanges, scientific and educational cooperation and the like. Joint Economic Commissions/Joint Commissions is chaired by Finance Minister/ Secretary, Economic Relations Division (except one case i.e. in case of Kuwait, it is chaired by Secretary, Finance Division). The secretarial functions for all JEC/JC are done by the Economic Relations Division.*

2. *Joint Economic Commissions/Joint commissions* in respect of *eighteen* countries are now in existence, viz, China, India, Pakistan, Nepal, Sri Lanka, Malaysia, South Korea, Iran, Turkey, Saudi Arabia, Belgium, EEC, Romania, Thailand, Philippines, Vietnam, Kuwait and Indonesia. Some others are presently under contemplation or negotiation. *Joint Economic Commissions /Joint Commissions* are serviced by Economic Relations Division.

3. The objectives of setting up *Joint Economic Commissions/Joint Commissions* are (i) to expand the possibility of more bilateral trade, (ii) secure new investments and fresh aid, (iii) to seek new opportunities for technical cooperation, (iv) to promote manpower export and resolve bilateral disputing issues (v) generally to participate in the economic activities and development oriented research programmes in each others territories. The sessions of the *Joint Economic Commissions/Joint Commissions* helps to extend further economic and technical cooperation. Thus the work relating to *Joint Economic Commissions/Joint Commissions* should be given due importance. In particular attention should be given to the following:

First, the establishment of a *Joint Economic Commissions/Joint Commission* should be coordinated with concerned Ministries, in particular with Ministries of Foreign Affairs, Commerce, Planning, Education, Cultural Affairs, Science and ICT and Expatriate Welfare and Overseas Employment.

Second, the composition of the Commissions may be kept flexible. Members may be drawn on the basis of business to be transacted in a session.

Third, where an agreement provides for establishment of *Joint Economic Commissions/Joint Commission* or Committee, it should be promptly constituted and activated.

Fourth, regular periodic meetings may be organized to promote cooperation but the ritual of annual sessions may not be insisted upon. Meeting should be need-based.

Fifth, transaction of business should be done through subject matter working groups or sub-commissions, but too many meetings may be avoided.

Sixth, before a meeting is scheduled, the agenda should be prepared carefully taking into consideration the requirements of all agencies as well as the wishes of the other party. Invariably a review of past protocols or understandings should be made.

Seventh, a memorandum setting out actions to be taken should follow a Joint Commission session and it should be sent to all concerned agencies along with the protocol and report on the session.

Eighth, a quarterly review of follow-up actions should be undertaken at the level of the Joint Secretary, a six month report should be put to the Minister.

Finally, an annual calendar of activities should be prepared, maintained and monitored in individual desks.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
মন্ত্রিপরিষদ বিভাগ
বিধি শাখা

নং-মপবি-মপবি-৪(৫)/২০০৩-বিধি(খন্ড-১)/৬৩

তারিখঃ -----

১৬ শ্রাবণ, ১৪১২

৩১ জুলাই ২০০৫

পরিপত্র

বিষয়ঃ বাংলাদেশের সাথে বিভিন্ন দেশের যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ কমিটি গঠন ও সাচিবিক দায়িত্বসহ অন্যান্য দায়িত্ব পালন।

Rules of Business, 1996 Gi Schedule-I (Allocation of Business among the different Ministries and Divisions) অনুযায়ী বাংলাদেশের বৈদেশিক অর্থনৈতিক সংক্রান্ত সকল কার্যকলাপ অর্থনৈতিক সম্পর্ক বিভাগের কার্যপরিধির আওতাভুক্ত বিধায় সকল প্রকার যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ কমিটি গঠন ও এর যাবতীয় কার্যক্রম অর্থনৈতিক সম্পর্ক বিভাগের দায়িত্বের মধ্যে পড়ে। উক্ত ঝপযবফঁষব-ও এ অর্থনৈতিক সম্পর্ক বিভাগের কার্যবন্টন তালিকার ক্রমিক নং-১৪ নিম্নরূপঃ

“14. International agreements involving financial, economic and technical co-operation Joint Commission/Joint Economic Commission, Joint Economic Committee, Economic and Technical Co-operation Agreements and dealing predominantly with economic and financial issues.”

২। কিন্তু লক্ষ্য করা যাচ্ছে যে, কোন কোন মন্ত্রণালয়/বিভাগ Allocation of Business এর ব্যত্যয় ঘটিয়ে কয়েকটি দেশের সাথে যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ কমিটি গঠন এবং এর সাচিবিক দায়িত্ব পালন করে আসছে।

৩। যেহেতু অর্থনৈতিক সম্পর্ক বিভাগ বৈদেশিক অর্থনৈতিক বিষয়ের উপর কাজ করে সেহেতু বিশ^ পরিস্থিতি, আর্থ-সামাজিক পোলারাইজেশন, সরকারের অর্থনৈতিক নীতি ইত্যাদি বিবেচনায় ইতঃপূর্বে গঠিত যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ অর্থনৈতিক কমিটিগুলি কতটুকু কার্যকর রাখা সম্ভব হবে এবং নতুন কোন দেশের সাথে যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ অর্থনৈতিক কমিটি গঠন করা হবে কিনা সে সম্পর্কে সিদ্ধান্ত অর্থনৈতিক সম্পর্ক বিভাগ কর্তৃক নেয়া যথাযথ হবে। এ ক্ষেত্রে যে কোনরূপ দ্বৈততা প্রশাসনিক জটিলতা সৃষ্টি করে বিধায় দ্বৈততা পরিহার আবশ্যকীয়।

৪। এমতাবস্থায়, Rules of Business, 1996 এর Schedule-I (Allocation of Business among the different Ministries and Divisions) অনুযায়ী বাংলাদেশের সাথে কোন দেশের যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ অর্থনৈতিক কমিটি গঠন সংক্রান্ত চুক্তি সম্পাদন, যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ অর্থনৈতিক কমিটি গঠন ও সাচিবিক দায়িত্বসহ সকল দায়িত্ব এবং বর্তমানে বাংলাদেশের সাথে যে ১৬টি দেশের যৌথ অর্থনৈতিক কমিশন/যৌথ কমিশন/যৌথ অর্থনৈতিক কমিটি বিদ্যমান তার সবগুলির সাচিবিক দায়িত্বসহ সকল দায়িত্ব অর্থনৈতিক সম্পর্ক বিভাগ কর্তৃক পরিপালন করা হবে। তবে কুয়েতের সাথে বাংলাদেশের উক্তরূপ যৌথ কমিশন/যৌথ কমিটির ক্ষেত্রে অর্থ সচিব বাংলাদেশের দলনেতা হবেন।

৫। সকল মন্ত্রণালয়/বিভাগকে বিষয়টি যথাযথভাবে অনুসরণ করার জন্য অনুরোধ করা হ'ল।

মোস্তফা কামাল হায়দার
যুগ্ম-সচিব।

বিতরণঃ

- ১। মুখ্য সচিব, প্রধানমন্ত্রীর কার্যালয়।
- ২। রাষ্ট্রপতির সচিব, রাষ্ট্রপতির কার্যালয়।
- ৩। সচিব/ভারপ্রাপ্ত সচিব, সকল মন্ত্রণালয়/বিভাগ।
- ৪। মাননীয় প্রধানমন্ত্রীর একান্ত সচিব-১, প্রধানমন্ত্রীর কার্যালয়।
- ৫। মন্ত্রী/প্রতিমন্ত্রী মহোদয়গণের একান্ত সচিব।

অর্থনৈতিক সম্পর্ক বিভাগ

জেইসি শাখা

বিষয়ঃ অর্থনৈতিক সম্পর্ক বিভাগের সংশ্লিষ্ট অনুবিভাগ কর্তৃক যৌথ কমিশন/যৌথ অর্থনৈতিক কমিশন বৈঠক আয়োজন।

নির্দেশক্রমে জানানো যাচ্ছে যে, গত ১৭ ফেব্রুয়ারি, ২০১৩ তারিখে অর্থনৈতিক সম্পর্ক বিভাগের সচিব মহোদয় কর্তৃক অনুবিভাগ প্রধানগণের সাথে অনুষ্ঠিত সভায় নিম্নরূপ একটি সিদ্ধান্ত গৃহীত হয়ঃ

“সংশ্লিষ্ট অনুবিভাগ বিভিন্ন দেশের JEC সভার যাবতীয় প্রস্তুতি সম্পন্ন করবে। অতিরিক্ত কর্মকর্তার প্রয়োজন হলে জনপ্রশাসন মন্ত্রণালয়ে চাহিদা জানানো যেতে পারে। প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগ এ বিষয়ে একটি স্বয়ংসম্পূর্ণ অফিস আদেশ জারী করবে।”

উপর্যুক্ত সিদ্ধান্তের পরিপ্রেক্ষিতে নিম্নবর্ণিত দেশ/সংস্থা এর সঙ্গে যৌথ কমিশন/যৌথ অর্থনৈতিক কমিশন সভা আয়োজনের কার্যক্রমের বন্টন নিম্নরূপ হবেঃ

ক্রমিক নং	দেশ/সংস্থার নাম	দায়িত্ব প্রাপ্ত অনুবিভাগ	মন্তব্য
১.	সংযুক্ত আরব আমিরাত	প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগ	
২.	ইরান	প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগ	
৩.	রুম্যানিয়া	ইউরোপ অনুবিভাগ	
৪.	সৌদি-আরব	প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগ	
৫.	তুরস্ক	প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগ	
৬.	ইউরোপীয় ইউনিয়ন	ইউরোপ অনুবিভাগ	
৭.	কুয়েত	প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগ	
৮.	দক্ষিণ কোরিয়া	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
৯.	ভারত	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১০.	পাকিস্তান	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১১.	নেপাল	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১২.	থাইল্যান্ড	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১৩.	শ্রীলঙ্কা	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১৪.	ফিলিপাইন	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১৫.	চীন	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১৬.	ইন্দোনেশিয়া	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১৭.	ভিয়েতনাম	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	
১৮.	মালয়েশিয়া	এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ	

২। এমতাবস্থায়, ক্রমিক নং-১-৭-এ বর্ণিত দেশ/সংস্থার সাথে যৌথ কমিশন/যৌথ অর্থনৈতিক কমিশন সভা সংশ্লিষ্ট অনুবিভাগ কর্তৃক সম্পাদনের নিমিত্ত এ সংক্রান্ত পূর্বেকার ও চলমান নথিসমূহ (তালিকা সংযুক্ত) এতদসঙ্গে নির্দেশক্রমে প্রেরণ করা হলো। উল্লেখ্য, ক্রমিক নং-০৮-১৮ = ১১ টি জেইসি সংক্রান্ত কার্যক্রম এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগ হতে পরিচালনা করা হবে।

মোহাম্মদ মাসুদ রানা চৌধুরী
সিনিয়র সহকারী প্রধান

বিতরণঃ

১। অতিরিক্ত সচিব (প্রশাসন ও মধ্যপ্রাচ্য), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।

২। যুগ্ম-সচিব (ইউরোপ), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।

ইউও নোট নং- ০৯.৮১৫.০২৪.৩১.০০.০০.২০১৩/৯৪

তারিখঃ ১০-০৩-২০১৩ খ্রি।

অর্থনৈতিক সম্পর্ক বিভাগ
জেইসি শাখা

বিষয়ঃ অর্থনৈতিক সম্পর্ক বিভাগের সংশ্লিষ্ট অধিশাখা/শাখা কর্তৃক যৌথ কমিশন/যৌথ অর্থনৈতিক কমিশন বৈঠক আয়োজন।

নির্দেশক্রমে জানানো যাচ্ছে যে, এশিয়া, জেইসি ও এফএন্ডএফ অনুবিভাগে আওতাধীন ১১ টি দেশের সাথে বাংলাদেশের যৌথ কমিশন/যৌথ অর্থনৈতিক কমিশন বৈঠক আয়োজন/অনুষ্ঠানের নিম্নরূপ কর্মবন্টন যথাযথ কর্তৃপক্ষ কর্তৃক সদয় অনুমোদিত হয়েছেঃ

ক্রমিক নং	দেশ/সংস্থার নাম	দায়িত্ব প্রাপ্ত শাখা/অধিশাখা
১.	দক্ষিণ কোরিয়া	এশিয়া-২ অধিশাখা
২.	ফিলিপাইন	এশিয়া-২ অধিশাখা
৩.	ভারত	এশিয়া-১ ও ২ শাখা
৪.	পাকিস্তান	এশিয়া-১ ও ২ শাখা
৫.	ইন্দোনেশিয়া	এশিয়া-১ ও ২ শাখা
৬.	চীন	এশিয়া-৪ অধিশাখা
৭.	থাইল্যান্ড	এশিয়া-৪ অধিশাখা
৮.	ভিয়েতনাম	জেইসি শাখা
৯.	মালয়েশিয়া	জেইসি শাখা
১০.	শ্রীলঙ্কা	জেইসি শাখা
১১.	নেপাল	জেইসি শাখা

২। অনুমোদিত কর্মবন্টন অনুযায়ী সংশ্লিষ্ট অধিশাখা/শাখা কর্তৃক আগামী মে, ২০১৩ এর মধ্যে সচিব মহোদয়ের সভাপতিত্বে ফলোআপ সভা আয়োজনের ব্যবস্থা গ্রহণের জন্য নির্দেশক্রমে অনুরোধ করা হল।

মোহাম্মদ মাসুদ রানা চৌধুরী
সিনিয়র সহকারী প্রধান
ইন্টারকম-২১২

বিতরণঃ

- ১। উপ-সচিব, এশিয়া-২ অধিশাখা, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ২। উপ-সচিব, এশিয়া-৪, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৩। সহকারী প্রধান, এশিয়া-১/২ শাখা, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।

ইউও নোট নং- ০৯.৮১৫.০২৪.৩১.০০.০০.২০১৩/১৭১ তারিখঃ ২৫-০৪-২০১৩ খ্রি.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
অর্থনৈতিক সম্পর্ক বিভাগ
প্রশাসন-১ শাখা
শের-ই-বাংলা নগর, ঢাকা।
www.erd.gov.bd

নং-০৯.৩১১.০১৮.১০.০০.০১০.২০১০-৩৬৯

তারিখঃ তারিখঃ

১৭ বৈশাখ ১৪২০

৩০ এপ্রিল

অফিস আদেশ

অর্থনৈতিক সম্পর্ক বিভাগের জেইসি শাখার ১০.০৩.২০১৩ তারিখের ০৯.৮১৫.০২৪.৩১.০০.০০.২০১৩.৯৪ সংখ্যক পত্রের আলোকে সংশ্লিষ্ট অনুবিভাগ বিভিন্ন দেশের জেইসি সভার যাবতীয় প্রস্তুতি সম্পন্ন করবে। সে অনুসারে ০৫ টি দেশ যথা সংযুক্ত আরব আমিরাত, ইরান, সৌদি আরব, তুরস্ক এবং কুয়েত প্রশাসন ও মধ্যপ্রাচ্য অনুবিভাগের অধীনে সম্পন্ন করার জন্য নির্দেশনা দেওয়া হয়েছে।

২. মধ্যপ্রাচ্য অধিশাখার অধীনে উল্লিখিত দেশসমূহের যৌথ কমিশন সভা আয়োজনের কার্যক্রম সুষ্ঠুভাবে সম্পাদনের লক্ষ্যে নিম্নোক্তভাবে বন্টন করা হলোঃ

ক্রমিক নং	শাখার নাম	দেশের নাম	মন্তব্য
১.	মধ্যপ্রাচ্য-১ শাখা	সংযুক্ত আরব আমিরাত, সৌদি আরব ও তুরস্ক	
২.	মধ্যপ্রাচ্য-৩ শাখা	ইরান ও কুয়েত	

৩. এ আদেশ অবিলম্বে কার্যকর হবে।

স্বাক্ষরিত

তারিখঃ ৩০/০৪/২০১৩

(নুসরাত নোমান)

সিনিয়র সহকারী সচিব

ফোনঃ ৯১১৯৬৮৩

E-mail: sas-admnl@erd.gov.bd

১৭ বৈশাখ ১৪২০

তারিখঃ ৩০ এপ্রিল ২০১৩

নং-০৯.৩১১.০১৮.১০.০০.০১০.২০১০-৩৬৯

অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য অনুলিপি প্রেরণ করা হলোঃ

১. যুগ্ম-সচিব (এশিয়া, জেইসি ও এফএলএফ), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
২. উপ-সচিব (মধ্যপ্রাচ্য অধিশাখা), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৩. উপ-সচিব (প্রশাসন-২ অধিশাখা), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৪. উপ-সচিব (সমন্বয়-৩ অধিশাখা) ও সদস্য সচিব, ইআরডি হ্যান্ডবুক হালনাগাদকরণ কমিটি, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা-তাকে বিষয়টি ইআরডি হ্যান্ডবুকে অন্তর্ভুক্তকরণের অনুরোধ জানিয়ে।
৫. সচিব মহোদয়ের একান্ত সচিব, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৬. সিনিয়র সহকারী সচিব (মধ্যপ্রাচ্য-১ ও ৩ শাখা), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৭. প্রধান হিসাবরক্ষণ কর্মকর্তা, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৮. হিসাবরক্ষণ কর্মকর্তা, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৯. অতিরিক্ত সচিব (প্রশাসন ও মধ্যপ্রাচ্য) মহোদয়ের ব্যক্তিগত কর্মকর্তা, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
১০. সংশ্লিষ্ট নথি।

স্বাক্ষরিত

তারিখঃ ৩০/০৪/২০১৩

(নুসরাত নোমান)

সিনিয়র সহকারী সচিব

**10. WORK RELATING TO EXTERNAL ECONOMIC POLICY.
ORGANIZATION OF WORK IN THE EEP BRANCH
(Instruction No. 327/Secy/ERD/80 dated 28-8-80).**

External Economic Policy (EEP) branch has three major functions. First, it is the store house of information on international economic relations. Its duty is to feed the Division as also the Government on topics of usual interest in external economic relations such as world economic outlook, international trade, international monetary relations, restructuring of world economy etc. The branch is expected to produce position papers on various subjects from time to time and put forward policy recommendations for national thinking and strategy. It should also report periodically on international economic developments in selected areas such as inflation, trade restriction, payments problem, growth- prospects, agricultural outlook etc.

2. Second, this branch is the research unit of the Division. It will undertake research assignments on its own as also commission research studies on external economic policy. preparation of strategy paper on energy issues, for example, may need a research exercise. A subject like common market may be a matter of study by a research group. The research activities essentially are designed to offer policy choices in transaction of economic relations.

3. Third, this branch is in overall charge of maintaining the library and documentation centre of the Division. Documentation centre may have various wings such as registry of technical assistance studies and reports, ECOSOC and UN papers on economic development, World Bank, ADB, UNDP, ESCAP, UNCTAD and such other individual collections of documents. While aid desks will provide materials for the various wings of the documentation centre, EEP branch will be in the overall charge of Library. Maintenance and replenishment is also a responsibility of this branch.

4. The activities of the branch will be guided by two Committees. There will be a committee on coordination of external economic policy which will guide functions relating to preparation of position papers and undertaking of research activities. This Committee will be headed by a Joint Secretary and its members will be one or two other Joint Secretaries/Chiefs and branch officers of EEP, UN, F&F, Coordination and World Bank branches. Research studies will be selected by this Committee and policy recommendations on various issues will be evolved by it. It will draw up annual programme of research work and decide as to how to carry them out. Whenever necessary the Committee will consult with officials from related organizations in evolving policy recommendations. The other Committee will look after the management of the library and the documentation centre. This will be headed by the branch officer of EEP and will have several of his colleagues on it notably officers in charge of UN, World Bank and F&F branches. Both these Committees will meet as and when necessary but at least once in a quarter. The branch will be required to maintain close liaison with Finance Division, Bangladesh Bank, Ministry of Commerce and Ministry of Foreign Affairs.

5. International or inter-governmental organizations not covered by an aid desk such as UNCTAD, GATT, UNIDO, IMF, UNGA, ECOSOC, WIPO, CTNC, IEA, Commonwealth Secretariat, Colombo Plan Consultative Committee, Development and Interim Committees will be dealt within the EEP branch. Its basic thrust, however, is in

the area of international economic issues which are dealt within multifarious bilateral as well as multilateral organizations. Thus, this branch is required to seek information from all branches and all branches are expected to provide it with information on issues of economic relations and seek guidance on the position of the government on various issues.

6. The major subjects of interest in the EEP branch and how to deal with them on a regular basis are described in the following sub-paragraphs:

(1) **World Economic Outlook:** The materials to consider will be IMF, World Economic Report, World Bank Report, ADB Report, Commonwealth Secretariat Report, ESCAP Report, UN Development Review, DAC Annual Review, OPEC Fund Bulletins, Far Eastern Economic Year Book, OECD Outlook papers, Morgan Guaranty Bulletins. The two outposts in Bangkok and New York should provide occasional reports and materials. We may, prepare reports at least twice a year, about August and about January. More frequently reports on international or regional economic trends may be prepared for the education of ERD officials.

(2) **Aid Flow Report:** Source materials will be UNCTAD, OECD/DAC, World Bank, OPEC, Colombo Plan, Common Wealth Secretariat publications. Terms and twists in aid policy should be reviewed in addition to global and regional flows. It should be possible to produce about two reports a year.

(3) **Economic Cooperation among Developing Countries (ECDC) and Technical Cooperation among Developing Countries (TCDC) Matters:** A subject of considerable interest is the merging patterns of ECDC and TCDC. Global developments as also national activities should be reviewed at least twice a year. Source materials for this subject will be UNCTAD, ESCAP and UNDP documents. Internally close collaboration with UN and EEP branches will be necessary. Developments in trade and investment in the region or such other groups like Islamic Conference will have to be carefully monitored. The technical cooperation programmes of GoB should also be observed.

(4) **LDC matters:** While economic outlook, debt report as well as aid matters will concern the least developed countries, it will be appropriate to review LDC situation separately on a periodical basis. Problems of LDCs and global developments should be specially monitored. ECOSOC, UNCTAD, ESCAP and UNDP have special programmes for LDC's. LDC Action Programme is a device to raise resources for these countries. This should be related to our stance in Aid Group meetings and bilateral negotiations. Special consideration for LDC should feature in our negotiating strategy both bilateral and multilateral. Coordination with Planning, Commerce and Foreign ministries is necessary here.

(5) **Monetary Issues:** International money management is closely related to financial flows and trade. Besides IMF, UNCTAD concerns itself with issues of monetary management. Commercial banks also prepare reports and briefs on money matters. Certain issues in the money area are always there while occasionally new problems also raise their heads. Issue of SDR's, the link IMF facilities and their conditionality, IMF quotas and decision making powers, recycling of surplus funds are common issues from year to year. Finance Division and the Ministry of Commerce and Bangladesh Bank have

interest in these matters. On monetary issues annual review will be desirable. Source materials will be available from IMF, UNCTAD, G-24, Morgan Guaranty Bank and OPEC Secretariat.

(6) **Other Issues of NIEO:** Other issues of NIEO on which regular monitoring and reporting should take place are as follows:

(a) On Common Fund and ICO's we have interest both generally and specifically, in the cases of jute and tea. The concerned Ministries are Commerce, Textile and Jute, Finance and Foreign Affairs.

(b) On Technology Transfer we have interest in laws of patents, negotiation for technology transfer and the Science and Technology Fund. The concerned Ministries are Commerce, Science and Information & Communication Technology and Foreign Affairs.

(c) Trans-National Corporations are another area of interest. Here the code of conduct for TN's and the safeguards for investment are noteworthy. The concerned Ministries are Industries, Petroleum and Mineral Resources, Foreign Affairs and Commerce.

(d) Industrialization is another area of interest warranting attention on UNIDO activities and protectionism in trade dealt with in GATT and UNCTAD. The concerned Ministries are Industry and Commerce. Export development may be a subject of regular scrutiny.

(e) Shipping and Services is another group of issues of interest. The shipping code and negotiations on shares for shipping have to be observed. Liaison with Commerce and Shipping Ministries is necessary in this respect.

(f) Issues of food production and trade also concern with ERD. Investment in food production- its trends and extent, periodic food outlook for the world and progress in respect of global food security and early warning system, development in the field of fertilizers supply and use and problems of food aid are matters for periodic reporting. Documents of World Bank, FAO, IFAD, ADB and USDA should be collected and studied. Close liaison also should be maintained with the Ministry of Agriculture and the Ministry of Food and Disaster Management.

(g) A matter of serious concern is the global energy problem with its impact on balance of payments and economic growth. Position papers on this subject should be prepared once in a while. Source materials will be OPEC publications on the one hand and IEA papers on the other. Oil and Gas Journal will be a good subscription. Coordination with the Ministry of Power and Energy will be useful. Developments in alternative energy sources should be carefully monitored.

(h) Exploitation of natural resources and sovereignty over it is a moot issue of the time. Equity in the use of such resources is a matter of great concern. Seabed resource exploitation, producer cartels, environment protection, mineral resource exploitation activities, alternatives to use of exhausting resource are subjects to keep watch on.

11. WORK RELATING TO NON-CONCESSIONAL LOAN COMMITTEE

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
অর্থনৈতিক সম্পর্ক বিভাগ

প্রজ্ঞাপন

নথি নং-০৯.২৬১.০০৬.০০.০০.০০২.২০১৩-৭৩

তারিখঃ ৩০/০৬/২০১৩

হার্ড টার্ম লোন কমিটি সংক্রান্ত অর্থনৈতিক সম্পর্ক বিভাগ (ভূতপূর্ব বহিঃসম্পদ বিভাগ)-এর ৩১/০৫/১৯৮০ তারিখের ইআরডি/কর্ড-৩/এস,সি-৯/৮০ নং অফিস স্মারক এবং চীফ মার্শাল ল' এ্যাডমিনিস্ট্রেটরস সেক্রেটারিয়েট-এর ০৯/১০/১৯৮২ তারিখের ৭০৫৬/২/সিড-II নং স্মারক এতদ্বারা বাতিলপূর্বক অনমনীয় বৈদেশিক ঋণের প্রস্তাবসমূহ পরীক্ষা-নিরীক্ষা ও অনুমোদনের জন্য নিম্নরূপভাবে 'অনমনীয় ঋণ বিষয়ক স্থায়ী কমিটি (Standing Committee on Non-Concessional Loan)' গঠন করা হল।

০২। (ক) কমিটির গঠনঃ ৭ সদস্য-বিশিষ্ট কমিটি, যা নিম্নরূপঃ

(১) মন্ত্রী, অর্থ মন্ত্রণালয়	চেয়ারম্যান
(২) গভর্নর, বাংলাদেশ ব্যাংক	সদস্য
(৩) সচিব, অর্থ বিভাগ	সদস্য
(৪) সচিব, অর্থনৈতিক সম্পর্ক বিভাগ	সদস্য
(৫) সচিব, পরিকল্পনা বিভাগ	সদস্য
(৬) বিনিয়োগ বোর্ডের উপযুক্ত প্রতিনিধি	সদস্য
(৭) যুগ্ম সচিব, বৈদেশিক সাহায্যের বাজেট ও হিসাব অনুবিভাগ, অর্থনৈতিক সম্পর্ক বিভাগ	সদস্য-সচিব

অর্থনৈতিক সম্পর্ক বিভাগ (ইআরডি) এ কমিটির সাচিবিক দায়িত্ব পালন করবে।

(খ) কমিটির কার্যপরিধিঃ

এ কমিটি অনমনীয় বৈদেশিক ঋণ-প্রস্তাব পরীক্ষা ও অনুমোদন করবে। 'বৈদেশিক ঋণ' বলতে অনিবাসী (non-resident) ঋণদাতাদের নিকট হতে গৃহীত suppliers' credit/ buyers' credit/preferential buyers' credit/export credit ও এক বছরের বেশী maturity period সম্পন্ন trade credit সহ সকল পাবলিক সেক্টর ঋণ এবং সরকার বা বাংলাদেশ ব্যাংক কর্তৃক প্রদত্ত গ্যারান্টির আওতাভুক্ত সকল ঋণকে বুঝাবে। তবে, আন্তর্জাতিক রিজার্ভ সংক্রান্ত বাংলাদেশ ব্যাংকের দায় এবং সাধারণ banking operation-সংশ্লিষ্ট বৈদেশিক লেনদেন হতে উদ্ভূত দায় এ প্রজ্ঞাপনের আওতাভুক্ত বৈদেশিক ঋণ হিসাবে বিবেচিত হবে না। এ প্রজ্ঞাপনের সংজ্ঞা অনুযায়ী বৈদেশিক ঋণের মধ্যে নিম্নবর্ণিত বৈশিষ্ট্য বা বৈশিষ্ট্যাবলি সম্পন্ন ঋণ অনমনীয় ঋণ হিসাবে গণ্য হবেঃ

- (অ) যে সকল ঋণের grant element ২৫% এর কম। তবে, বাংলাদেশ সরকার ও আন্তর্জাতিক আর্থিক প্রতিষ্ঠানের মধ্যে চুক্তির বিধান অনুযায়ী অনমনীয় ঋণ হিসাবে বিবেচনার জন্য যদি কোন উচ্চতর threshold-নির্ধারিত থাকে, সেক্ষেত্রে চুক্তির মেয়াদে grant element ২৫%-এর পরিবর্তে চুক্তিতে বর্ণিত উচ্চতর threshold- প্রযোজ্য হবে।
- (আ) আন্তর্জাতিক বাজারে বিনিময়যোগ্য সরকার কর্তৃক ইস্যুকৃত যে কোন বন্ড।

০৩। (ক) কমিটির জন্য অনুসরণীয় নীতিমালাঃ

- (অ) নমনীয় বৈদেশিক ঋণের মাধ্যমে যে সকল প্রকল্প বা পণ্য সংগ্রহে অর্থায়ন সম্ভব হয়নি বা অতীত রেকর্ড অনুযায়ী সম্ভবপর নয়, সে সকল ক্ষেত্রে অনমনীয় ঋণ প্রস্তাব অনুমোদন বিবেচনা করা;
- (আ) যে সকল ঋণের জন্য সরকার বা বাংলাদেশ ব্যাংকের গ্যারান্টির প্রয়োজন সে সকল ঋণ গ্রহণকারী প্রতিষ্ঠানের নিজস্ব আয় হতে ঋণ পরিশোধের সক্ষমতা না থাকলে তাদের ক্ষেত্রে অনমনীয় ঋণ-প্রস্তাব অনুমোদন নিরুৎসাহিত করা। তবে, জাতীয় স্বার্থে অপরিহার্য হলে তা বিবেচনা করা যেতে পারে;
- (ই) Down payment-এর বাধ্যবাধকতার শর্তযুক্ত ঋণ-প্রস্তাব অনুমোদন নিরুৎসাহিত করা;

- (ঈ) যে কোন অর্থ-বছরে অনমনীয় বৈদেশিক ঋণের debt servicing বাবদ ব্যয় সংশ্লিষ্ট অর্থ-বছরের রপ্তানি আয়ের ১০% অথবা রাজস্ব আয়ের ১৫%-এ দুইটির মধ্যে যেটি কম, তার মধ্যে সীমিতকরণ নিশ্চিত করা;
- (উ) অনমনীয় বৈদেশিক ঋণের স্থিতি (debt stock) স্থূল দেশজ উৎপাদ (GDP)-এর ১০%-এর মধ্যে সীমিতকরণ নিশ্চিত করা।

(খ) কমিটির নিকট প্রস্তাব উপস্থাপনের পদ্ধতিঃ

- (অ) বাংলাদেশ ব্যাংক, অর্থ বিভাগ এবং ইআরডি'র সংশ্লিষ্ট উইং-এর মতামতসহ ঋণ গ্রহণে ইচ্ছুক মন্ত্রণালয়/বিভাগ প্রস্তাব প্রেরণ করবে। তবে, জরুরি ক্ষেত্রে কমিটির চেয়ারম্যান এ শর্ত শিথিল করতে পারবেন;
- (আ) এ কমিটি কর্তৃক সংশ্লিষ্ট মন্ত্রণালয়/বিভাগের ঋণ প্রস্তাব ইতঃপূর্বে বিবেচিত হয়ে থাকলে তার সঙ্গে প্রস্তাবিত ঋণের শর্তের তুলনামূলক বিশ্লেষণ, প্রস্তাবিত ঋণ নমনীয় শর্তে সংগ্রহের জন্য গৃহীত উদ্যোগের status, ঋণ প্রদানকারী দেশ/সংস্থার নিকট হতে ইতঃপূর্বে গৃহীত মোট অনমনীয় ঋণের পরিমাণ, উক্ত দেশ/সংস্থার নমনীয় ঋণের সঙ্গে তুলনামূলক বিশ্লেষণ এবং বিভিন্ন এইড গ্রুপ, দাতা সংস্থা/দেশ, ইনভেস্টমেন্ট ব্যাংক বা আইএমএফ-এর debt policy সংক্রান্ত বাধ্যবাধকতা/পর্যবেক্ষণ ইত্যাদি তথ্য কমিটির নিকট উপস্থাপন করতে হবে;
- (ই) ঋণের আর্থিক শর্ত অনুযায়ী আইএমএফ অনুসৃত tool ও পদ্ধতি ব্যবহারপূর্বক গণনাকৃত grant element প্রস্তাবের সঙ্গে পৃথকভাবে উল্লেখ করতে হবে;
- (ঈ) ঋণ গ্রহণে ইচ্ছুক মন্ত্রণালয়/বিভাগ অথবা তাদের অনুরোধে ইআরডি ঋণ-প্রস্তাব সংক্রান্ত প্রতিবেদন সভায় উপস্থাপন করবে;
- (উ) কমিটি প্রাসঙ্গিক অন্য যে কোন তথ্য উপস্থাপনের জন্য সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ/সংস্থাকে নির্দেশ দিতে পারবে;
- (ঊ) ঋণ গ্রহণে ইচ্ছুক মন্ত্রণালয়/বিভাগ/সংস্থা-কে ঋণ প্রস্তাবসমূহ সভা অনুষ্ঠানের কমপক্ষে ২ (দুই) সপ্তাহ পূর্বে অর্থনৈতিক সম্পর্ক বিভাগে প্রেরণ করতে হবে।

০৪। যথাযথ কর্তৃপক্ষের অনুমোদনক্রমে এ আদেশ জারি করা হল এবং তা অবিলম্বে কার্যকর হবে।

রাষ্ট্রপতির আদেশক্রমে,

(ফরিদা নাসরীন)
যুগ্ম সচিব

উপ পরিচালক

বাংলাদেশ সরকারি মুদ্রণালয়, তেজগাঁও, ঢাকা (বাংলাদেশ গেজেটের পরবর্তী সংখ্যায় প্রজ্ঞাপনটি অতিরিক্ত গেজেট আকারে প্রকাশ করে ৫০০ (পাঁচশত) কপি জরুরিভিত্তিতে অর্থনৈতিক সম্পর্ক বিভাগে প্রেরণের জন্য অনুরোধ জানানো হল)।

নথি নং-০৯.২৬১.০০৬.০০.০০.০০২.২০১৩-৭৩
৩০/০৬/২০১৩

তারিখঃ

বিতরণঃ

- ১। নির্বাহী চেয়ারম্যান, বিনিয়োগ বোর্ড, দিলকুশা বানিজ্যিক এলাকা, ঢাকা।
- ২। গভর্নর, বাংলাদেশ ব্যাংক, মতিঝিল বা/এ, ঢাকা।
- ৩। সচিব, অর্থ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
- ৪। সচিব, পরিকল্পনা বিভাগ, শেরে-বাংলা নগর, ঢাকা।
- ৫। মাননীয় অর্থমন্ত্রীর একান্ত সচিব (অর্থমন্ত্রী মহোদয়ের সদয় অবগতির জন্য)।
- ৬। অর্থনৈতিক সম্পর্ক বিভাগের সচিব মহোদয়ের একান্ত সচিব (সচিব মহোদয়ের অবগতির জন্য)।

সদয় জ্ঞাতার্থেঃ

মন্ত্রিপরিষদ সচিব, মন্ত্রিপরিষদ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।

(মোঃ রুহুল আমিন)

উপ সচিব

ফোনঃ ৯১৪৫৪৬১

নথি নং-০৯.২৬১.০০৬.০০.০০.০০২.২০১৩-৭৩

৩০/০৬/২০১৩

তারিখঃ

অনুলিপি সদয় অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য প্রেরণ করা হলঃ

- ১। অতিরিক্ত সচিব, উইং-১ (আমেরিকা, ইইপি ও জাপান), ইআরডি।
- ২। অতিরিক্ত সচিব, উইং-২ (বিশ্বব্যাংক), ইআরডি।
- ৩। অতিরিক্ত সচিব, উইং-৩ (প্রশাসন ও মধ্যপ্রাচ্য), ইআরডি।
- ৪। অতিরিক্ত সচিব, উইং-৪ (জাতিসংঘ), ইআরডি।
- ৫। যুগ্ম সচিব, উইং-৫ (এডিবি), ইআরডি।
- ৬। যুগ্ম সচিব, উইং-৬ (সমস্বয় ও নরডিক), ইআরডি।
- ৭। যুগ্ম সচিব, উইং-৭ (ইউরোপ), ইআরডি।
- ৮। যুগ্ম সচিব, উইং-৮ (এশিয়া, জেইসি ও এফএন্ডএফ), ইআরডি।
- ৯। যুগ্ম সচিব, উইং-৯ (ফাবা), ইআরডি।

(মোঃ রুহুল আমিন)

উপ সচিব

ফাবা শাখা-১

ফোনঃ ৯১৪৫৪৬১

বিষয়ঃ বৈদেশিক ঋণের সম্ভাব্য বুকিং প্রশমনে ঋণের নমনীয়তা (concessional) বিবেচনার ক্ষেত্রে ঋণের grant element পরীক্ষা, রেকর্ড সংরক্ষণ ও প্রতিবেদন প্রেরণের ব্যবস্থা গ্রহণ সংক্রান্ত।

বর্তমান সরকারের উন্নয়ন পরিকল্পনা বাস্তবায়নের জন্য বিপুল পরিমাণ বিনিয়োগ প্রয়োজন। সরকারের বিনিয়োগ চাহিদা ও লভ্য সম্পদের মধ্যে ঘাটতি অভ্যন্তরীণ ও বৈদেশিক ঋণের মাধ্যমে পূরণ করা হয়। বৈদেশিক ঋণের ক্ষেত্রে এখন পর্যন্ত নমনীয় প্রকৃতির ঋণ সংগ্রহকেই প্রাধান্য দেয়া হয়েছে। বিশ্ব অর্থনীতির প্রলম্বিত মন্দা, ইউরোপ কেন্দ্রিক ঋণ জটিলতা এবং ক্রমপরিবর্তনশীল ভূ-রাজনৈতিক বাস্তবতার কারণে দিন দিন নমনীয় বৈদেশিক ঋণের উৎস ও পরিধি সংকুচিত হয়ে পড়ছে। এ প্রেক্ষাপটে জনগুরুত্বপূর্ণ ও প্রাধিকারপ্রাপ্ত সেक्टरের জন্য সীমিত পর্যায়ে অনমনীয় (non-concessional) বৈদেশিক ঋণ হতে বিনিয়োগ চাহিদা পূরণে অর্থনৈতিক সম্পর্ক বিভাগ ইতোমধ্যেই কতিপয় উদ্যোগ গ্রহণ করেছে। অন্যদিকে, রাষ্ট্রায়ত্ত্ব প্রতিষ্ঠান, স্বায়ত্তশাসিত প্রতিষ্ঠান ও সরকারি মালিকানাধীন প্রতিষ্ঠান অনমনীয় (non-concessional) বৈদেশিক ঋণ সংগ্রহ করে থাকে যা উত্তরোত্তর বৃদ্ধি পাচ্ছে। এ প্রেক্ষাপটে বৈদেশিক ঋণের বুকিং প্রশমনে সরকারের বিভিন্ন দপ্তরের সাথে সমন্বয় ও বৈদেশিক ঋণ সংগ্রহের কার্যাদি পরিবীক্ষণের জন্য অর্থ বিভাগে বিদ্যমান Cash and Debt Management Committee (CDMC)-এর অধীন একটি Technical Committee on Non-Concessional Borrowing (TCNCB) কমিটি গঠন করা হয়েছে।

২। এখন থেকে অর্থনৈতিক সম্পর্ক বিভাগে প্রক্রিয়াধীন অথচ চুক্তি হওয়ার সম্ভাবনা আছে এবং চুক্তি সম্পাদন হয়েছে এরূপ সকল বৈদেশিক ঋণের, নমনীয় ও অনমনীয় উভয়ই, তথ্য নিয়মিতভাবে বর্ণিত TCNCB কমিটির পর্যালোচনার জন্য প্রেরণ করতে হবে। এজন্য সকল ঋণ চুক্তি সম্পাদন প্রক্রিয়ার দুটি পর্যায়ে, যথাঃ (১) pre-negotiation পর্যায়ে ও (২) post-negotiation পর্যায়ে ঋণের নমনীয়তা যাচাই করার জন্য grant element নির্ণয় ও সংশ্লিষ্ট রেকর্ড সংরক্ষণ করা প্রয়োজন। Grant element নির্ণয়ের ক্ষেত্রে IMF-অনুসৃত পদ্ধতি অনুসরণ ও tool ব্যবহার করা বাঞ্ছনীয় হবে।

৩। এমতাবস্থায়, প্রতিমাসের ০৫ তারিখের মধ্যে পূর্ববর্তী মাসে প্রক্রিয়াধীন অথচ চুক্তি হওয়ার সম্ভাবনা আছে এবং চুক্তি সম্পাদন হয়েছে এরূপ সকল বৈদেশিক ঋণের তথ্যসমূহ এতদসঙ্গে সংযুক্ত ছকে যুগ্ম সচিব, ফাবা বরাবরে প্রেরণ করার জন্য অনুরোধ করা যাচ্ছে।

সংযুক্তঃ বর্ণনামতে (এক পাতা)।

স্বাক্ষরিত/-
২২/০৫/২০১৩
(আরাতুল খান)
অতিরিক্ত সচিব

বিতরণ (জ্যেষ্ঠতার ভিত্তিতে নয়):

- ১। অতিরিক্ত সচিব-১, উইং-১ (আমেরিকা, ইইপি ও জাপান), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ২। অতিরিক্ত সচিব-২, উইং-২ (বিশ্বব্যাংক ও ফাবা), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৩। অতিরিক্ত সচিব, উইং-৩ (প্রশাসন ও মধ্যপ্রাচ্য), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৪। অতিরিক্ত সচিব, উইং-৪ (জাতিসংঘ), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৫। যুগ্ম-সচিব, উইং-৫ (এডিবি), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৬। যুগ্ম-সচিব, উইং-৬ (সমন্বয় ও নরডিক), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৭। যুগ্ম-সচিব, উইং-৭ (ইউরোপ), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৮। যুগ্ম-সচিব, উইং-৮ (এশিয়া, জেইসি ও এফএন্ডএফ), অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
- ৯। সচিব মহোদয়ের একান্ত সচিব, (সচিব মহোদয়ের অবগতির জন্য)।

ইউ.ও.নোট নং-০৯.২৬১.০১৬.০০.০০.০০৯.২০১১/৬৩, তারিখঃ ২২ মে ২০১৩ খ্রিঃ।

Wing.....
Economic Relations Division

Name of the Month.....

A. Information on loans signed

Sl. No.	Development Partners	Title of signed loan agreement and loan no	Signing date	Total amount as per agreement (loan currency)		Terms and conditions of signed loan			Calculated grant element
				Loan	Grant	Maturity Period	Grace period	Interest rate or any other charges	

B. Information on pipeline loans

Sl. No.	Development Partner	Title of Proposed Loan	Total amount as per proposed agreement (loan currency)		Terms and conditions of proposed loan		Calculated grant element		Tentative date of signing the agreement
			Loan	Grant	Maturity Period	Grace period	Interest rate or any other charges		

*Note: Any programme or project financed or to be financed under co-financing scheme may be mentioned.

(Signature of the authorized officer)

12. Guidelines for Suppliers Credit/Buyers Credit

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থনৈতিক সম্পর্ক বিভাগ
অর্থ মন্ত্রণালয়
সমন্বয়-৩ শাখা

নং- ইআরডি/সম-৩/নীতি-২০/২০০২/

তারিখঃ ০৭/০৯/২০০৬

পরিপত্র

বিষয়ঃ সরবরাহ ঋণ/বায়ার্স ক্রেডিট প্রক্রিয়াকরণ নীতিমালা ও পদ্ধতি ।

বাংলাদেশ সরকার The Public Procurement Regulations-2003 জারী করেছে এবং তা কার্যকর করা হয়েছে । PPR-2003 এর বিধানের সাথে সামঞ্জস্যপূর্ণ করার লক্ষ্যে ইআরডি কর্তৃক ইতোপূর্বে জারীকৃত সরবরাহ ঋণ প্রক্রিয়াকরণ নীতিমালা সংশোধন আবশ্যিক হয়ে পড়েছে।

২। এমতাবস্থায়, অর্থনৈতিক সম্পর্ক বিভাগ এর স্মারক নং ইআরডি/সম-৩/নীতি-২০/২০০২/১৮৩ তারিখ ১৫/০১/২০০২ এবং ইআরডি/সমন্বয়-৩/ নীতি-২০/ ২০০২/০৭ তারিখ ১৭/০১/২০০৫ অনুসরণে জারীকৃত পরিপত্রে বর্ণিত সরবরাহ ঋণ প্রক্রিয়াকরণের বিদ্যমান পদ্ধতি ও নীতিমালা পরিবর্তিত সামগ্রিক অর্থনৈতিক পরিস্থিতির প্রেক্ষাপটে পর্যালোচনা করা হয়েছে । সরকারের আর্থিক ব্যবস্থাপনা একটি সুশৃঙ্খল ভিত্তির ওপর প্রতিষ্ঠার লক্ষ্যে এখন থেকে সরবরাহ ঋণ সংক্রান্ত বিষয়ে নিম্নবর্ণিত নীতিমালা অনুসৃত হবেঃ

- (ক) **সরবরাহ ঋণ গ্রহণের বিষয়টি অবশ্যই ব্যতিক্রম হিসেবে বিবেচনা করতে হবে।** শুধুমাত্র বিশেষ ক্ষেত্রে জনগুরুত্বপূর্ণ উচ্চ অগ্রাধিকার/অত্যাাবশ্যিক কোন প্রকল্প বাস্তবায়ন সরকার কর্তৃক অপরিহার্য বিবেচিত হলে এবং এজন্য যদি সরকারের/সংস্থার নগদ অর্থের সংস্থান না থাকে অথবা প্রচেষ্টা নেয়া সত্বেও বিকল্প কোন নমনীয় শর্তযুক্ত ঋণ না পাওয়া যায়, কেবল সেই ক্ষেত্রে সরবরাহ ঋণ গ্রহণের বিষয় বিবেচনা করা যেতে পারে ।
- (খ) নমনীয় শর্তে দ্বিপাক্ষিক/বহুপাক্ষিক ঋণ ব্যবহারের আশ্বাস পাওয়া গেলে কোনক্রমেই সরবরাহ ঋণ গ্রহণ করা যাবে না।
- (গ) যদি একান্তই রাষ্ট্রীয় প্রয়োজনে সর্বশেষ বিকল্প হিসেবে সরবরাহ ঋণ ব্যবহার করা অনিবার্য হয়ে পড়ে, তাহলে পিপিআর, ২০০৩ (যখন পাবলিক প্রকিউরমেন্ট আইন কার্যকর হবে তখন পাবলিক প্রকিউরমেন্ট আইন প্রযোজ্য হবে) অনুযায়ী তা প্রক্রিয়াকরণ করতে হবে। **কোন অবস্থাতেই অসolicit (unsolicited) সরবরাহ ঋণের প্রস্তাব বিবেচনা করা যাবে না।**
- (ঘ) সরবরাহ ঋণে বাস্তবায়নযোগ্য প্রকল্প নির্বাচনের ক্ষেত্রে কঠোর মানদণ্ড (criteria) অনুসরণ করতে হবে । সংশ্লিষ্ট সংস্থা/প্রতিষ্ঠান ঋণ পরিশোধে সম্পূর্ণভাবে সক্ষম হতে হবে এবং সংশ্লিষ্ট মন্ত্রণালয়/সংস্থা/প্রতিষ্ঠানের মূলধন কাঠামো, সর্বশেষ নিরীক্ষিত হিসাব অনুযায়ী পুঞ্জীভূত লাভ বা লোকসানের পরিমাণ ও আয় ব্যয় সংক্রান্ত প্রাসঙ্গিক তথ্যাবলী বিবেচনা করে সংশ্লিষ্ট মন্ত্রণালয় কর্তৃক এ মর্মে প্রত্যয়ন পত্র দাখিল করতে হবে যে, সংশ্লিষ্ট সংস্থা/প্রতিষ্ঠানের পক্ষে যথাসময়ে ঋণ পরিশোধ করা সম্ভব হবে । ঋণ পরিশোধের জন্য সংশ্লিষ্ট প্রকল্পে যথেষ্ট পরিমাণে বৈদেশিক/দেশীয় মুদ্রা আয়ের ব্যবস্থা/নিশ্চয়তা থাকতে হবে।
- (ঙ) সরবরাহ ঋণে বাস্তবায়নের জন্য প্রস্তাবিত প্রকল্পটি উচ্চ অগ্রাধিকারসম্পন্ন/অত্যাাবশ্যিক হওয়া প্রয়োজন এবং একই সঙ্গে প্রস্তাবিত প্রকল্প লাভজনক হতে হবে । এ ধরনের প্রকল্পের Internal Rate of Return (IRR) ন্যূনতম ১৫% হওয়া বাঞ্ছনীয়। সরবরাহ ঋণে বাস্তবায়িতব্য প্রকল্প এমনভাবে প্রণয়ন করতে হবে যাতে প্রকল্পে Cost recovery mechanism অন্তর্ভুক্ত থাকে।

- (চ) সরবরাহ ঋণের বিপরীতে সাধারণত রাষ্ট্রীয় গ্যারান্টি প্রদান করা হবে না। যদি বিশেষ ক্ষেত্রে এ ধরনের গ্যারান্টি দিতে হয়, তাহলে ঋণ গ্রহণের বিষয়ে সিদ্ধান্ত নেয়ার পূর্বে এ বিষয়ে অর্থ বিভাগের সম্মতি গ্রহণ করতে হবে।
- (ছ) অনমনীয় শর্তযুক্ত ঋণ গ্রহণের বার্ষিক নির্ধারিত একটি সীমা (Ceiling) থাকা আবশ্যিক। দেশের সার্বিক অর্থনৈতিক পরিস্থিতি, বৈদেশিক ঋণের দায়ের মোট পরিমাণ ও পরিশোধের অবস্থা এবং বৈদেশিক মুদ্রা রিজার্ভের পরিস্থিতির দিকে লক্ষ্য রেখে অর্থনৈতিক সম্পর্ক বিভাগ এবং বাংলাদেশ ব্যাংকের সাথে আলোচনা করে অর্থ বিভাগ বাৎসরিক এ সীমা জিডিপি'র শতকরা হার হিসেবে প্রতি আর্থিক বছরে নির্ধারণ করবে। বাংলাদেশ ব্যাংক বাৎসরিক সরবরাহ ঋণ গ্রহণের হিসাব সংরক্ষণ করবে। প্রস্তাবিত সরবরাহ ঋণের অর্থ বাৎসরিক সিলিং এর মধ্যে সীমিত আছে মর্মে সন্তুষ্ট হলে অর্থ বিভাগ উক্ত সাপ্লায়ার্স ক্রেডিট ব্যবহারে ছাড়পত্র প্রদান করবে।
- (জ) সরবরাহ ঋণ ব্যবহারের ক্ষেত্রে বাংলাদেশ সরকারের The Public Procurement Regulations-2003 (যখন পাবলিক প্রকিউরমেন্ট আইন কার্যকর হবে তখন পাবলিক প্রকিউরমেন্ট আইন প্রযোজ্য হবে) অনুসরণ করতে হবে।
- ৩। সরবরাহ ঋণ গ্রহণের প্রস্তাব প্রক্রিয়াকরণের জন্য নিম্নে বর্ণিত পদ্ধতি অনুসরণ করতে হবেঃ
- (ক) সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ যদি কোন অগ্রাধিকারসম্পন্ন/অত্যাবশ্যিক প্রকল্প বাস্তবায়নে ইচ্ছুক হয়, তাহলে তারা ইআরডি এর মাধ্যমে প্রকল্প অর্থায়নের জন্য বৈদেশিক সহায়তার (অনুদান/নমনীয় শর্তে ঋণ) সম্ভাবনা যাচাই করবে। তা না পাওয়া গেলে সংস্থার নিজস্ব অর্থায়নে (Self financed project) এ ধরনের প্রকল্প বাস্তবায়নের প্রচেষ্টা গ্রহণ করবে। সংস্থার নিজস্ব অর্থায়নে প্রকল্প বাস্তবায়ন সম্ভব না হলে সংশ্লিষ্ট মন্ত্রণালয়, পরিকল্পনা কমিশন এবং অর্থ বিভাগ সরকারের নগদ অর্থ পাওয়ার সম্ভাব্যতা যাচাই করবে। যদি অর্থনৈতিক সম্পর্ক বিভাগ প্রকল্পের জন্য সহজ শর্তে অর্থায়ন সংগ্রহ করতে না পারে, সংস্থার নিজস্ব তহবিল না থাকে এবং অর্থ বিভাগ ও পরিকল্পনা কমিশন থেকে প্রকল্প বাস্তবায়নের জন্য সরকারের নগদ অর্থের নিশ্চয়তা না পাওয়া যায়, সেক্ষেত্রে সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ সরবরাহ ঋণে প্রকল্পটি বাস্তবায়নের উদ্যোগ নিতে পারে। তবে সংশ্লিষ্ট মন্ত্রণালয় কর্তৃক অর্থনৈতিক সম্পর্ক বিভাগ, অর্থ বিভাগ, পরিকল্পনা কমিশন এবং সংশ্লিষ্ট সংস্থা হতে যথাযথ অনাপত্তিপত্র/ছাড়পত্র/প্রত্যয়ন পত্র গ্রহণ করতে হবে।
- (খ) অর্থায়নকারী দেশ/সংস্থার সাথে ঋণ চুক্তি প্রক্রিয়ার প্রাথমিক পর্যায়ে অর্থনৈতিক সম্পর্ক বিভাগ যথাযথ প্রক্রিয়ায় Negotiation-এর মাধ্যমে ঋণের শর্ত সরকারের অনুকূলে রাখার প্রচেষ্টা চালাবে এবং ফলাফল সংশ্লিষ্ট মন্ত্রণালয়/বিভাগকে অবহিত করবে।
- (গ) সুদের হার, ডাউন পেমেন্ট বা ঋণ পরিশোধের মেয়াদ, পদ্ধতি ও মাধ্যম যথা- Cash foreign exchange and/or kind এর বিষয়ে সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ তাদের সুপারিশকৃত সরবরাহ ঋণ প্রস্তাব প্রয়োজনীয় তথ্যাবলী ও কাগজপত্র এবং ঘবমডঃরখঃরডহ-এর ফলাফলসহ প্রযোজ্য ক্ষেত্রে হার্ড টার্ম লোন কমিটির বিবেচনার জন্য প্রেরণ করবে এবং হার্ড টার্ম লোন কমিটির সুপারিশ অনুযায়ী ব্যবস্থা গ্রহণ করবে।
- (ঘ) এ প্রকল্পের জন্য যদি কোন ক্ষেত্রে রাষ্ট্রীয় গ্যারান্টি প্রদান প্রযোজ্য হয়, তবে সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ কর্তৃক এ বিষয়ে অর্থ বিভাগের সুপারিশ প্রস্তাবের সাথে সন্নিবেশিত করতে হবে।
- ৬। সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ পরিকল্পনা কমিশনের মাধ্যমে যথাযথ কর্তৃপক্ষ কর্তৃক প্রকল্প দলিল (উচচ) অনুমোদনের প্রয়োজনীয় ব্যবসহা গ্রহণ করবে। প্রকল্পটি ECNEC কর্তৃক অনুমোদিত হলে পুনরায় হার্ড টার্ম লোন কমিটিতে পেশ করতে হবে না।
- (চ) প্রকল্পের অনুমোদিত উচচ/কর্মসূচী, হার্ড টার্ম লোন কমিটির সুপারিশ, অর্থ বিভাগ, পরিকল্পনা কমিশন এবং সংশ্লিষ্ট সংসহা ছাড়পত্র ইত্যাদি বিবেচনা করে অর্থনৈতিক সম্পর্ক বিভাগ সরবরাহ ঋণ প্রস্তাবটি যথানিয়মে প্রক্রিয়া করবে। আন্তঃমন্ত্রণালয় সভা ও আইন মন্ত্রণালয়ের ভেটিং গ্রহণ করে ঋণ চুক্তিটি সরকার প্রধানের অনুমোদনের জন্য পেশ করবে।

- (ছ) সরকার প্রধান কর্তৃক ঋণ চুক্তিটি অনুমোদিত হওয়ার পর সরকারের পক্ষে অর্থনৈতিক সম্পর্ক বিভাগ অর্থায়নকারী দেশ/দাতা/সংস্থার সাথে ঋণ চুক্তিটি স্বাক্ষর করবে।
- ৪। সরবরাহ ঋণের আওতায় প্রকল্প বাস্তবায়নের ক্রয় প্রক্রিয়া সম্পাদনের জন্য নিম্নবর্ণিত পদ্ধতি অনুসরণ করতে হবেঃ
- (ক) সরবরাহ ঋণের আওতায় প্রস্তাবিত প্রকল্পের সকল দরপত্র PPR-2003 (যখন পাবলিক প্রকিউরমেন্ট আইন কার্যকর হবে তখন পাবলিক প্রকিউরমেন্ট আইন প্রযোজ্য হবে) অনুসরণ করে প্রক্রিয়াকরণ করতে হবে। আন্তর্জাতিক এবং/অথবা জাতীয় পর্যায়ে প্রতিযোগিতামূলক দরপত্রের মাধ্যমে প্রকল্পের ঠিকাদার/সরবরাহকারী নিয়োগ করতে হবে। অর্থায়নকারী দেশ/সংস্থার শর্তের কারণে PPR-2003 এর কোন শর্তের কোন ব্যত্যয় ঘটানোর আবশ্যিকতা দেখা দিলে PPR-2003 এর রেগুলেশন-৪(চার) অনুযায়ী ব্যবস্থা গ্রহণ করতে হবে।
- ৫। (র) আন্তর্জাতিক এবং/অথবা জাতীয় পর্যায়ে প্রতিযোগিতামূলক দরপত্রের মাধ্যমে ঠিকাদার/সরবরাহকারী নিয়োগের ক্ষেত্রে এ পরিপত্রের ২ হতে ৪ পর্যন্ত বিষয়াবলী প্রতিপালন সাপেক্ষে নিম্নরূপ Flow Chart অনুসরণ করতে হবেঃ
- (ক) অনুমোদিত উচ্চ/কর্মসূচী এর ভিত্তিতে সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ/সংস্থা চচজ-২০০৩ অনুসরণ করে দরপত্র আহ্বান করবে।
- (খ) সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ/সংস্থা PPR-2003 অনুসরণ করে প্রাপ্ত দরপত্র মূল্যায়ন করবে এবং ঋণের শর্তসমূহ বিধি অনুযায়ী হার্ড টার্ম লোন কমিটির বিবেচনার জন্য পেশ করবে। অতঃপর হার্ড টার্ম লোন কমিটির সুপারিশসহ দরপত্র মূল্যায়ন প্রতিবেদন যথাযথ প্রক্রিয়ায় সরকারী ক্রয় সংক্রান্ত মন্ত্রিসভা কমিটি/যথাযথ কর্তৃপক্ষের বিবেচনার জন্য পেশ করবে।
- (গ) ক্রয় সংক্রান্ত মন্ত্রিসভা কমিটির সুপারিশ সরকার প্রধান কর্তৃক অনুমোদিত হলে সরবরাহ ঋণ প্রস্তাবের বিপরীতে ক্রয়কারী সংস্থা (Procuring Entity) সরবরাহকারী/ঠিকাদার এর সাথে অনুমোদিত বাণিজ্যিক/বাস্তবায়ন চুক্তিটি স্বাক্ষর করবে এবং ঋণ চুক্তি সম্পাদনের জন্য সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ প্রস্তাবটি অর্থনৈতিক সম্পর্ক বিভাগে প্রেরণ করবে।
- (ঘ) প্রকল্পের অনুমোদিত উচ্চ/কর্মসূচী হার্ড টার্ম লোন কমিটির সুপারিশ, অর্থ বিভাগ, পরিকল্পনা কমিশন এবং সংশ্লিষ্ট সংস্থার ছাড়পত্র এবং দরপত্রে মন্ত্রিসভা কমিটির/যথাযথ কর্তৃপক্ষের সুপারিশ এবং সরকার প্রধান/যথাযথ কর্তৃপক্ষের অনুমোদন ইত্যাদি বিবেচনা করে অর্থনৈতিক সম্পর্ক বিভাগ সরবরাহ ঋণ প্রস্তাবটি যথানিয়মে প্রক্রিয়া করবে। আন্তঃমন্ত্রণালয় সভা ও আইন মন্ত্রণালয়ের ভেটিং গ্রহণ করে ঋণ চুক্তিটি সরকার প্রধানের অনুমোদনের জন্য পেশ করবে।
- (ঙ) সরকার প্রধান কর্তৃক ঋণ চুক্তিটি অনুমোদিত হওয়ার পর সরকারের পক্ষে অর্থনৈতিক সম্পর্ক বিভাগ অর্থায়নকারী দেশ/দাতা/সংস্থার সাথে ঋণ চুক্তিটি স্বাক্ষর করবে।
- (ৱৱ) অনমনীয় শর্তযুক্ত Tied Loan এর কারণে আন্তর্জাতিক এবং/অথবা জাতীয় পর্যায়ে প্রতিযোগিতামূলক দরপত্র আহ্বান করা সম্ভব না হলে এ পরিপত্রের ২-৪ অনুচ্ছেদে বর্ণিত বিষয়াবলী প্রতিপালন সাপেক্ষে নিম্নরূপ Flow Chart অনুসরণ করতে হবেঃ
- (ক) সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ হতে প্রাপ্ত প্রস্তাবের ভিত্তিতে অর্থনৈতিক সম্পর্ক বিভাগ যথাযথ প্রক্রিয়ায় অর্থায়নকারী দেশ/সংস্থার সাথে Negotiation এর মাধ্যমে আন্তর্জাতিক দরপত্র প্রক্রিয়ায় প্রকল্প বাস্তবায়ন এবং ঋণের শর্তসমূহ যথাসাধ্য সরকারের অনুকূলে আনার চেষ্টা করবে এবং Negotiation এর ফলাফল সরকার প্রধানের নীতিগত সিদ্ধান্তের জন্য পেশ করবে। সরকার প্রধানের ইতিবাচক সিদ্ধান্ত পাওয়া গেলে অর্থনৈতিক সম্পর্ক বিভাগ তা সংশ্লিষ্ট মন্ত্রণালয়কে অবহিত করবে। সংশ্লিষ্ট মন্ত্রণালয় বিষয়টি হার্ড টার্ম লোন কমিটির বিবেচনার জন্য পেশ করবে। PPR-2003 এর ব্যত্যয় ঘটানো হয় এমন ক্ষেত্রে সংশ্লিষ্ট মন্ত্রণালয়ের অনুরোধক্রমে অর্থনৈতিক সম্পর্ক বিভাগ PPR-2003 এর রেগুলেশন-৪ অনুযায়ী ব্যবস্থা গ্রহণ করবে। তবে

এরূপ কোন ব্যত্যয় ঘটাতে হলে মন্ত্রিপরিষদ বিভাগ এবং আইএমইডি'র মতামত গ্রহণ করে অর্থনৈতিক সম্পর্ক বিভাগ সে অনুযায়ী ব্যবস্থা গ্রহণ করবে।

- (খ) প্রকল্পের অনুমোদিত ডিপিপি, হার্ড টার্ম লোন কমিটির সুপারিশ, অর্থ বিভাগ, পরিকল্পনা কমিশন এবং সংশ্লিষ্ট সংস্থার ছাড়পত্র ইত্যাদি বিবেচনা করে অর্থনৈতিক সম্পর্ক বিভাগ সরবরাহ ঋণ প্রস্তাবটি যথানিয়মে প্রক্রিয়া করবে। অতঃপর সংশ্লিষ্ট মন্ত্রণালয়ের মতামত ও আইন মন্ত্রণালয়ের ভেটিং ইত্যাদি গ্রহণ করে অনমনীয় ঋণ গ্রহণের লক্ষ্যে প্রস্তাবিত সাধারণ ঋণ চুক্তি সরকার প্রধানের অনুমোদনের জন্য পেশ করবে। সরকার প্রধান কর্তৃক সাধারণ ঋণ চুক্তি অনুমোদিত হওয়ার পর অর্থনৈতিক সম্পর্ক বিভাগ সংশ্লিষ্ট অর্থায়নকারী দেশ/সংস্থা/দাতা সংস্থার সাথে সাধারণ ঋণ চুক্তিটি স্বাক্ষর করবে।
- (গ) সাধারণ ঋণ চুক্তি স্বাক্ষরের পর সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ/সংস্থা সাধারণ ঋণ চুক্তির শর্ত এবং অনুমোদিত ডিপিপি এর ভিত্তিতে দরপত্র আহবান করবে।
- (ঘ) সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ/সংস্থা যথাযথ প্রক্রিয়ায় সাধারণ ঋণ চুক্তির ভিত্তিতে এবং বিধি অনুযায়ী দরপত্র মূল্যায়ন করে সরকারী ক্রয় সংক্রান্ত মন্ত্রিসভা কমিটির বিবেচনার জন্য পেশ করবে।
- (ঙ) সরকার প্রধান কর্তৃক দরপত্র চূড়ান্ত অনুমোদনের পর অনুমোদিত ও স্বাক্ষরিত সাধারণ ঋণ চুক্তির সাথে সামঞ্জস্য রেখে সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ বাণিজ্যিক/বাস্তবায়ন চুক্তি অনুমোদন করবে। অতঃপর ক্রয়কারী সংস্থা (Procuring Entity) সরবরাহকারী/ ঠিকাদার এর সাথে অনুমোদিত বাণিজ্যিক/বাস্তবায়ন চুক্তিটি স্বাক্ষর করবে।
- (চ) বাণিজ্যিক/বাস্তবায়ন চুক্তি স্বাক্ষরের পর অর্থায়নকারী দেশ/সংস্থা/দাতা সংস্থার সাথে (যদি প্রয়োজন হয় সরকার (অর্থনৈতিক সম্পর্ক বিভাগ) আন্তঃমন্ত্রণালয় সভার মতামত ও আইন মন্ত্রণালয়ের ভেটিং গ্রহণ করে সরকার প্রধানের অনুমোদনক্রমে Individual Loan Agreement স্বাক্ষর করবে।
- ৬। এ নীতিমালা বায়ার্স ক্রেডিটের ক্ষেত্রেও প্রযোজ্য হবে।
- ৭। সরবরাহ ঋণ প্রক্রিয়াকরণের নীতিমালা সংক্রান্ত অর্থনৈতিক সম্পর্ক বিভাগের স্মারক নং- ইআরডি/সমন্বয়- ৩/নীতি-২০/২০০২/১৮৩ তারিখ ১৫/০১/২০০২ এবং স্মারক নং ইআরডি/সমন্বয়-৩/ নীতি-২০/ ২০০২/০৭ তারিখ ১৭/০১/২০০৫ এতদ্বারা বাতিল করা হ'ল।

মোঃ ইসমাইল জবিউল্লাহ
সচিব

বিতরণঃ

১. মন্ত্রিপরিষদ সচিব, মন্ত্রিপরিষদ বিভাগ/মুখ্য সচিব, প্রধানমন্ত্রীর কার্যালয়, ঢাকা।
২. সচিব (সকল)-----মন্ত্রণালয়/বিভাগ, ঢাকা।
৩. সদস্য (সকল)-----পরিকল্পনা কমিশন, ঢাকা।
৪. গভর্নর, বাংলাদেশ ব্যাংক, ঢাকা।
৫. অনুবিভাগ প্রধান (সকল)-----অনুবিভাগ, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৬. মহা-ব্যবস্থাপক, ইসিডি, বাংলাদেশ ব্যাংক, ঢাকা।

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থনৈতিক সম্পর্ক বিভাগ
অর্থ মন্ত্রণালয়
সমন্বয়-৩ শাখা

নং: ইআরডি/সম-৩/নীতি-২০/২০০৭/

তারিখ: ১২/০২/২০০৮

পরিপত্রের সংশোধনী

বিষয়: সরবরাহ ঋণ/বায়ার্স ক্রেডিট প্রক্রিয়াকরণ নীতিমালা ও পদ্ধতি এর সংশোধনী প্রসঙ্গে।

সূত্র : ইউ,ও নোট নং-অসবি/নরডিক-১/ডেন-৪/SC-BC-DMC/২০০৭/১৫ তারিখ ১৫/০১/২০০৮।

উপর্যুক্ত বিষয় ও সূত্রের প্রেক্ষিতে জানানো যাচ্ছে যে, সরবরাহ ঋণ/বায়ার্স ক্রেডিট প্রক্রিয়াকরণ নীতিমালা ও পদ্ধতি সংক্রান্ত জারীকৃত পরিপত্র নং- ইআরডি/সম-৩/নীতি-২০/২০০২/১৩৭ তারিখ ০৭-০৯-২০০৬ এর অনুচ্ছেদ-৬ এ উল্লেখ রয়েছে “এ নীতিমালা বায়ার্স ক্রেডিটের ক্ষেত্রেও প্রযোজ্য হবে”। কিন্তু সম্প্রতি Danish Mixed Credit এবং অনুরূপ ঋণ গ্রহণের ক্ষেত্রে সরকারের যথাযথ কর্তৃপক্ষ কর্তৃক নিম্নোক্ত দু’টি সিদ্ধান্ত গৃহীত হয়েছেঃ

(ক) ডেনিশ মিক্সড ক্রেডিট বাস্তব অর্থে বায়ার্স ক্রেডিট বলে বিবেচ্য নয় এবং তা ০৭-০৯-২০০৬ তারিখে ইআরডি কর্তৃক জারীকৃত সাপ্লায়ার্স ক্রেডিট/বায়ার্স ক্রেডিট সংক্রান্ত নীতিমালা/পদ্ধতির অনুচ্ছেদ-৬ এর আওতাবহির্ভূত বলে বিবেচিত হতে পারে।

(খ) ইআরডি কর্তৃক ০৭-০৯-২০০৬ তারিখে জারীকৃত সরবরাহ ঋণ পরিপত্রের অনুচ্ছেদ-৬ (এ নীতিমালা বায়ার্স ক্রেডিটের ক্ষেত্রেও প্রযোজ্য হবে) সংশোধনের নিমিত্তে “তবে ডেনিস মিক্সডক্রেডিটের অনুরূপ ঋণ এই নীতিমালার আওতাভুক্ত হবে না “বাক্যটি সংযোজনের প্রয়োজনীয়তা আছে”

২। উপর্যুক্ত সিদ্ধান্তের আলোকে ইআরডি কর্তৃক জারীকৃত ইউ,ও নোট নং- ইআরডি/সম-৩/নীতি-২০/২০০২/১৩৭ তারিখ ০৭-০৯-২০০৬ এর “সরবরাহ ঋণ/বায়ার্স ক্রেডিট প্রক্রিয়াকরণ নীতিমালা ও পদ্ধতি সংক্রান্ত পরিপত্র” এর অনুচ্ছেদ-৬ এ উপরোক্তভাবে সংশোধিত হবে।

(গোলাম হরোয়ার হাওলাদার)
সহকারী প্রধান
ফোনঃ ৯১৪৫৪৬৪

বিতরণঃ

১. মন্ত্রিপরিষদ সচিব, মন্ত্রিপরিষদ বিভাগ/মুখ্য সচিব, প্রধানমন্ত্রীর কার্যালয়, ঢাকা।
২. সচিব (সকল) মন্ত্রণালয়/বিভাগ, ঢাকা।
৩. সদস্য (সকল) পরিকল্পনা কমিশন, ঢাকা।
৪. গভর্নর, বাংলাদেশ ব্যাংক, ঢাকা।
৫. অনুবিভাগ প্রধান (সকল) অনুবিভাগ, অর্থনৈতিক সম্পর্ক বিভাগ, ঢাকা।
৬. মহা-ব্যবস্থাপক, ইসিডি, বাংলাদেশ ব্যাংক, ঢাকা।

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
অর্থনৈতিক সম্পর্ক বিভাগ
প্রশাসন-৫

নং অসবি/২ এম-২৭/প্র-৫/৮৯/৯

পৌষ ২২, ১৩৯৭
তারিখঃ- -----
জানুয়ারী ০৬, ১৯৯১

বিষয়ঃ বিভিন্ন দেশে বাংলাদেশের রাষ্ট্রদূত, কনসাল জেনারেল ও অর্থনৈতিক উইং এর কর্মকর্তাগণের
সহিত সংশ্লিষ্ট দেশের কর্মকর্তাগণের অর্থনৈতিক বিষয়ে সাক্ষাৎকারের বিবরণ প্রেরণ প্রসঙ্গে।

বাংলাদেশ মিশনের প্রধানগণ, কনসাল জেনারেল এবং অর্থনৈতিক উইংয়ের কর্মকর্তাগণ মিশনের আওতাভুক্ত দেশসমূহে সংশ্লিষ্ট দেশের কর্মকর্তাগণের সংগে বিভিন্ন সময় সাক্ষাতকালে বৈদেশিক সাহায্য ও অর্থনৈতিক সহযোগিতার বিষয়ে যে সকল গুরুত্বপূর্ণ আলোচনা করিয়া থাকেন তাহার বিশদ বিবরণসহ একটি প্রতিবেদন সাক্ষাৎকারের পর পরই যথাসম্ভব অত্র বিভাগে প্রেরণ করার জন্য বিদেশস্থ বাংলাদেশের সকল রাষ্ট্রদূত, কনসাল জেনারেল এবং অর্থনৈতিক উইংয়ের সকল কর্মকর্তাগণকে অনুরোধ করা যাইতেছে। প্রতিবেদনে যে বা যে সকল খাত বা প্রকল্পে অর্থনৈতিক সহযোগিতার বিষয় আলোচিত হয় তাহার পূর্ণ বিবরণ এবং আলোচনার ফলাফল বিস্তারিতভাবে উল্লেখ করিয়া এই বিষয়ে পরবর্তীতে করণীয় কোন সুপারিশ থাকিয়া থাকিলে তাহাও উল্লেখ করিবার জন্য অনুরোধ করা যাইতেছে।

ইনাম আহমদ চৌধুরী
সচিব।

বিতরণঃ

- ১। সংশ্লিষ্ট রাষ্ট্রদূতগণ।
- ২। সকল ইকনমিক মিনিষ্টার/ইকনমিক কাউন্সেলর/প্রথম সচিব (ইকনমিক)।

অনুলিপিঃ

- ১। সচিব
মন্ত্রিপরিষদ বিভাগ
বাংলাদেশ সচিবালয়, ঢাকা।
- ২। সচিব
পররাষ্ট্র মন্ত্রণালয়, সেগুনবাগিচা, ঢাকা।
- ৩। অর্থনৈতিক সম্পর্ক বিভাগের সকল অনুবিভাগ প্রধানগণ।

13. FOREIGN AID BUDGET AND ACCOUNTS: BUSINESS PROCESS

Functions of FABA wing can be divided into two broad clusters. One is foreign aid management which includes compilation, analysis and reporting of commitments and disbursement and Preparing, monitoring and budgeting of ADP & RADP. The other one is the external debt management. The business process of FABA is presented below maintaining above two clusters of functions:

1. Foreign Aid Management:

1.1. Budgeting of External Resources:

FABA prepares projection of commitment for consecutive 3 years and projection of disbursement for consecutive 5 years to comply with the Medium Term Macro-Economic Framework (MTMF). For coordinating and trucking foreign aid mobilization activities, FABA maintains records of pipeline projects/ programs, widely known as borrowing program, by *categorizing highly probable and probable* according to the probability finalizing agreement of financing of the projects. To monitor achievement against target, FABA arranges monthly meeting, chaired by Secretary ERD, with all wing chiefs where status of each of pipeline projects is discussed and decisions are taken to accelerate signing procedure of the pipeline projects. FABA compiles all the record of commitments (signed financing agreements) during the financial year and make report and analysis for the authority concerned. Similarly, FABA collects disbursement data usually from donors and updates data and maintains monthly, quarterly and/or yearly disbursement reports. Besides reporting to Finance Division, Bangladesh Bank, World Bank and IMF, FABA evaluates achievement of commitment and disbursement compared to annual target and analyses the trends, identifies potentials and drawbacks, readjusts projections and future planning.

1.2. Allocation of project aids in ADP/ RADP and project monitoring.

In allocating of foreign aid to the projects included in the Annual Development Program (ADP) and revised ADP (RADP) FABA maintains national budgetary framework. To match with the national budgetary framework, allocations are made and presented into three different forms i.e., project wise, ministry wise and sector wise. Moreover, projects and allocation thereof are divided into investment projects and technical assistance projects following national planning process. To comply with Medium Term Budgetary Framework (MTBF) requirements, currently followed method of preparing national budget, FABA prepares initial projection of ministry-wise requirements of project aid for the forthcoming FY and following 4 FY depending on the information collected from the line ministries/divisions within December of each financial year. At the same time, considering requirements of the project aid of the ministries/division, possibility of getting aid in the form of budget support and non-ADP assistance, an estimation of resources to be channeled for financing development activities is made and sent to finance division. According to the projection made by ERD,

Finance Division fix up ministry/Division wise maximum ceiling for their development expenditure. Afterward, considering the ceiling and availability of resource, FABA allocates project aid against each project within respective ministry's portfolio. Following steps are taken in Preparing ADP and RADP:

- Projection of resource budget considering the expected inflow of foreign aid for upcoming financial year by using data base;
- Allocation of ministry wise project aid in consultation with line ministry;
- Sending ministry wise resource allocation to Finance Division and accordingly finance division circulates this resource ceiling as budget call circular-1 to prepare MTBF budget.
- Receiving ceiling from call circular-1 FABA invites each ministry along with every project director of that particular ministry to present rationality and practicality of their requirements.
- Weeklong meeting held in ERD to finalize the allocation of foreign aid into project with representative project director and line ministry.
- Preparing project wise, Ministry wise and sector wise allocation and send it to Programming Division of Planning Commission to reflect the project aid into ADP and RADP.
- FABA prepare ministry wise allocation and send to finance division to reflect the project aid into national budget.

Monitoring of the utilization of foreign aid is the most critical function of FABA. At present, during the time of preparation of RADP, the utilization of foreign aid is evaluated and accordingly the allocations of the projects are readjusted according to need and performance. Besides that, FABA makes some periodical analysis by using information collected from IMED and own data base to evaluate performance and makes report to the higher authority. In addition to that, some special measures are taken to oversee the performance of the big and important projects as per instructions of the higher authority. Moreover, FABA communicates with Concern DP and Project implementing agency and try to find out the obstacles of smooth Implementation and its solutions whenever a trend of slow disbursement is occurred. FABA has taken an initiative for development of Foreign Aid Management System (FAMS) to manage the foreign aid budgeting more efficiently.

2. External Debt Management:-

Constitution mandated the government to borrow external resources. According to Allocation of Business and The Rules of Business 1996, ERD is responsible for management & Repayment of public debt from External sources. The Parliament passes the Budget Law which sets the level of indebtedness for particular financial year. ERD prepares Annual Borrowing Plan which is part of Annual Budget.

The circular No. MF/EF-1(148)/73-2165, dated 4th September, 1973 issued by External Finance wing of Finance Division and its amended version No. MF/EF/B-1/1(4)81-82100(4), dated 15th August 1981, are the basis of external debt management. However, FABA also follows international practices and norms of debt management.

According to the existing circular of ERD no: ০৯.২৬১.০০৬.০০.০০.০০২.২০১৩-৭৩ ,তারিখঃ ৩০/০৬/২০১৩ the loan having a grant element of less than 25% is consider as non-concessional loan, if not a higher threshold is applicable in effect of an agreement between Bangladesh and International Financial Institution. External Aid has a pivotal role in bridging the gap between available resource and investment needs. The parliament decides how much resource will be collected from external sources in a financial year. Traditionally the overall deficit financing from foreign aid limits around 2% of the GDP. The ‘Debt management activities can be classified under three broad categories which are described below’:

2.1 Debt data management

Since 1995 FABA has been using Debt Management and Financial Analysis System (DMFAS), an UNCTAD launched software, for management of external debt. In 2013, DMFAS version was upgraded from version 5.3 to 6.0. Version 6.0 is a web- based system. On receipt of loan or grant agreement from any of the wings of ERD, respective section of FABA wing open a file for individual loan, allocate an identification number (ID) for each loan and grants and the basic details of loan such as the name of the lending agency, amount of loan, period of loan, rate of interest, other fees where applicable, grace period, disbursement period, and repayment schedule etc. are recorded in the DMFAS system. During the disbursement period, FABA wing receive actual disbursement notice from lenders through their Web mail or through front desk of ERD. Sometimes disbursement data are captured from Bangladesh Bank's letter of transferring loan to the concerned project account. After receiving disbursements advices, FABA records credit-line wise disbursement data into the system.

In the process, the system updates automatically credit-line wise total disbursement, outstanding debt, loan in the pipeline and other relevant data.

Most of the lending agencies follow a pre-reimbursement method for disbursement of loan amount according to project requirements. For this purpose, they maintain accounts with Bangladesh Bank in various foreign currencies and convertible taka under different nomenclature such as under:

- Convertible Taka Special Account (CONTASA): This account is held in taka and used by many lending agencies.
- Dollar Special Account (DOSA): This account is held in US dollar and used by IDA.
- IMPREST Account: This is held in different currencies and is generally used by ADB
- Special Account for Foreign Exchange (SAFE): This account is held in different currencies and is used by Japan and many other Development Partners.

2.2 Debt Servicing and Budgeting

FABA prepares budget in December of each year for all the debt service payments fall due to foreign creditors in the next fiscal year and sends it to Finance Division for making appropriate provisions in the budget and to BB for preparation of balance of payments. FABA arranges payment of periodical interest and repayment of loan installments according to amortization schedule of respective loan on due dates. On receipt of bills from the respective creditors, concerned FABA Section verifies it with records and issues a Government Order (GO) mentioning amount that is required to be paid, the date on which the remittance is to be made and the name of the lending agency to whom the remittance is required to be made, specific Bank and Account number of the lending agency etc. to BB to effect the remittance. After the remittance is given effect to, BB sends an advice to FABA indicating the value date, amount in taka as well as loan repayment currency. Accordingly FABA made necessary entries in the DMFAS system. In general, steps of executing debt servicing can be summarized as follows:

- Collection of debt servicing bills from creditors and verification with records.
- Issuance Government Order (GO) to Bangladesh Bank (BB) for arranging payment to creditors accounts.
- BB makes necessary arrangement for payments through Intermediary Bank by debit it to government account.
- Recording payments details according to payment advice of BB sent to FABA.
- Updating payments record of the DMFAS.

In addition, copy of each GO is always sent to budget wing of FD, CGA, related implementing agency and concern front desk of ERD. Loan records including payments/ repayments that are made from time to time and loan by loan outstanding balances are reconciled with respective lending agencies at periodical intervals and yearly expenditures on account of debt servicing is reconciled with BB and CGA at the end of every financial year.

2.3 Debt Analysis and Reporting

Analysis related to debt and reporting is a day to day job of FABA wing. Credit wise loan disbursement, outstanding, loan in the pipe line, debt servicing status and projection are the few common features used by FABA to get know the debt scenario of external loan. Besides that, creditor wise loan portfolio analysis, total outstanding, sourcing diversity ratio, concessionality ratio, grant element of loan, Net Present Value of total outstanding loan and debt servicing at any given time and comparison of financial terms and conditions among creditors are commonly used criterions to get a understanding about present status and future trends. Above all, debt sustainability analysis of Bangladesh external debt portfolio is measured at the end of each financial year to examine comfort zone and or issues of concern. There are internationally recognized indictors and threshold level prescribed by IMF and World Bank for assessment of debt sustainability of a country. According to World Bank's Country Policy and Institutional Assessment (CPIA), Bangladesh is a "medium performer" country. As medium performer

country Bangladesh uses following indicators and thresholds in assessing debt sustainability:

- a) Threshold of debt volume: -
 - 1. Debt-to-GDP ratio- 40%;
 - 2. Debt-to-exports ratio-150%
 - 3. Debt-to-revenue ratio-250%.

- b) Threshold of debt service:-
 - 1. Debt service-to-exports ratio-20%
 - 2. Debt service-to-revenue ratio-30%

These thresholds are applicable to public and publicly guaranteed external debt. Bangladesh has a long track record of maintaining comfort zone considering the level of threshold for each of the indicators. Bangladesh is considered as less indebtedness country till now.

FABA prepares various periodic reports on external debt and ensures compliance with international debt reporting requirement such as Quarterly External Debt Statistic (QEDS) of World Bank, Extended Credit Program (ECF) of IMF. Besides that, FABA also participates in the exercise of evaluating Debt Management Strategy (MTDS) and Debt Management Performance Analysis (DeMPA) with World Bank, Debt sustainability analysis with IMF and Credit Rating Agencies such as Standard and Poor's Rating Services, Moody's Investors Service. On the other hand, FABA regularly makes reports on debt status to the various national organizations such as Bangladesh Bank, Finance Division, Controller General of Accounts and Parliament. In generating reports and analyzing data on external debt, FABA uses DMFAS software.

FABA is responsible to publish the flagship publication of ERD- 'Flow of External Resources into Bangladesh'. For this publication, FABA collects all the relevant data, information from national and international level and maintains time series data on external debt and its analysis on various parameters.

14. THE ROLE OF BANGLADESH MISSIONS ABROAD IN THE MOBILIZATION OF EXTERNAL RESOURCES.

(Instruction No. 400/SECY/ERDi80, Dated 30-12-1980.)

1. Early in 1980-81 the Finance Minister addressed most Ambassadors on the subject of mobilization of aid and investment. In the mobilization of external resources, our missions abroad are expected to play an effective role. In order that this role may be performed, the communication between ERD and the missions should be institutionalised. The following instructions are issued with this objective in mind and also to systematise various existing practices.

2. Henceforward missions will be given targets for aid mobilisation on a periodical basis and will be expected to report on their efforts on a regular basis not only to ERD but also to Planning, Foreign Affairs and President's Secretariat.

3. Heads of Missions are expected to attend to aid matters. In missions where there are economic officers they are expected to do the major work in this respect under the direct supervision and guidance of the Head of the Mission.

4. For relations with the World Bank, IMF and Asian Development Bank, our Resident Directors (presently Alternate Executive Director) will remain responsible. Our relations with EEC will be conducted by the Mission in Brussels. With UNDP, UNICEF, UNFPA and ECOSOC the liaison will be maintained by the Permanent Mission in New York. The Mission in Rome will be responsible for relations with IFAD and WFP. The mission in Bonn will conduct relations with OPECFID. The mission in Jeddah will keep liaison with IDB. The mission in Bangkok will take care of relations with ESCAP.

5. The following system will be followed to feed information to the missions abroad. Where economic wings operate such information will be furnished to both the Mission Chief and the Economic Officer. Missions should be widely used to expedite decisions at capitals of Development Partners, to explain cases to the headquarters of the Development Partners and to brief ERD on how to approach the Development Partners or pursue a case:

(1) Whenever a request or assistance is made to a Development Partner our mission in that Development Partner country or agency should be informed simultaneously.

(2) Aid Group Memorandum and Aid Group Meeting Report should be furnished to all mission as early as possible. They should also be furnished list of Aid Worthy Projects whenever it is made ready.

(3) Meetings of Developments forum like UNDP, UNCTAD, OECD, Development Committee should be notified to concerned missions.

(4) Reports on Joint Commission meetings or reviews of follow-up actions should be communicated to concerned missions.

(5) Reports on visits from a Development Partner agency should be furnished promptly to our missions.

(6) Annual Aid Flow statement and Report on Activities should be furnished to missions.

(7) Occasionally country briefs may be updated for the information of our missions. The Missions in their turn are expected to provide information to ERD on aid climate in the countries, development in the economies with bearing on aid and trade, important international negotiations on aid matters and periodical reports on aid and investment flow.

(N.B- The word Development Partner(s) is substituted the words Development Partner(s).

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

অর্থ মন্ত্রণালয়

অর্থনৈতিক সম্পর্ক বিভাগ

প্রশাসন-৫ শাখা

শেরে বাংলা নগর, ঢাকা।

নং-০৯.৩১৫.০২৪.০১.০৮.১৫৪.২০১১

তারিখঃ

১২ মাঘ ১৪১৮

২৫ জানুয়ারি ২০১২

পরিপত্র

বিষয়ঃ বিদেশস্থ বাংলাদেশ দূতাবাসের ইকনমিক উইংসমূহের কাজের গতিশীলতা আনায়ন সংক্রান্ত।

অর্থনৈতিক সম্পর্ক বিভাগের আওতাধীন বিদেশস্থ বাংলাদেশ দূতাবাসের ইকনমিক উইংসমূহের কাজের গতিশীলতা আনায়নের লক্ষ্যে নিম্নলিখিত নির্দেশনাসমূহ অনুসরণ করার জন্য পরামর্শ প্রদান করা হলঃ

- (1) অর্থনৈতিক সম্পর্ক বিভাগ কর্তৃক প্রণীত Handbook-এ ইকনমিক উইং সম্পর্কিত নির্দেশনা অনুযায়ী কার্যক্রম গ্রহণ করতে হবে।
- (2) বাজেট ও নিরীক্ষা সংক্রান্ত বিষয়সমূহ নিয়মিতভাবে এ বিভাগের প্রশাসন-৫ শাখা হতে নিয়মিত মনিটরিং করতে হবে।
- (3) এ বিভাগ কর্তৃক যৌথ অর্থনৈতিক কমিশন সভা আয়োজনের মাধ্যমে সম্পাদিত দ্বিপাক্ষিক ও বহুপাক্ষিক আর্থিক ও কারিগরি চুক্তির প্রতিবেদন এবং বিভিন্ন পর্যায়ে বিদেশী প্রতিনিধিদলের বাংলাদেশ সফর সম্পর্কিত প্রতিবেদন স্ব স্ব উইং কর্তৃক প্রস্তুতপূর্বক যুগপৎ মিশন প্রধান/ইকনমিক উইং প্রধানদের নিকট প্রেরণ করতে হবে।
- (4) উন্নয়ন সহযোগী সংস্থার নিকট ইতঃপূর্বে প্রেরিত উন্নয়ন সহায়তা সম্পর্কিত প্রস্তাবনার অনুলিপি সংশ্লিষ্ট উইং কর্তৃক সকল মিশন প্রধান ও ইকনমিক উইং প্রধানগণের নিকট প্রেরণ করতে হবে।
- (5) বাংলাদেশ উন্নয়ন ফোরাম, Local Consultative Group (LCG) এবং অনুরূপ গ্রুপ/সাব গ্রুপের সভায় গৃহীত সিদ্ধান্ত/প্রতিবেদন সংশ্লিষ্ট উইং/শাখা কর্তৃক মিশন/ইকনমিক উইংসমূহে প্রেরণ করতে হবে।
- (6) বিদেশস্থ ইকনমিক উইং এ কোন কর্মকর্তা যোগদানের পূর্বে এবং এ বিভাগে নতুন কোন কর্মকর্তা যোগদান করলে, অর্থনৈতিক সম্পর্ক বিভাগের কার্যাবলী অবহিত করার জন্য প্রশাসন উইং কর্তৃক অবহিতকরণ কর্মসূচির আয়োজন করতে হবে।
- (7) বিদেশস্থ ইকনমিক উইংয়ে নতুন কর্মকর্তা নিয়োগের পর নতুন কর্মস্থলে যোগদানের প্রাক্কালে এ বিভাগের সকল উইং প্রধানদের নিকট থেকে ভবিষ্যত দায়িত্ব ও কার্যাবলী সম্পর্কে প্রাথমিক ধারণা লাভের জন্য প্রশাসন উইং কর্তৃক প্রয়োজনীয় ব্যবস্থা গ্রহণ করতে হবে।
- (8) বিদেশস্থ বাংলাদেশ দূতাবাসের ইকনমিক উইংসমূহকে বিদ্যমান Report Format এর পরিবর্তে সংশোধিত Report Format অনুযায়ী Quarterly Report প্রেরণ করতে হবে।
- (9) শুধুমাত্র 4th Quarterly Report এর ক্ষেত্রে Quarterly Report না পাঠিয়ে তা Annual Report আকারে প্রেরণ করতে হবে।
- (10) সকল ইকনমিক উইং এর বার্ষিক প্রতিবেদন সমন্বিত করে ERD হতে ইকনমিক উইংসমূহের কার্যক্রমের বার্ষিক প্রতিবেদন প্রকাশ করতে হবে।
- (11) MTBF বাজেট ব্যবস্থাপনায় ERD-এর প্রধান প্রধান কার্যাবলী বাস্তবায়নের লক্ষ্যে বছর ভিত্তিক কর্ম পরিকল্পনা প্রণয়ন করার জন্য ইকনমিক উইং প্রধানদের পরামর্শ প্রদান করা হল।

(ইকবাল মাহমুদ)

সিনিয়র সচিব

বিতরণঃ কার্যার্থে

- ১। মান্যবর রাষ্ট্রদূত/হাই কমিশনার.....।
- ২। উইং প্রধান.....অর্থনৈতিক সম্পর্ক বিভাগ (সকল)।
- ৩। ইকনমিক উইং.....বিদেশস্থ বাংলাদেশ মিশন (সকল)।
- ৪। সচিব মহোদয়ের একান্ত সচিব, অর্থনৈতিক সম্পর্ক বিভাগ।
- ৫। উপ-সচিব (প্রশাসন) মহোদয়ের ব্যক্তিগত কর্মকর্তা, অর্থনৈতিক সম্পর্ক বিভাগ।

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
অর্থনৈতিক সম্পর্ক বিভাগ
প্রশাসন-৫

নং- অসবি/২এম-২৭/প্র-৫/৮৯/৮
বাং

তারিখ- পৌষ ২২, ১৩৯৭

জানুয়ারী ০৬,

১৯৯১ ইং

বিষয়ঃ- বিদেশস্থ বাংলাদেশ দূতাবাসের অর্থনৈতিক উইং কর্তৃক ষাণ্মাসিক প্রতিবেদন প্রেরণ সংক্রান্ত।

অর্থনৈতিক সম্পর্ক বিভাগের ১৫ই আগস্ট, ১৯৮৯ ইং তারিখের বসবি/২ এম-২৭/প্র-৫/৮৯/১৩৫ নম্বর স্বারক মারফত বিভিন্ন দেশে বাংলাদেশ মিশনের অর্থনৈতিক উইংয়ের কর্মকর্তাগণকে মিশনের আওতাভুক্ত দেশসমূহের অর্থনৈতিক পরিস্থিতি এবং বৈদেশিক সহযোগিতা প্রদানের পদ্ধতি ও পরিমাণ এবং উক্ত দেশসমূহ হইতে বাংলাদেশে প্রাপ্ত বৈদেশিক সাহায্য ও সহযোগিতার পরিমাণ ও উহার ব্যবহার উল্লেখ করিয়া পারস্পরিক অর্থনৈতিক সহযোগিতা বৃদ্ধির সুপারিশসহ ষাণ্মাসিক প্রতিবেদন অর্থনৈতিক সম্পর্ক বিভাগে প্রেরণের নির্দেশ জারী করা হইয়াছিল কিন্তু এ পর্যন্ত এক-দুইটি ছাড়া বাকী কোন অর্থনৈতিক উইং হইতে প্রতিবেদন পাওয়া যায় নাই। ইহা একটি দুঃখজনক পরিস্থিতি এবং সরকার এই ব্যাপারে অসন্তোষ প্রকাশ করিতেছেন।

২। বর্ণিত অবস্থার পরিপ্রেক্ষিতে অর্থনৈতিক উইংয়ের কর্মকর্তাগণকে বৎসরে চারবার উল্লেখিত সাময়িক প্রতিবেদন অবশ্যই এই বিভাগে প্রেরণ করার জন্য পুনরায় নির্দেশ দেওয়া যাইতেছে। এতদসংক্রান্ত প্রথম প্রতিবেদনটি জানুয়ারী, ১৯৯১ এর মধ্যে অবশ্যই পাঠাইবার জন্য অনুরোধ জানানো হইতেছে। পরবর্তী রিপোর্টগুলি এপ্রিল, জুলাই এবং অক্টোবর মাসে পাঠাইতে হইবে। উক্ত প্রতিবেদনে অন্যান্য বিষয়ের মধ্যে সংশ্লিষ্ট দেশের নিম্নোক্ত তথ্যাদি অন্তর্ভুক্ত থাকিবেঃ

- (ক) সর্বশেষ অর্থনৈতিক অবস্থা।
- (খ) প্রবৃদ্ধির হার।
- (গ) তৃতীয় বিশ্বের দেশসমূহের বৈদেশিক সাহায্য প্রদানের নীতিমালা।
- (ঘ) বিভিন্ন দেশে প্রদত্ত বৈদেশিক সাহায্যের পরিমাণ।
- (ঙ) ফলপ্রসূ অর্থনৈতিক সহযোগিতা বৃদ্ধির সম্ভাবনা।
- (চ) যে সব দেশের সংগে অর্থনৈতিক সহযোগিতা চুক্তি রহিয়াছে, সেই সব দেশে চুক্তির কার্যকারিতা এবং কোন সমস্যা থাকিলে তাহা দূরীকরণের উপর আলোকপাত। রাষ্ট্রদূত বা সংশ্লিষ্ট কর্মকর্তা ইচ্ছা করিলে সংশ্লিষ্ট অন্য কোন বিষয়ও এই রিপোর্টেও অন্তর্ভুক্ত করিতে পারেন।

৩। উপরোল্লিখিত বিষয়গুলির উপর রাষ্ট্রদূতবৃন্দকে ষাণ্মাসিক প্রতিবেদন পাঠাইবার অনুরোধ জানানো হইতেছে। তাঁহাদের রিপোর্টে বিশদ বিবরণ না থাকিলেও চলিবে তবে তাঁহাদের প্রদত্ত মন্তব্য এবং সুপারিশসমূহকে বিশেষ গুরুত্ব সহকারে বিবেচনা করা হইবে। তাঁদের রিপোর্ট প্রত্যেক বছর জানুয়ারী এবং জুলাই মাসে দেয় হইবে।

ইনাম আহমদ চৌধুরী
সচিব।

বিতরণঃ

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
অর্থ মন্ত্রণালয়
অর্থনৈতিক সম্পর্ক বিভাগ
সমন্বয় অধিশাখা।

নং- ইআরডি/সমন্বয়-৩/বিবিধ-১৩/৯০/১০১
ইং

তারিখ- ২২/৭/ ১৯৯২

১৪/৪/১৩৯৯

বাং

বিষয়ঃ- বিদেশী মিশনের সাথে সমাপনী বৈঠক অনুষ্ঠান প্রসংগে।

নিম্ন স্বাক্ষরকারী আদিষ্ট হইয়া জানাইতেছে যে, উন্নয়ন প্রকল্প/কার্যক্রমের জন্য বৈদেশিক সাহায্য প্রক্রিয়নের বিভিন্ন পর্যায়ে যথা প্রকল্প/কার্যক্রমের প্রাথমিক চিহ্নিত করণ, প্রাক মূল্যায়ন পর্যায়ে প্রকল্প/কার্যক্রম প্রণয়ন, প্রকল্প/কার্যক্রম মূল্যায়ন বাস্তবায়নাদীন প্রকল্প/কার্যক্রম পরিদর্শন ও প্রকল্প/কার্যক্রম বাস্তবায়নোত্তর মূল্যায়ন এর জন্য উন্নয়ন সহযোগী সংস্থা/দেশের মিশন বাংলাদেশে আগমন করিয়া থাকে। এই সকল মিশনের কার্যকলাপের মধ্যে সরকারের সংশ্লিষ্ট মন্ত্রণালয়/বিভাগ এবং সংস্থার সহিত যোগাযোগ এবং আনুষ্ঠানিক আলোচনা অন্তর্ভুক্ত। সাধারণতঃ মিশনগুলি তাহাদের কর্ম সম্পাদনান্তে বাংলাদেশ ত্যাগের পূর্বে সরকারের সহিত মিশন সমাপনী বৈঠকে (র্যাপ-আপ) মিলিত হয়। এই ধরনের র্যাপ-আপ বৈঠকে মিশনের কার্যপরিধিতে অর্ন্ততত্ত্ব বিষয়াবলী সম্পর্কে মতৈক্য অথবা মতানৈক্য পর্যালোচনা করিয়া উভয় পক্ষের পরবর্তী করণীয় কার্যাদি চিহ্নিত করা হয়। বৈদেশিক সাহায্য সংক্রান্ত এ সমস্ত মিশনের সমন্বয় নিশ্চিত করা ই,আর,ডি/র দায়িত্ব। র্যাপ-আপ বৈঠকও প্রচলিত রীতি অনুযায়ী ই, আর, ডিতে অনুষ্ঠিত হয়। এ সমন্ধে অনুসরণীয় নীতিমালা সার্কুলার নং-ইআরডি/সমন্বয়-১/বিবিধ-৩/৮১ তারিখ ১৬/১১/৮১ উদ্ধৃত রহিয়াছে।

এই সকল মিশনের সহিত যোগাযোগ এবং সভা আয়োজনের ক্ষেত্রে সরকারের প্রতিষ্ঠিত অনুসরণীয় নীতি কতিপয় মন্ত্রণালয়/বিভাগ এবং সংস্থা যথাযথভাবে পালন করিতেছে না এবং কোন মিশনের ক্ষেত্রে স্ব-উদ্যোগে র্যাপ-আপ বৈঠক করিতেছেন। ইহার ফলে উন্নয়ন সহযোগী দেশ/ সংস্থাসমূহের সহিত যোগাযোগে নিয়মতান্ত্রিকতা ও শৃংখলা বজায় রাখা অর্থনৈতিক সম্পর্ক বিভাগের জন্য দুর্বহ হইয়া পড়িতেছে।

বৈদেশিক সাহায্য আহরণ ও প্রক্রিয়ন প্রচেষ্টা সুসমন্বিত করিবার লক্ষ্যে উন্নয়ন সহযোগী দেশ/সংস্থার মিশনসমূহের সহিত যোগাযোগ ও সভা আয়োজনের ক্ষেত্রে অনুসরণীয় নিম্নোক্ত নীতিমালার প্রতি সকলের দৃষ্টি আকর্ষণ করা যাইতেছেঃ

(ক) উন্নয়ন সাহায্য প্রক্রিয়ন সংশ্লিষ্ট সকল বিদেশী মিশন সরকারীভাবে স্বীকৃত হইবার জন্য তাহাদের আগমনে অর্থনৈতিক সম্পর্ক বিভাগের পূর্বানুমতি আবশ্যিক।

(খ) প্রকল্প/কার্যক্রম চিহ্নিত করণ, প্রাক মূল্যায়ন পর্যায়ে প্রকল্প/কার্যক্রম প্রণয়ন, বাস্তবায়নাদীন প্রকল্প/কার্যক্রম পরিদর্শন এবং বাস্তবায়নোত্তর মূল্যায়নের জন্য আগত মিশনসমূহের সহিত আলোচ্য সভা সংশ্লিষ্ট মন্ত্রণালয় প্রয়োজনানুসারে আয়োজন করিতে পারেন। তবে প্রতিটিক্ষেত্রে ইআরডি কে অবশ্যই অবহিত করিতে হইবে।

(গ) প্রকল্প/কার্যক্রম মূল্যায়ন (appraisal) করিবার জন্য এবং অথবা মূল্যায়নের পর প্রকল্প কার্যক্রম এর অংশাবলী, পরিধি, সাহায্যের পরিমাণ, সাহায্য শর্ত, ইত্যাদি চূড়ান্তভাবে চিহ্নিত করিয়া আনুষ্ঠানিক আলোচনার (formal negotiation) পূর্বে সরকারের সহিত পর্যালোচনা/মতবিনিময় করিবার জন্য আগত মিশনের সহিত “র্যাপ-আপ” সভা সর্বক্ষেত্রে অর্থনৈতিক সম্পর্ক বিভাগ আয়োজন করিবে।

এখানে উল্লেখ্য যে উপরেল্লিখিত ব্যবস্থা মাননীয় অর্থমন্ত্রী এবং ECNEC এর বিকল্প চেয়ারম্যান কর্তৃক অনুমোদিত এবং সরকারের রুলস অব বিজনেস সম্মত।

এম, আজিজুর রহমান
উপ-প্রধান।

বিতরণঃ

১। সচিব,

২। ভারপ্রাপ্ত অতিরিক্ত সচিব,

অনুলিপিঃ

১। সকল অনুবিভাগ প্রধান, ই আর ডি।

২। মাননীয় অর্থ মন্ত্রীর একান্ত সচিব।

৩। সচিব মহোদয়ের একান্ত সচিব, ই আর ডি (অর্থনৈতিক সম্পর্ক বিভাগ)।
অর্থনৈতিক সম্পর্ক বিভাগ
জাপান উপ-বিভাগ

নং- ইআরডি/জাপ-২/২৫/৯২/১৮৫
১৯৯২ ইং

তারিখঃ ৪-৮-

সম্প্রতি লক্ষ্য করা যাইতেছে যে, বিভিন্ন মন্ত্রণালয়/বিভাগ বিদেশী বেসরকারী বাণিজ্যিক সংস্থা কর্তৃক কোন একটি বিশেষ প্রকল্পের সম্ভাব্যতা যাচাইয়ের প্রস্তাবে সম্মতি জ্ঞাপনের জন্য তাহাদের প্রস্তাব অর্থনৈতিক সম্পর্ক বিভাগের প্রেরণ করিয়া থাকে। বিদেশী বেসরকারী সংস্থা দ্বারা কোন প্রকল্পের সম্ভাব্যতা যাচাইয়ের বিষয়ে অত্র বিভাগ কর্তৃক আনুষ্ঠানিক সম্মতি জ্ঞাপনের কোন বিধান নাই। কারণ বিদেশী সাহায্যের জন্য সরকারীভাবে প্রস্তাবিত প্রকল্পসমূহের জন্য সংশ্লিষ্ট দাতা সংস্থা সম্ভাব্যতা যাচাই করে।

বিনা খরচ ও কোন রকম বাধ্যবাধকতা ছাড়া সম্ভাব্যতা যাচাই করা সংক্রান্ত কোন বিদেশী বেসরকারী সংস্থার প্রস্তাব সম্মতির জন্য অর্থনৈতিক সম্পর্ক বিভাগের প্রেরণ করার প্রয়োজন নাই। মন্ত্রণালয়/বিভাগ প্রকল্পের সম্ভাব্যতা রিপোর্ট বিবেচনা করিয়া গ্রহণযোগ্য মনে করিলে এবং সরকারের নীতিমালার সাথে উহা সংগতিপূর্ণ হইলে, রিপোর্টের ভিত্তিতে প্রয়োজনীয় প্রকল্প দলিল প্রণয়ন করিতে পারে। প্রণীত প্রকল্প দলিল প্রচলিত বিধিমাফিক প্রক্রিয়াজাত করা হইলে কেবল উহা অর্থায়নের জন্য অর্থনৈতিক সম্পর্ক বিভাগ পরবর্তী পদক্ষেপ গ্রহণ করিবে।

দেওয়ান জাকির হোসেন
উপ-সচিব।

বিতরণঃ

১। সকল মন্ত্রণালয়ের সচিব/ভারপ্রাপ্ত সচিববৃন্দ।