**Demands for Grants and Appropriations 2020-21**

**Grants No. - 08**

**112-Financial Institution Division**

**Functions, Allocations and Activities**

1. The main functions of Financial Institutions Division:
   1. Enactment/formulation of policies, laws, rules and regulations related to Bank, Insurance, Capital market and others financial institutions and related services;
   2. Development of financial markets and institutions;
   3. Co-ordination of the activities of regulatory authorities of financial sector;
   4. The overall Monitoring and Evaluation of the activities of state-owned banks and financial institutions;
   5. Expansion of Capital Market through introduction of new products and supply of securities having good fundamentals;
   6. Building confidence of the people on insurance sector through implementing reform programs and expanding the coverage of insurance through creating mass awareness;
   7. Creating self-employment and reducing poverty through expansion of microcredit activities.

2. The revised budget allocation (Non-Development and Development) from FY 2017-18 to FY 2019-20 and the proposed allocation (Non-Development and Development) for FY 2020-21 of Financial Institutions Division are shown below:

**(Amount in Thousand Taka)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Year** | | **Operating** | **Development** | **Total** | **Recurring** | **Capital** | **Asset** | **Liability** |
| 2017-18 | Revised Budget | 358,93,66 | 1985,56,00 | 2344,49,66 | 373,37,66 | 12,65,50 | 1958,46,50 | 0 |
| 2018-19 | Revised Budget | 439,04,00 | 2183,05,00 | 2622,09,00 | 341,39,60 | 126,02,00 | 2154,67,40 | 0 |
| 2019-20 | Revised Budget | 108,59,20 | 2853,84,92 | 2962,44,12 | 164,87,20 | 51,09,00 | 2746,47,92 | 0 |
| 2020-21 | Budget | 104,66,00 | 2274,29,00 | 2378,95,00 | 210,50,00 | 235,30,00 | 1933,15,00 |  |

3. In FY 2020-21 the following important activities/projects/programs are scheduled to be implemented:

* 1. Framing rules and regulation and effective monitoring of the activities under the Insurance Development and Regulatory Authority Act, 2010 and Insurance Act, 2010;
  2. Implementation of time bound action plan for the National Insurance policy 2014;
  3. Continuation of the reform programs to ensure transparency and efficiency and to infuse dynamism in the capital markets for safeguarding the interests of general investors;
  4. Monitoring the activities of the state-owned commercial banks, specialized banks and financial institutions as well as making amendment of the related laws;
  5. Monitoring and evaluation of the activities of Microcredit Regulatory Authority (MRA), Bangladesh Institute of Capital Market (BICM) and Bangladesh Insurance Academy (BIA);
  6. Monitoring of Entrepreneurship Support Fund (Agriculture/IT) managed by Bangladesh Bank and Investment Corporation of Bangladesh (ICB);
  7. Coordination and supervision of activities relating to receive foreign loan/grant, loan agreement, authorization of programs implemented by Palli Karma-Shahayak Foundation (PKSF), Social Development Foundation (SDF), Bangladesh NGO Foundation (BNF) and Bangladesh Municipal Development Fund (BMDF) including functions relating to financial inclusion and social safety nets;
  8. Non-ADP projects being implemented by Bangladesh Bank: Financing Brick Klin Efficiency Improvement project (BKEIP); Foreign Direct Investment Promotion Project (FDIPP); Urban Building Safety Project; Financial Sector Support Project (FSSP); Second Small & Medium Enterprise Development project (SMEDP-2); Small Medium sized Farmers Agricultural productivity Improvement & Diversification Financing and Credit Facility Program to Finance-RMG Project and Rural & Perry Urban Housing Finance Project being implemented by Bangladesh House Building Finance Corporation.
  9. Monitoring, allocation, authorization and co-ordination of the following ADP development projects implemented by the Bangladesh Bank, Bangladesh Securities and Exchange Commission and Insurance Development and Regulatory Authority:
     1. Financial Sector Support Project (FSSP) being implemented by Bangladesh Bank (BB);
     2. Capital Market Development Program-III being implemented by Bangladesh Securities and Exchange Commission (BSEC);
     3. Credit Facility Program to Finance-RMG being implemented by BB;
     4. Second Small & Medium Enterprise Development project (SMEDP-2) being implemented by BB.
     5. Bangladesh Insurance Sector Development Project being implemented by Insurance Development Regulatory Authority (IDRA).