

Methodology

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

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