

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

The presentation consists of 30 slides organized into a grid. The slides cover the following topics:

- Need for Increased Budgetary Allocation for the Health Sector to Advance the ICPD PoA and Materializing the SDGs** (Title slide)
- Background**: ICPD PoA, SDG targets, and health sector challenges.
- Bangladesh's phenomenal progress in economic development...**: GDP growth, poverty reduction, and human development index.
- Key Challenges in Primary Education**: Infant mortality, maternal mortality, and adult literacy rates.
- The Challenge of Achieving 3-zeros**: Reducing maternal, neonatal, and under-five mortality.
- Demographic dividend and the need for SRH services**: Population growth and the need for reproductive health services.
- Further progress to be made in meeting health-related SDG targets**: Targets for maternal, neonatal, and under-five mortality.
- Addressing the challenges of NCDs**: Prevalence and risk factors of non-communicable diseases.
- Catastrophic impact of Covid-19**: Health system strain and economic impact.
- Bangladesh's health spending has risen in absolute terms but remains low in proportion to GDP and total government expenditure.**: Trends in health spending.
- Bangladesh's health spending in comparison with other countries**: Comparison with India, China, and others.
- Government spending in health**: Comparison of health spending as a percentage of GDP across countries.
- Total health spending as % of GDP**: Bar chart showing health spending trends.
- Out-of-pocket expenditure**: Burden of out-of-pocket payments on households.
- Can Bangladesh continue with low-health spending?**: Analysis of health outcomes vs. spending.
- Why health matters for economic development**: Link between health and economic growth.
- Strong empirical evidence of increased health spending good for economic development**: Evidence from various studies.
- Econometric model results from our study**: Findings on the impact of health spending on economic growth.
- Composition and trends in Bangladesh's public health expenditure**: Breakdown of health spending.
- Composition of public health expenditure**: Pie charts showing the distribution of spending.
- Budgetary allocation for different directorates**: Allocation of funds across health directorates.
- Medium-term budgetary projection of sectoral programs & Operational plans (OPs)**: Future budgetary needs.
- Estimated resource requirements in the 4th HPNSP**: Resource needs for the next health plan.
- Public spending demand for certain SDG-related components in Bangladesh**: Funding requirements for specific SDG targets.
- Policy Implications**: Recommendations for increasing health spending.
- Thank you.**

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 29 December 2020

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Presentation to

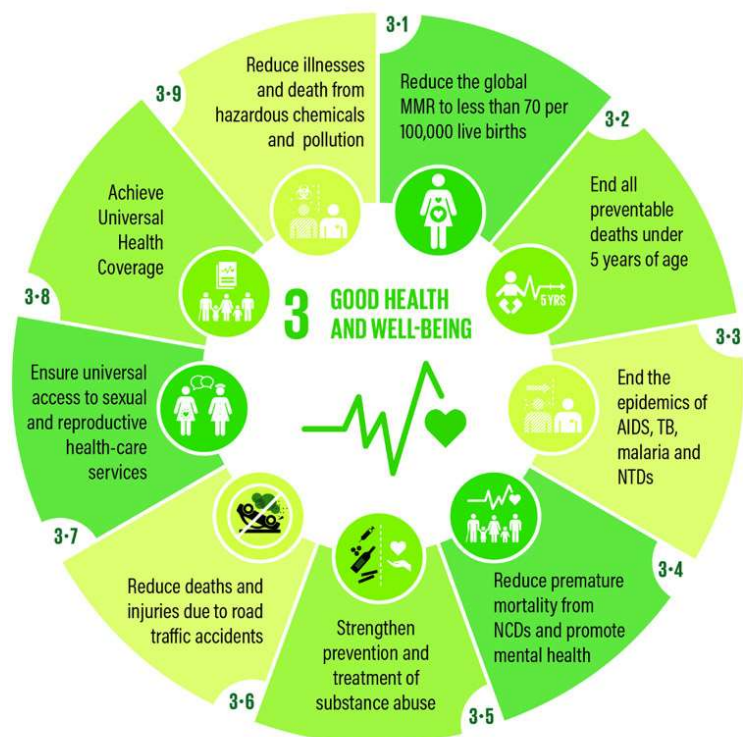
the **Bangladesh Association of Parliamentarians on Population and Development (BAPPD)**

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29 December 2020

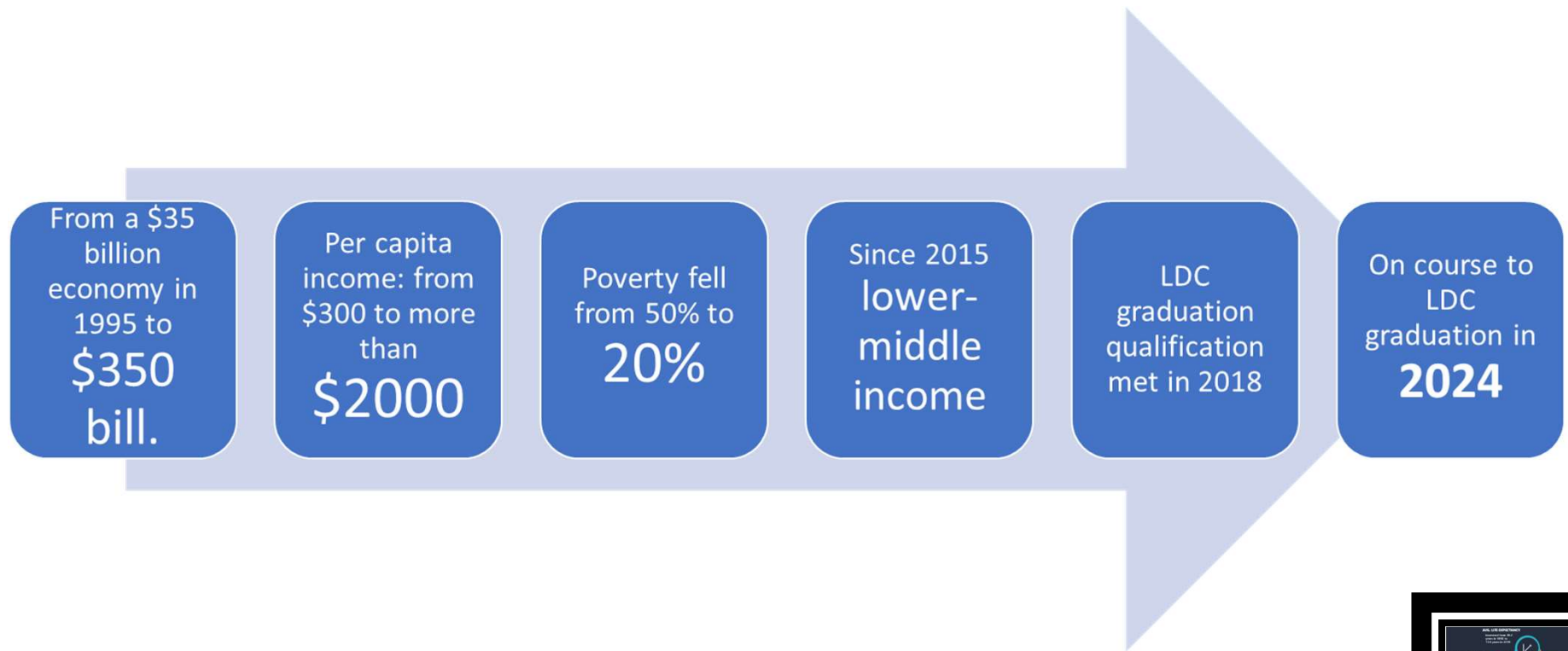


Background

- **50th** 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...



AVG. LIFE EXPECTANCY

increased from 58.2 years in 1990 to 72.6 years in 2019



INFANT MORTALITY

fell from 99.6/1,000 live births in 1990 to 21 in 2019



NET ENROLEMENT IN PRIMARY EDUCATION

increased from 75 per cent in 1990 to 97 per cent in 2019



MATERNAL MORTALITY

declined from 594/100,000 live births in 1990 to 165 in 2019



ADULT LITERACY RATE

rose from just 35 per cent to 74 per cent



The Challenge of Achieving 3-zeros

1

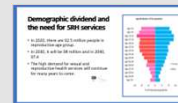
Zero preventable maternal mortality

- 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



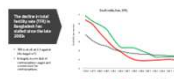
3

Zero gender-based violence and harmful practices by 2030.

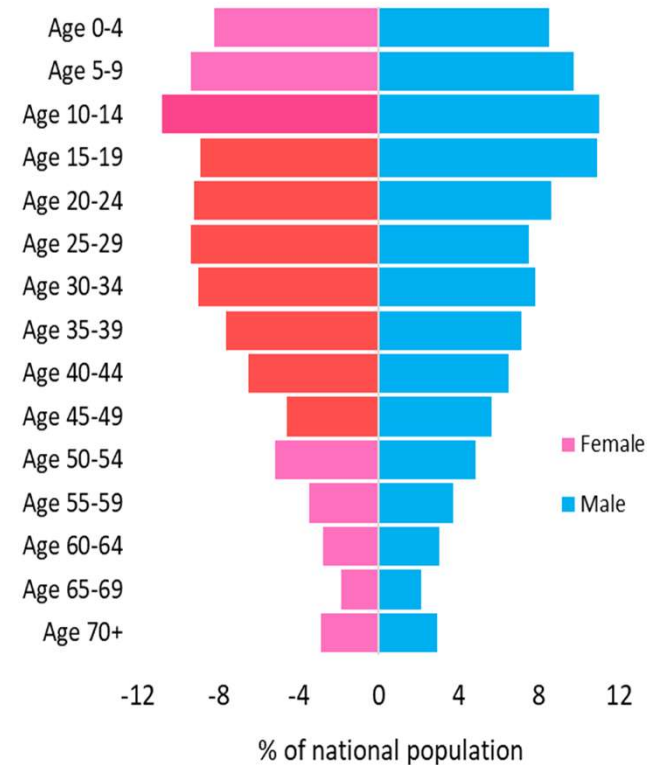
- Approximately 55 per cent of married women are victims of domestic gender-based violence in Bangladesh

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.

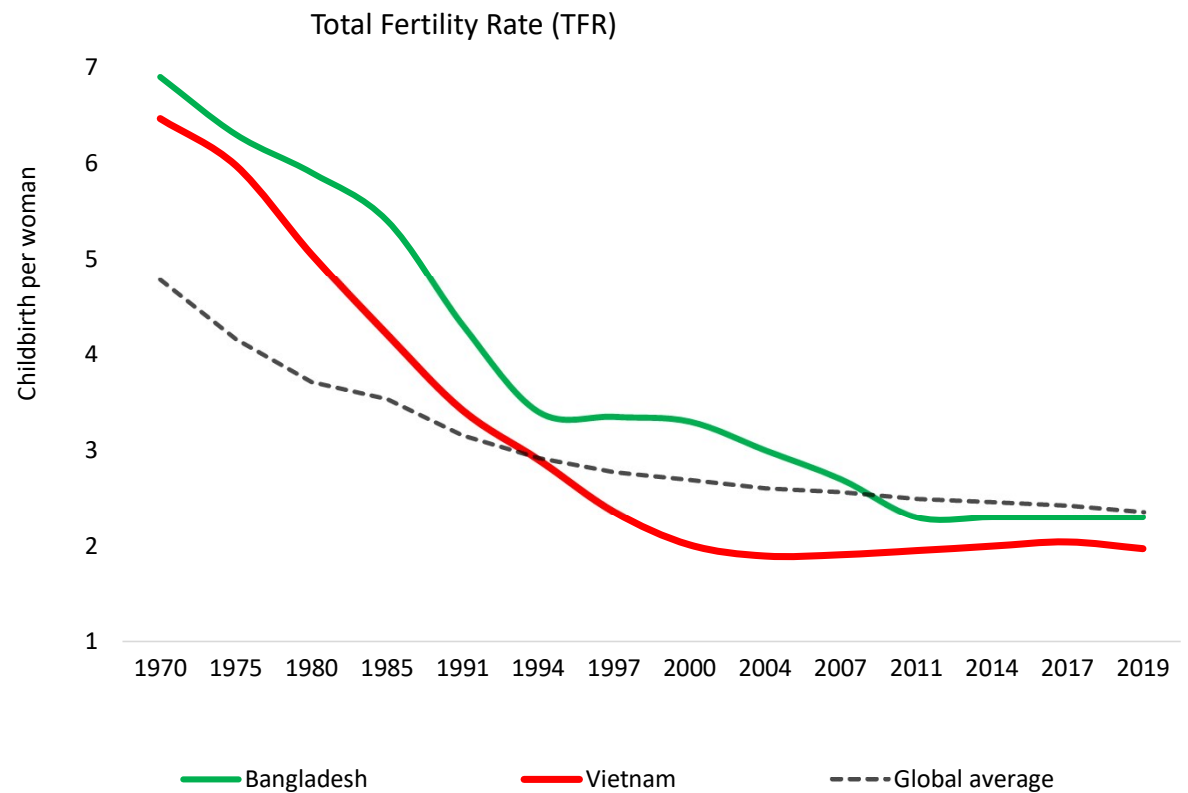


Age distribution of the population



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

Ensuring all births to be attended by skilled personnel

- Currently, it is only 59%

Curbing adolescent birth rates (ABR) for the age group 15-19

- ABR is 74 (1,000 women/girls)
- ABR for the age group 10-14 is 5

Ending child marriage

- 22.6% women aged 20-24 were married before 15 years of age
- 60% were married before 18 against

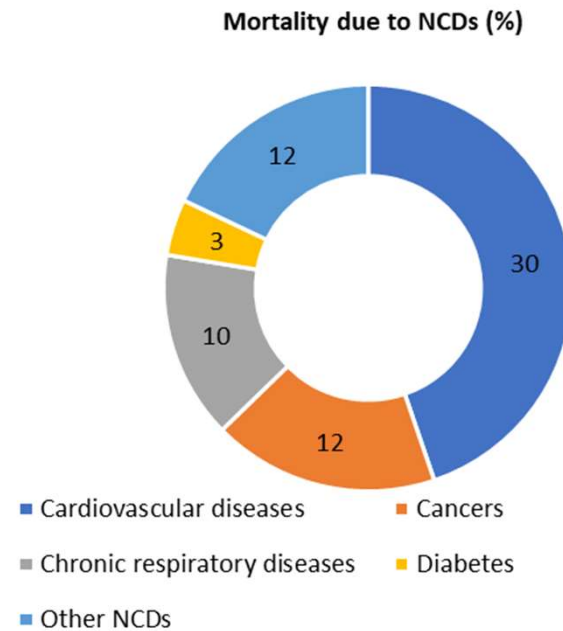
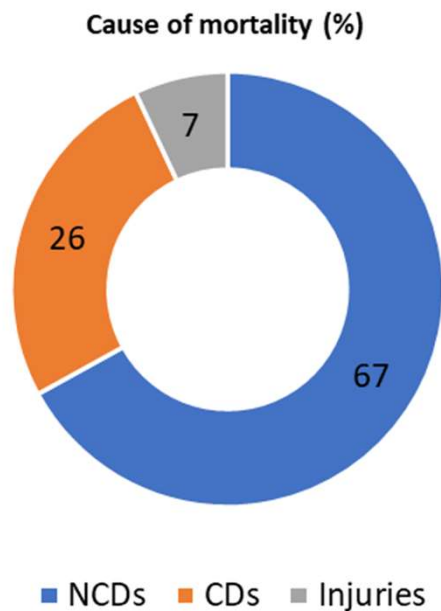
Tackling the prevalence of anaemia in women of reproductive age

- 39%-43% of women in the relevant age group suffer from anaemia



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

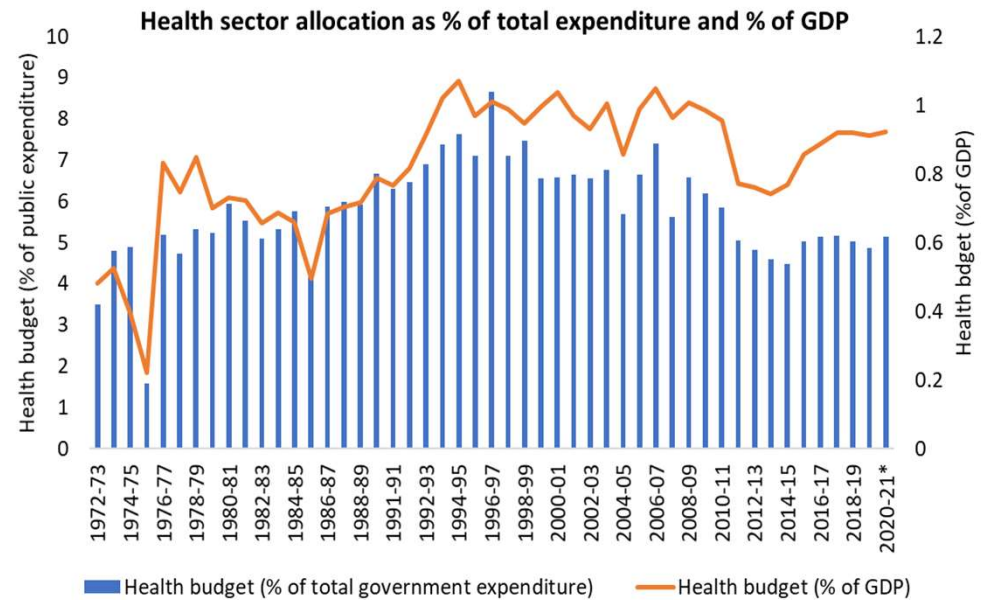
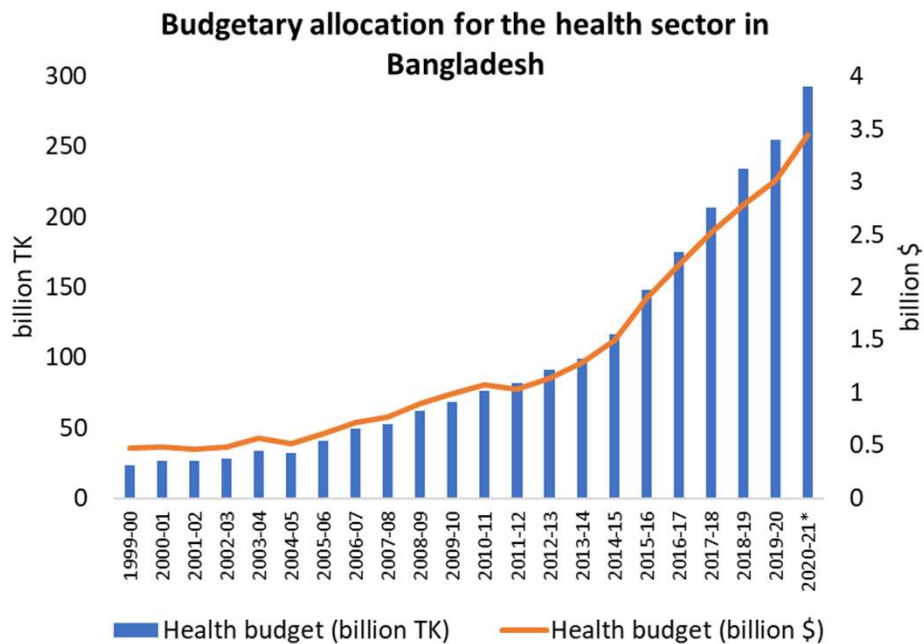


Catastrophic impact of Covid-19



- 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.

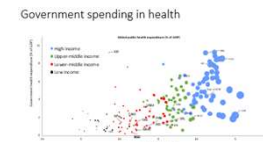
Bangladesh's health spending has risen in absolute terms but remains low in proportion to GDP and total government expenditure.



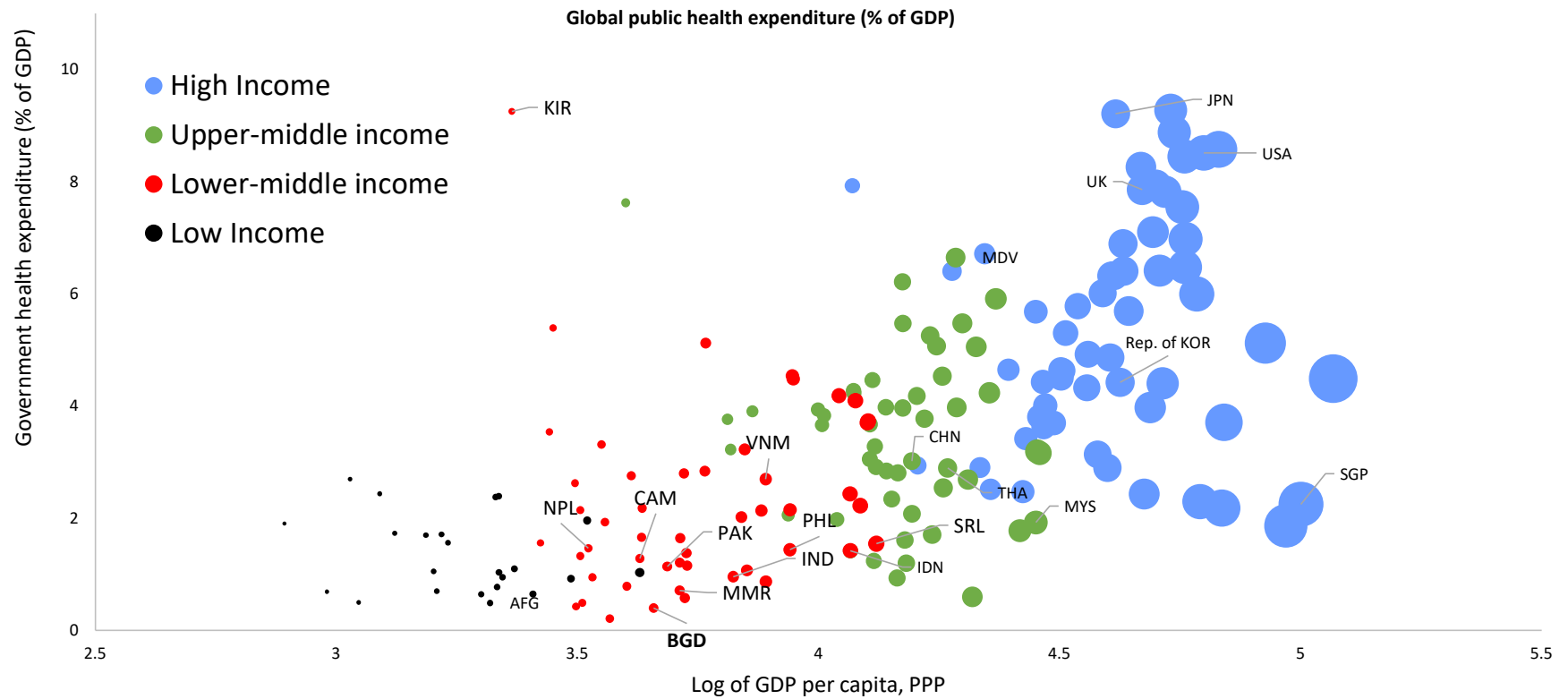
Bangladesh's health spending in comparison with other countries

Countries	Public spending on health as % of GDP	Public spending per person	Total health spending
Bangladesh	0.38%	\$7.5	\$36
Lower-middle income countries	1.36%	\$27	\$81
Upper-middle-income countries	4.0%	\$255	\$460
High-income countries	5.7%	\$3,250	\$5,284

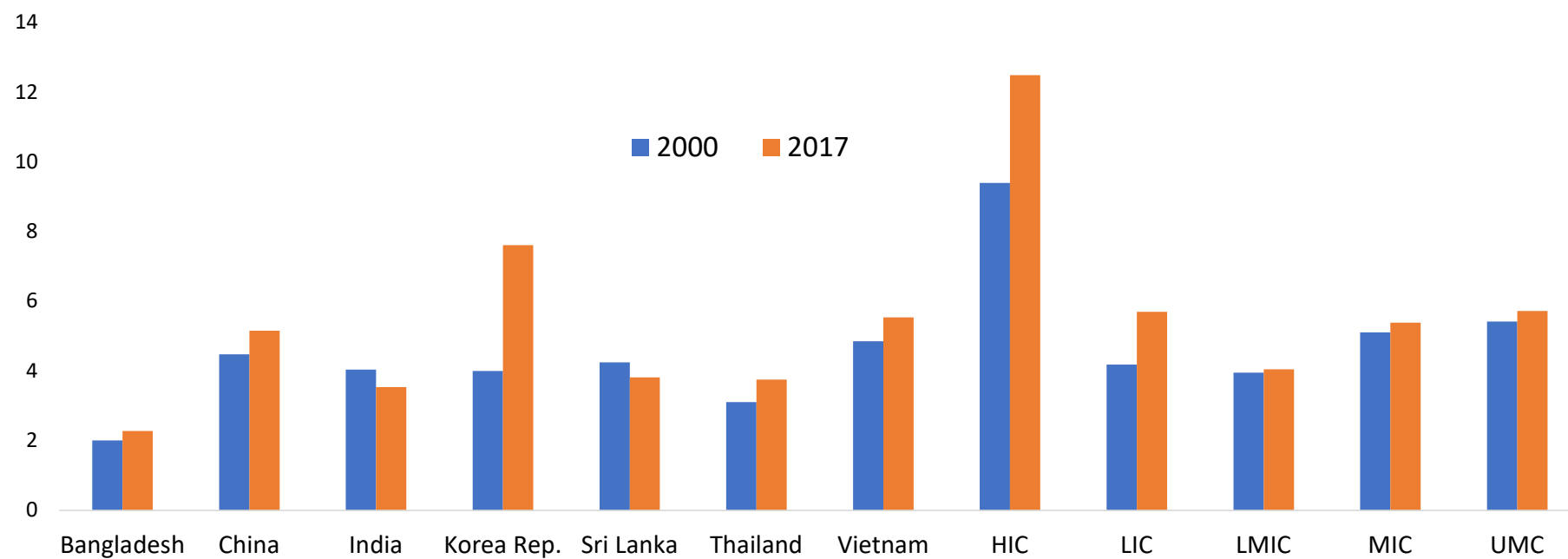
Source: WHO estimates



Government spending in health

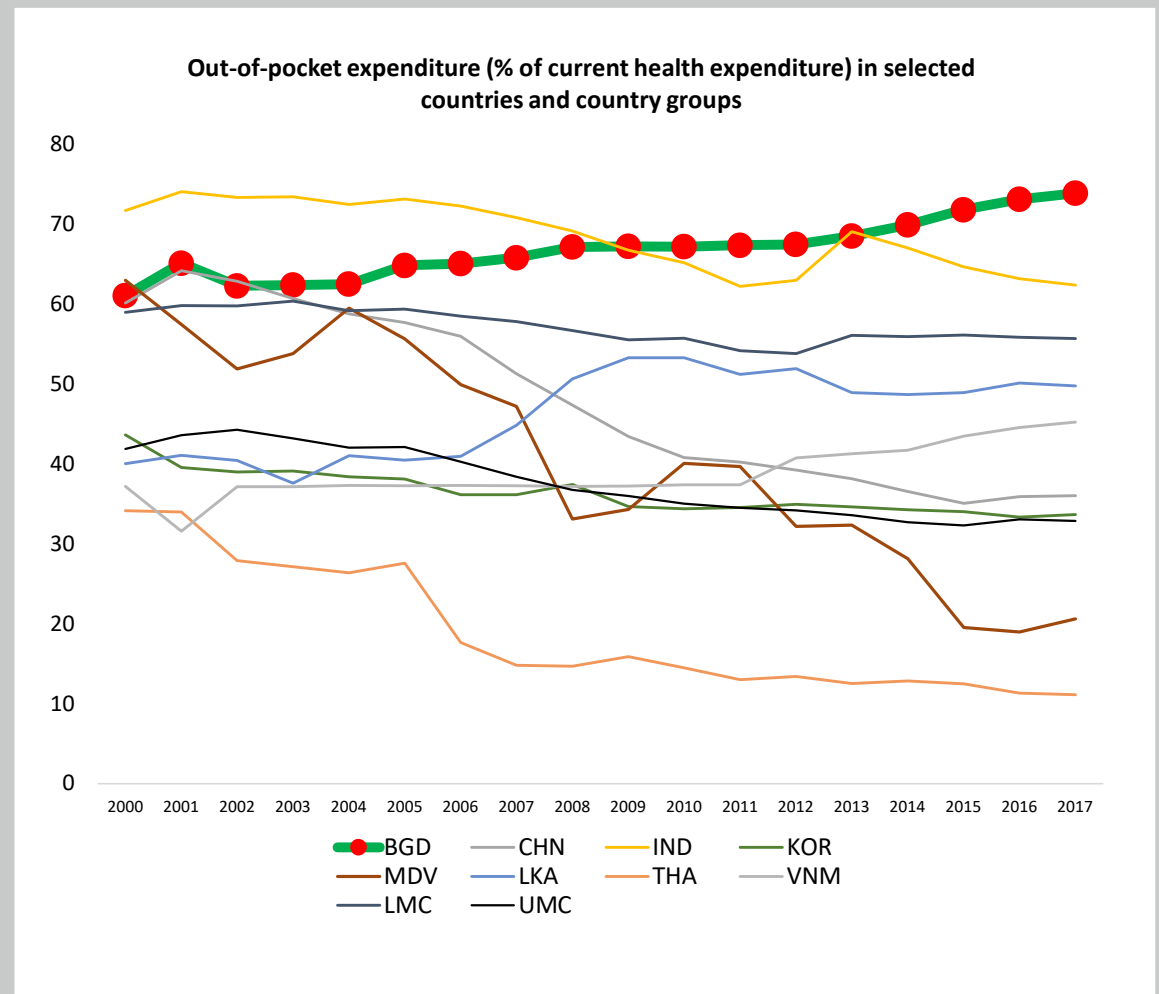


Total health spending as % of GDP



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

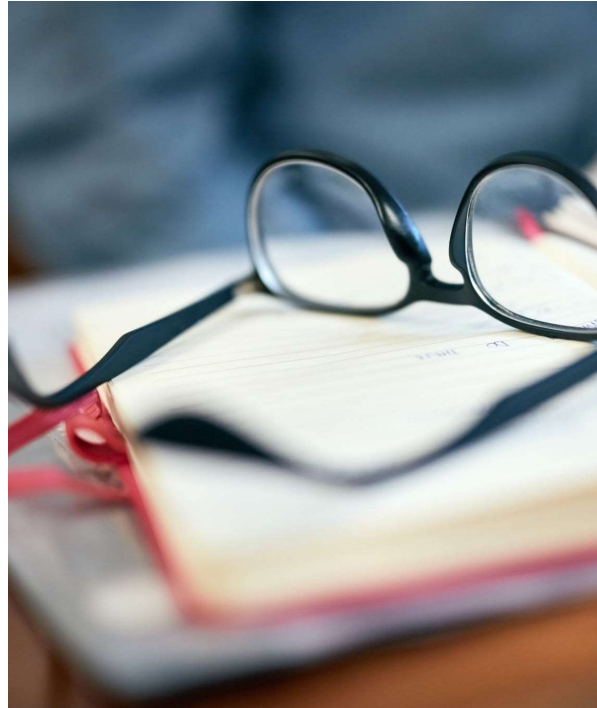
- Healthier individuals are more productive and thus generally earn a higher income.
- They are likely to have a longer healthy working life and to invest more in education and training.
- They are likely to save and invest more.
- Reproductive health also matters for economic growth.
 - Through women's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



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).

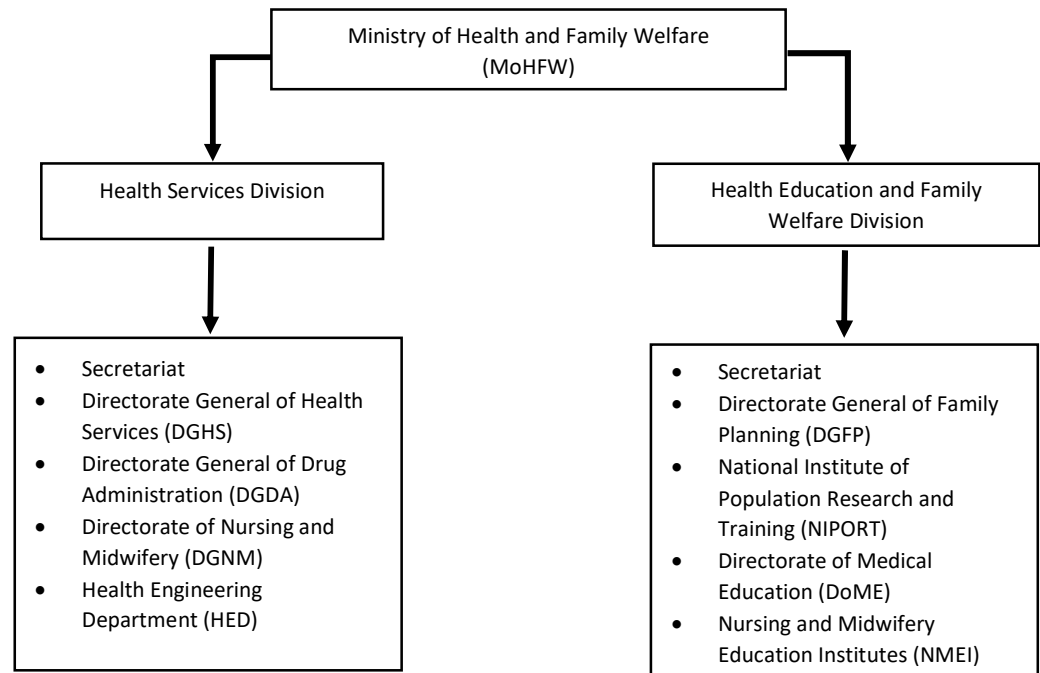
Econometric model results from our study



- 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)



Source: MoHFW.

Composition of public health expenditure

Figure 24: Budgetary allocations for different directorates (2011-12)

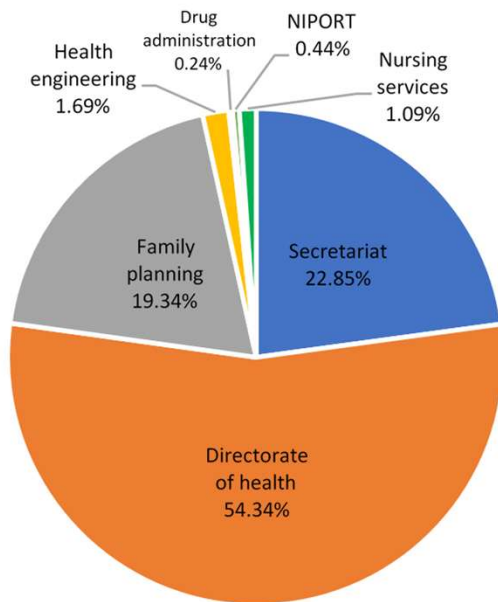
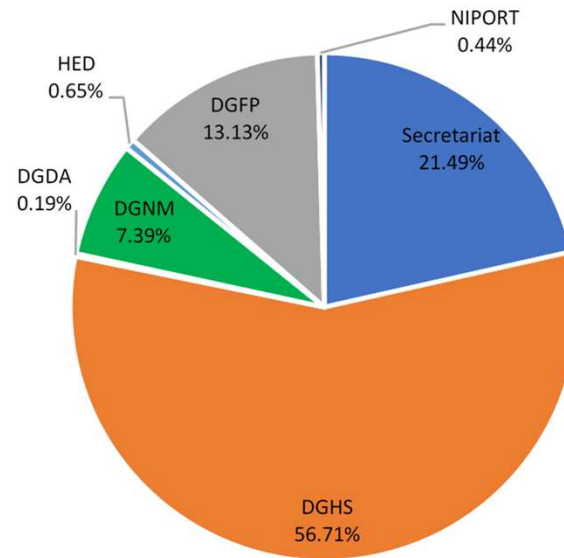
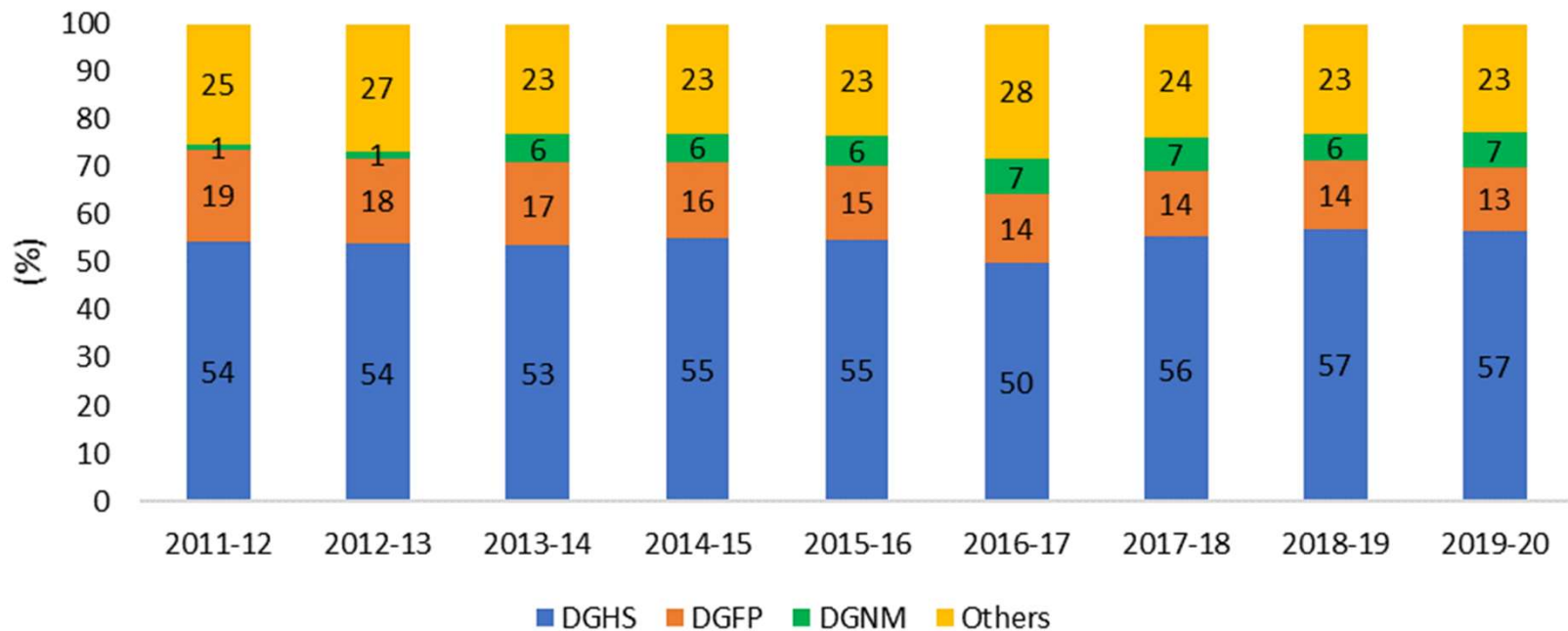


Figure 25: Budgetary allocations for different directorates (2019-20)



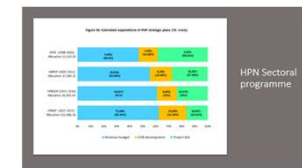
Budgetary allocation for different directorates

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



Medium-term budgetary projection of sectoral programs & Operational plans (OPs)

- The 4th 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 4th 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 4th HPNSP were brought down by Tk 23,000 crore (i.e., almost \$3 billion) (Table 5.6)

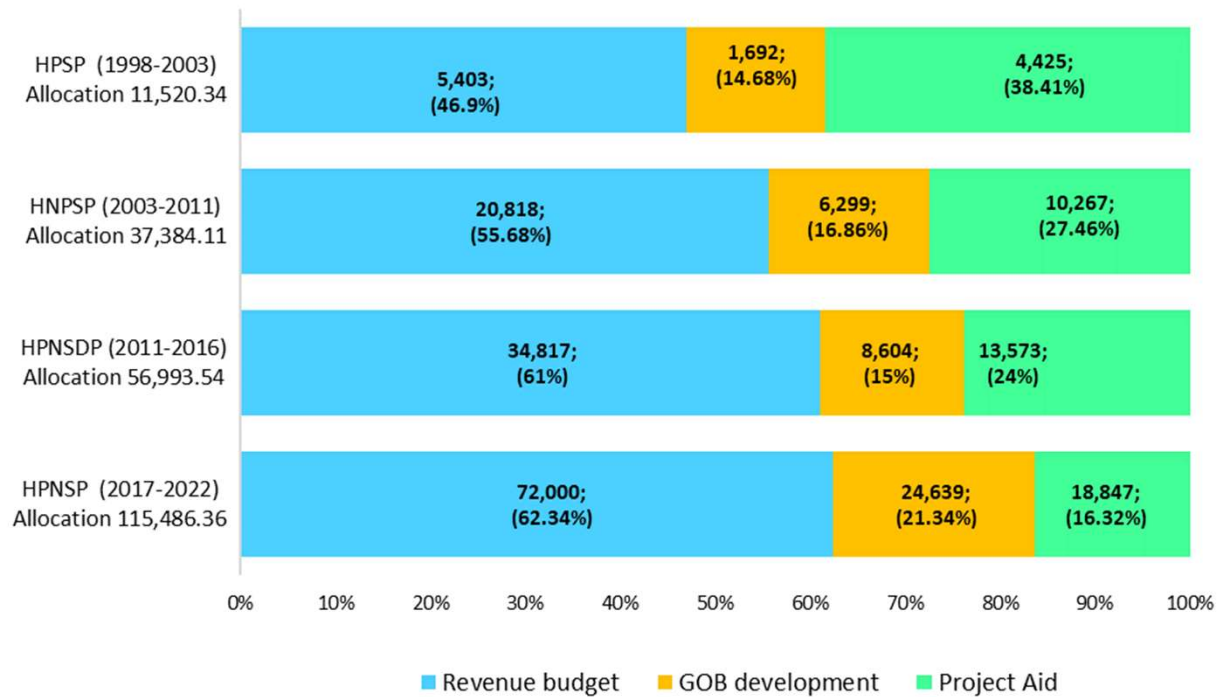


Estimated resource requirements in the 4th HPNSP

	2017	2018	2019	2020	2021	2022	Total
Estimated Budget	11,000	11,000	11,000	11,000	11,000	11,000	66,000
Requirements	11,000	11,000	11,000	11,000	11,000	11,000	66,000
Discrepancy	0	0	0	0	0	0	0
Adjusted Budget	11,000	11,000	11,000	11,000	11,000	11,000	66,000
Adjusted Requirements	11,000	11,000	11,000	11,000	11,000	11,000	66,000
Discrepancy	0	0	0	0	0	0	0
Final Budget	11,000	11,000	11,000	11,000	11,000	11,000	66,000
Final Requirements	11,000	11,000	11,000	11,000	11,000	11,000	66,000
Discrepancy	0	0	0	0	0	0	0

HPN Sectoral programme

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



Estimated resource requirements in the 4th HPNSP

Fund by type	Medium term budget framework				15% hike on FY2020		Total
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	
Revenue budget requirement (est.)	11,281.51	12,271.40	14,320.84	15,752.93	18,115.87	20,833.25	92,375.80
Development budget requirement (est.)	6,234.54	6,996.26	6,873.54	7,560.94	8,695.08	9,999.34	46,359.70
Total required (est.)	17,516.05	19,267.66	21,194.42	23,313.87	26,790.95	30,832.39	138,935.50
4th HPNSP (final)	9,854.94*	15,267.66	18,057.81	20,766.48	24,100.47	27,439.00	115,486.36
Allocation in budget	17,516 (R)	20,023 (R)	22,340 (R)	23,692 (R)	29,247 (P)	TBD	-- --

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.