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PRGF PROGRAMME IN BANGLADESH: AN ASSESSMENT

Abstract

Bangladesh, with its low per capita income, has been receiving concessional lending under the Poverty Reduction and Growth Facility (PRGF) programme of the International Monetary Fund (IMF) since 2003. Based on Special Drawing Rights (SDR), the total amount of approved loans is US\$ 347 million that has been already disbursed in different rate of quota. The loans have been a significant source of foreign exchange reserve as well as supportive to the programmes of economic reforms in Bangladesh. As a result, macroeconomic performance of the recipient country has been moving ahead. This, in turn, has contributed to overall economic aspects of Bangladesh. At the same time, some economic factors of Bangladesh, such as, inflation, trade, domestic currency, etc., have been adversely influenced by the loans. A set of conditions associated with the loans are likely to gradually influence Bangladesh's fiscal and monetary policy, tax and trade policy, governance, etc. Against this backdrop, the focus of the present paper is to critically analyse the significant contributions to and the challenges for Bangladesh economy with the concessional lending of the PRGF programme by the IMF.

Key Words: IMF, Poverty Reduction, Structural Adjustments, Trade, Unemployment, PRGF

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1. Introduction

International Monetary Fund (IMF) is a financial institution that oversees global economic system by observing foreign exchange rate and balance of payments. It was established to create an international monetary order that would allow trade to flourish and post-war reconstruction to take place. Since its inception, the IMF has been a significant source of funding for the low-income developing countries. It has been assisting its member nations through disbursing medium-term concessional lending under multi-faceted programmes, such as, Poverty Reduction and Growth Facility (PRGF). The PRGF programme was introduced in 1999. It gives concessional loans for the low-income members of the IMF to reduce poverty and enhance economic growth. Under this programme, loans are disbursed for 10 years with an annual interest rate of 0.5 per cent.² The countries associated with the PRGF programme have opportunity to borrow 140 per cent of loans for the first three years. But there is a chance to increase the per cent of loans to 185.³ The disbursement of loans depends on the followings: country-wise need for stabilising the balance of payments, performance of the structural adjustment programmes by the IMF, and previous utilisation of the disbursed loans.

Since 2003, Bangladesh, with its low per capita income, has been receiving concessional lending under the PRGF programme. Based on Special Drawing Rights (SDR), the total amount of approved loans is of US\$ 347 million that has been already disbursed in different rate of quota.⁴ The loans have been a significant source of foreign exchange reserve and supportive to the programmes of economic reforms in Bangladesh. As a result, macroeconomic performance of the recipient country has been moving ahead. This, in turn, has contributed to the overall economic aspects of

² “IMF Approves US\$ 347 Million Three Year PRGF Arrangement for Bangladesh”, available at <http://www.imf.org/external/np/sec/pr/2003/pro392.htm>, accessed on April 26, 2006.

³Factsheet - The Poverty Reduction and Growth Facility, available at <http://www.imf.org/external/np/exr/facts/prgf/htm>, accessed on March 25, 2007.

⁴ “IMF Approves US\$ 347 Million Three Year PRGF Arrangement for Bangladesh”, *op.cit.*

Bangladesh. At the same time, some economic factors of Bangladesh, such as, inflation, trade, domestic currency, etc. have been adversely influenced by the loans. A set of conditions associated with the loans are likely to gradually influence Bangladesh's fiscal and monetary policy, tax and trade policy, governance, etc.

Against this backdrop, it is essential to find out how far the concessional loans under the PRGF programme have contributed to the economy of Bangladesh. In this context, the focus of the present paper is to critically analyse the significant contributions to and the challenges for Bangladesh economy with the concessional lending. The paper consists of five sections. The ongoing introduction constitutes the Section 1. Section 2 provides an overview of the terms and conditionalities of PRGF. Section 3 attempts to articulate the economic factors of Bangladesh that have been influenced by the loans sourced from the PRGF programme. The economic aspects that have been adversely affected by the various conditionalities of the PRGF programme are discussed in the Section 4. Section 5 attempts to assess critically the output of the PRGF loans on Bangladesh's economy. Finally, Section 6 undertakes an effort to indicate some remarks for the future.

2. PRGF: Terms and Conditionalities

The PRGF programme was introduced to make the objectives of poverty reduction and growth more central to lending operations in its poorest member countries. The PRGF is the IMF concessional lending facility for the low income countries. It has been designed to make the poverty reduction programmes key element of a growth oriented strategy. Through the PRGF, the IMF supports the economic adjustment and reform efforts of its low-income member countries. The PRGF supported programmes are based on country owned poverty reduction strategies adopted through a participatory process involving civil society and development partners and articulated in the Poverty Reduction Strategy Paper (PRSP). This is intended to ensure that PRGF supported programmes are consistent with a comprehensive framework for macroeconomic, structural and social policies to foster growth and reduce poverty. Currently, 78 members of IMF are PRGF eligible.

2.1. Key Features of the PRGF

Experience with the PRGF highlights a number of distinctive features which are mentioned below:

First, the principle of broad public participation and greater country ownership is central to the PRGF. In this regard, discussions on the policies underlying PRGF-supported programmes are more open, since they are based on the nationally-owned PRSP. With increased national ownership, PRGF conditionalities have become more parsimonious, focused on the fund's core areas of expertise, and limited to measures that have a direct and critical impact on the programme's macroeconomic objectives.

Second, PRGF-supported programmes reflect more closely each country's poverty reduction and growth priorities. Key policy measures and structural reforms aimed at poverty reduction and growth are identified and prioritised during the PRSP process, and if feasible, their budgetary costs are assessed. Moreover, fiscal targets in PRGF-supported programmes respond flexibly to changes in country circumstances and pro-poor policy priorities, while ensuring that the strategy can be financed in a sustainable, non-inflationary manner.

Third, PRGF-supported programmes focus on strengthening governance, in order to assist countries' efforts to design targeted and well-prioritised spending. Of particular importance are measures to improve public resource management, transparency, and accountability. PRGF-supported programmes also give more attention to the poverty and social impacts of key macroeconomic policy measures.⁵

2.2. Terms of the PRGF

- As of August 2006, 78 low-income countries have been eligible for PRGF assistance.

⁵“Factsheet - The Poverty Reduction and Growth Facility” *op.cit.*

- Eligibility is based principally on the IMF's assessment of a country's per capita income, drawing on the cut-off point for eligibility to World Bank concessional lending (currently 2003 per capita gross national income of \$ 895).
- Loans under the PRGF carry an annual interest rate of 0.5 percent, with repayments made semi-annually, beginning 5½ years and ending 10 years after disbursement.
- An eligible country may normally borrow up to a maximum of 140 per cent of its IMF quota under three year arrangement, although this may be increased to 185 per cent of quota in exceptional circumstances. In each case, the amount will depend on the country's balance of payments need, the strength of its adjustment programme, and its previous and outstanding use of IMF credit. The expected average access under the initial three-year arrangement is 90 per cent of quota, and 65, 55, 45, 35, and 25 per cent of quota for second through sixth-time users of the facility, respectively. "Low- access" PRGF arrangements with a standard level of 10 per cent of quota may be used for members with little or no immediate balance of payments need. PRGF-eligible members with per-capita income above 75 per cent of the cut-off for World Bank concessional lending, or members borrowing on commercial terms, may combine PRGF arrangements with lending from the IMF's non-concessional Extended Fund Facility⁶.

2.3. IMF Conditionalities for PRGF Programme⁷

The IMF sets some conditionalities for disbursing concessional loans to Bangladesh under the PRGF programme. These conditionalities consist of a set of reform proposals in the following policy oriented areas:

Monetary and Exchange Rate:

- Monetary stance needs to be further tightened.

⁶ *Ibid.*

⁷ World Bank and IMF Still Pushing Conditions, available at: <http://www.eurodad.org/articles/default.aspx?>, accessed on July 03, 2007.

- Devalue local currency to make domestic exports more attractive or sustain the level of exports.
- Communicate to the broader public for the rationale of policy actions through annual monetary policy statement .
- Maintain the flexible exchange rate regime and confine intervention to counter disorderly conditions and build up reserve as necessary.

Fiscal and Tax Policy:

- Reduce the budget deficit.
- Formulate the medium-term fiscal strategy to boost revenue performance.
- Reorientate the expenditure to support growth and achievement of the Millennium Development Goals (MDGs) while protecting fiscal sustainability.
- Contain the government deficit at below 4 per cent of GDP.
- Strengthen tax administration to raise revenue collection.
- Reduce tax exemptions and incentives.
- Simplify tax system and expand the tax base.

National Commercial Banks:

- Finalise Rupali Bank's divestment as soon as possible and take further steps toward the divestment of other three state banks.
- Take immediate step towards corporatising the banks to make more autonomous and bring under the regulatory purview of the Central Bank.

Power Sector:

- Further fuel price and restructure energy oriented State-Owned Enterprises (SOEs) to adjust government losses.
- Ensure social safety net measures as imperative to mitigate the impact of higher energy prices on the most vulnerable groups.

Trade Policy:

- Reduce the administrative and regulatory constraints towards the path of liberalisation of trade.
- Continue to move towards the greater integration with regional and global economies.

Other Reforms:

- Further strengthen debt monitoring and management capacity for external debt.
- Cut expenditure on social welfare, in particular, on food subsidies.
- Ensure good governance for improving investment climate and prospects for growth.
- Ensure transparency and accountability in the financial and political arenas.

3. Bangladesh's Economic Development through PRGF Programme

As one of the low-income members of the IMF, Bangladesh, since June 20, 2003, has been receiving low-interest loans under the PRGF programme (see Table 1). In seven instalments, the recipient country has received a total amount of US\$ 347 million.⁸ While the initial three instalments and the last one continue without augmentation, the rest of the instalments advance with augmentation. In effect, due amount sometimes differs with total disbursement that depends on some conditionalities with a set of structural reforms. The received loans, however, have been witnessing significant development on some economic aspects of Bangladesh.

⁸ *Ibid.*

Table 1: Schedule of Loans disbursed under the PRGF Programme
In SDR US\$ million

Due Amount	Augmentation	Total Disbursement	Disbursed Period
49.5 (9.3% of quota)	-	49.5 (9.3% of quota)	June 20, 2003
49.5 (9.3% of quota)	-	49.5 (9.3% of quota)	December 15, 2003
49.5 (9.3% of quota)	-	49.5 (9.3% of quota)	July 28, 2004
49.5 (9.3% of quota)	17.78 (3.33% of quota)	67.28 (12.63% of quota)	June 29, 2005
49.5 (9.3% of quota)	17.78 (3.33% of quota)	67.28 (12.63% of quota)	February 15, 2006
15.9 (2.98% of quota)	17.78 (3.33% of quota)	33.67 (6.32% of quota)	October 24, 2006
83.6 (15.68% of quota)	-	83.6 (15.68% of quota)	June 15, 2007
Total 347(65% of quota)	55.33 (10% of quota)	400 (75% of quota)	-

Source: Available at <http://www.imf.org/external/pubs/ft/scr/2006/cr06406.pdf>, accessed on April 26, 2006.

According to the conditionalities of the PRGF programme, Bangladesh takes many reformative activities for ensuring concessional lending. Bangladesh eases both administrative and regulatory barriers to trade liberalisation to minimise import quotas, reduce import tariffs and devalue its currency. This enhances industrial activity, improves revenue collection, and promotes the growth of exports. In line with the prescriptions of the PRGF programme, Bangladesh has also taken reforms on tax policy, such as, setting up of institutional structure, strengthening of audit operation and modernisation of National Board of Revenue (NBR). These reforms have led to the improvement of tax and revenue

collection (see Annex I). In 2003, domestic Value Added Tax (VAT) collection and income tax earnings became 1.2 per cent and 1.5 per cent respectively of GDP, whereas the receipts of the two items stand roughly at 1.5 per cent and 1.7 per cent respectively in 2006.⁹ However, functional practices of the reforms have contributed to the smooth disbursement of the PRGF low-interest loans. With a vision of accelerating pro-poor economic growth and human development, the disbursed PRGF loans have been focusing on employment generation in the rural areas. As a result, poverty reduction through increasing income level has been decreasing gradually. This, in turn, has been contributing to the economic growth of Bangladesh with a certain annual rate of roughly 5.5 per cent.¹⁰

4. PRGF Programme: Challenges for Bangladesh's Economy

The disbursement of loans under the PRGF programme seems to have some output on Bangladesh's economy. Over the last few years, macroeconomic performance of Bangladesh reveals that concessional lending has made improvements in some aspects of the economy. Structural reforms conditioned by IMF have been contributing to a sustainable growth, while considerable economic progress has been achieved towards meeting the MDGs. But, the set of conditionalities, imposed by the PRGF programme in case of disbursing loans, debt and other financial assistance, seem to be a threat to some economic areas of Bangladesh. The conditionalities that pose various problems are discussed below.

Trade Issue

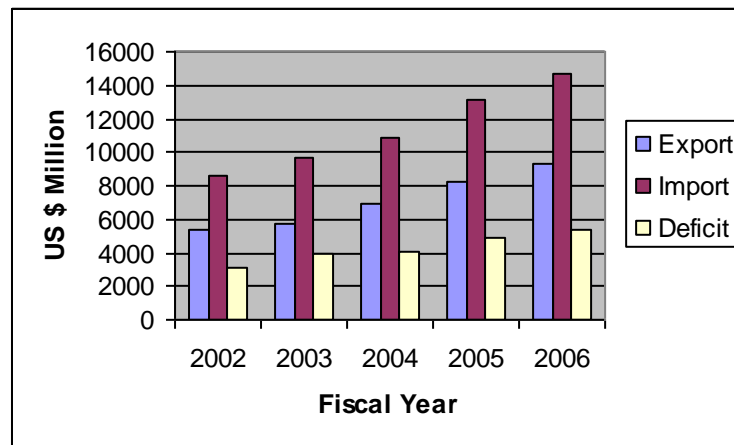
Although the trade policy reforms under the PRGF programme have been integrating Bangladesh with regional and global economies, the volume of imports has been increasing than that of exports due to reduction of tariffs and continuous removal of restrictions on imported items. The nominal protection level of the domestic markets has been hampered. As a result, the overall trade

⁹ *Budget in Brief 2006 and 2007*, Ministry of Finance, Bangladesh, 2007.

¹⁰ Author's calculation through observing previous ten years growth rate from National Account Statistics, *Bangladesh Bureau of Statistics (BBS)*, 2007.

situation of Bangladesh has witnessed huge trade deficit (see Chart 1).

Chart 1: Trend of Balance of Trade (2002 - 2006)



Source: *Export Receipts and Import Payments*, Bangladesh Bank, 2007

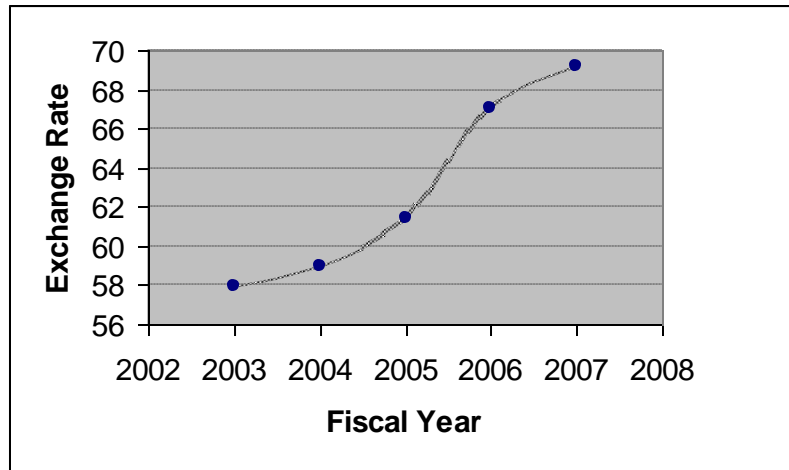
Exchange Rate and Inflation

For ensuring concessional lending under the PRGF Programme, Bangladesh takes reforms in the monetary and exchange rate policy. With these reforms, Bangladesh Bank has been tightening its monetary policy to keep the rate of inflation at a sustainable rate. This results in high interest rate, which in turn discourages the demand of credit and re-investment opportunity. On the other hand, Bangladesh Bank adopts flexible exchange rate and has been devaluating its currency to make exports more competitive to the developed countries. Bangladesh continues such process to contain inflation and reduce pressure on the balance of payments. Since 2003 Bangladesh steps into fully market-based exchange rate regime, where exchange rate is determined by the demand and supply of currency.¹¹ This results in upward pressure on the local currency (see Chart 2) due to increasing demand of foreign currency. This is

¹¹ N.N Tarun Chakravarty, "Impact of Globalisation on Bangladesh Economy", Paper presented at the 15th Biennial Conference on *Bangladesh in the 21st Century: The Political Economy Perspectives*, in Bangladesh Economic Association (BEA) held on December 8-10, 2004, p. 4.

because of oil price hike in international market and increasing import of iron, fertiliser, crude petroleum, capital machinery and intermediate goods. In effect, macroeconomic situation of Bangladesh, with ever increasing inflation and rampant changing of monetary policies, has been hampered.

Chart 2: Trend in Exchange Rate (Dollar into Taka)



Source: *Annual Report*, Bangladesh Bank, 2007.

Unemployment and Others

With structural adjustment lending, Bangladesh endorses privatisation in loss-incurring State-Owned Enterprises (SOEs), such as, Nationalised Commercial Banks (NCBs), jute mills, etc. This resulted in closing of many enterprises making huge numbers of workers unemployed. Although the intention of the PRGF programme is to create employment opportunity, the conditionalities rather intensified the unemployment problem and increased informal workers both in rural and urban areas. Besides, under the prescriptions of the programme, Bangladesh has been increasing the fuel price to adjust government losses. The consequence of fuel price hike has intensified the hardship of the vulnerable groups of the society. The poor farmers, for example, can not irrigate their cultivated land timely. They are unable to buy adequate diesel due to high price which, in turn, adversely affects the food production. The

price spiral of essentials multiplies the sufferings of the mass people in the society.

5. PRGF Programme in Bangladesh: An Assessment

Since the recognition of the IMF as a member nation, Bangladesh has been receiving frequent financial support, technical assistance and structural adjustment advices to implement economic policies. With a particular vision of poverty reduction and accelerating economic growth, the recipient country since 2003 has been attached to the PRGF programme for acquiring low-interest loans. While the previous experience with the IMF-supported programmes seems to be little enthusiastic economically, the immediate assessment on the new one with a set of stiff conditionalities is not an easy task.

For ensuring smooth disbursement of the PRGF loans, Bangladesh has undertaken reforms on tightening monetary policy and devaluating its local currency. Under the conditionalities of the programme, the recipient country has been maintaining flexible exchange rate, continuing government intervention to counter disorderly conditions and building up of foreign reserve. These reforms have taken sharply positive impact on receiving remittances, export receipts and increasing foreign reserve. At the same time, these have caused problems for the economy. The value of local currency has been decreased. This results in higher interest rate and lower demand of credit and investment opportunity. As a result, the macroeconomic situation of Bangladesh has continuously been facing challenges, which in turn have limited to the expansion of economic growth.

Bangladesh, with the prescriptions of the PRGF programme, has taken both administrative and regulatory initiatives for gradual liberalisation of trade policy. These initiatives are reduction of tariffs on imports and removal of restrictions on the process of free trade. These reforms have been integrating Bangladesh with regional and global trade. At the same time, local markets, having average effective protection level uncontrolled, have been flooded with the foreign products. This results in voluminous level of imports in the domestic market. On the other hand, Bangladeshi products, by and

large lacking quality and competitive price, are being protected in the international markets. So, exports of Bangladesh have been always lesser than the imports, leaving huge trade deficit.¹²

When loans are disbursed, the recipient country needs to maintain the reforms given by the IMF. Under the conditionalities of the PRGF programme, Bangladesh takes reforms on tax policy and administration to promote tax receipts and VAT collection. The undertaken reforms include simplification of tax system and expansion of tax base, reduction of tax exemption and incentives, strengthening of tax administration, etc. These reforms have led to the improvement of tax structure and revenue collection, which in turn has been contributing to the reduction of budget deficit and economic growth of Bangladesh. While such reforms have been effective, the other ones, privatising and corporatising of national banks and State-Owned Enterprises (SOEs), have been harmful to the employed people.¹³ With the process of reforms, the institutions along with their employees have been affected. The employees are now in great anxiety with respect to job and employment. If the employees lose their jobs, the on-going unemployment problem of Bangladesh will be worst. This could be a real threat to the economic growth.

As a development partner, Japan disburses loans to Bangladesh at the rate of just 0.01 per cent, but the IMF-supported PRGF loans are disbursed at 0.05 per cent rate.¹⁴ With higher interest rate, the loans are utilised generally in structural reform programmes, rather using in the particular target - poverty reduction and economic

¹² The amount of trade deficit only with India is worth \$ 1.5 billion and with China is worth \$ 1.2 billion per annum. See, Graham Bird, "IMF Lending to Developing Countries: Issues and Evidence", London, 1995, p. 97.

¹³ By receiving financial assistance from the IMF since 1980s many developing countries have been experiencing a collapse in banking sectors that ultimately reduce GDP by 4 per cent or more which become much more than at any previous time in history. See, Tony Killick, *IMF Programs in Developing Countries: Design and Impact*, London, 1995, p. 137.

¹⁴ Ishtiaque Selim and Mohammad Jasim Uddin, "Japan-Bangladesh Economic Relations", *BISS Journal*, Vol. 28, No. 4, October 2007, p. 401.

growth. In fact, the effectiveness of the loans seems to be unproductive, requiring another type of loans to fulfil previous target. This results in huge burden of debt.¹⁵ This, in turn, poses several complications for the loan recipient country's economy, such as, loan provider's unwillingness to sanction new loans, asking increasing interest rate for further loans, imposing stiff conditionalities on the recipient country, etc.

One of the harshest conditionalities under the PRGF programme to achieve concessional lending is to increase fuel price and restructure price index of energy materials. Although this reform has adjusted the government losses, to some extent, the core people of the rural areas and the timely production have been seriously affected by the initiative. The outcome of the fuel price hike has increased the consequential hardship of the vulnerable groups of the society. On the other hand, the PRGF programme encourages the government of Bangladesh to curtail the expenditure on social welfare and, in particular, on food subsidies. But the spending on food subsidy is essential to protect the poor mass of Bangladesh from the disruptive effects of the rapid socio-economic changes. If the interest of the concessional lending is to reduce poverty, it is essential to continue food subsidies.

The above discussions reveal that the concessional lending under the PRGF programme has assisted to accelerate the economic growth, increase foreign currency reserve and export earnings, collect taxes and revenues, and way of receiving remittances. But the disbursed low interest loans do not pay much attention to the poor people for reducing poverty; rather it has put pressure with a set of conditionalities on the government of Bangladesh to pursue the IMF-driven policies in the financial and banking sectors. As a result, the programme along with huge loans produces more poor people, rather

¹⁵ In Latin America and Sub-Saharan Africa, we have witnessed a large increase in the use of IMF loans between 1970 and 1980 which led to the huge debt crisis in 1982 and its aftermath. Following the 1982 debt crisis, further use of IMF credits in Sub-Saharan Africa was sustained which consequently led to economic hardship in the region. See, Devesh Kapur, "The IMF: A Cure or A Curse", *Foreign Policy*, No. 108-112, 1997, p. 117.

than alleviating acute poverty.¹⁶ On the other hand, inequality and unemployment are likely to be increased in the country. Taking these points and the previous experience of the IMF-supported programmes into consideration, the output of the PRGF programme with loans seem to be quite limited or little instrumental to the reduction of poverty and fostering economic growth of Bangladesh.¹⁷

6. Concluding Remarks

Bangladesh has been associated with the IMF for more than thirty five years. During this time, Bangladesh has received a substantial amount of loans and economic assistance with versatile conditions and suggestions under different types of programmes: short-term, medium-term and long-term. Most of the programmes focus mainly on ensuring macroeconomic stability, and prioritise on poverty reduction and economic growth through structural adjustment lending. While few programmes have witnessed positive impact on some economic aspects of Bangladesh, the rest ones have achieved little leaving added deficit in the country's total debt. As observed in the previous section, the PRGF programme with low interest loans, in spite of some achievements, has not come up to a level that one may expect in terms of raising living standard of people by lifting them out of poverty circle, generating income level, creating employment opportunity, and sustaining stable macroeconomic situation.

There is no denying the fact that the problems of underdevelopment and widespread poverty in Bangladesh have deep historical, cultural and social roots. If the IMF-supported programmes really want to reduce poverty and unemployment and promote human development through economic growth in

¹⁶ Whereas the number of poor people was 9.10 crore in 2000, now this number stands at 9.38 crore. Again, the number of extreme poor people now stands at 2.70 crore whereas it was 2 crore in 2000. See, *Annual Report*, Bangladesh Bank, 2001.

¹⁷ An examination of the record of the IMF's performance in low income countries shows far from being satisfactory to the economic instability and poverty. See, M. A. Taslim, 'Monetary Restrains - A Year On', *Financial Express*, June 10, 2006.

Bangladesh, it is essential to undertake more pragmatic and welfare-oriented policies rather than profit-oriented policies. While the recipient country needs to utilise loans and be prudent to implement the specific target, the programmes could disburse financial assistance at lower interest rate without imposing stiff conditionalities. This is because the tenuous conditions for loans result in a loss of precious time, whether during negotiation or implementation, thereby making a bad situation worse.¹⁸ However, more functional and effective PRGF programme needs harmonisation between conditionalities of the IMF and overall socio-economic conditions of Bangladesh to foster economic growth and reduce poverty. In addition, while Bangladesh needs to ensure good governance to reap the maximum benefits from the concessional lending under the PRGF programme, the IMF should let the recipient country to utilise the loans in the sectors deemed more productive for indigenous economic development.

¹⁸ Edward Goldsmith, “Development, Biospheres Ethics and a New Year Forward”, available at <http://www.edwardgoldsmith.com/page252.html>, accessed on May 06, 2007.

Annex: I**Composition of Tax and Revenue Receipts (2005 and 2006)¹⁹**

(In billion Taka)

Type of revenues	2005	2006
Tax revenues	319.5	361.8
Values Added Tax (VAT)	106.0	124.0
Import duty	80.0	82.4
Supplementary duty	56.0	63.9
Taxes on income and profit	58.5	69.6
Non- judicial stamps	8.1	9.6
Excise duty	1.5	1.6
Land revenues	3.3	3.8
Taxes on vehicles	2.7	3.3
Duty on narcotics and liquor	0.5	0.5
Other taxes and duties	2.9	3.1
Non- Tax revenues	72.5	86.9
Telegraph and telephone	16.5	17.7
Administrative fees and charges	9.9	11.0
Divided and profits	11.7	12.7
Interest	6.4	7.3
Capital revenue	0.6	0.6
Receipts for services rendered	4.3	4.7
Non-commercial sales	2.6	2.9
Rents, leases and recovers	0.9	1.0
Defence receipts	2.3	6.9
Tolls and levies	1.5	1.5
Fines, penalties and forfeiture	0.7	0.7
Railway	4.8	5.2
Post Office	1.5	1.6
Other non-tax revenue and receipt	8.8	13.1
Total :	392.0	448.7

Sources: *Budget in Brief*, Ministry of Finance, Bangladesh, 2007.
BBS Report, 2007.

¹⁹ Md. Ghulam Murtaza, "How Conducive are WB and IMF Conditionalities to Growth", available at: <http://www.thedailystar.net/2006/06/09/d60609150189.htm>, accessed on September 17, 2007.

Annex II

Countries Eligible for PRGF as of August 2006	
1 Afghanistan	40 Liberia
2 Albania	41 Madagascar
3 Angola	42 Malawi
4 Armenia	43 Maldives
5 Azerbaijan	44 Mali
6 Bangladesh	45 Mauritania
7 Benin	46 Moldova
8 Bhutan	47 Mongolia
9 Bolivia	48 Mozambique
10 Burkina Faso	49 Myanmar
11 Burundi	50 Nepal
12 Cambodia	51 Nicaragua
13 Cameroon	52 Niger
14 Cape Verde	53 Nigeria
15 Central African Republic	54 Pakistan
16 Chad	55 Papua New Guinea
17 Comoros	56 Rwanda
18 Congo, Democratic Republic of	57 Samoa
19 Congo, Republic of	58 Sao Tome and Principe
20 Cote d'Ivoire	59 Senegal
21 Djibouti	60 Sierra Leone
22 Dominica	61 Solomon Islands
23 Eritrea	62 Somalia
24 Ethiopia	63 Sri Lanka
25 Gambia, The	64 St. Lucia
26 Georgia	65 St. Vincent and Grenadines
27 Ghana	66 Sudan
28 Grenada	67 Tajikistan
29 Guinea	68 Tanzania
30 Guinea-Bissau	69 Timor Leste
31 Guyana	70 Togo
32 Haiti	71 Tonga
33 Honduras	72 Uganda
34 India	73 Uzbekistan
35 Kenya	74 Vanuatu
36 Kiribati	75 Vietnam
37 Kyrgyz Republic	76 Yemen, Republic of
38 Lao, P. D. R.	77 Zambia
39 Lesotho	78 Zimbabwe

Source: <http://www.imf.org/external/np/exr/facts/prgf.htm>