

POLICY NOTE

Deconstructing Budget 2021-22 from a children perspective

Key findings

- Share of Child Budget remained stagnant at 15.05% of the national budget in FY21-22 which was 15.33% in FY19-20, notwithstanding an absolute increase of 13.3%.
- Majority of the Child Budget is found to be linked to education (61%), while allocations for child protection interventions are least prioritised.
- Underutilisation and rushed spending by the ministries/divisions at the end of the fiscal year remain a major concern.

Recommendation

- Resumption of Child Budget reporting and progressive increase of child-focused allocations to 20% of the national budget as targeted by the government.
- Expanded social protection for children with a focus on early years programming.
- Address implementation bottlenecks that are already identified by the Implementation Monitoring and Evaluation Division (IMED).
- Consult children in setting budget priorities to further enhance responsiveness of the allocations for children.

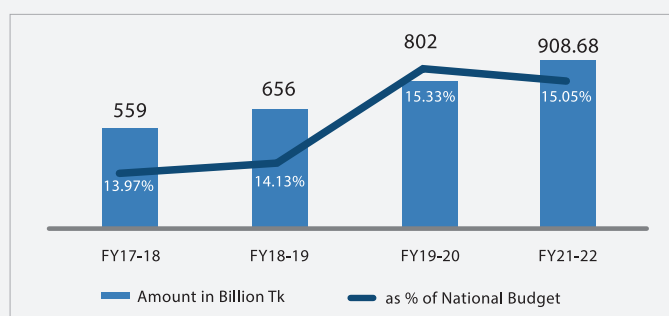
BACKGROUND

The government's target is to increase Child Budget/child-related allocations to 20% of the national budget¹. In the last conducted Child Budget estimate for FY2019-20, the Ministry of Finance (MoF) found child-related allocations to be 15.33%. The MoF, however, has not published the Child Budget report since 2019-20. This brief aimed to fill that gap by estimating Child Budget for FY2021-22² and assess progress towards the target of 20% Child Budget.

Progress in Terms Child Budget Allocations

Children related allocations in the budget for FY2021-22 was found to be Tk. 90 thousand 868 crore, increasing by 13.3% compared to FY2019-20. However, the share of Child Budget in total public expenditure has marginally fallen between FY2019-20 and FY2021-22, from 15.33 per cent to 15.05 per cent.

Figure 1: Child Budget over the years



Source: Estimates for FY2021-22 are based on the exercise carried out by the authors. For others, data was extracted from Finance Division, Ministry of Finance (for FY2018-FY2020)

The corresponding shares of Child Budget in Bangladesh's GDP also evince a similar decline, coming down from 2.78% in FY2019-20 to 2.63% in FY2021-22. Indeed, progress towards child budget allocation of 20% of national budget seems to have stalled in FY2021-22.

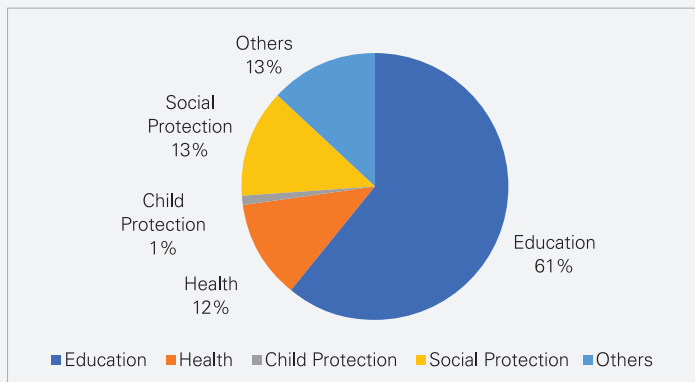
¹Budget Speech 2018-19.

²Following the same methodology and principles of the earlier Child Budget report of MoF.

Sectoral Distribution of the Child Budget 2021-22

Sectoral distribution of the Child Budget as shown in Figure 2 reveals that 62% of allocations for children are related to their education, while 13% and 12% are linked to social protection for children and child health respectively, either directly or indirectly.

Figure 2: Sector-wise Distribution of FY2021-22 Child Budget Allocation



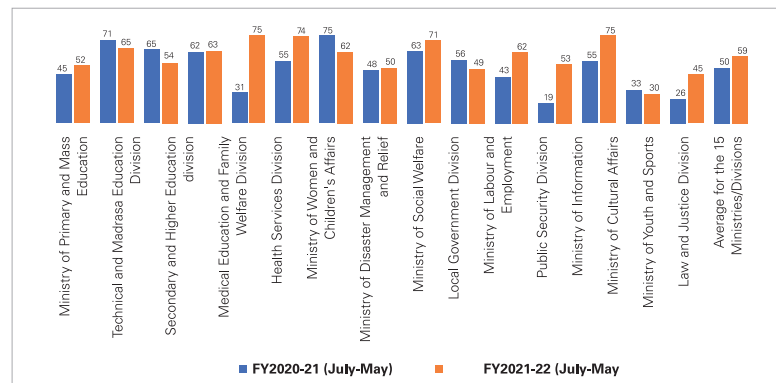
Source: Developed based on the estimated Child Budget of FY2021-22

The low of health allocations in the Child Budget for 2021-22, particularly given the vulnerabilities and needs arising from the Covid pandemic, is a matter of concern. On the other hand, allocations for Child Protection interventions appear dimly low, especially given the need for addressing the issues such as child marriage, abuse and others and also from the fact that number of social workers to support child protection activities need to be increased substantially

Utilisation of Child-focused Allocation

A closer look at the expenditure side for the 15 Ministries/Divisions reveal that, barring a few, implementation rate of most ADP projects is slow. On average the 15 Ministries/Divisions spent a little over half of their total budget (averaging 58.7%) with one moth remaining of the 2021-22 fiscal year. This creates the risk of rushed expenditure towards the end of the fiscal year, raising quality of expenditure concerns.

Figure 3: Implementation rate of development programmes by child-focused ministries/divisions (July-May)



Source: Collected by the authors from Implementation Monitoring and Evaluation Division (IMED).

From FY2020-21 to FY2021-22 there has been some improvement in the implementation rate of the 15 child-focused Ministries/Divisions, but there is much scope for further improvement

Accountability to children and responsiveness of child-focused allocations

The Finance ministry has the tradition of consulting different stakeholder/professional groups before finalisation of the budget. However, such a consultation with children last took place in 2020. Children representatives, invited by the Finance Division, compiled children's budget priorities from across the country and took part in the consultation. To make child-focused allocations more accountable and responsive to the needs of the children, budget consultations between the Ministry of Finance and children can play an important role and the practice could be revived.

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