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Bangladesh: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

May 13, 2013

The following item is a Letter of Intent of the government of Bangladesh, which describes the policies that Bangladesh intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Bangladesh, is being made available on the IMF website by agreement with the member as a service to users of the [IMF](#) website.

Bangladesh—Letter of Intent

13 May, 2013

Ms. Christine Lagarde
Managing Director
International Monetary Fund
Washington, D.C. 20431

Dear Ms. Lagarde:

Our economy continues to show favorable developments despite a challenging global environment. Exports are picking up, remittances remain strong and inflation pressures have eased over the past year, supported by our prudent fiscal and monetary policies and complemented by the support of the IMF's Extended Credit Facility (ECF). International reserves, by the program's definition, stood at US\$14.5 billion as of end-April 2013, almost double the lows in late 2011. Prudent policies have further strengthened our capacity to respond to shocks, and will provide an anchor to preserve macroeconomic stability as we approach national elections, due by January 2014.

Under our ECF-supported program, we met all the quantitative performance criteria (PC) as of end-December 2012, and most of the indicative targets at end-December 2012 and end-March 2013. We also met our key structural benchmarks. In this regard, I would like to inform you that the new VAT law, which was passed by the National Parliament in November 2012, is now firmly in the implementation phase, following my approval of an implementation plan and timetable. Draft amendments to the Bank Companies Act were also submitted to the National Parliament, aiming to strengthen banking system governance and the supervisory mandate of the central bank. We also confirm completion of all the prior actions under the second review of the ECF arrangement. These and other details of our policy program are set out in the attached Memorandum of Economic and Financial Policies (MEFP), which extends our commitments to end-June 2014.

To further buttress international reserves while preserving our monetary targets, we are requesting an increase in the end-June 2013 PC on net international reserves of Bangladesh Bank (BB), and an attendant reduction of the PC on BB's net domestic assets. We would also like to request a modest increase in the government's bank borrowing PC ceilings for June 2013, to account for slightly weaker-than-expected non-bank financing, with the overall fiscal deficit on track to meet the programmed target. Finally, we are requesting an increase in our nonconcessional debt ceiling to accommodate loan guarantees for critical power infrastructure for the period to June 2014. As the MEFP indicates, we are putting in place measures to strengthen our debt management practices, so as to ensure compliance with program targets.

BANGLADESH

We believe that our commitments, as outlined in the MEFP, are adequate to achieve program objectives, but we may consider further measures, as appropriate, for this purpose. In this context, the Government of the People's Republic of Bangladesh is requesting completion of the second review under the ECF arrangement and access to the third disbursement in the amount of SDR 91.423 million.

To ensure strong performance under the ECF arrangement, we will continue to maintain a close policy dialogue with the IMF and pursue technical assistance, as necessary, from the IMF and other development partners in support of our reform agenda. We will also consult with the IMF on the adoption of measures and in advance of revisions to the policies contained in the MEFP, in accordance with the IMF's policies on such matters. Moreover, we will provide the IMF with information in connection with our progress in implementing the policies and achieving the objectives of the program. We also authorize publication of this Letter of Intent and its attachments, as well as the accompanying staff report.

Sincerely yours,

/s/

Abul Maal Abdul Muhith
Minister of Finance
Government of the People's Republic of Bangladesh

Attachments: Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding

Attachment 1. Bangladesh—Memorandum of Economic and Financial Policies

May 13, 2013

This memorandum updates the Memorandum of Economic and Financial Policies (MEFP) dated February 10, 2013 under the Government of Bangladesh's three-year Extended Credit Facility (ECF) arrangement, extending quantitative targets, structural benchmarks, and other reform commitments to end-June 2014.

I. RECENT DEVELOPMENTS

1. Economic developments have been broadly in line with our program. Despite global uncertainties, exports are picking up, remittances remain strong, reserves continue to rise, and inflation pressures have eased over the past year, supported by our restrained fiscal and monetary policies. However, there are signs that political tensions and episodes of violence in recent months may be affecting economic activity. The tragic building collapse in April 2013 in Savar may additionally impact the garment sector. To safeguard the macroeconomic stabilization gains achieved so far, our policies will remain prudent.

II. FISCAL POLICY AND DEBT MANAGEMENT

2. Fiscal performance in FY13. We are on track to meet our FY13 fiscal target of an overall budget deficit (excluding grants) of 4.5 percent of GDP. Tax revenue has fallen short of program indicative targets (ITs), as supplementary duties and other taxes on imports have been lower than expected reflecting slower import growth. However, expenditure has been kept under control, in part through containment of fuel and electricity subsidies following administered fuel price increases. As a result, we have met our performance criterion (PC) on net credit to the central government (NCCG) by the banking system at end-December 2012—the second test date of the ECF arrangement. In the immediate term, we are seeking to buttress revenue collections through more aggressive tax enforcement, focusing on recovering arrears at state owned enterprises (SOEs), curbing leakages from bonded warehouses, and a comprehensive rollout of the Alternative Dispute Resolution mechanism at the customs level. We are also following through with implementation of the revenue measures announced in the FY13 budget.

3. FY14 fiscal targets. We are committed to adhering to a programmed budget deficit (excluding grants) target of 4.3 percent of GDP in FY14, anchored by restricting the change in NCCG to Tk 229 billion. While slowing economic activity could make tax revenue targets more challenging, we intend to strengthen revenue collections in FY14 by further removing exemptions and phasing out truncated bases for the value added tax (VAT), and strengthening auditing and compliance. On expenditures, following a series of retail price adjustments over the past 18 months, we will emphasize cost containment measures for fuel and electricity

subsidies. Within the programmed spending envelope, we intend to further boost social-related spending (an IT) and significantly increase capital spending in the Annual Development Program (ADP), including for a continuation of the Padma Bridge project, in order to meet our key social and developmental goals.

4. Tax and revenue administration reforms. We remain committed to further progress in modernizing our tax codes, broadening the tax base, and putting in place a sound tax administration framework. To this end, we are making progress towards automating issuance of taxpayer identification numbers (a June 2013 benchmark) and will address any regulatory hurdles to establish a link with the national identification database. We will also advance our VAT implementation plan, which was approved by the Minister of Finance in March 2013. In this regard, we will take steps towards finalizing a contract for a tax automation system by December 2013 (a new benchmark).

5. Public financial management (PFM) reforms. We issued guidelines on budget monitoring and reporting under the Public Money and Budget Management Act (a June 2013 benchmark). To strengthen cash and expenditure controls, we will place limits by December 2013 on government borrowing from Bangladesh Bank (BB) through the overdraft facility, and institutionalize cash flow forecasting, establishing a system of quarterly fund releases and developing monthly cash plans consistent with those releases by March 2014. We will also ensure that subsidy costs incurred by Bangladesh's Petroleum Corporation (BPC), Power Development Board (BPDB), and Chemical Industries Corporation (BCIC) are fully funded by timely transfers from the central government to prevent recurrence of the December 2012 breach of the IT on state-owned commercial bank (SOCB) loans to these SOEs.

6. Subsidy costs and state enterprise reforms. On energy subsidies, we commit to settle BPC's past-due subsidy-related loans held by the SOCBs through the issuance of special bonds by June 2013. As indicated in the previous paragraph, we remain intent on making timely budgetary transfers to BPC to cover subsidy costs, fully reflecting these in the FY14 Budget. This commitment has been formalized in a plan setting out the schedule of disbursements from the government to BPC through June 2013, and issuing instructions by the Ministry of Finance that BPC meet its foreign exchange needs through June 2013 by direct purchases from BB or the local market to reduce its dependency on short-term expensive borrowing (a prior action). Consistent with this and our overall objective of bringing subsidy costs on-budget, BPC's net short-term external borrowing will continue to be limited in 2013 (an IT). We also remain committed to capping the gap between international and domestic fuel prices to Tk 10 per liter on average to keep fuel subsidy costs in check, further adjusting prices if necessary. Further savings are expected to be identified after completion of efficiency audits of the fuel, electricity, and fertilizer-related SOEs (a June 2013 benchmark). New management has been put in place at Biman Bangladesh Airlines. Completion of a five-year strategic plan for Biman, expected by June 2013, will remain a pre-condition for any future government guarantees tied to aircraft purchases.

7. External public debt management. We will focus our external borrowing, including the contracting and guaranteeing of nonconcessional external debt, on high impact projects to meet our critical development needs. In this regard, we will take steps to strengthen our debt management practices ahead of any sovereign bond issuance. We will also formally request, by April 2013, a Debt Management and Performance Assessment (DEMPA) from the World Bank, the results of which will guide our medium-term debt strategy, to be finalized by December 2013. We will establish a technical committee on nonconcessional external borrowing chaired by an Additional Secretary/a Joint Secretary in the Ministry of Finance (a prior action). This committee will meet monthly, beginning immediately after its formation, to monitor and report on nonconcessional borrowing to ensure compliance with the limits set in the ECF program. In addition, the committee will draft revised terms of reference (TOR) for the Cabinet's Hard-Term Loan Committee (HTLC). The notification for the revised TOR will be issued by June 2013 (a new benchmark). The revised TOR will: (i) ensure that the HTLC oversees all nonconcessional borrowing contracts, covering loans, guarantees, and trade credits (excluding normal import financing) by the public sector and for all purposes; and (ii) determine nonconcessional based on the grant element of the credit, in line with international best practices.

8. National Savings Certificates (NSC). A government committee has provided recommendations on reforming the NSC scheme, which were finalized in March 2013, in order to incentivize these retail saving instruments as a source of non-bank government financing. Consistent with the recommendations, we plan to bring taxation of interest on NSCs in line with other government debt instruments by June 2013. For other recommendations we will also work out a time-bound implementation plan.

III. MONETARY POLICY AND CENTRAL BANK OPERATIONS

9. Monetary and exchange rate policy. We will maintain a prudent monetary stance to safeguard macroeconomic stability and keep inflation in check, while allowing adequate space for private credit growth. We exceeded our end-December 2012 net international reserves (NIR) target (a PC) by over US\$3 billion (program definition). Bangladesh Bank will continue to accumulate reserves when market conditions are appropriate, and will step up sterilization of foreign exchange intervention to protect program targets. To further deepen the foreign exchange and government debt markets, in April 2013 we have: (i) raised limits on banks' net open positions; (ii) introduced a two-year Treasury bond to better match investor demand; and (iii) removed the one-year holding period for nonresident holdings of Treasury securities. We also remain committed to gradually reducing the devolvement of Treasury securities in order to restore the integrity of the primary dealer system.

10. External audit of BB. We are undertaking steps towards completion of a full external audit of BB by a global audit firm (a December 2013 benchmark). Selection of a global audit firm for these purposes is a prior action for this review.

IV. FINANCIAL SECTOR REFORMS

11. Bank Companies Act (BCA) amendments. As a centerpiece of our efforts to strengthen the banking system, amendments to the BCA were submitted to Parliament in March 2013. They aim to strengthen the supervisory mandate of BB, limit special treatments for SOCBs, and strengthen commercial banks' governance and accountability. We are also taking steps to revise, through an order to be issued by BB, stock market exposure limits for banks consistent with the BCA amendments. This was a March 2013 benchmark, but given the delay in the passage of the BCA amendments, it has now been rescheduled to June 2013.

12. Strengthening SOCBs. Given the deteriorating financial conditions of the SOCBs, our focus will be on measures to strengthen the SOCBs' performance and financial position and increase their operational independence in order to safeguard the banking system and minimize fiscal risks. To this end, we will:

- Revise the MOUs with the four largest SOCBs by May 2013 to set targets for net loan growth based on BB's assessment of the financial position of each bank and consistent with program ceilings.
- Complete special diagnostic examinations of the SOCBs (a June 2013 benchmark), focused on asset quality, liquidity management, and internal audit and control. Their findings will inform further revisions in the MOUs by September 2013 (a new benchmark). These examinations will also inform BB-approved and time-bound restructuring plans to strengthen the financial positions of these banks, to be adopted by the boards of the SOCBs.
- Include, in the FY14 Budget, a provision for recapitalization of the SOCBs as a step to cover their capital shortfalls. The provision of recapitalization funds by the government will be conditional on the formalization of MOUs between the SOCBs and BB reflecting the results of the diagnostics examinations.

13. Bank resolution framework. BB is making progress towards adoption of a bank resolution framework (a September 2013 benchmark), having already put in place a number of elements needed for such a framework. Building on this, and to finalize the framework, we are preparing (i) a contingency plan which will detail key steps and responses needed in such situations; and (ii) a lender of last resort policy.

14. Securities market. The Demutualization Act was passed by Parliament in April 2013. Consistent with this act, we will continue to work towards the approval by the Bangladesh Securities and Exchange Commission of demutualization models and plans for both Dhaka and Chittagong stock exchanges (a June 2013 benchmark).

V. LABOR, TRADE AND INVESTMENT CLIMATE REFORMS

15. Labor conditions. Following the Savar tragedy, we are working, in consultation with our international business and development partners, to address safety issues in readymade

garment factories across the country. We have set up a Cabinet committee to scrutinize safety measures in the sector, and are also revising the building code to prevent recurrence of such regrettable loss of life.

16. Foreign Exchange Regulations Act (FERA) and regulations. We are continuing work on reviewing the FERA (September 2013 benchmark). As part of this work, BB is preparing draft amendments to the FERA, guided by views of all stakeholders, and we will prepare a strategy paper laying out the roadmap towards exchange control liberalization, assisted by development partners, with a view to facilitate FDI and portfolio investment.

VI. PROGRAM MONITORING

17. Progress under our program will continue to be monitored through PCs and ITs, structural benchmarks, and other necessary measures, with semi-annual program reviews. Quantitative PCs and ITs for June, September, and December 2013 and for March and June 2014 are set out in Table 1 and structural benchmarks are set out in Table 2. They are guided by the attached Technical Memorandum of Understanding, as amended. The third and fourth reviews are expected to take place on or after November 1, 2013 and May 1, 2014.

Table 1: Bangladesh: Quantitative Performance Criteria (PC) and Indicative Targets (IT) 1/

	6/30/12			9/30/12			12/31/12			3/31/13		6/30/13	9/30/13	12/31/13	3/31/14	6/30/14				
	Prog. PC	PC with adjustors	Est.	IT	IT with adjustors	Est.	Prog. PC	PC with adjustors	Est.	IT	Prel. Est.	Prog. PC	IT	Prog. PC	IT	IT				
Performance criteria applicable on a periodic basis 2/																				
Net international reserves (NIR) of Bangladesh Bank (BB) (floor, end of period (eop) stock, in millions of U.S. dollars) 3/	5,937	6,097	6,984	Met	6,165	6,193	7,968	Met	6,256	6,356	9,435	Met	9,304	10,887	10,400	10,877	11,428	11,974	12,646	
Net domestic assets (NDA) of BB (ceiling, eop stock, in billions of taka) 3/	550	538	435	Met	556	554	383	Met	573	566	338	Met	350	243	344	324	348	334	364	
Net credit to the central government (NCCG) by the banking system (ceiling, cumulative change from the beginning of the fiscal year, in billions of taka) 3/ 4/	252	240	139	Met	49	47	1	Met	99	92	41	Met	138	...	208	25	100	155	229	
	4/1/2012 – 6/30/12			7/1/2012 – 9/30/2012			10/1/2012 – 2/19/13			2/20/2013 – 3/31/13		4/1/2013 – 6/30/13		7/1/2013 – 9/30/13		10/1/2013 – 12/31/13		1/1/2014 – 3/31/14		4/1/14 onwards
	Prog. PC	Rev. Est.		Prog. PC	Rev. Est.		Prog. PC	Rev. Est.		Prog. PC	Prel. Est.	Prog. PC	Prog. PC	Prog. PC	Prog. PC	Prog. PC	Prog. PC	Prog. PC	Prog. PC	
Performance criteria applicable on a continuous basis																				
New nonconcessional external debt maturing in more than one year, contracted by the public sector and/or guaranteed by the central government or BB (ceiling, stock since December 31, 2011, in millions of U.S. dollars) 5/ 6/	500	0	Met	1,000	180	Met	1,000	2,436	Not Met	3,000	2,436	3,250	4,000	4,250	4,500	4,500				
New nonconcessional external debt maturing in one year or less, contracted by the public sector and/or guaranteed by the central government or BB (ceiling, stock since December 31, 2011, in millions of U.S. dollars) 5/	0	0	Met	0	0	Met	0	0	Met	0	0	0	0	0	0	0	0	0	0	0
Accumulation of new external payment arrears by the public sector (ceiling, stock since December 31, 2011, in millions of U.S. dollars) 5/	0	0	Met	0	0	Met	0	0	Met	0	0	0	0	0	0	0	0	0	0	0
	6/30/12			9/30/12			12/31/12			3/31/13		6/30/13	9/30/13	12/31/13	3/31/14	6/30/14				
	IT	Est.		IT	Rev. Est.		IT	Est.		IT	Prel. Est.	IT	IT	IT	IT	IT				
Indicative targets																				
Reserve money (ceiling, eop stock, in billions of taka)	1,014	976	Met	1,037	997	Met	1,061	1,067	Not Met	1,063	1,079	1,135	1,151	1,216	1,242	1,323				
Tax revenue of central government (floor, cumulative change from the beginning of the fiscal year, in billions of taka) 7/	924	916	Not met	232	228	Not met	489	456	Not Met	757	...	1,088	240	495	813	1,269				
Social-related spending by central government (floor, cumulative change from the beginning of the fiscal year, in billions of taka)	400	421	Met	81	73	Not met	161	174	Met	276	...	455	78	177	317	519				
Net suppliers' credit and other short-term financing for oil imports (ceiling, cumulative change from end-FY11, in millions of U.S. dollars), program level	1,000	1,160	Not met	1,125	1,090	Met	1,250	985	Met	1,250	...	1,125	1,125	1,125	975	775				
State-owned banks funded loans to Bangladesh Petroleum Corporation (BPC), Bangladesh Power Development Board (BPDB), and Bangladesh Chemical Industries Corporation (BCIC) (ceiling, cumulative change from the beginning of the fiscal year, in billions of taka) 8/	0	-10	Met	0	-2	Met	0	11	Not Met	0	6	0	0	0	0	0				
Net loans extended by four largest state-owned commercial banks (ceiling, eop stock, in billions of taka) 9/	...	...	...	...	...	...	...	...	...	702	...	731	748	766	785	804
Memorandum items:																				
Budget support from bilateral and multilateral donors agencies (cumulative change from the beginning of the fiscal year, in millions of U.S. dollars), program level	0	0	0	0	0	27	50	50	150	100	200	200	50	100	150	150				
Budgetary transfers for settling fertilizer subsidy commitments incurred in FY12 (July 2011-June 2012) (cumulative change from the beginning of the fiscal year, in billions of taka), program level	...	...	...	...	...	12	...	...	...	55	...	55	0	0	0	0

1/ Fiscal year begins July 1.

2/ Evaluated at the program exchange rate.

3/ The adjustors are specified in the Technical Memorandum of Understanding. Accordingly, the floor on NIR of BB will be adjusted upward (downward) and the ceiling on NCCG by the banking system and the ceiling on NDA of BB will be adjusted downward (upward) by the amount of support received from bilateral and multilateral donors in excess (short) of the programmed level. The floor on NIR of BB will be adjusted upward and the ceiling on NCCG by the banking system and the ceiling on NDA of BB will be adjusted downward by the amount of suppliers' credit and other short-term financing for oil imports in excess of the programmed level. From March 2013, the ceiling on NCCG by the banking system will be adjusted downward by the amount of budgetary transfers for settling fertilizer subsidy commitments incurred in FY12 short of the programmed level.

4/ The ceiling on NCCG by the banking system excludes special bonds, Tk 27.0 billion issued in FY12 (July 2011-June 2012) and Tk 55.2 billion programmed in FY13 (July 2012-June 2013), by the central government to the state-owned commercial banks for the securitization of loans made by these banks to BPC prior to FY12 to cover shortfalls in government budgetary transfers for fuel-related subsidy costs incurred by BPC.

5/ These performance criteria are applicable on a continuous basis, i.e. the targets are monitored continuously during each period.

6/ Outturns have been revised downward following verification. As a result of new borrowing in January 2013, total new nonconcessional external debt maturing in more than one year, contracted by the public sector and/or guaranteed by the central government or BB since the start of the ECF arrangement was US\$2,436 million as of the completion of the first review on February 20, 2013, against the ceiling of US\$1,000 million. A waiver for the nonobservance of this continuous PC was granted by the IMF Executive Board on February 20, 2013.

7/ Collections by the National Board of Revenue only.

8/ Outstanding funded loans of Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, and BASIC Bank to BPC, BPDB, and BCIC.

9/ Comprising Sonali Bank, Janata Bank, Agrani Bank, and Rupali Bank.

**Table 2. Bangladesh: Structural Benchmarks (Existing and Proposed)
Under the ECF Arrangement**

Actions	Date	Macroeconomic Criticality	Status
Prior Actions:			
Establish a technical committee to monitor external nonconcessional borrowing		To strengthen external public debt management	Completed.
Selection of a global audit firm for full external audit of Bangladesh Bank (BB) for the financial year 2012–13.		To strengthen internal operations and controls of Bangladesh Bank	Completed.
Adopt a plan setting out the schedule of subsidy cost disbursements to Bangladesh Petroleum Corporation (BPC) through June 2013 and issuing instructions for BPC to procure the associated foreign exchange from BB.		To bring subsidy costs on-budget and reduce BPC's dependency on expensive short-term external credit	Completed.
Structural Benchmarks:			
Approval by the Minister of Finance of a value added tax (VAT) implementation plan and timetable and a new organizational structure of the National Board of Revenue (NBR).	March 2013	To increase tax revenue	Met. Approval by the Minister of Finance was granted on March 27, 2013.
Submit amendments to the Banking Companies Act (BCA) to the National Parliament, giving BB the sole legal supervisory and regulatory authority over commercial banks and expanding fit and proper criteria for all commercial banks to all major shareholders, board members, and executive officers.	March 2013	To strengthen risk management and improve bank governance	Met. Submitted to Parliament Secretariat on March 31, 2013.
Issue a BB order, consistent with the amended BCA, establishing a limit on a commercial bank's shareholdings in the stock market to 25 percent of its total regulatory capital.	June 2013	To strengthen banks' financial position	Not met as scheduled for March 2013. Rescheduled to June 2013 because the order legally requires passage of amendments to BCA by Parliament.
Automate taxpayer identification number issuance, including links to the national identification number system.	June 2013	To increase tax revenue	

**Table 2. Bangladesh: Structural Benchmarks (Existing and Proposed)
Under the ECF Arrangement (concluded)**

Actions	Date	Macroeconomic Criticality	Status
Structural Benchmarks (continued):			
Approval by the Bangladesh Securities and Exchange Commission of a demutualization model and plan for the Dhaka and Chittagong stock exchanges.	June 2013	To strengthen the financial sector	
Issue guidelines and procedures on budget monitoring and reporting in accordance with the Public Money and Budget Management Act.	June 2013	To strengthen budget monitoring and controls	Met. Guidelines issued in March 2013.
Complete efficiency audits by the Office of the Auditor General of the Bangladesh Petroleum Corporation, Bangladesh Power Development Board and Bangladesh Chemical Industries Corporation.	June 2013	To minimize fiscal transfers and risks	
Complete special diagnostic examinations by BB at the four largest state-owned commercial banks focused on asset quality, liquidity management, and internal audit and controls.	June 2013	To strengthen financial sector soundness	
Issue notification for revised terms of reference for the Cabinet's Hard Term Loan Committee	June 2013	To strengthen external public debt management	New benchmark under the second review of the program.
Finalize a bank resolution framework, comprising a contingency plan and lender of last resort policy at BB.	September 2013	To reduce systemic risks	
Complete a review of the Foreign Exchange Regulation Act.	September 2013	To strengthen the trade and investment climate	
Revise the memoranda of understanding with the four largest state-owned commercial banks to address key shortcomings identified by the special diagnostic examinations.	September 2013	To strengthen the banking system	New benchmark under the second review of the program.
Engage and complete a full external audit for the financial year of 2012-13 of BB by a global audit firm.	December 2013	To strengthen internal operations and controls	
Selection of a vendor for a tax automation system for VAT	December 2013	To strengthen tax revenue administration	New benchmark under the second review of the program.

Attachment 2. Bangladesh—Technical Memorandum of Understanding

May 13, 2013

1. This Technical Memorandum of Understanding (TMU) defines the variables subject to quantitative performance criteria and indicative targets under the Extended Credit Facility (ECF) arrangement, as specified in the Memorandum of Economic and Financial Policies (MEFP). It also describes the methods to be used to assess program performance and information requirements to ensure adequate monitoring of the targets.
2. Under the ECF arrangement, the program exchange rate is Bangladesh taka (Tk) 74.23 per U.S. dollar, as agreed at the time of approval of the ECF arrangement in April 2012. Foreign currency accounts denominated in currencies other than the U.S. dollar and monetary gold will first be valued in U.S. dollars as at the exchange rates and gold prices prevailing on June 30, 2011, and then be converted to Bangladesh taka.
3. The data listed in Table 1 will be provided for monitoring performance under the program based on data templates agreed with IMF staff. Under each section, reporting responsibilities are indicated. The best available data will be submitted, so that any subsequent data revisions will not lead to a breach of quantitative performance criteria or benchmarks. All revisions to data will be promptly reported to IMF staff.

I. QUANTITATIVE PERFORMANCE CRITERIA AND INDICATIVE TARGETS

4. Quantitative performance criteria for end-June 2013 and end-December 2013 and quarterly indicative targets from end-June 2013 through end-June 2014 are set out in Table 1 of the Memorandum of Economic and Financial Policies. The continuous performance criteria for each specific period are also set out in this table, and will be monitored continuously during these periods.
5. Performance criteria under the ECF arrangement have been established with respect to a:
 - Floor on the level of net international reserves of Bangladesh Bank (BB), calculated as an end-of-period stock;
 - Ceiling on the level of net domestic assets of BB, calculated as an end-of-period stock; and
 - Ceiling on the change in net credit to the central government from the banking system, calculated as a cumulative flow from the beginning of the fiscal year (FY) (i.e., FY12 is July 1, 2011–June 30, 2012).

6. Performance criteria applicable on a continuous basis have been established with respect to a:

- Ceiling on new medium- and long-term nonconcessional external debt (maturing in more than one year) contracted by the public sector and/or guaranteed by the central government or BB, calculated in cumulative terms from December 31, 2011;
- Ceiling on new short-term nonconcessional external debt (maturing in one year or less) contracted by the public sector and/or guaranteed by the central government or BB, calculated in cumulative terms from December 31, 2011; and
- Ceiling on the accumulation of new external payment arrears by the public sector, calculated in cumulative terms from December 31, 2011.

7. Indicative targets have been established with respect to a:

- Ceiling on the level of reserve money, calculated as an end-of-period stock;
- Ceiling on the net change in suppliers' credit and other short-term financing for oil imports, calculated in cumulative terms from June 30, 2011;
- Ceiling on the net change in funded loans made by the state-owned commercial banks (SOCBs) to Bangladesh Petroleum Corporation (BPC), Bangladesh Power Development Board (BPDB) and Bangladesh Chemical Industries Corporation (BCIC), calculated in cumulatively from the beginning of the fiscal year;
- Floor on tax revenue of central government, calculated cumulatively from the beginning of the fiscal year; and
- Floor on social-related spending by central government, calculated cumulatively from the beginning of the fiscal year.
- A ceiling (aggregate) on net loans and advances of the four largest SOCBs (Agrani, Janata, Rupali, and Sonali).

8. Adjustors to the measurement of performance criteria are (i) budget support to the central government from bilateral and multilateral agencies, calculated cumulatively from the beginning of the fiscal year; (ii) net lending by the government to the BPC and BPDB calculated cumulatively from the beginning of the fiscal year (this adjustor will be removed from March 2013); (iii) suppliers' credit and other short-term financing for oil imports; and (iv) budgetary transfers for settling fertilizer subsidy commitments incurred in FY12 (this adjustor will be introduced from March 2013).

II. INSTITUTIONAL DEFINITIONS

9. The central government is defined as all budgetary units of the government of Bangladesh. It captures balances in the Treasury accounts and for special projects outside the Treasury accounts (as will be measured by government lending funds reported in the monetary accounts).
10. The public sector is defined as the central government, BB, nonfinancial public enterprises, departments, and autonomous and semi-autonomous bodies of all ministries and divisions.
11. Deposit money banks (DMBs) include commercial banks (state-owned, Islamic, private, and foreign-owned) and specialized banks, on which BB compiles data for the monthly monetary survey.
12. Nonbank claims on the central government represent the sum of cash receipts from sales of National Savings Certificates and Treasury bill and bond holdings outside BB and the DMBs, as reported by National Savings Directorate and BB's Debt Management Department.

III. MONETARY AGGREGATES

A. Reserve Money

13. A ceiling applies on the level of reserve money, which comprises currency issued by BB (excluding BB holdings of currency) plus deposits of DMBs held at BB. Reserve money excludes DMBs' foreign currency clearing accounts at BB and nonbank deposits at BB.

B. Net International Reserves of Bangladesh Bank

14. A floor applies to the level of net international reserves (NIR) of BB. The floor on NIR of BB will be adjusted upward (downward) by the amount of budget support from bilateral and multilateral agencies in excess (short) of the programmed level. The floor on NIR of BB will be adjusted upward by the amount of suppliers' credit and other short-term financing for oil imports in excess of the programmed level.
15. For program monitoring purposes, NIR of BB is defined as gross international reserves (GIR) less international reserve liabilities. For program monitoring purposes, the stock of foreign assets and foreign liabilities of BB shall be valued at the program exchange rate in U.S. dollars, as described in paragraph 2.
16. Gross international reserves of BB are defined as the sum of:
 - Foreign currency assets in convertible currencies held abroad and as vault cash that are under the direct and effective control of BB, readily available for intervention in the foreign exchange market or the direct financing of balance of payments imbalances, and which have received investment grade rating by at least two of the following three rating agencies: Moody's, (a rating of at least Baa), Standard & Poors (a rating of at least BBB-) and Fitch (a rating of at least BBB-), or held with an investment-grade institution;

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- The reserve position of Bangladesh in the IMF;
- Holding of SDRs; and
- Monetary gold.

Excluded from the definition of GIR are:

- Foreign currency assets that are in any way encumbered or pledged, including, but not limited to, reserve assets used as collateral or guarantee for third-party external liabilities, BB's blocked account with the Central Bank of Iraq, and BB's deposits with Rupali Bank (Pakistan) and with Sonali Bank (U.K.) in relation to guarantees provided to Biman Bangladesh Airlines;
- Foreign currency assets in nonconvertible currencies and precious metals other than gold, including BB's Silver Acquisition Account;
- Non-investment grade foreign currency sovereign bonds;
- Foreign currency claims on entities incorporated in Bangladesh, including funds lent out through the Foreign Exchange Overdraft Facility (FXOD) and funds invested in offshore banking units (OBUs) of domestic banks and subsidiaries or branches of international banks in Bangladesh;
- Any other foreign currency claims on residents; and
- Capital subscriptions in international institutions.

17. International reserve liabilities of BB are defined as the sum of:

- All outstanding liabilities of Bangladesh to the IMF; and
- Foreign currency liabilities in convertible currencies to residents and nonresidents, including liabilities to the Asian Clearing Union; the Foreign Currency Clearing Account (i.e., the total amount of DMBs' foreign currency deposits held at BB) ; foreign currency deposits held by the central government and state-owned enterprises at BB; and forward contracts, foreign currency swaps, and other futures market contracts.

C. Net Domestic Assets of Bangladesh Bank

18. A ceiling applies to the level of net domestic assets (NDA) of BB. The ceiling on NDA of BB will be adjusted downward (upward) by the amount of budget support from bilateral and multilateral agencies in excess (short) of the programmed level. The ceiling on NDA of BB will be adjusted downward by the amount of suppliers' credit and other short-term financing for oil imports in excess of the programmed level.

19. For program monitoring purposes, NDA of BB is defined as the difference between reserve money and the sum of NIR of BB and other net foreign assets (NFA) of BB valued in taka using the program exchange rates specified in paragraph 2. Any revisions to the historical stock of reserve money based on changes to the accounting treatment of the profit/loss account of BB will be notified to the IMF immediately and used to adjust monetary aggregates by an equivalent amount, as deemed appropriate. Other NFA of BB includes:

- Foreign assets related to holdings of foreign currency deposits and securities not included in NIR of BB, and loans, shares, financial derivatives, or other accounts receivable with nonresidents (including BB's blocked account with the Central Bank of Iraq and deposits with Rupali Bank (Pakistan) and with Sonali Bank (U.K.) in relation to guarantees provided to Biman Bangladesh Airlines); holdings of noninvestment grade foreign currency bonds; and other foreign assets that are not included in NIR of BB, as defined in Section III. B (including the Silver Acquisition Account); and
- Other foreign liabilities that are not included in international reserve liabilities of BB, as defined in Section III. B.

Other NFA does not include funds invested in OBUs of resident domestic banks and subsidiaries or branches of resident foreign banks in Bangladesh. These funds are included as a part of NDA of BB.

D. Net Credit to the Central Government by the Banking System

20. A ceiling applies on the change in net credit to the central government (NCCG) by the banking system measured cumulatively from the beginning of the fiscal year. The ceiling on NCCG by the banking system will be adjusted upward (downward) by the amount of budget support from bilateral and multilateral agencies short of (in excess of) the programmed level. The ceiling on NCCG by the banking system will be adjusted downward by the amount of suppliers' credit and other short-term financing for oil imports in excess of the programmed level and by the amount of net lending by the central government to the BPC and the BPDB short of the programmed level. From March 2013, the adjustor on NCCG on the amount of net lending by the central government to the BPC and BPDB short of the programmed level will be removed. In addition, from March 2013, the ceiling on NCCG by the banking system will be adjusted downward by the amount of budgetary transfers for settling fertilizer subsidy commitments incurred in FY12 short of the programmed level. The ceiling on NCCG by the banking system excludes special bonds issued by the central government to the SOCBs for the securitization of loans made by these banks to the BPC prior to FY12 to cover shortfalls in government budgetary transfers for fuel subsidy-related costs incurred by the BPC.

21. For program monitoring purposes, NCCG by the banking system is defined as the sum of net claims of BB and DMBs on the central government. For program monitoring purposes, from March 2013, NCCG by the banking system will be defined to exclude deposits of and credit to autonomous and semi-autonomous bodies of the government (Table 2 of the TMU).

E. Funded Loans by State-Owned Commercial Banks to State-Owned Enterprises

22. A ceiling applies on the net change in funded loans by selected banks to state-owned enterprises. Funded loans are defined as cash lending by Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, and BASIC Bank to BPC, BPDB and BCIC (see Table 3).

IV. FISCAL AGGREGATES

A. Tax Revenue

23. A floor applies on tax revenue of central government measured cumulatively from the beginning of the fiscal year.

24. For program monitoring purposes, tax revenue is defined as collections by the National Bureau of Revenue that have been transferred to the Controller General of Accounts.

B. Social-Related Spending

25. A floor applies on social-related spending by central government cumulatively from the beginning of the fiscal year.

26. For program monitoring purposes, social spending comprises all spending categories of the Ministry of Primary and Mass Education; Ministry of Education; Ministry of Health, Family, and Welfare; and all expenditures on social safety net programs in the budget economic codes listed in Table 4. Safety net programs hosted in one of these ministries already included in this definition will be deducted from the total to avoid double counting.

V. EXTERNAL DEBT

A. Medium- and Long-Term External Debt

27. A continuous ceiling applies to new nonconcessional external debt with nonresidents with original maturities of more than one year contracted by the public sector and/or guaranteed by the central government or BB. The ceiling applies to debt and commitments contracted or guaranteed for which value has not yet been received. This applies to private debt for which official guarantees have been extended and which, therefore, constitutes a contingent liability of the central government or BB.

28. For program monitoring purposes, the definition of debt is set out in Point 9 of the Guidelines on Performance Criteria with Respect to External Debt in Fund Arrangement Executive Board Decision No. 6230-(79/140), as subsequently amended, including by Executive Board Decision No. 14416-(09-91), effective December 1, 2009 (see Annex I). External debt is defined by the residency of the creditor, excluding any taka-denominated treasury bonds and any U.S. dollar-denominated bonds issued by the central government's Directorate of National Savings that are held by nonresidents (see TMU paragraph 29).

29. Excluded from the ceiling are (i) the use of IMF resources; (ii) concessional debts; (iii) debts incurred to restructure, refinance, or prepay existing debts, to the extent that such debt is incurred on more favorable terms than the existing debt and up to the amount of the actually restructured/refinanced/prepaid debt; (iv) any taka-denominated treasury bonds held by nonresidents; and (v) any U.S. dollar-denominated bonds issued by the central government's Directorate of National Savings that are held by nonresidents.

30. For program purposes, the guarantee of a debt arises on any explicit legal obligation of the central government or BB to service debt in the event of nonpayment by the main obligor (involving payments in cash or in kind).

31. For program purposes, a debt is concessional if it includes a grant element of at least 35 percent, calculated as follows: the grant element of a debt is the difference between the net present value (NPV) of debt and its nominal value, expressed as a percentage of the nominal value of the debt. The NPV of debt at the time of its contracting is calculated by discounting the future stream of payments of debt service due on this debt. The discount rates used for this purpose are the currency specific commercial interest reference rates (CIRRs), published by the Organization for Economic Cooperation Development (OECD). For debt with a maturity of at least 15 years, the ten-year-average CIRR will be used to calculate the NPV of debt and, hence, its grant element. For debt with a maturity of less than 15 years, the six-month average CIRR will be used. To both the ten-year and six-month averages, the same margins for differing repayment periods as those used by the OECD would continue to be added (0.75 percent for repayment periods of less than 15 years, 1 percent for 15 to 19 years, 1.15 percent for 20 to 29 years, and 1.25 percent for 30 years or more).

B. Short-Term External Debt

32. A continuous ceiling applies to new nonconcessional debt with nonresidents with original maturities of up to and including one year contracted by the public sector and/or guaranteed by the central government or BB. The ceiling applies to debt and commitments contracted or guaranteed for which value has not yet been received. This applies to private debt for which official guarantees have been extended and which, therefore, constitute a contingent liability of the central government or BB.

33. For program monitoring purposes, the definition of debt is set out in Point 9 of the Guidelines on Performance Criteria with Respect to External Debt in Fund Arrangement approved by the Executive Board Decision No. 6230-(79/140), as subsequently amended, including by Executive Board Decision No. 14416-(09-91), effective December 1, 2009 (see Annex I). External debt is defined by the residency of the creditor, excluding any taka-denominated treasury bills or BB bills held by nonresidents (see TMU paragraph 34).

34. Excluded from the ceiling are (i) debts classified as international reserve liabilities of BB; (ii) debts incurred to restructure, refinance, or prepay existing debts, to the extent that such debt is incurred on more favorable terms than the existing debt and up to the amount of the actually restructured/refinanced/prepaid debt; (iii) taka-denominated treasury bills and BB bills held by

nonresidents; (iv) concessional debts; (v) normal import financing; (vi) suppliers' credit and other short-term financing for oil imports from the Islamic Development Bank (IsDB) and other official entities; and (vii) forward contracts, foreign currency swaps, other futures market contracts, and short-term liabilities of the banking system. A financing arrangement for imports is considered to be "normal" when the credit is self-liquidating.

C. Suppliers' Credit and Other Short-Term Financing for Oil Imports

35. A ceiling applies on the net change in suppliers' credit and other short-term financing for oil imports.

36. For program monitoring purposes, suppliers' credit is defined in Annex I. Other short-term financing for oil imports comprises financing received for this purpose from the IsDB and other official entities and through syndicated loans, which is contracted by the public sector and/or guaranteed by the central government or BB.

VI. EXTERNAL PAYMENT ARREARS

37. A continuous ceiling applies on the accumulation of new external payments arrears by the public sector.

38. For program monitoring purposes, external payments arrears comprise external debt and debt-service obligations (principal and interest) that have not been paid at the time they are due, as specified in the contractual agreements. However, for program purposes, overdue debt and debt-service obligations that are in dispute will not be considered as external payment arrears.

Table 1. Bangladesh: Data Reporting Requirements

Item	Reporting agency	Periodicity
I. Monetary, exchange rate, and interest rate data	Bangladesh Bank (BB)	
Daily exchange rates (taka per U.S. dollar)—weighted-average, open market (buy and sell rates), interbank (high and low rates), and BAFEDA member rates.	BB	Daily, next working day
Daily foreign exchange interbank market trading spot, forward, and swap volume	BB	Daily, next working day
Net open position of deposit money banks	BB	Daily, next working day
Stock of gross international reserves (GIR), Asian Currency Unit liabilities, Foreign Exchange Clearing Account balances, Foreign exchange overdraft balance (FXOD) and exchange rate valuation changes to GIR.	BB	Daily, next working day
Detailed data on the composition of GIR, including currency composition	BB	Daily, next working day
Stock of GIR, net international reserves (NIR), NFA including subcomponents, both at program and market exchange rates.	BB	Daily, next working day
Stock of noninvestment grade bonds by name of issuer, investment rating, and currency composition	BB	Monthly, within two weeks of the end of each month
Sales and purchases of foreign exchange by BB	BB	Daily, next working day
Daily bank and call money market rates	BB	Daily, next working day
Daily BB repo and reverse repo rates and interbank repo and reverse repo rates (weighted average yields)	BB	Daily, next working day
Daily BB repo and reverse repo and interbank repo and reverse repo trading volumes (billions of taka)	BB	Daily, next working day
Daily volume of open market operations (sales and purchases) by BB (billions of taka)	BB	Daily, next working day
Stock of reserve money and its components	BB	Daily, next working day
Excesses/shortfalls of DMBs' reserves	BB	Daily, next working day
Bangladesh Bank's balance sheet and off-balance items by currency representation	BB	Monthly, within two weeks of the end of each month
Treasury bill and bond auction reports, including range of bids submitted by primary dealers	BB	Weekly, within one week of the end of each week
Weekly retirement of government securities and outstanding balances of Treasury bills and bonds	BB	Weekly, within one week of the end of each week
Bangladesh Bank bills and auction reports	BB	Weekly, within one week of the end of each week
Balance sheet of BB (form 10 G)	BB	Monthly, within six weeks of the end of each month
Balance sheet (aggregate) of commercial banks (form 20 G)	BB	Monthly, within six weeks of the end of each month
Monetary survey (form 30 G)	BB	Monthly, within six weeks of the end of each month
Foreign assets and liabilities of BB	BB	Monthly, within six weeks of the end of each month
Foreign exchange cash flow of BB	BB (Foreign Reserve and Treasury Management Department)	Monthly, within five working days of the end of each month

Table 1. Bangladesh: Data Reporting Requirements (continued)

Item	Reporting agency	Periodicity
II. Fiscal data	Ministry of Finance(MOF)	
Fiscal outturn, including financing of the overall fiscal balance	MOF (Finance Division (FD))/ Controller General of Accounts (CGA)	Monthly, within six weeks of the end of each month
Revenue, by type of tax and nontax revenues (with main subheadings)	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Privatization receipts	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
National Bureau of Revenue collections (by type of tax and subheadings)	NBR	Monthly, within six weeks of the end of each month
Recurrent expenditure, including spending on pay and allowances, goods and services, interest payments (domestic and foreign), subsidies, transfers, and block allocations (with main subheadings)	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Breakdown of subsidies by main categories (agriculture, fertilizer, food, exports, and others)	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Outstanding payments due to settle commitments arising from fertilizer subsidies	MOF(FD)/CGA)	Monthly, within six weeks of the end of each month
Fertilizer subsidy commitments in FY13, both actual and projections, by regularly monitoring the trade gap between import costs and sales revenue as per the monitoring framework.	MOF (FD)	Monthly, within six weeks of the end of each month
Social spending (see Table 4)	MOF (FD)/CGA	Quarterly, within six weeks of the end of each quarter
Food account surplus/deficit	MOF (FD)/CGA	Monthly, within six weeks of the end of each month (quarterly for detailed data)
Annual Development Program (ADP) expenditure funded by (i) the central government and (ii) foreign grants and loans, included in the budget, including separately for Padma Bridge (domestically and externally funded)	MOF (FD)/CGA	Monthly, within six weeks of the end of each month (quarterly for detailed data)
Non-ADP capital spending (including main subheadings) and net lending (including by receipts and payments, including a breakdown by state-owned enterprises (SOEs))	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Extraordinary expenditures (by type)	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Foreign financing, comprising (i) disbursements and amortization of program and project loans; and (ii) changes in external debt arrears, classified into principal and interest arrears	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Disbursements of program and project grants	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
Foreign financing, comprising (i) disbursements and amortization of program and project loans; and (ii) changes in external debt arrears, classified into principal and interest arrears	MOF (Economic Relations Division (ERD))	Monthly, within four weeks of the end of each month
Disbursements of program and project grants by donor	MOF (ERD)	Monthly, within four weeks of the end of each month
Domestic financing, comprising (i) borrowing from and repayment to BB, DMBs, and nonbanks; (ii) changes in deposits held in BB, DMBs, and other deposit-taking institutions (see Table 2)	MOF(FD)/CGA/BB	Monthly, within six weeks of the end of each month

Table 1. Bangladesh: Data Reporting Requirements (continued)

Item	Reporting agency	Periodicity
Balancing items reported by the CGA	MOF (FD)/CGA	Monthly, within six weeks of the end of each month
III. State-owned enterprise data	MOF	
See Table 3 on key financial indicators for Bangladesh Power Development Board (BPDB), Bangladesh Petroleum Corporation (BPC), and Bangladesh Chemical Industries Corporation (BCIC).	MOF (FD/SOE Monitoring Unit)/BPC	Quarterly, within six weeks of the end of each quarter
IV. Debt data	MOF/BB/National Savings Directorate (NSD)	
New external debt obligations contracted and/or guaranteed (concessional and nonconcessional) by the government of Bangladesh, BB, nonfinancial public enterprises, departments and autonomous and semi-autonomous bodies of all ministries and divisions (i.e. the public sector), including details on the amounts, terms, and conditions of each new obligation	MOF (ERD)/BB	Monthly, within six weeks of the end of each month
Total amount disbursed for each loan and guarantee included under the ceiling on nonconcessional external debt	MOF (FD)	Quarterly, within six weeks of the end of each quarter
Stock of outstanding external debt (short-term and medium- and long-term obligations) of the public sector, by creditor (in original currency and U.S. dollars)	MOF (ERD)/BB	Quarterly, within eight weeks of the end of the quarter
Stock of arrears on external debt contracted or guaranteed by the public sector by creditor (in original currency and U.S. dollars)	MOF (ERD)/BB	Monthly, within six weeks of the end of each month
Stock of domestic debt, including the outstanding balance of Treasury bills, Treasury bonds, as well as breakdown of instruments of the National Savings Directorate (i.e. National Savings Certificates)	MOF (FD)/BB/NSD	Monthly, within six weeks of the end of each month
Projections of daily individual oil-related payments by commercial banks.	BB	Monthly, two weeks in advance of the beginning of each month
V. Financial data	BB	
Financial soundness indicators of DMBs	BB (Department of Off-Site Supervision (DOS))	Quarterly, within eight weeks of the end of the quarter
Bank-by-bank data for the DMBs on credit to the private sector, as reported to BB for the purpose of compiling the monetary survey	BB	Monthly, within six weeks of the end of each month
Bank-by-bank data for the DMBs on deposit and advance position	BB	Weekly data reported on a monthly basis, within two weeks of the end of each month
Compliance of state-owned commercial banks (SOCBs) with memoranda of understanding	BB (DOS)	Quarterly, within six weeks of the end of the quarter
Net loans and advances and components for each of the four largest SOCBs (Agrani, Janata, Rupali, and Sonali).	BB	Quarterly, within six weeks of the end of each quarter
External borrowing in foreign currency by each SOCB from nonresident institutions	BB	Within a week from the date of approval by BB
Total capital market exposure and total share holding (in percent of total liabilities) of DMBs, and their exposures via subsidiaries	BB (DOS)	Monthly, within six weeks of the end of each month
Risk-weighted capital asset ratios and asset quality indicators of DMBs	BB (DOS)	Quarterly, within six weeks of the end of each month
Stock of loans extended to SOEs (BPC, BPDB, BCIC) by SOCBs (Sonali, Agrani, Janata, Rupali) and BASIC bank, both funded and unfunded loans	BB (DOS)	Monthly, within four weeks of the end of each month

Table 1. Bangladesh: Data Reporting Requirements (concluded)

Item	Reporting agency	Periodicity
VI. External data	BB/Other agencies	
Detailed balance of payments	BB	Monthly, within six weeks of the end of each month
Export data by goods	Export Promotion Bureau	Monthly, within four weeks of the end of each month
Import letters of credit (settlement, opening, and outstanding)	BB	Monthly, within four weeks of the end of each month
Remittances and manpower exports	BB/Bureau Manpower, Employment, and Training	Monthly, within two weeks of the end of each month
VII. Other data	Bangladesh Bureau of Statistics (BBS)	
National accounts, by expenditure and by production, in nominal and real terms	BBS	Annual, within three months of the end of each year
Overall consumer price index	BBS	Monthly, within six weeks of the end of each month
Industrial production statistics	BBS	Monthly, within eight weeks of the end of each month

Table 2. Bangladesh: Components of Domestic Bank Financing of the Central Government

A new data reporting format is being established, as follows:		
Item (in Tk millions)	Reporting agency	Periodicity
Bank financing	Bangladesh Bank	All quarterly
Bangladesh Bank		
Change in claims on government (excluding change in claims on autonomous and semi-autonomous bodies)		
<i>Of which:</i> Change in ways and means balance		
Change in overdraft		
Change in overdraft block		
Change in holdings of Treasury bills and bonds		
Change in government currency liabilities		
Change in accrued interest		
Change in government deposits and lending funds (excluding change in deposits of autonomous and semi-autonomous bodies)		
Change in government deposits		
Change in government lending funds		
<i>Memorandum items:</i>		
Change in credit to autonomous and semi-autonomous bodies		
Change in deposits of autonomous and semi-autonomous bodies		
Commercial banks		
Change in claims on government (excluding change in claims on autonomous and semi-autonomous bodies)		
<i>Of which:</i> change in holdings of Treasury bills and bonds		
Change in advances and bills to ministries (of food and others)		
Change in accrued interest		
Change in government deposits and lending funds (excl. change in deposits of autonomous and semi-autonomous bodies)		
Change in government deposits		
Change in government lending funds		
<i>Memorandum items:</i>		
Change in credit to autonomous and semi-autonomous bodies		
Change in deposits of autonomous and semi-autonomous bodies		

Table 3. Bangladesh: Template for Key Financial Indicators of Bangladesh Petroleum Corporation (BPC), Bangladesh Power Development Board (BPDB), and Bangladesh Chemical Industries Corporation (BCIC)

Name of company (BPC, BPDB, or BCIC)	Periodicity	
Item (in millions of taka)	All quarterly	
Tax payments, due to the National Bureau of Revenue (NBR)		
Tax payments, paid to the NBR		
Debt service payments, due to the government		
Debt service payments, paid to the government		
Quarterly profit (loss) reported by company		
Transfers received from the budget		
New interest-bearing loans received from the budget		
Outstanding stock of funded loans from state-owned commercial banks (SOCBs)		
Additional items (for BPC only)		All monthly
<i>Financing requirements:</i> (in millions of taka, unless otherwise indicated)		
Oil import costs		
Costs of operating BPC		
Repayments of SOCB loans		
Repayments to Islamic Development Bank (IsDB) (in millions of U.S. dollar)		
Repayment of deferred payments (other suppliers' credit) (in millions of U.S. dollar)		
Repayment of syndicated loans		
Increase in assets (inventories, cash, etc.)		
Other		
<i>Sources of financing:</i> (in millions of taka, unless otherwise indicated)		
Sales revenue		
Other income		
Gross disbursements of loans from SOCBs		
Gross disbursements from IsDB (in millions of U.S. dollar)		
Gross disbursements of deferred payments (other suppliers' credit) (in millions of U.S. dollar)		
Gross disbursement of syndicated loans		
Net lending from the government		
Increase in payables		
<i>Other items:</i>		
Exchange rate imputed for estimated outturns (taka per U.S. dollar)		
Demand volumes of petroleum products (kerosene (SKO), diesel (HSD), furnace oil (FO), petrol (MS), octane (HOBC), and jet fuel (JET-A-1))		

Table 4. Bangladesh: Safety Net Programs

	Programs	Name of Ministry	Code
(A.1) Cash Transfer (Allowances) Programs & Other Activities:			
(A.1.1) Social Protection			
1	Old Age Allowance	Ministry of Social Welfare	3960
2	Allowances for the Widow, Deserted and Destitute Women	Ministry of Social Welfare	3965
3	Allowances for the Financially Insolvent Disabled	Ministry of Social Welfare	3970
4	Maternity Allowance Program for the Poor Lactating Mothers	Ministry of Social Welfare	4715
5	Honorarium for Insolvent Freedom Fighters	Ministry of Social Welfare	3587
6	Honorarium & Medical Allowances for Injured Freedom Fighters	Ministry of Social Welfare	3585
7	Grants for Residents in Government Orphanages and Other Institutions	Ministry of Social Welfare	0000
8	Capitation Grants for Orphan Students in Non-government Orphanages	Ministry of Social Welfare	3451
9	General Relief Activities	Disaster Management & Relief Division	0001
10	Block Allocation for Disaster Management	Disaster Management & Relief Division	0003
11	Non-Bengali Rehabilitation	Ministry of Social Welfare	0015
12	Allowances for Distressed Cultural Personalities/ Activists	Ministry of Cultural Affairs	0001
13	Pension for Retired Government Employees and their Families	All Ministries	
14	Ration for Shaheed Family and Injured Freedom Fighters	Ministry of Liberation War Affairs	0001
(A.1.2) Social Empowerment			
1	Stipend for Disabled Students	Ministry of Social Welfare	4711
2	Grants for the Schools for the Disabled	Ministry of Social Welfare	0001
(A.2) Cash Transfer (Special) Program			
(A.2.1) Social Empowerment			
1	Housing Support	Disaster Management & Relief Division	0001
2	Agriculture Rehabilitation	Ministry of Agriculture	0012
(B) Food Security Programs: Social Protection			
1	Open Market Sales (OMS)		
2	Vulnerable Group Development (VGD)	Ministry of Women and Children Affairs	0005
3	Vulnerable Group Feeding (VGF)	Ministry of Women and Children Affairs	0007
4	Test Relief (TR) Food	Food Division	0001
5	Gratuitous Relief (GR) - Food	Food Division	0001
6	Food Assistance in CTG-Hill Tracts Area	Ministry of Chittagong Hill Tracts	0003
7	Food For Work (FFW)	Disaster Management and Relief Division	5010

Table 4. Bangladesh: Safety Net Programs (continued)

	Programs	Name of Ministry	Code
(C.1) Micro-Credit Programs: Social Empowerment			
1	Micro-credit for Women Self-employment	Ministry of Women and Children Affairs	3092
2	Fund for Micro-Credit through PKSF	Finance Division	3912
3	Social Development Foundation	Finance Division	3946
4	NGO Foundation	Finance Division	2829
(C.2) Miscellaneous Funds: Social Empowerment			
1	Fund for the Welfare of Acid Burnt and Disabled	Ministry of Social Welfare	3967
2	Fund for Assistance to the Small Farmer and Poultry Farms	Finance Division	3996
3	Swanirvar Training Program	Finance Division	3961
4	Shamaj Kallyan Parishad	Ministry of Social Welfare	3091
(C.3) Miscellaneous Funds: Social Protection			
1	Fund for Climate Change	Ministry of Environment and Forest	0002
2	Allowances for Urban Low-income Lactating Mothers	Finance Division	4005
3	Block Allocation for Various Program	Finance Division	0000
4	Employment Generation Program for the Ultra Poor	Disaster Management and Relief Division	0006
5	National Service	Ministry of Youth and Sports	4729
6	Special Program for Irrigation and Water Logging	Ministry of Agriculture	4837
7	Skill Development Fund for Expatriate Returnees and New Entrants to Labor market	Ministry of Expatriates Welfare and Overseas Employment	0010
8	Child Development Center	Ministry of Social Welfare	3489
9	Service and Assistance Center for Disabled	Ministry of Social Welfare	3490
10	Ghare Fera Program (Returning Home)	Banking Division	0014
(C.4) New Fund: Social Protection			
1	Rehabilitation and Creation of Alternative Employment for People Engaged in Begging Profession	Ministry of Social Welfare	3495
(D) Development Sector Programs: Social Empowerment			
(D.1) Running Development Programs			
1	Stipend for Primary Students	Ministry of Primary and Mass Education	6020
2	School Feeding Program	Ministry of Primary and Mass Education	5150
3	Stipend for Dropout Students	Ministry of Primary and Mass Education	5960
4	Char Livelihood	Rural Development and Cooperatives Division	6980
5	"Ashrayan" (Housing)	Prime Minister's Office	6520
6	Stipend and Access Increase for Secondary and Higher Secondary Level Students (including Secondary Education Stipend Project)	Ministry of Education	5620

Table 4. Bangladesh: Safety Net Programs (continued)

	Programs	Name of Ministry	Code
7	Maternal Health Voucher Scheme	Ministry of Health and Family Welfare	8540
8	National Nutrition Program	Ministry of Health and Family Welfare	8320
9	Protection of Children at Risk	Ministry of Social Welfare	7011
10	Economic Empowerment of the Poor	Rural Development and Cooperatives Division	8162
11	Fundamental Education for Urban Working Children	Ministry of Primary and Mass Education	5964
12	Employment for Ultra-Poor in Northern Region	Rural Development and Cooperatives Division	7000
13	Participatory Rural Development (2nd Phase)	Rural Development and Cooperatives Division	8090
14	Rural Employment Opportunity for Public Asset	Local Government Division	6030
15	"Gucchagram" (Climate victims rehabilitation project)	Ministry of Land	5010
16	Rural Employment and Rural Maintenance Program	Local Government Division	8112
17	Preliminary Education for Development of Children	Ministry of Women and Children Affairs	5011
18	Vulnerable Group Development for Ultra Poor (Women)	Ministry of Women and Children Affairs	5100
19	Reconstruction of Houses of SIDR affected landless people	Food Division	5160
20	Construction of Flood-Shelter in Flood Prone and River-Erosion Areas	Food Division	5381
21	Disaster Risk Mitigation and Reduction	Disaster Management & Relief Division	5010
22	Small Farmers Development Foundation	Rural Development & Cooperatives Division	7250
23	Regional Fisheries and Livestock Development	Ministry of Fishery and Animal Division	5300
24	Projects Undertaken for Fisheries Development	Ministry of Fishery and Animal Division	7050
25	Jatka (Fish)Protection and Alternative Employment for Fishermen	Ministry of Fishery and Animal Division	5390
26	Micro-Nutrient Supplementation	Ministry of Health and Family Welfare	8340
27	Post Literacy Education Project for Human Resource Development	Ministry of Primary and Mass Education	5960
28	One Household One Farm	Rural Development & Cooperatives Division	7310
29	Revitalization of Community Health Care Initiative in Bangladesh	Ministry of Health and Family Welfare	5450
30	Sisimpur Outreach Project	Ministry of Women and Children Affairs	7021
31	National Sanitation Project	Local Government Division	5140
32	Pulse and Oil Seed Project	Ministry of Agriculture	7450

Table 4. Bangladesh: Safety Net Programs (concluded)

	Programs	Name of Ministry	Code
33	Community Based Adaptation to Climate Change through Coastal Aforestation in Bangladesh	Ministry of Environment and Forest	5360
34	Comprehensive Village Development	Rural Development & Cooperatives Division	8167
35	Comprehensive Disaster Management Program	Disaster Management & Relief Division	5041
36	Urban Public Environment Health Development Program	Local Government Division	7479
(D.2) New Development Programs			
1	Poverty Eradication and Ensuring Livelihood for the People Living in Economically Backward Areas.	Ministry of Fishery and Animal Division	6463
2	Poverty Eradication through Social Aforestation.	Ministry of Environment and Forest	7396
3	Improvement and Quality Seed Production of Rice, Wheat and Maize.	Ministry of Agriculture	8881

Annex I. Guidelines on Performance Criteria with Respect to External Debt

Excerpt from Executive Board Decision No. 6230-(79/140), subsequently amended, including by Executive Board Decision No. 14416-(09-91), effective December 1, 2009.

9. (a) For the purpose of this guideline, the term “debt” will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

(i) loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers’ credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

(ii) suppliers’ credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

(iii) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.

(b) Under the definition of debt set out in point 9 (a) above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.