Health

Finance Law 2020 | 2021

KEY MESSAGES

1. **In the 2020/2021 state budget,** the amount allocated to health is BIF 223.8 billion, or US$116.3 million. This represents 13.6% of the total budget as compared with 10.8% in 2019/2020.[1] Additional efforts are necessary to achieve the target of 15% of the state budget allocated to health as indicated in the Abuja Declaration.[2]
2. **The Ministry of Public Health and the Fight Against AIDS (MSPLS)** has shown good absorptive capacity, with a budget execution rate of more than 96% since fiscal year 2011.
3. **The country has a chronic malnutrition rate** of at least 54% for children under five years old, which corresponds to more than one in two children suffering a nutrition deprivation.
4. **The government is maintaining its support to vaccination,** with an amount of BIF 50 million, and has introduced budget lines related to the purchase of MRI machines as well as research into and conception of a system for the management of health insurance card information, for the amount of BIF 6 billion.
5. **53.2% of the budget of MSPLS,** as well as 89.1% of the share of the budget devoted to investments, is to be funded through external resources.

RECOMMENDATIONS

- **Given the COVID-19 pandemic and new government priorities with regard to universal access to healthcare, an increase in the budget for peripheral health structures (health centres/ hospitals), and in particular the strengthening of community health structures in the most resource-constrained zones, is necessary. This could include capacity-building of community health workers in programmes aiming to improve the health of children and pregnant or breastfeeding women.**
- **Despite substantial government efforts over the years to reduce inequalities in the health system, in particular through the introduction of free health care and improved access to basic care, such inequalities and poor use of available resources persist. The government and its partners should prioritize the recruitment and re-skilling of health personnel in health districts, in particular of health professionals in health centres and at community level. Finally, resources should be allocated in an equitable manner and according to clear criteria at all levels.**
- **It is recommended that the government and its partners explore sustainable means of financing the supply of vaccines in order to be able to respond to programme needs, estimated at US$60 per child receiving all vaccines in 2020 and US$53 in 2021, according to the strategy for domestic fund mobilization developed in August 2019 by MSPLS and partners such as WHO, Gavi and UNICEF.**
- **A public expenditure review carried out in 2017 by the World Bank and UNICEF has already advocated for the optimization of key or high-impact interventions. It is thus important to maintain the focus on improving the quality of health care and user satisfaction. This will necessitate optimal targeting of the resources available, for example towards programmes working on maternal and infant health, nutrition or school health, which are also economically beneficial.**

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INTRODUCTION

In December 2018, Burundi launched its third-generation National Health Development Plan (PNDS III), covering the period 2019–2023. This constitutes an implementation document for Burundi's National Development Plan (PND) 2018–2027, adopted in June 2018. The PNDS III is also harmonized with the National Health Policy 2016–2025 as well as the international declarations and acts to which Burundi has committed, such as the Sustainable Development Goals (SDGs), the Astana Declaration on Primary Health Care, etc.

The government of Burundi has committed to improving the health of the population and intends, by means of the PNDS III, to achieve SDG 3: Ensure healthy lives and promote well-being for all at all ages.

Burundi, along with the rest of the world, is currently facing the COVID-19 pandemic. The country has already taken measures to contain the spread of the disease, but must make greater efforts to assist those who are sick and to protect professionals on the frontline who are risking their lives to save others. The government recognizes the gravity of the situation and has begun to work in close collaboration with its main development partners. Within this effort, MSPLS has elaborated a national emergency plan to respond to the pandemic, with a budget of US$58 million. Implementation of this plan will require the mobilization of both domestic and international financial resources. In parallel, the IMF has just approved a reduction of the country's debt by around SDR 10 million (in two instalments covering debt servicing payments until 13 April 2021),[3] with the aim of increasing the fiscal space available to support measures to fight the pandemic and its economic effects.

Moreover, through MSPLS, the government has reaffirmed its commitment to the well-being and health of the population through a strategy to improve the availability and quality of health infrastructure and equipment. In line with this engagement, and as mentioned in a speech by His Excellency the President of the Republic of Burundi, MSPLS has moved to identify health centres to transform into commune hospitals. In hills[4] that do not have health centres, the government will set up health posts. In this way, the government will bring health services closer to the whole population. Across the country, 116 health centres have been identified and targeted for transformation into commune hospitals. In this regard, all partners working in the health sector, in particular on health infrastructure and equipment, are invited to take into account these new directives.

In recent years, Burundi has registered better results with regard to performance of the health system but mortality indicators remain at an unacceptable level. According to the Demographic and Health Survey (DHS) 2016/2017:

- **The maternal mortality ratio** remains high, at 392 deaths per 100,000 live births, against the SDG target of fewer than 70 deaths by 2030.
- **The neonatal mortality rate** has stagnated at around 23 deaths per 1,000 live births, against the SDG target of 12 by 2030.
- **The infant/child mortality rate** is at 78 deaths per 1,000 live births, against the SDG target of 25 by 2030.
- **Young people** aged 15–24 years represent 19.3% of the population, and their access to health services remains weak (34%).
- **The level of knowledge on methods to prevent HIV and sexually transmitted diseases** is poor (42% of girls and 50% of boys have a good knowledge of prevention methods).
- **Adolescents and young people** are exposed to other problems such as malnutrition and consumption of alcohol, tobacco and other psychoactive substances.

Apart from the indicators listed above, which require additional work if the SDGs are to be reached, Burundi needs to make greater effort in order to honour its commitment to allocate at least 15% of the national budget to the health sector.

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TABLE 1. Key health statistics

Indicator	DHS 2016/2017 value
Maternal mortality ratio per 100,000 live births	334
Neonatal mortality ratio per 1,000 live births	23
Infant/child mortality rate per 1,000 live births	78 (www.who.int)
Chronic malnutrition rate among children aged under 5 years	54% (2018 SMART Survey)
Rate of access to health services by youth aged 15–24 years	34%
Malaria prevalence	27%
Anti-retroviral coverage rate among children	50% (2018 Statistical Annual)
Share of total budget (fiscal year 2020/2021) allocated to health	13.6%

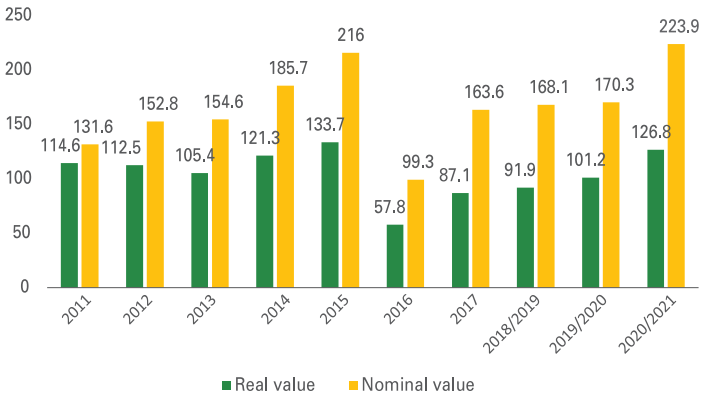
Source: PNDS III, p. 15; Finance Law 2020/2021

TRENDS IN BUDGET ALLOCATIONS TO HEALTH

Resources allocated to MSPLS increased in nominal value between 2011 and 2015. Nevertheless, they experienced a reduction in 2016 following the out-of-the-ordinary fall in external resources in 2015. The rising tendency in budget allocations to health returned in 2017. For fiscal year 2020/2021, the state budget allocated to MSPLS was BIF 223.9 billion, compared with BIF 170.3 billion in 2019/2020 – an increase of 31.5%.

This evolution in budget allocations to health in nominal terms follows the same trend as that in real terms in the period under analysis (2011–2020/2021).[5]

FIGURE 1. Trends in budget allocations to health in nominal and real terms, 2011–2020/2021 (BIF billion)



Source: Finance Laws 2011–2020/2021

The share of the total state budget allocated to MSPLS is 13.6% in 2020/2021, compared with 10.8% in 2019/2020. Despite the government's efforts to prioritize health, this budget share remains lower than the Abuja commitment, which was for an annual budget allocation to health corresponding to 15% of the state budget.

In terms of the national economy, budget allocations to MSPLS represent 3.3% of gross domestic product (GDP) in 2020/2021, compared with 2.6% in 2019/2020, or an increase of 0.7 percentage points.

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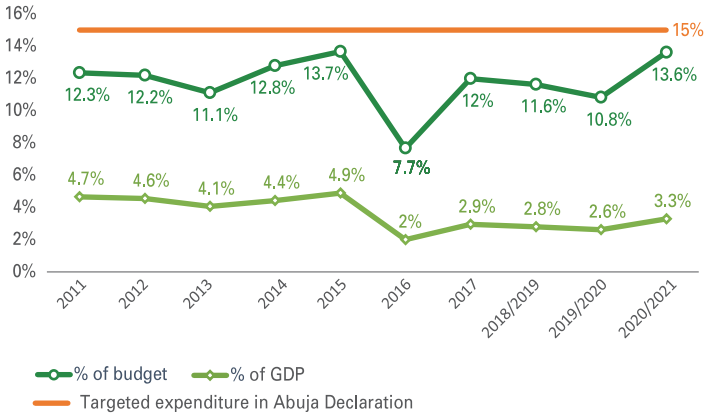
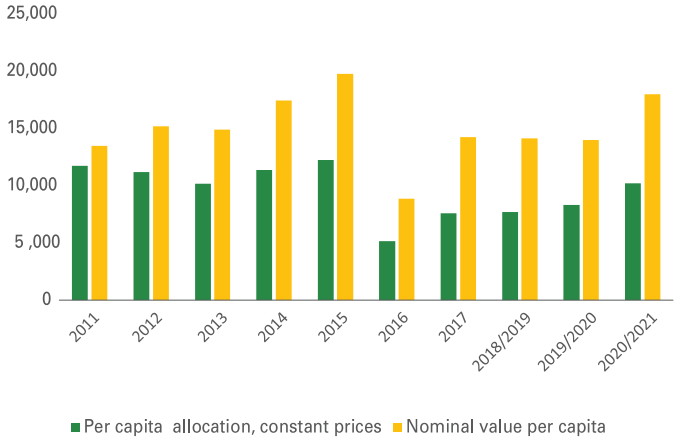
FIGURE 2. Evolution of budget allocations to health, 2011–2020/2021



Source: Finance Laws 2011–2020/2021

Trends in per capita budget allocations to health in the period under analysis remain identical to those in allocations in terms of share of the total budget and GDP. For fiscal year 2020/2021, per capita budget allocations to health in nominal terms are at BIF 17,998.8 (or US$9.35), as against BIF13,984.3 (US$7.14) in 2019/2020. These calculations use an official exchange rate of BIF 1,925 per US$1 and an estimated population of 12,439,117 inhabitants in 2020/2021 and 12,176,882 inhabitants in 2019/2020.[6]

FIGURE 3. Per capita health expenditure trends, 2011–2020/2021 (BIF)



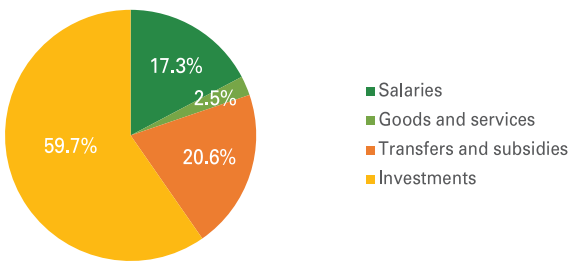
Source: Finance Laws 2011–2020/2021

COMPOSITION OF BUDGET ALLOCATIONS TO HEALTH

Budget allocations to MSPLS for fiscal year 2020/2021 consist of salaries, goods and services, transfers and subsidies, and investments.

The share of the budget to MSPLS that is dedicated to investments in 2020/2021 is 59.7%. It is important to note that 89% of these budget allocations reserved for investments comes in through external aid. Next, transfers and subsidies represent 20.6% of the total allocation to MSPLS. Salaries and wages constitute mandatory expenditure and make up 17.4% of the budget, while goods and services take up only 2.5% of the total budget to the ministry.

FIGURE 4. Distribution of budget allocations to health by economic nature, 2020/2021



Source: Finance Law 2020/2021

An in-depth analysis by economic nature of the budget for fiscal year 2020/2021 shows that health salaries represent 8.3% of the global wage bill in the state budget. Goods and services take up 4% of the global goods and services budget. The share for transfers and subsidies is 15.4%. Finally, allocations to investments constitute 21.9% of the total state budget to investments. It is of note that the inadequate nature of human resources in terms of the requisite quantity and quality according to WHO norms remains a major challenge to the Burundian health system. The total workforce of 15,937 health professionals is shared into 6,573 nurses, 554 doctors, 52 midwives and other support staff, according to the National Health Policy 2016–2025.

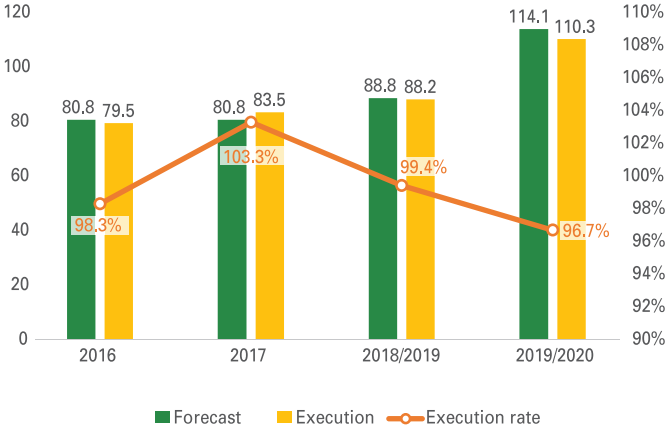
In 2020/2021, allocations to investments have risen by 10.3 percentage points compared with in 2019/2020 (they represented 49.4% of the health budget for 2019/2020 and 59.7% in 2020/21).

BUDGET FORECASTS AND EXECUTION IN THE HEALTH SECTOR

A comparison between the Initial Finance Law and credits executed can give an indication as to the quality of the budget programming exercise and of budget execution. The Initial Finance Law presents intentions and programming aims; executed and definitive credits show actual effort.

Public expenditure in the health sector has not seen large gaps (excess or deficit) in relation to forecasts. Note thus that the budget execution rate in health has always been above 90%, which points to relatively high capacity of the health sector to absorb credits made available to it.

FIGURE 5. Budget forecasts and execution in health, 2016–2019/2020 (BIF Billion)

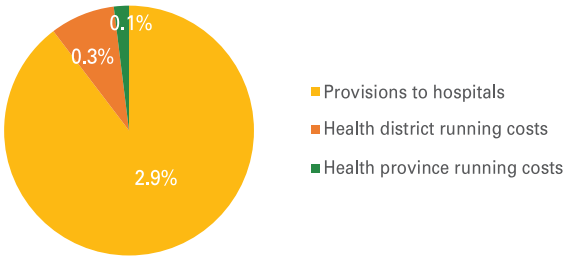


Source: Finance Laws 2016-2019/2020, Ministry of Finance, Budget and Economic Planning

DISTRIBUTION OF BUDGET ALLOCATIONS TO HEALTH TOWARDS DE-CONCENTRATED AND PERIPHERAL STRUCTURES

MSPLS is made up of de-concentrated and decentralized entities. These consist of health provinces, health districts, hospitals and health centres. Every year, a share of the budget is passed on to these different health structures to enable them to function.

FIGURE 6. Distribution of health budget allocations, 2020/2021



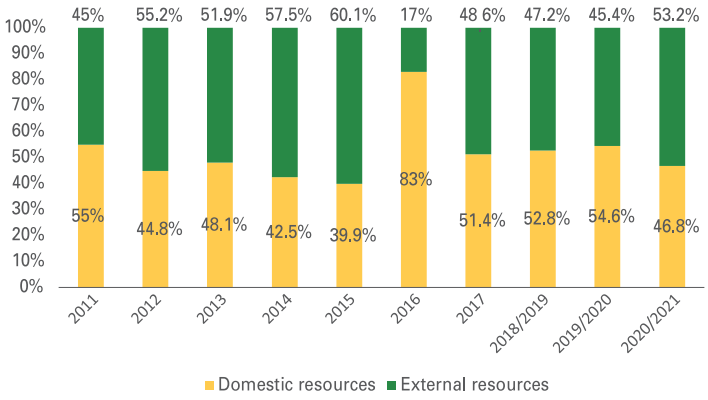
Source: Finance Law 2020/2021

Analysis shows that the vast majority of budget allocations are destined for hospitals.

FUNDING SOURCES IN THE HEALTH SECTOR

The health budget comes from domestic and external resources (project support). For fiscal year 2020/2021, the share of external resources in the total health budget represents 53.2%, against 46.8% for domestic resources. External support to health is made up of donations/project support amounting to BIF 118.9 billion in 2020/2021, compared with BIF 77.3 billion in 2019/2020 – representing an increase of 53.8% between the two years. The majority of these resources are destined for investments.

FIGURE 7. Health sector funding sources, 2011–2020/2021



Source: Finance Laws 2011–2020/2021

ACKNOWLEDGEMENTS

This budget brief is part of a series of analyses on social sectors for fiscal year 2020/2021.
It is the result of a collaboration between the University Research Centre for Economic and Social development (CURDES), the Ministry of Finance, Budget and Economic Planning and the Ministry of Public Health and of the Fight against HIV/AIDS.

[1] The budget allocated to health in 2019/2020 was BIF 170.3 billion, equivalent to US$91.7 million. [2] UNECA, 10 Years after the "Abuja Commitment" to Allocate 15% of National Budgets to Health. Information Note, March 2011 [3] Special Drawing Rights (SDR) represent an international reserve, created by the IMF in 1969, to supplement the official foreign reserves of its member countries. [4] A hill is an administrative division within a commune. [5] Budget allocations in nominal terms are those presented with respect to a given period. Those in real terms are corrected for price rises with respect to a base or reference period (here, the base period is 2011). [6] ISTEEBU population data

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