Need for Increased Budgetary Allocation for the Health Sector to Advance the ICPD PoA and Materializing the SDGs

Presentation by:
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Presentation to

the Bangladesh Association of Parliamentarians on Population and Development (BAPPD)

Presentation by:

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Background

- **50^th^** anniversary of independence celebration in 2021 with remarkable socio-economic progress
- However, important tasks ahead in attaining improvements in several health indicators.
- Achieving the health goals while building back better from Covid-19 shocks will require higher budgetary allocations.
- **Public investment in health is critical** including for addressing rising inequality.
- **Bangladesh’s development transitions**—from a lower-middle-income to an upper-middle income (by 2031) and to high-income country (by 2041)—will call for rapid expansion in health spending.
Bangladesh’s phenomenal progress in economic development...
**Declined from 594/100,000 live births in 1990 to 165 in 2019**

**Maternal Mortality**
Fell from 99.6/1,000 live births in 1990 to 21 in 2019

**Infant Mortality**
Increased from 58.2 years in 1990 to 72.6 years in 2019

**Avg. Life Expectancy**

**Net Enrolment in Primary Education**
Increased from 75 per cent in 1990 to 97 per cent in 2019

**Adult Literacy Rate**
Rose from just 35 per cent to 74 per cent

**Avg. Life Expectancy**

**Net Enrolment in Primary Education**
Increased from 75 per cent in 1990 to 97 per cent in 2019

**Adult Literacy Rate**
Rose from just 35 per cent to 74 per cent
The Challenge of Achieving 3-zeros

1. Zero preventable maternal mortality
   • Currently MMR is 165 per 100,000 live births

2. Zero unmet demand for family planning and SRH care services
   • About 14 per cent women have unmet demand for family planning and contraceptives

   • Approximately 55 per cent of married women are victims of domestic gender-based violence in Bangladesh
Demographic dividend and the need for SRH services

- In 2020, there are 92.5 million people in reproductive age group.
- In 2030, it will be 98 million and in 2040, 97.4
- The high demand for sexual and reproductive health services will continue for many years to come.
The decline in total fertility rate (TFR) in Bangladesh has stalled since the late 2000s.

- TFR is stuck at 2.3 against the target of 2.
- It largely due to lack of contraceptive usages and unmet need for contraceptives.
Further progress to be made in meeting health-related SDG targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring all births to be attended by skilled personnel</td>
<td>• Currently, it is only 59%</td>
</tr>
<tr>
<td>Curbing adolescent birth rates (ABR) for the age group 15-19</td>
<td>• ABR is 74 (1,000 women/girls)</td>
</tr>
<tr>
<td></td>
<td>• ABR for the age group 10-14 is 5</td>
</tr>
<tr>
<td>Ending child marriage</td>
<td>• 22.6% women aged 20-24 were married before 15 years of age</td>
</tr>
<tr>
<td></td>
<td>• 60% were married before 18 against</td>
</tr>
<tr>
<td>Tackling the prevalence of anaemia in women of reproductive age</td>
<td>• 39%-43% of women in the relevant age group suffer from anaemia</td>
</tr>
</tbody>
</table>
Addressing the challenges of NCDs

- **Non-communicable diseases (NCDs)** have increasingly become a major health concern due to lifestyle changes, epidemiological and demographic transitions, rapid urbanisation.
- NCDs account for approximately 67 per cent of all mortality with cardiovascular diseases contributing the highest (30%) followed by cancers (12%)
- NCDs pose a heavy financial burden
Catastrophic impact of Covid-19

- Health systems worldwide have come under severe pressure.
- Access to healthcare and reproductive health services for many was disrupted.
- Many non-Covid patients also failed to access health services.
- The pandemic has highlighted the vulnerabilities of the health system.
- Supply-side capacities – grossly inadequate number of hospital beds, ICU units, trained health professionals, etc.
Bangladesh’s health spending has risen in absolute terms but remains low in proportion to GDP and total government expenditure.
Bangladesh’s health spending in comparison with other countries

<table>
<thead>
<tr>
<th>Countries</th>
<th>Public spending on health as % of GDP</th>
<th>Public spending per person</th>
<th>Total health spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>0.38%</td>
<td>$7.5</td>
<td>$36</td>
</tr>
<tr>
<td>Lower-middle income countries</td>
<td>1.36%</td>
<td>$27</td>
<td>$81</td>
</tr>
<tr>
<td>Upper-middle-income countries</td>
<td>4.0%</td>
<td>$255</td>
<td>$460</td>
</tr>
<tr>
<td>High-income countries</td>
<td>5.7%</td>
<td>$3,250</td>
<td>$5,284</td>
</tr>
</tbody>
</table>

Source: WHO estimates
Government spending in health

Global public health expenditure (% of GDP)

- High Income
- Upper-middle income
- Lower-middle income
- Low Income

Log of GDP per capita, PPP
Total health spending as % of GDP
Out-of-pocket expenses

- 74% of total health expenditures in Bangladesh.
- while 56% in lower-middle-income countries and 33% in upper-middle-income countries.
- Almost 7% of the population (approximately 11.5 million) in Bangladesh are pushed into poverty by out-of-pocket health care expenditures.
Can Bangladesh continue with low-health spending?

Adoption and spread of ‘low-cost solutions, was very helpful at the early stage.

- The use of oral saline for diarrhoea treatment
- Increased public awareness for child immunisation
- Awareness building for contraceptive usage

But, after the initial gains have been materialised, continued progress will increasingly depend on larger public spending.

Significant shifts in the disease profile have taken place.

- Non-communicable diseases (NCDs) have become a major health concern with much higher financial burden.

Thus, there will be need for new and large investments

- To deal with emerging health priorities along with those traditional and fundamental ones associated with maternal and SRH related issues.
Why health matters for economic development

• Healthier individuals are more productive and thus generally earn a higher income.
• They are likely to have a longer healthy working life and to invest more in education and training.
• They are likely to save and invest more.
• Reproductive health also matters for economic growth.
  • Through women’s improved health status,
  • reduce maternal and infant mortalities, lower the fertility rate, widen the birth interval
  • promote female labour force participation.

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  • promote female labour force participation.
Strong empirical evidence of increased health spending good for economic development

• Reviewed more than 50 international studies
• Overwhelming evidence of positive impact of health spending.
• 1 per cent increase in health expenditure leads to increase GDP per capita by 0.28 per cent.
• 1 per cent increase in life expectancy can lead to an average 6 per cent GDP increase.
• Every $1 dollar spent to eliminate the unmet need for modern contraception returns $120 (Copenhagenconsensus.com, 2015).
Econometric model results from our study

• Econometric model using data for 137 countries (including Bangladesh) for 2000-2017.

• 1 per cent increase in government expenditure on healthcare increases GDP per capita by 0.17 percent.

• 1 per cent rise in life expectancy at birth raises GDP per capita by about 0.54 per cent for the whole sample.

• Initial investment would result in higher gains for a developing country like Bangladesh.

• Reduction in infant mortality rate as well as under-five mortality rate significantly boost economic growth.
Composition and trends in Bangladesh’s public health expenditure

Figure 23: Organisational structure of the Ministry of Health and Family Welfare (MoHFW)

Ministry of Health and Family Welfare (MoHFW)
- Health Services Division
  - Secretariat
  - Directorate General of Health Services (DGHS)
  - Directorate General of Drug Administration (DGDA)
  - Directorate of Nursing and Midwifery (DGNM)
  - Health Engineering Department (HED)

Health Education and Family Welfare Division
- Secretariat
- Directorate General of Family Planning (DGFP)
- National Institute of Population Research and Training (NIPORT)
- Directorate of Medical Education (DoME)
- Nursing and Midwifery Education Institutes (NMEI)

Source: MoHFW.
Composition of public health expenditure
Budgetary allocation for different directorates

Figure 26: Composition of budgetary allocation for different directorates (% of total health budget)

Year | DGHS | DGFP | DGNM | Others
-----|------|------|------|-------
2011-12 | 54%  | 19%  | 1%   | 25%   
2012-13 | 54%  | 18%  | 1%   | 27%   
2013-14 | 53%  | 17%  | 6%   | 23%   
2014-15 | 55%  | 16%  | 6%   | 23%   
2015-16 | 55%  | 15%  | 6%   | 23%   
2016-17 | 50%  | 14%  | 7%   | 28%   
2017-18 | 56%  | 14%  | 7%   | 24%   
2018-19 | 57%  | 14%  | 6%   | 23%   
2019-20 | 57%  | 13%  | 7%   | 23%   

Legend:
- DGHS
- DGFP
- DGNM
- Others
Medium-term budgetary projection of sectoral programs & Operational plans (OPs)

• The 4\textsuperscript{th} Health, Population, and Nutrition Sector Program (HPNSP) for 2017–2022: costs TK.1155 billion ($15 billion)

• 29 operational plans

• It is estimated that about 11% of total health expenditure – directed to core delivery of SRHR services (projected in the 4\textsuperscript{th} HPNSP)

• Health, Population and Nutrition Sector Program (HPNSP) for health budget allocation – not based on proper needs assessment.

• In fact, after estimating initial estimates, the projected requirements for the 4\textsuperscript{th} HPNSP were brought down by Tk 23,000 crore (i.e., almost $3 billion) (Table 5.6)
HPN Sectoral programme

Figure 36: Estimated expenditure of HNP strategic plans (TK. crore)

- **HPSP (1998-2003)**
  - Allocation: 11,520.34
  - 5,403; (46.9%)
  - 1,692; (14.68%)
  - 4,425; (38.41%)

- **HNPSP (2003-2011)**
  - Allocation: 37,384.11
  - 20,818; (55.68%)
  - 6,299; (16.86%)
  - 10,267; (27.46%)

- **HPNSDP (2011-2016)**
  - Allocation: 56,993.54
  - 34,817; (61%)
  - 8,604; (15%)
  - 13,573; (24%)

- **HPNSP (2017-2022)**
  - Allocation: 115,486.36
  - 72,000; (62.34%)
  - 24,639; (21.34%)
  - 18,847; (16.32%)

Legend:
- Blue: Revenue budget
- Orange: GOB development
- Green: Project Aid
Estimated resource requirements in the 4th HPNSP

<table>
<thead>
<tr>
<th>Fund by type</th>
<th>Medium term budget framework</th>
<th>15% hike on FY2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2017</td>
<td>FY 2018</td>
<td>FY 2019</td>
</tr>
<tr>
<td>Revenue budget requirement (est.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11,281.51</td>
<td>12,271.40</td>
<td>14,320.84</td>
</tr>
<tr>
<td>Development budget requirement (est.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,234.54</td>
<td>6,996.26</td>
<td>6,873.54</td>
</tr>
<tr>
<td>Total required (est.)</td>
<td>17,516.05</td>
<td>19,267.66</td>
<td>21,194.42</td>
</tr>
<tr>
<td>4th HPNSP (final)</td>
<td>9,854.94*</td>
<td>15,267.66</td>
<td>18,057.81</td>
</tr>
<tr>
<td>Allocation in budget</td>
<td>17,516 (R)</td>
<td>20,023 (R)</td>
<td>22,340 (R)</td>
</tr>
</tbody>
</table>
Public spending demand for certain SRH-related components in Bangladesh

To reduce maternal mortality ratio below 70
• invest $180–$250 million (TK 15-TK 21.2 billion) every year over the next 10 years.

Meeting family planning demand for 30-40 million (women/couple)
• will require $375–$500 million (TK 32-42.5 billion) annually.

To raise total health expenditure to 3%–5% of GDP by 2030, (50% public, 50% private),
• the annual budgetary allocation should be in the range $12–$18 billion (TK 1,020-1,530 billion).
Policy Implications

- Increasing the overall health spending to realize ‘Vision 2041’.
- Fiscal push to attain universal access to SRHR and sustainable development goals.
- Independent needs assessment for the overall health sector.
- Building absorptive capacity.
- Bring down the out-of-pocket expenditures.
- While there is room for efficiency gains, it cannot be a substitute for an increased budgetary allocation.
Thank you.