Strengthening Public Finance for Children

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Investing in the children of Bangladesh through the social sectors

Bangladesh is passing through a demographic window of opportunity, where the growth in active workforce is higher than the population growth rate. However, this window is closing fast and will end by 2033. As a result, where thirteen working-age people were bearing the responsibility of one dependant elderly in 2020, only six working-age people will need to bear the same responsibility in 2040. Therefore, our children will need to grow up to be far more productive adults than the today's adults. The country thus needs to gear up investment for the children, and the need for this investment is a time bound one.

Historically Bangladesh's social sector investments have been low in global and regional comparisons. To support the process of improving allocative efficiency of the country's social sector investments through evidence-based planning, several knowledge products have been generated (through the EU-UNICEF PFM Facility for Children project). This document summarises the key findings and recommendations put forward by some of these efforts.

ALLOCATIONS FOR CHILDREN IN THE NATIONAL BUDGET – EVIDENCE FROM THE 2021-22 BUDGET

BACKGROUND

The study identified direct and indirect allocations in the budget of 15 child-focused ministries and divisions to track progress towards the government's plan to increase child-focused allocation to 20% of the national budget. (find the paper here)

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.

RECOMMENDATIONS

- Progressively increase of child-focused allocations to 20% of the national budget.
- Expand 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).
- Resume Child Budget reporting.
- Consult children, and citizen in general, in setting budget priorities to further enhance responsiveness of the allocations for children.

CHILDREN IN THE COVID-FOCUSED SOCIAL PROTECTION BUDGET ALLOCATIONS

BACKGROUND

The study looked at social protection allocations that directly or indirectly targets children, with a special focus on government's COVID-response. (find the policy brief here)

KEY FINDINGS

- The 28 Social Protection stimulus packages put in place by the Government to deal with the impacts of the COVID19 pandemic did not include children as direct targets.
- For the conventional programming in 2021-22, 19 out of 20 social safety net programmes (8.2% of the total social protection allocation) were directly targeting children.

- Adding safetynet allocations that were indirectly benefitting children, the share rises to 15.9%.
- Beneficiary coverage of important child-focused social protection programmes remained almost unchanged between 2019-20 and 2021-22.

RECOMMENDATIONS

- Prioritise children in social protection programmes in the event of shocks.
- Make social protection programmes shock-responsive by keeping provisions for rapid horizontal and vertical expansion (increased coverage/benefits) in the event of shocks.
- Establish a separate Child Directorate/Department within the Ministry of Women and Children Affaires (MoWCA) with adequate institutional capacities.
- Design a targeted programme for Covid Orphans or integrate them in the existing support programmes to address their specific needs.

SCALING UP OF THE MOTHER AND CHILD BENEFIT PRO-GRAMME (MCBP)

BACKGROUND

Resource requirement to meet the expansion target of the Mother and Child Benefit Programme (MCBT) as per the Detail Implementation Plan (DIP) was analysed. (find the policy note here)

KEY FINDINGS

- Current pace of MCBP out of step with DIP plans of increasing beneficiary coverage and transfer value. The MCBP is currently (2022-203) reaching 1.25 million beneficiaries (with each beneficiary receiving BDT800) against the plan of reaching 2.6 million beneficiaries (with each beneficiary receiving BDT1,200). DIP targets to reach 6 million beneficiaries with each beneficiary receiving DBT2000 taka by 2025-2026.

RECOMMENDATIONS

- The government is encouraged to consider alternative expansion scenarios to meet the expansion targets. The monthly benefits can be inflation-adjusted as an alternative to the existing plan of increasing the benefit level.

PRESERVING THE MOTHER AND CHILD BENEFIT PRO-GRAMME TRANSFER VALUE AGAINST INFLATION

BACKGROUND

The monthly cash benefit received by the beneficiaries of the Mother and Child Benefit Programme (MCBP) remained at BDT 800 since 2018. The study estimated the loss in real value of the transfer due to inflation. (find the policy note here)

KEY FINDINGS

- The value of the MCBP cash transfers has diminished by 35.8% since 2018. The MCBP transfer value of BDT 800 set in 2018 is now worth BDT 513 in 2023 when adjusted for inflation. The MCBP Detailed Implementation Plan recognise the need to periodically review the transfer value and had a plan to increase the transfer value to BDT 1,200 in 2022-23, which did not materialise.

.RECOMMENDATIONS

- There is an urgent need to review the transfer value to maintain the purchasing power of the transfer value. Adjust the MCBP monthly cash transfer value to at least BDT 1,087 (inflation adjustment) or BDT 1,600 (DIP planned adjustment) in the upcoming 2023-24 budget.

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