



Policy Brief

Deconstructing Budget 2021-22: An Exercise in Estimating Child Budget



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Key findings

- Surveys conducted during the pandemic by various public sector bodies, think tanks, non-government organisations and international bodies found significant adverse impacts of Covid on children.
- Child-centric adverse Covid-induced impacts concerned such areas as food and nutrition, education and learnings, and social vulnerabilities and abuse.
- Share of Child Budget (direct and indirect child-focused allocations of the 15 ministries/divisions combined) amounted to 15.05 per cent for FY2021-22, which was 15.33 per cent in FY2019-20.
- Child Budget as a percentage of GDP stood at 2.63% in FY2021-22 which was 2.78% in FY2019-20.
- Between this period, in absolute terms the amount of child-centric budget has risen to Tk. 90 thousand 868 crore from Tk. 80 thousand 197 crore, a growth of 13.3%.
- Progress towards 20% of national budget was stalled between FY2019-20 and FY201-22.
- Implementation of the budget, as with other ministries, remains to be a concern for the 15 child-focused ministries/divisions with underutilisation and rushed expenditure during the closing months of a financial year jeopardising quality of implementation
- During the first eleven months of 2021-22 fiscal year, on average the 15 ministries/divisions spent a little over half of their total annual budget.

Recommendations

- Resumption of Child Budget reporting, ideally to coincide with presentations of the national budget.
- Progressive increase of child focused allocations towards the government's target of 20.0 per cent.
- Targeted projects and expanded social protection programmes to address Covid-induced impacts on children.
- Addressing Covid-induced adverse impacts should inform allocative priorities in not only the FY2022-23 budget but also for some years thereafter.
- Social Safety Net Programmes (SSNPs) for children need to be expanded horizontally and vertically with a special focus on early years programming.
- Address implementation bottlenecks that are already identified by the Implementation Monitoring and Evaluation Division (IMED).
- Regular impact analysis to measure whether Child Budget is delivering the expected outcomes and results, towards achieving the SDG targets.

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Background

About two-fifths of the total population in Bangladesh are children (aged between 0-18 years) which is indicative of the importance of investing in children for the future of the country. It is from this vantage point that, prioritisation of issues of concern to children in policies, allocations for children in public expenditure and allocative efficiency to advance the interests of children, have assumed such heightened interest in the present context of Bangladesh's development.

Since taking good care of children has been enshrined in Bangladesh's constitutions, it is a 'rights issue' as far as children of Bangladesh are concerned. However, it is through public policies and public expenditure that these rights will need to be realised on the ground. It is in this backdrop that analysis of budgetary expenditure from the perspectives of children has high practical significance. Such an analysis allows to estimate the amount of allocations for specific child-focused programmes and expenditures under various Ministries and heads, what proportion of budgetary allocations are going for children, what are the particular projects and whether these cater to the emerging demands of children.

In 2015, the Government of Bangladesh (GoB) took the important step to estimate allocations for children in the Budget. The Budget Speech for FY2018-19 for the first time set a target for Child Budget which is to allocate 20 per cent of total budget for children by 2020. This aspiration was reiterated in the Blooming Children Report of FY2018-19 which stated: "This investment needs to be increased gradually to at least 20 per cent of the national budget in order to create an efficient work force and capable leadership". The Ministry of Finance (MoF) calculated Child Budget to be 14.13 per cent of total budgetary in FY2018-19 and 15.33 per cent in FY2019-20. Regrettably, the MoF did not carry out exercise for the subsequent years. This gap is particularly important in view of the fact of children being highly adversely affected by the Covid pandemic and the need to identify and implement measures catering to the emergent needs of the children. This brief intends to fill that gap from the estimates of Child Budget for FY2021-22. In doing so, the same methodology and principles of the earlier Blooming Children Reports by MoF¹ are followed.

Context of Child Welfare in Bangladesh

Various studies and surveys testify, Bangladesh has made impressive progress in terms of many child-centric indicators. According to UNICEF's Multiple Indicator Cluster Survey (MICS), between 2013 and 2019 there were notable progress as regards a number of child welfare indicators including significant reductions in stunting rate (from 42.0 per cent to 28.0 per cent), under-five mortality rate (from 58 to 40 per thousand live births) and underweight prevalence (from 31.9 per cent to 22.6 per cent).

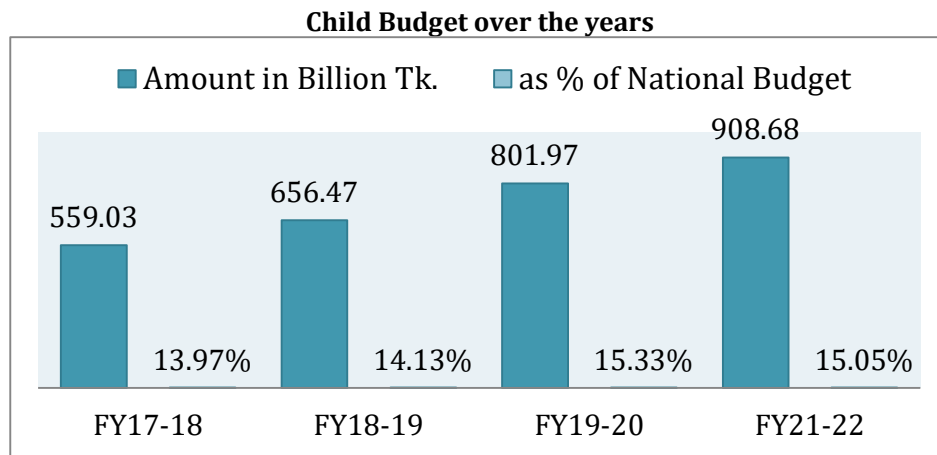
While nationally representative data for the subsequent period for many relevant indicators is not available as yet, it is assumed that child-welfare centric progress was stalled and even reversed in case of several indicators because of Covid-induced shocks.

¹ The estimation was carried out by analysing each line items from the IBAS++ database concerning the 15 selected Ministries/Divisions. Most of the line items were assigned same weights used by the MoF in the earlier Child Budget reports. The activities/programmes and their related expenditure items are grouped into two clusters: i) Entirely Child-focused: refers to expenditures for activities that are fully dedicated to benefit children and mothers. ii) Partially Child-focused: refers to expenditures for activities that benefit all in the household and community including the children. In this case, a certain percentage of the expenditure has been considered as child focused.

Surveys conducted during the pandemic by various public sector bodies, think tanks, non-government organisations and international bodies found significant adverse impacts of Covid on the children of Bangladesh. The evidence from those surveys show that children suffered both as children and as family members as a consequence of the pandemic. Child-centric adverse Covid-induced impacts concerned such areas as food and nutrition, education and learnings, and social vulnerabilities and abuse. One would have expected that Budget FY2021-22 would take cognisance of the accentuated vulnerabilities and new deprivations experienced by the children during the pandemic. These brief shades light on this aspect of the FY2021-22 budget.

Progress in Terms Child Budget Allocations

Since the last available estimates are for FY2019-20 (carried out by MoF), this has served as the reference year for the data for FY2021-22 estimated by the authors. Total budgetary allocations between these two years (FY2021-22 versus FY2019-20), for the 15 concerned Ministries/Divisions, is found to have increased by 15.8 per cent. Over this same period, the amount of Child Budget has risen to Tk. 90 thousand 868 crore from Tk. 80 thousand 197 crore, a growth of 13.3 per cent. Consequently, the share of Child Budget in total public expenditure has somewhat fallen over the corresponding period, from 15.33 per cent to 15.05 per cent.



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 with the share declining from 2.78 per cent in FY2019-20 to 2.63 per cent in FY21-22. Indeed, progress towards child budget allocation of 20.0 per cent of national budget has stalled in FY2021-22.

For most of the child-focused Ministries/Divisions there is a positive nominal growth between FY2019-20 and FY2021-22. Particularly, the growth of allocations for the Secondary and Higher Education Division, Medical Education and Family Welfare Division, Ministry of Women and Children’s Affairs and Local Government Division are relatively high.

On the other hand, the relatively lower growth in Health Services Division and Ministry of Social Welfare are indeed disquieting in view of the adverse impacts of Covid on Children’s health and well-being.

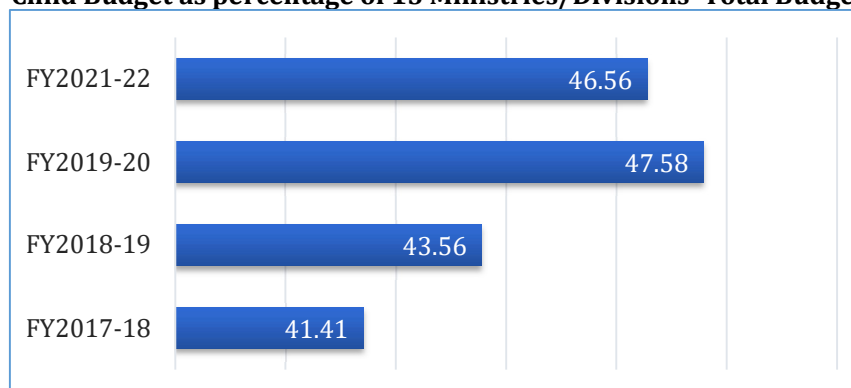
Ministry/Division Wise Summary of Child-Focused Budget for Various Years

Ministries/Divisions (Total)	Budget for Child-focused activities				Nominal Growth FY20 Vs. FY22
	FY2017-18	FY2018-19	FY2019-20	FY2021-22	
Ministry of Primary and Mass Education	218.71	223.55	239.70	261.97	9.29%
Technical and Madrasa Education Division	38.43	44.51	62.02	69.82	12.57%
Secondary and Higher Education division	154.55	177.16	223.81	268.77	20.09%
Medical Education and Family Welfare Division	17.49	21.46	24.89	29.71	19.36%
Health Services Division	63.02	78.31	94.20	99.73	5.87%
Ministry of Women and Children's Affairs	9.24	13.85	16.26	19.65	20.88%
Ministry of Disaster Management and Relief	24.72	29.55	32.85	31.16	-5.13%
Ministry of Social Welfare	10.42	14.08	19.81	20.25	2.24%
Local Government Division	16.43	25.76	37.73	65.72	74.18%
Ministry of Labour and Employment	0.17	0.20	0.35	0.55	57.67%
Public Security Division	5.21	24.29	43.48	36.53	-15.98%
Ministry of Information	0.10	0.61	0.94	0.64	-32.10%
Ministry of Cultural Affairs	0.21	1.02	2.01	1.49	-26.03%
Ministry of Youth and Sports	0.23	1.71	3.15	1.85	-41.38%
Law and Justice Division	0.10	0.41	0.77	0.83	8.20%
Total (Selected 15 Ministries/Divisions) =	559.03	656.47	801.97	908.68	13.31%
As % of national budget	13.97%	14.13%	15.33%	15.05%	
As % of GDP	2.50%	2.59%	2.78%	2.63%	

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 share of Child Budget in the 15 Ministries/Divisions has registered some rise, rising from 41.41 per cent in FY2017-18 to 47.58 per cent in FY2019-20 but thereafter the share came down to 46.56 per cent.

Child Budget as percentage of 15 Ministries/Divisions' Total Budget



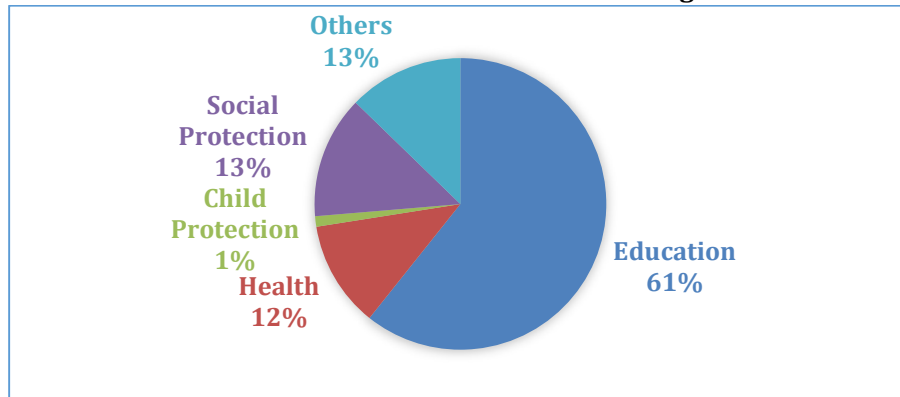
Source: Estimates for FY2021-22 are based on the exercise carried out by the authors. For others, data was extracted from Finance Division, Ministry of Finance (for FY2018-FY2020)

Sectoral Distribution of the Child Budget 2021-22

For an estimate of the sectoral composition of Child Budget for FY2021-22, the allocations for Child Budget were grouped into five clusters: Education, Health, Social Protection, Child Protection and Others. From the result of the exercise:

- 61.0 per cent of the budget went to the education sector, the highest.
- 12.0 per cent went to health-related areas.
- 13.0 per cent of the budget went for Social Safety Net Programmes (SSNPs)².
- Only 1.0 per cent of the budget went for child protection (child labour, child marriage, gender-based violence, day care centres, orphanage etc.)

Sector-wise Distribution of FY2021-22 Child Budget Allocation



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

The structure of sector-wise distribution for FY2021-22 reflect relatively low share of health in Child Budget. Given the vulnerabilities and needs arising from the Covid pandemic, priorities should have been revisited and set anew when designing the FY2021-22 Budget. Regrettably, this was not the case. There is, thus, a need to go through the allocations and align these to the emergent needs of children in the context of the pandemic.

Utilisation of Child-focused Allocation

There is a critical need to take note of not only monetary allocations but also timely implementation, quality of implementation, effective management of the projects and overall good governance in implementation to ensure that outputs are delivered, outcomes are generated, and impacts are attained.

A look into the general pattern of use of allocated funds of the 15 Ministries/Divisions reveal that, barring a few, implementation rate of most ADP projects is slow, in line with general pattern of ADP implementation in Bangladesh. One can safely argue that implementation pace of child-focused allocations of the 15 ministries is not very different from the overall pattern.

As evidence suggests, on average the 15 Ministries/Divisions spent a little over half of their total budget with one moth remaining of the 2021-22 fiscal year.

² It is to be noted that there are also some child focused SSNPs beyond the 15 Ministries/Divisions which are not included here. And this sector includes education, health, child protection related SSNPs too.

Implementation Rate of Development Programmes

Ministries/Divisions	FY2020-21 (July-May)	FY2021-22 (July-May)
Ministry of Primary and Mass Education	45.12	51.90
Technical and Madrasa Education Division	71.12	64.80
Secondary and Higher Education division	63.56	53.81
Medical Education and Family Welfare Division	61.72	62.85
Health Services Division	31.38	75.12
Ministry of Women and Children's Affairs	55.01	73.73
Ministry of Disaster Management and Relief	75.25	61.54
Ministry of Social Welfare	47.59	49.87
Local Government Division	63.03	70.85
Ministry of Labour and Employment	55.57	49.33
Public Security Division	43.08	62.06
Ministry of Information	19.13	53.39
Ministry of Cultural Affairs	55.40	75.40
Ministry of Youth and Sports	33.21	30.03
Law and Justice Division	25.60	45.36
Average for the 15 Ministries/Divisions =	49.72	58.67

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.

Conclusion

Social sector allocations, particularly for the children, remains low in Bangladesh. Issues of underutilization of allocated resources and quality of expenditure further aggravates the scenario. Given the short demographic window of opportunity remaining for the country, Bangladesh must ensure sufficient and effective investment in children, in order to ensure that our children grow up healthy, educated and productive in a safe environment.

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