BUDGET BRIEF: HEALTH SECTOR

SRI LANKA 2021

KEY MESSAGES:

1

Ever since independence, Sri Lanka has adopted a free health policy and provided free public healthcare for all Sri Lankans. Health services in the public sector are provided at no cost while the private sector provides access to almost all types of healthcare on a fee levying basis. Sri Lanka's total expenditure on healthcare (both public and private) is 3.8% of GDP. This is lower than the lower-middle-income countries' average health expenditure of 4.1% but higher than South Asian countries' average health expenditure of 3.5%.

2

Sri Lanka's public health expenditure amounts to 1.5% of GDP, which is similar to the average public health expenditure of lower-middle-income countries (1.5%) and is higher than her regional peers in South Asia (1% of GDP). Over time, Sri Lanka's domestic public health expenditure has declined from 2.3% of GDP in the year 2000 to 1.5% of GDP in 2018. However, central-level public expenditure on healthcare has increased in recent years, with a 14% increase of actual spending in real terms (inflation-adjusted) between 2015 and 2021. On average, the public health expenditure budgets have achieved a 90% execution during this period.

3

Domestic sources of financing dominate public health expenditures. Between 2015 and 2021, domestic sources of financing accounted for, on average, 94.7% of public health spending, while foreign sources accounted for the balance 5.3%. Donors make only a minor contribution to the country's health budget, with most external resources coming in the form of loans.

4

As a share of total health expenditure in Sri Lanka, private health expenditure has increased from 45% in 2000 to 57% in 2018. According to the Household Income and Expenditure Survey (2016), the monthly household expenditure on private healthcare is approximately LKR 1,695. The largest proportion of this expenditure is spent on fees to private medical practices (33%) and the purchase of medical or pharmacy products (26.6%).

This publication was produced with financial support of the European Union. Its contents are the sole responsibility of UNICEF and do not necessarily reflect the views of the European Union

Photography: UNICEF Sri Lanka / Earl Jayasuriya

5

Most of the public health expenditure in Sri Lanka is comprised of recurrent expenses, averaging 82% between 2015 and 2020. A majority of recurrent expenditure at the central level is allocated towards the operations of hospitals and the provision of medical supplies. Capital expenditure is predominantly allocated for the development of hospitals.

6

According to the World Bank, Sri Lanka significantly outperforms its peers on major health indicators, such as in reducing child and maternal mortality rates and in increasing life expectancy at birth. Sri Lanka's child and maternal mortality indicators are already lower than the relevant targets set under the SDGs and are on par with those of developed countries. There has also been considerable progress in eliminating several communicable diseases, including malaria and tuberculosis. Nonetheless, there remains several challenges concerning the minimisation of regional disparities in health outcomes, child malnutrition, dengue and rising non-communicable diseases (NCDs) associated with an ageing population.

7

The severity of the COVID-19 pandemic has also been a recent challenge. The Sri Lankan government has incurred a total of LKR 117.5 billion of COVID-19 related expenditure in 2020 and LKR 53 billion during the period from January to June in 2021. These expenses comprised of relief and livelihood support extended to affected families, expenses on mitigation measures such as quarantine facilities, and the import bill on vaccinations. As of September 30, 2021, the cumulative COVID-19 cases stood at 517,377 while the cumulative number of deaths stood at 12,906. 67.5% of the total population had received at least one dose of the vaccine and 54.6% had been fully vaccinated as of September 30, 2021.

1. INTRODUCTION

This brief, on Sri Lanka's health sector budget and expenditure, focuses on analysing the trends, levels, and composition of budget allocations for the sector in fiscal years 2015–2021. This brief is one of five that explore the context of government budgets in Sri Lanka. The remaining briefs on Water, Sanitation and Hygiene Services (WASH), education, child protection and social protection sector budgets explore public expenditure in these sectors.

The analysis for this brief includes the underlying policy goals and the functional and regional distribution of budget allocations in Sri Lanka. The main objective of the brief is to function as an informative piece on the health sector budget. As such, the brief summarises budget information in a manner that can be easily understood by different stakeholders, including civil societies and the broader population who may lack technical knowledge on this subject. Furthermore, this piece serves to increase transparency on how much the government spends to meet the goals of the health sector. The brief is a product of a research partnership between UNICEF and Verité Research that aims to unpack the contours of government budgets in Sri Lanka.

The methodology used for this brief involved data collected from Sri Lanka's Central Government Annual Budget Estimates 2015–2021. The health sector includes budget allocations to the following ministries and government agencies[1]: Ministry of Health, State Ministry of Promotion of Indigenous Medicine, Development of Rural Ayurvedic Hospitals and Community Health and the State Ministry of Pharmaceutical Production and Supply and Regulation.

Central government budget allocations have been added to the budget given to each of Sri Lanka's nine provincial councils (PCs) for health-related expenditures. Data on health-related expenditures were obtained from the PC budget estimates for each province.

This brief contains data from both the annual central budget estimates and provincial council budgets, which have been combined with publicly available data from authoritative independent organisations such as the World Bank (WB). Finally, local authority-level [municipal councils (MC), urban councils (UC) and pradeshiya sabha (PS)] data has not been included in this brief because of the inherent difficulties and time constraints associated with accessing this information. For instance, data is not publicly available at the local authority level and would need to be obtained by physically visiting each of the approximately 340 local authorities. Furthermore, disaggregated data for the health sector is not available at this level.

This brief was developed under several constraints:

- The availability and comparability of data/information varied over time. As such, these variations are seen across the central government and the nine PCs. For example, while central government budgets are available in electronic format, this is not the case with PCs. Instead, in the case of PCs, past budgets need to be physically sourced directly from the Finance Commission or the relevant PC. In some instances, the authorities do not provide hard copies of PC reports. Furthermore, with the rise in COVID-19 cases in the country, obtaining physical copies of PC data has proved to be an even more difficult task.
- The budget information related to the State Ministry of Primary Health Care, Epidemics and COVID Disease Control (a new ministry that was formed in November 2020), was not publicly available at the time of writing this brief.
- The Department of Social Services and the National Council for Elders & National Secretariat for Elders, which fall under the State Ministry of Primary Health Care, Epidemics and COVID Disease Control, are not considered for this Health Sector Budget Brief.

1. State Ministry of Primary Health Care, Epidemics and COVID Disease Control is a new ministry which was formed in November 2020, and is not included in the central government annual budget estimates.

2. HOW IS THE HEALTH SECTOR DEFINED?

Public health is a partially devolved subject in Sri Lanka's constitution and the public health sector consists of institutions that are funded by national and sub-national government budgets. Although private health spending is significant, the scope of this report is primarily related to public health expenditure.

2.1 Institutional Framework

The Sri Lankan health system comprises different systems of medicine; traditional, western, ayurvedic, unani, siddha, homoeopathy and acupuncture. Of these, western or allopathic medicine is the leading system catering to the needs of the majority. The public sector has an extensive network of healthcare institutions that includes a system for ayurvedic care. Over 7 million hospitalisations and over 58 million outpatient visits occurred in the public health sector in 2019. The private sector, on the other hand, provides access to almost all types of care at a cost while the public sector provides free health services at the point of care.[2] Following independence in 1948, the country adopted a universal free health policy and provided free healthcare for all Sri Lankans. Since 1987, health has been a partially devolved subject under the 13th amendment to the Sri Lankan Constitution. **The Ministry of Health is the apex body at the central government level responsible for managing and developing the country's health sector.**[3] This line ministry has authority over policy-making and strategic planning, financial management, providing policy guidance to relevant state ministries, and health sector monitoring and evaluation and it is responsible for regulating both public and private provision of healthcare.

The State Ministry of Promotion of Indigenous Medicine, Development of Rural Ayurvedic Hospitals and Community Health assists in the formulation of policies concerning the subjects of indigenous and ayurvedic medicine for the creation of a healthy community under the direction and guidance of the Ministry of Health.[4] The State Ministry of Pharmaceutical Production, Supply and Regulation assists in the formulation of policies in relation to the subjects of production, supply and regulation of pharmaceuticals.[5] Apart from these, a new state ministry, the State Ministry of Primary Health Care, Epidemics and COVID Disease Control, was established in November 2020 to control the COVID-19 pandemic and to prevent the spread of future epidemics.

PCs[6] and local government entities are entrusted with the delivery of preventative and primary curative health services and a significant share of secondary health services. These services are provided by nine provincial ministries under their respective PCs. While the central government line ministry oversees policy and manages large, specialised hospital services, the provincial ministries manage regional access to healthcare.[7]

2. Ministry of Health, Annual Health Statistics 2019 p.10.
3. The line ministry is also responsible for training health resources personnel. Doctors, for example, who trained either in state universities locally or recognised medical institutions internationally are recruited and deployed across the island by the ministry.
4. The Gazette of the Democratic Socialist Republic of Sri Lanka: 25.09.2020.
5. Ibid.
6. Constitutionally assigned powers over PCs' governance of the health sector are broad. According to Schedule Nine of the Constitution, PCs are assigned: (i) Health: establishment and maintenance of public hospitals, rural hospitals, maternity homes, dispensaries (other than teaching hospitals and hospitals established for special purposes); public health services, health education, nutrition, family health maternity and child care, food and food sanitation, environmental health; formulation and implementation of a province's Health Development Plan and Annual Health Plan; provision of facilities for all institutions under the province as stated previously, excluding the procurement of drugs. (ii) Indigenous medicine (Ayurveda, Siddha and Unani): establishment of ayurvedic dispensaries and hospitals; establishment and maintenance of herbaria.
7. Additionally, the military (Sri Lanka army, navy and air force) have autonomy over their hospitals. Health and nutrition programmes are conducted across the government, including at the local authority level (such as MCs, UCs and PSs).

EXHIBIT 1 | Ministries, departments, statutory institutions and public corporations relevant to the Sri Lankan health sector

Ministry	Departments, statutory institutions and public corporations
Ministry of Health	1. National Health Council 2. Medical Research Institute 3. National Institute of Health Science 4. Sri Lanka Medical Council 5. Sri Lanka Medical College Council 6. Private Medical Regulatory Council 7. Department of Health Services 8. All national, teaching and specific government hospitals 9. Sri Jayewardenepura General Hospital 10. Vijaya Kumaratunga Memorial Hospital 11. Ashraff Memorial Hospital 12. School of Medical Laboratory Technology 13. National Institute of Nephrology, Dialysis and Transplantation 14. National Authority on Tobacco and Alcohol
State Ministry of Promotion of Indigenous Medicine, Development of Rural Ayurvedic Hospitals and Community Health	1. Department of Ayurveda 2. Sri Lanka Ayurvedic Drugs Corporation 3. Ayurvedic Medical Council 4. Ayurvedic College and Hospital Board 5. Ayurveda teaching and research hospitals 6. Homoeopathy Hospital, Welisara 7. Homeopathy Medical Council
State Ministry of Pharmaceutical Production, Supply and Regulation	1. State Pharmaceutical Corporation 2. State Pharmaceutical Manufacturing Corporation 3. National Drugs Regulatory Authority
State Ministry of Primary Health Care, Epidemics and COVID Disease Control	1. 1990 Suwaseriya Foundation 2. Department of Social Services 3. National Council for Elders and National Secretariat for Elders

2.2 Strategic and Policy Framework

The health sector policy of the incumbent government is primarily guided by the *National Policy Framework Vistas of Prosperity and Splendour*[8] and the *National Health Strategic Masterplan 2016–2025.* Other related strategies include the *National Strategic Plan on Child Health 2018–2025,* the *National Strategic Plan on Adolescent and Youth Health 2018–2025,* the *National Strategy for Infant and Young Child Feeding 2015–2020* and the *National Strategic Plan on Maternal and Newborn Health 2017–2025*. The government has committed to achieving universal coverage according to the sustainable development goals (SDGs) principle of 'leaving no one behind', by making efforts to ensure equity in service distribution, including for migrants as expressed in its *National Migration Health Policy.*

Through the *National Health Strategic Masterplan for 2016–2025,* the government commits to developing people-centred healthcare, in the form of universal coverage. More specifically, this Health Master Plan (developed by the line ministry to inform the strategic direction of the sector for the next decade) sets out five categories: (i) framework for the development of health services; (ii) preventive services; (iii) curative services; (iv) rehabilitative services; and (v) health administration and human resources for health. At its core, the plan prioritises universal health coverage by providing solutions to bridging identified policy/implementation gaps in four target areas. The status of universal health coverage in obtaining a specific service is assessed along four dimensions: (a) equity of distribution of services to all patients; (b) accessibility for each patient; (c) quality of services provided to each patient; and (d) financial protection of patients.

The government of Sri Lanka has laid out strategic objectives specifically targeting newborn, child, adolescent and maternal health. In the *National Strategic Plan on Maternal and Newborn Health,* the government seeks to strengthen and invest in improving the quality of maternal and newborn care and address primary causes of maternal, perinatal, and neonatal mortality and morbidity. In the *National Strategic Plan on Child Health,* the government has set out its objectives of strengthening nutrition promotion and growth monitoring, preventing childhood illnesses and injuries, achieving universal curative childcare and focusing specific attention on underserved geographic areas and children with special needs. The *National Strategic Plan on Adolescent and Youth Health* aimed at adolescents and youth receive timely and effective health promotion, prevention, and care services through integrated health systems and inter-sectoral collaboration. Finally, in the *National Strategy for Infant and Young Child Feeding,* Sri Lanka aims to improve overall child nutrition and address child malnutrition issues.

8. The National Policy Framework of the government constitutes 10 key policies aimed at achieving the fourfold outcome of a productive citizenry, a contented family, a disciplined and just society and a prosperous nation.

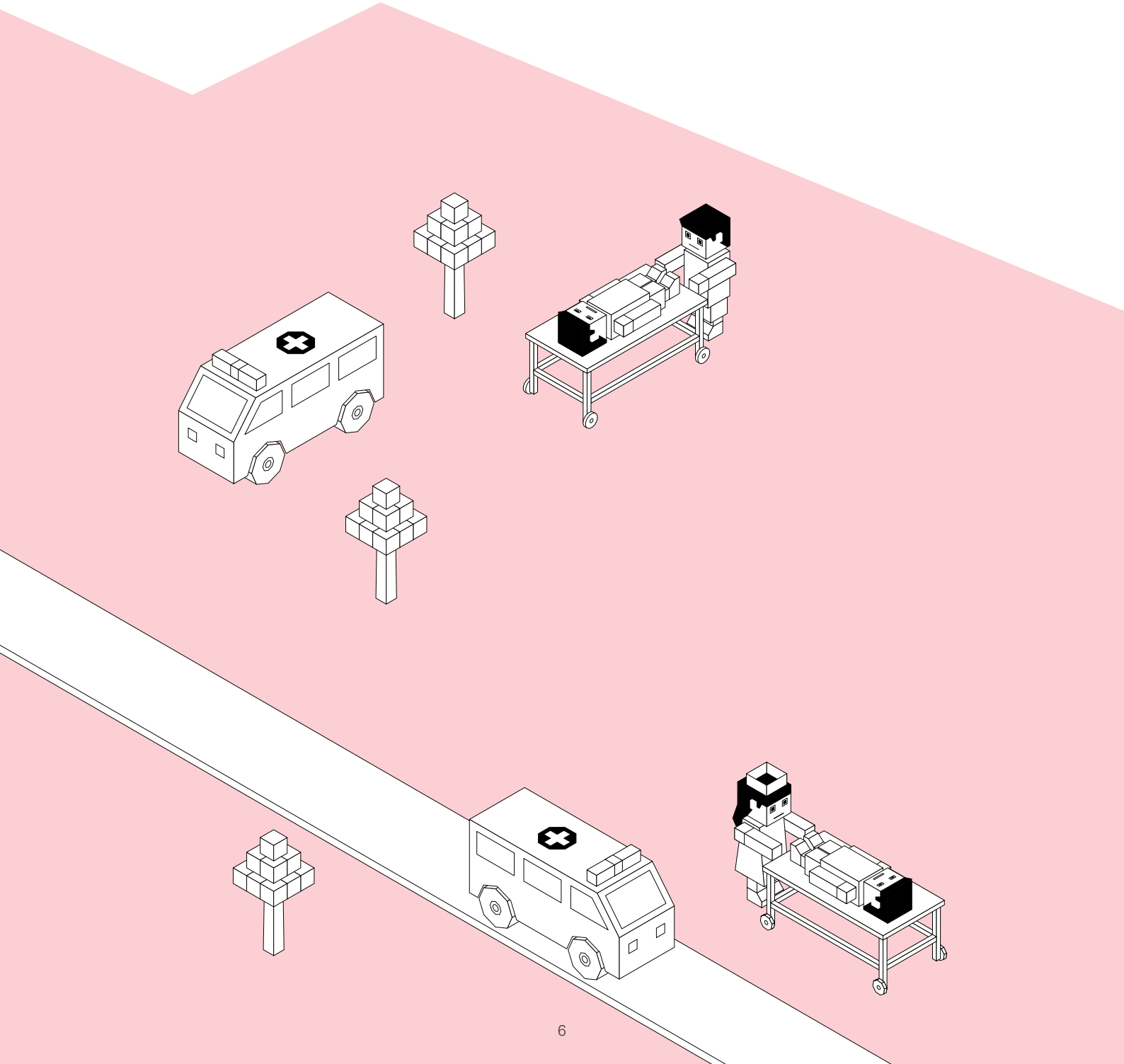
EXHIBIT 2 | Health sector strategic documents – summary

Strategic plan	Strategic objectives
National Policy Framework Vistas of Prosperity and Splendour[9]	▸ Increase annual investment in healthcare by implementing healthcare facility development programmes. ▸ Changing the approach to promoting a lifestyle instead of treating a patient. ▸ Spend entire government funds on health for only the citizens of Sri Lanka. ▸ Uplift indigenous and Ayurveda systems through a more scientific and modern approach.
National Health Strategic Masterplan 2016–2025[10]	▸ Developing people-centred healthcare, expressed in universal coverage: a. Equity of distribution of services to all patients living in all areas of the country. b. Accessibility to health facilities by every patient. c. Quality of service provided to each patient. d. Financial protection of all patients.
National Strategic Plan on Maternal and Newborn Health 2017–2025[11]	▸ Strengthen and invest in improving the quality of maternal and newborn care. ▸ Address all causes of maternal, perinatal and neonatal mortality and morbidity. ▸ Strengthen health systems to respond to the needs and priorities of women, newborns and their families. ▸ Ensure universal health coverage for comprehensive (essential and emergency) maternal and newborn healthcare. ▸ Address inequities in access to quality care. ▸ Count every mother, foetus and newborn through measurement, programme tracking and accountability. ▸ Harness the power of individuals, families and communities to support maternal and newborn health.
National Strategic Plan on Child Health in Sri Lanka 2018–2025[12]	▸ Strengthen nutrition promotion and growth monitoring. ▸ Provide a supportive environment for child growth and development. ▸ Prevent childhood illnesses and injuries. ▸ Strengthen school health programmes and interventions. ▸ Improve access to healthcare for vulnerable children. ▸ Achieve universal curative childcare. ▸ Pay specific attention to underserved geographic areas and children with special needs.
National Strategy for Infant and Young Child Feeding Sri Lanka 2015–2020[13]	▸ Improve overall child nutrition. ▸ Address child malnutrition issues.
National Strategic Plan on Adolescent and Youth Health 2018–2025[14]	▸ Strengthen the health system to cater to adolescent and youth health. ▸ Ensure optimal level of nutrition, physical activity, hygiene and sanitation. ▸ Ensure access to sexual and reproductive health education and services. ▸ Enhance community involvement to improve the health of adolescents and youth.
Sri Lanka Every New-born Action Plan (SLENAP) 2017–2020[15]	▸ Reduce neonatal mortality rate from 6.5/1,000 live births (2013) to 4.2/1,000 live births by the end of 2020. ▸ Reduce the stillbirth rate from 6.4/1,000 births to 4.5/1,000 births by the end of 2020.

9. Website of Ministry of Finance, National Policy Framework Vistas of Prosperity and Splendour (2020–2025). Available at: http://oldportal.treasury.gov.lk/documents/10181/791429/FinalDovVer02+English.pdf/10e8fd3e-8b8d-452b-bb50-c2b053ea626c. Accessed on 26 August 2021.
10. Website of Ministry of Health, Health Master Plan 2016–2025 (Policy Analysis and Development Unit, Ministry of Health 2016). Available at: http://www.health.gov.lk/moh_final/english/others.php?pid=104. Accessed on 26 August 2021.
11. Website of Family Health Bureau—Ministry of Health, National Strategic Plan on Maternal and Newborn Health (2017–2025) (UNFPA Sri Lanka 2018). Available at: https://srilanka.unfpa.org/en/publications/national-strategic-plan-maternal-and-newborn-health-2017-2025. Accessed on 26 August 2021.
12. Website of Family Health Bureau, National Strategic Plan on Child Health in Sri Lanka 2018–2025 (Family Health Bureau—Ministry of Health, Nutrition and Indigenous Medicine 2016). Available at: https://drive.google.com/file/d/1afrhLVy4SIcEs1pBHJiFu8q_mQqmqIik/view. Accessed on 26 August 2021.
13. Website of Family Ministry of Health, Nutrition and Indigenous Medicine, National Strategy for Infant and Young Child Feeding Sri Lanka 2015–2020. Available at: https://drive.google.com/file/d/17cVGP_RN7FA-KEKiOlfKyxGEqD_5wMum/view. Accessed on 26 August 2021.
14. Website of Family Health Bureau—Ministry of Health, National Strategic Plan on Adolescent and Youth Health (2018–2025). Available at: https://drive.google.com/file/d/1JWYHxEZ48WsYdmlTTanMhmm9wjrWEXEx/view Accessed on 26 August 2021.
15. Website of Family Health Bureau—Ministry of Health, Sri Lanka. Every Newborn: An Action Plan to End Preventable Morbidity and Mortality (SLENAP) 2017-2020 (2016). Available at: https://drive.google.com/file/d/1pt5cf7Ci5n5rSe8RWUp5sq4tSaxK8eMX/view. Accessed on 26 August 2021.

BUDGET AND EXPENDITURE ANALYSIS

This section of the brief analyses public sector spending trends in Sri Lanka's health sector. This analysis is based exclusively on budget and expenditure data that is publicly available, primarily using the Annual Budget Estimates published by the Ministry of Finance. Specifically, this section focuses on budget and expenditure trends for the years 2015–2020, at the central and provincial government levels.

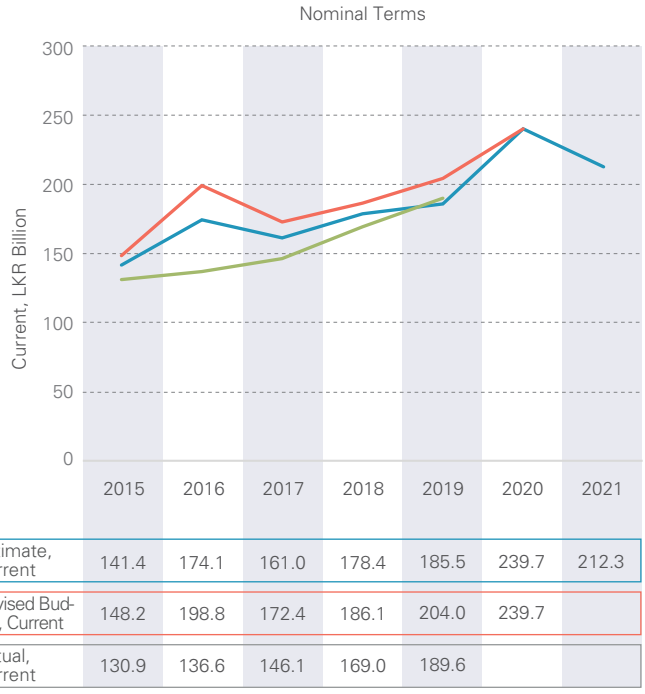


3. WHAT TRENDS EMERGE FROM THE HEALTH SECTOR BUDGET AND EXPENDITURE?

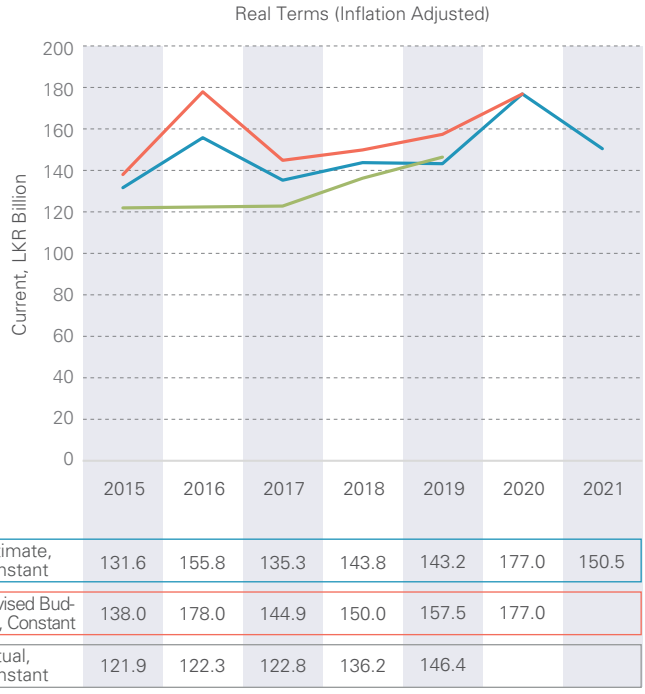
The 2021 approved budget at the central level allocated a total of LKR 212.3 billion for the health sector (see Exhibit 3). This represents a nominal decrease of 11%, relative to the approved budget estimates for 2020. In real terms, the 2021 central-level approved budget for the health sector decreased by approximately 15%, relative to the 2020 central-level approved budget.

Central health budget allocations have had an upward trend in the last six years, both in nominal and real terms. The health sector's approved budgets increased by 50% in nominal terms and by 14% in real terms, between 2015 and 2021.

EXHIBIT 3 | Health sector budgetary allocations

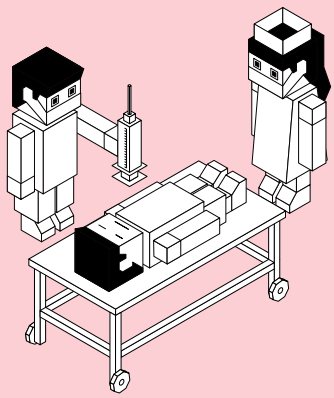


	2015	2016	2017	2018	2019	2020	2021
Estimate, Current	141.4	174.1	161.0	178.4	185.5	239.7	212.3
Revised Budget, Current	148.2	198.8	172.4	186.1	204.0	239.7	
Actual, Current	130.9	136.6	146.1	169.0	189.6		



	2015	2016	2017	2018	2019	2020	2021
Estimate, Constant	131.6	155.8	135.3	143.8	143.2	177.0	150.5
Revised Budget, Constant	138.0	178.0	144.9	150.0	157.5	177.0	
Actual, Constant	121.9	122.3	122.8	136.2	146.4		

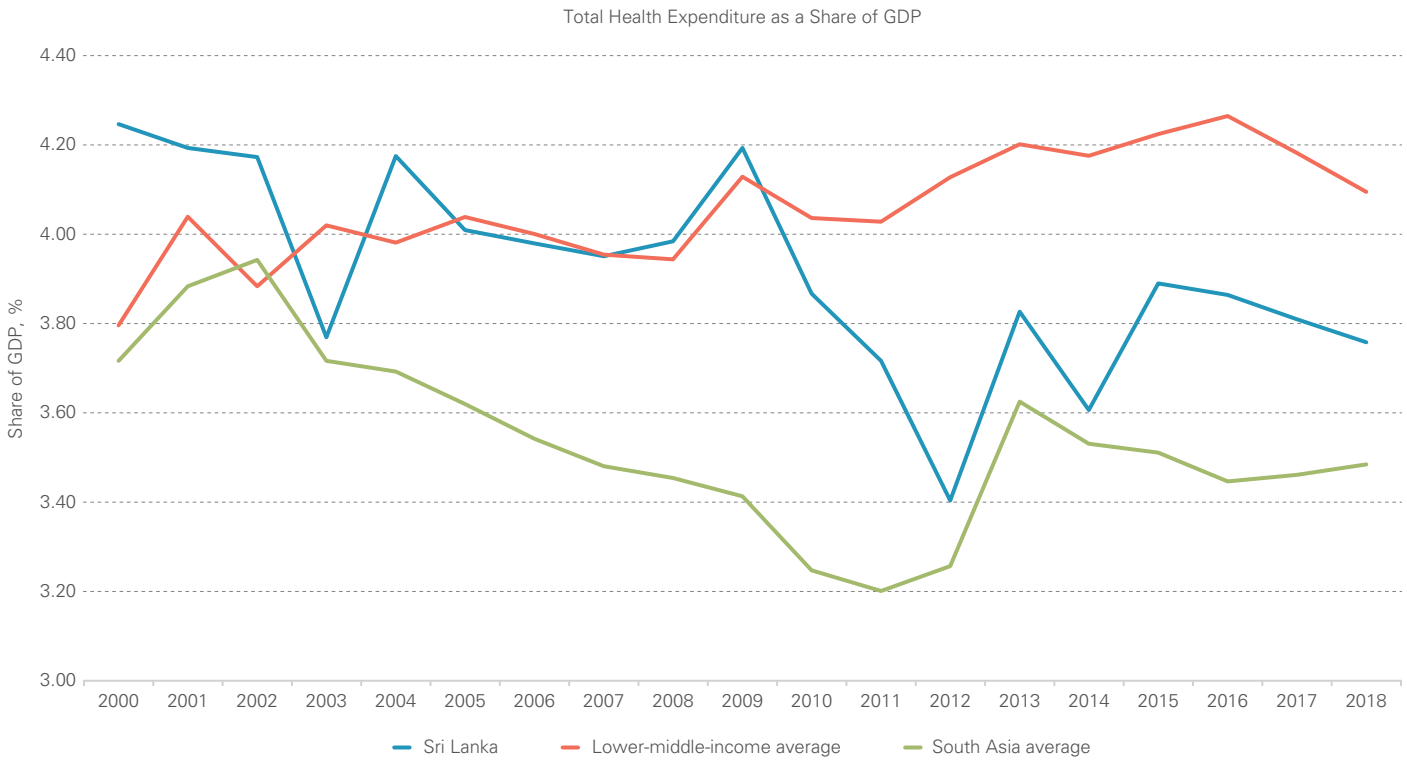
Source: Author's calculation using Budget Estimates 2015–2021



As per WB data, Sri Lanka's total health expenditure as a share of GDP was 3.8% in 2018 (See Exhibit 4).[16] This figure has reduced from 4.2% in the year 2000. In comparison, for Sri Lanka's income peers (lower-middle-income countries), the share of health expenditure to GDP increased from 3.8% in 2000 to 4.1% in 2018, while for other South Asian countries, it decreased from 3.7% in 2000 to 3.5% in 2018. Sri Lanka's domestic public health expenditure accounted for 1.5% of GDP in 2018 and 2.3% in 2000.[17]

Sri Lanka's public health expenditure as a share of GDP has dropped over time and although Sri Lanka compares favourably with her regional counterparts, spending falls short in comparison to her income peers. In lower-middle-income countries, public health expenditure was 1.5% of GDP in 2018, an increase from 1.2% in 2000. Furthermore, South Asia's public health expenditure has averaged around 0.8% through the last decade.

EXHIBIT 4 | Sri Lanka's total health expenditure as a share of GDP

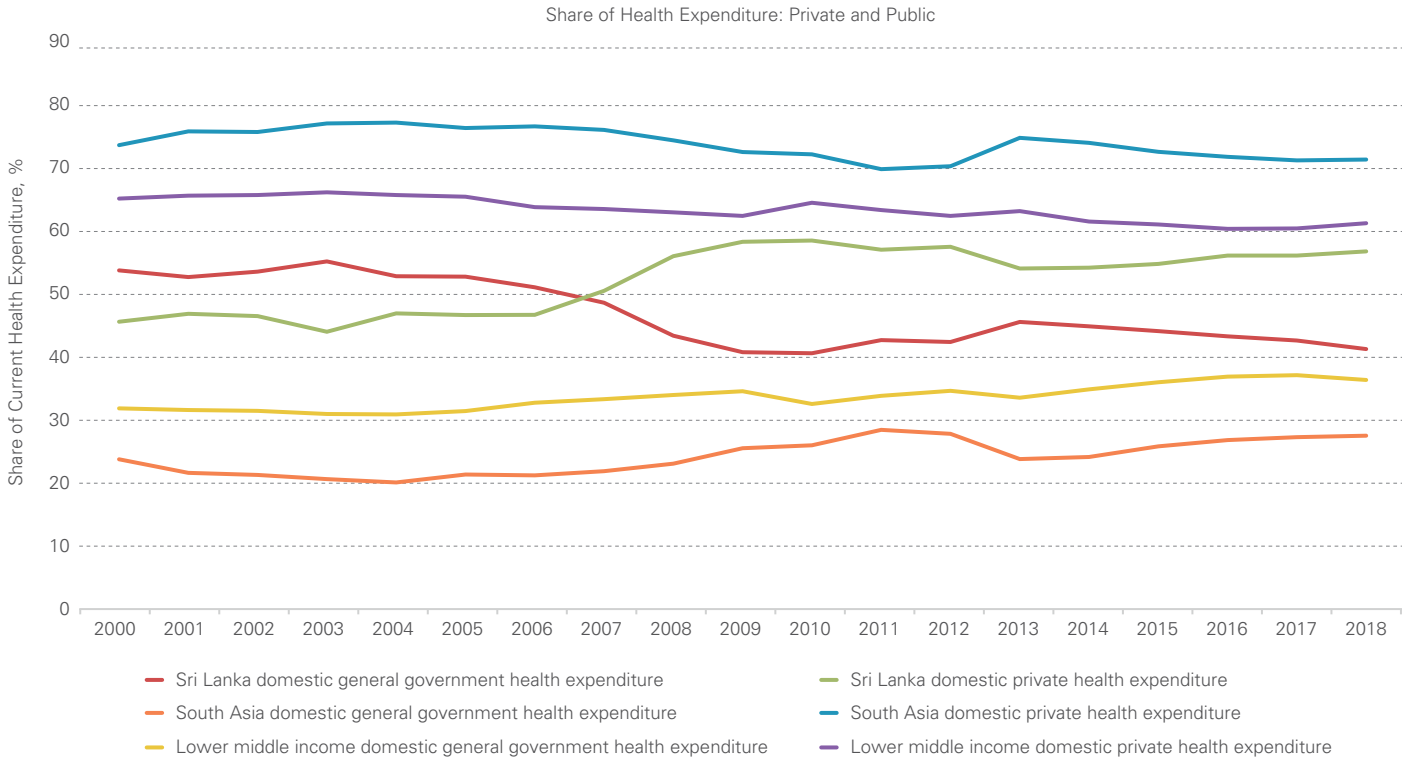


Source: WB, World Data Indicator Database[18]

As a share of Sri Lanka's total health expenditure, domestic public health expenditure decreased while domestic private health, external public health and out-of-pocket health expenditures increased (see Exhibit 5). According to the WB, domestic public health expenditure as a share of total health expenditure decreased from 53.6% in 2000 to 41.1% in 2018.[19] Nevertheless, this share substantially exceeds that of other lower-middle-income countries (which increased from 31.7% in 2000 to 36.2% in 2018)[20], as well as in South Asia (which increased from 23.5% to 27.3% over the same period).[21]

16. Total health expenditure refers to current health expenditures and include healthcare goods and services consumed during each year.
17. Domestic public health expenditure indicates the government's spending on health from own domestic public resources.
18. Website of World Bank, World Bank Data Indicator Database, available at: https://data.worldbank.org/indicator/. Accessed on 26 August 2021.
19. Website of World Bank, World Bank Data Indicator Database, available at: https://data.worldbank.org/indicator/. Accessed on 26 August 2021.
20. Website of World Bank, World Bank Data Indicator Database, available at: https://data.worldbank.org/indicator/SH.XPD.GHED.CH.ZS?locations=XN Accessed on 26 August 2021.
21. Website of World Bank, World Bank Data Indicator Database, available at: https://data.worldbank.org/indicator/SH.XPD.GHED.CH.ZS?locations=8S Accessed on 26 August 2021.

EXHIBIT 5 | Share of health expenditure: private and public



Source: WB, World Development Indicator database[22]

Sri Lanka's external health expenditure as a share of total health sector spending increased from 0.9% to 2.2% during the period 2000–2018.[23] Over the same period, lower-middle-income countries' external health sector expenditure as a share of total health sector spending decreased from 3.3% to 2.7%, while in South Asia, it dropped from 2.8% to 1.4%. Sri Lanka's domestic private health expenditure as a share of total sector spending increased from 45.5% to 56.7% during 2000–2018.[24] Over the same period, lower-middle-income countries' private health expenditure as a share of total health sector spending decreased from 65.1% to 61.2% and that of South Asia dropped from 73.6% to 71.3%. Out-of-pocket expenditure, which accounts for the bulk of private health expenditure in Sri Lanka, increased from 40% of total health sector expenditure in 2000 to 50.7% in 2018.[25] Private health expenditure and out-of-pocket health expenditure as a share of total health sector spending remain lower in Sri Lanka than in other lower-middle-income nations and South Asian peers.

According to the WB, Sri Lanka's current health expenditure per capita PPP (current international USD), has significantly increased from USD 221.7 to USD 516.9 during 2000–2018. In comparison, the lower-middle-income country average of current health expenditure per capita PPP increased from USD 111.2 in 2000 to USD 333.6 in 2018. The South Asian current health expenditure average per capita PPP increased from USD 83.7 in 2000 to USD 249 in 2018.

According to UNICEF's report on accessing public financing for nutrition in Sri Lanka (2014-2018), the government spent approximately LKR 140 billion in 2018 for nutrition related activities across 9 ministries (nutrition specific

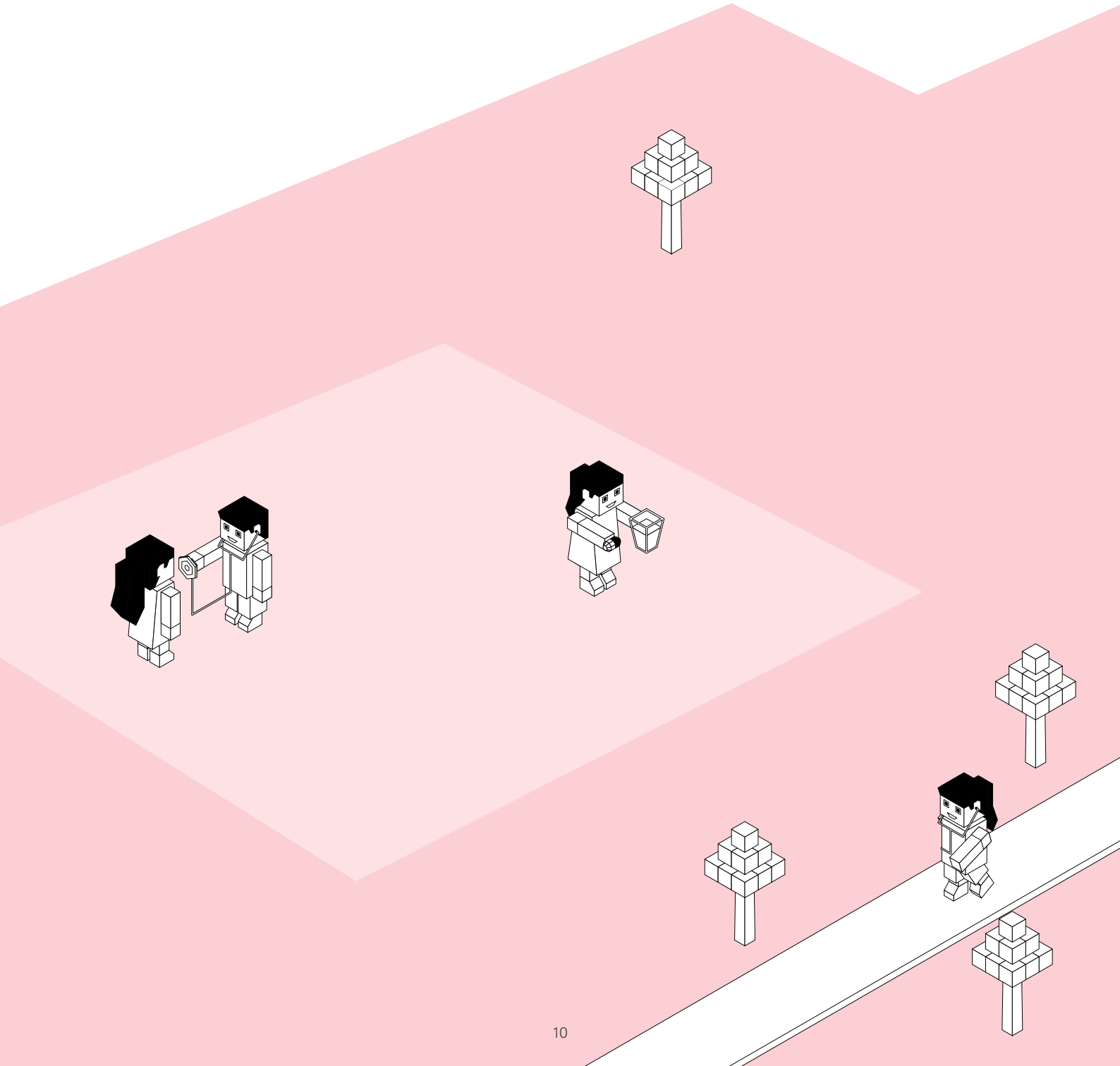
22. Website of World Bank, World Bank Data Indicator Database, available at: https://data.worldbank.org/indicator/. Accessed on 26 August 2021.
23. External Health Expenditure refers to the share of current health expenditures funded by external sources. External sources comprise direct foreign transfers and foreign transfers distributed by the government encompassing all financial inflows into the national health system from outside the country.
24. Private health expenditure refers to the share of current health expenditures funded from domestic private sources. Domestic private sources include funds from households, corporations and non-profit organisations.
25. Out-of-pocket payments are spending on health directly out of pocket by households.

& nutrition sensitive interventions), which was a 25% fall from LKR 188 billion in 2015 (in real terms).[26] Public expenditure on nutrition specific interventions accounted for LKR 13.4 billion, while nutrition sensitive interventions accounted for LKR 126.2 billion in 2018.[27] Key nutrition specific interventions include medicine and supplements provided through the national maternal and child health (MCH) program, Thriposha program, and school meal program. These three programs accounted for 96.7% of the expenditure on nutrition specific interventions. Nutrition sensitive interventions are quite broad and consists of Samurdhi, fertilizer subsidy program, estate sector WASH, agriculture sector food security programs and fisheries and livestock food security programs.[28]

26. LKR 140 billion on nutrition expenditure includes total government expenditure on nutrition in 2018. 9 line ministries were identified as having implemented over 80 nutrition related activities from 2014 to 2018. However, according to this brief's definition of health, the relevant ministries that come under it (MoH), has spent Rs 2.2 billion and Rs. 2.1 billion for national nutrition program in 2015 and 2018 respectively.

27. Nutrition specific interventions address the underlying determinant of malnutrition while nutrition sensitive interventions address the immediate determinants of fetal and child nutrition and development.

28. For more information, see: Website of UNICEF, Assessing Public Financing for Nutrition in Sri Lanka (2014–2018). Available at: https://www.unicef.org/srilanka/reports/APFNSL. Accessed on 26 August 2021.

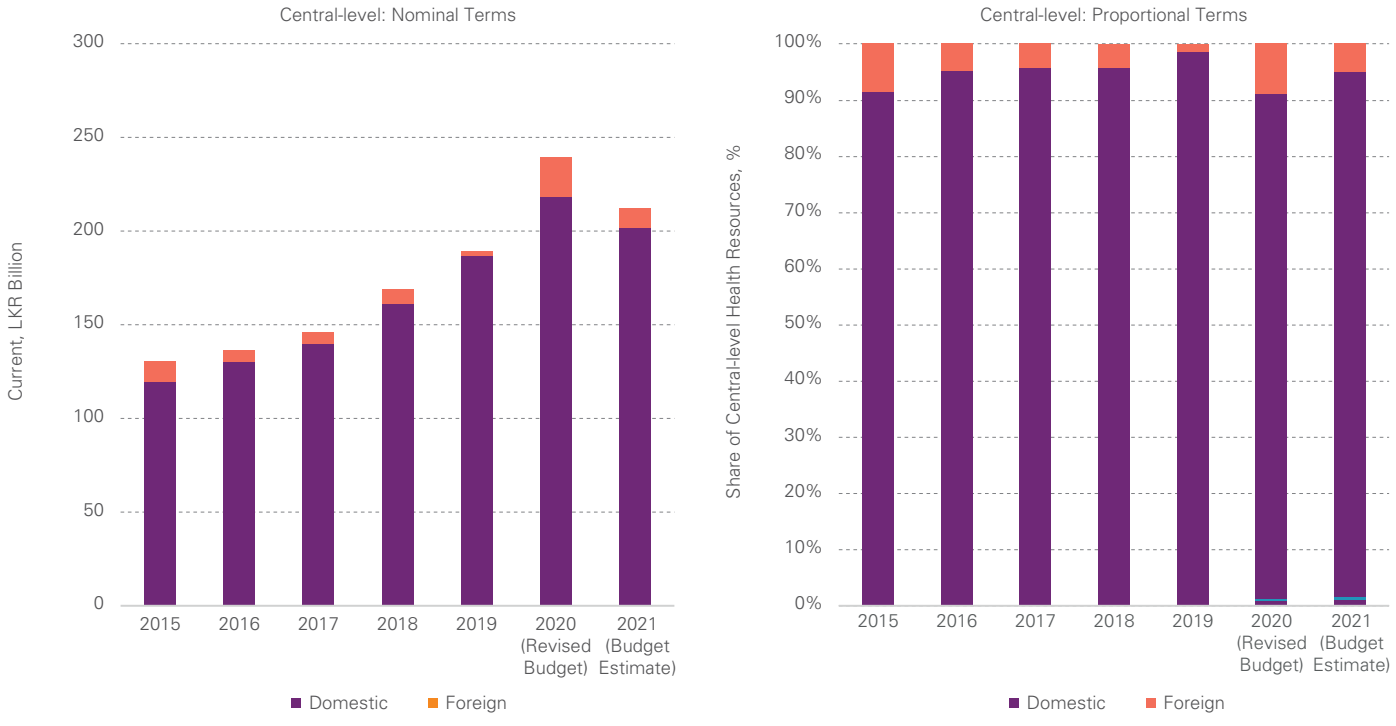


4. WHERE DO HEALTH RESOURCES COME FROM?

The health sector at the central and PC levels is financed by both domestic and foreign sources. Tax revenue, non-tax revenue and domestic borrowings provide the domestic contributions. Foreign financing consists of grants from international organisations/development partners and external borrowings. Foreign financing is channelled directly through the Treasury at the central level and through the Finance Commission [FC] (which in turn receives the funds from the Treasury) at the PC level.[29]

Government spending on the health sector in Sri Lanka is mostly financed through domestic resources (see Exhibit 6). At the central level, domestic financing averaged 94.7% of health sector resources while foreign resources averaged 5.3% between 2015 and 2021. In the 2021 central-level approved budget, the domestic to foreign resources ratio in the health sector stands at 95% to 5%. Donors make a relatively small contribution to the country's health budget, with most external resources coming in the form of loans (see Exhibit 7). Annual disbursements of official development assistance (ODA) funds dedicated to health recorded by the Department of External Resources (ERD) amounted to USD 77.9 million in 2019.[30]

EXHIBIT 6 | Health sector sources of funding at the central level



Source: Author's calculation using Budget Estimates 2015–2021

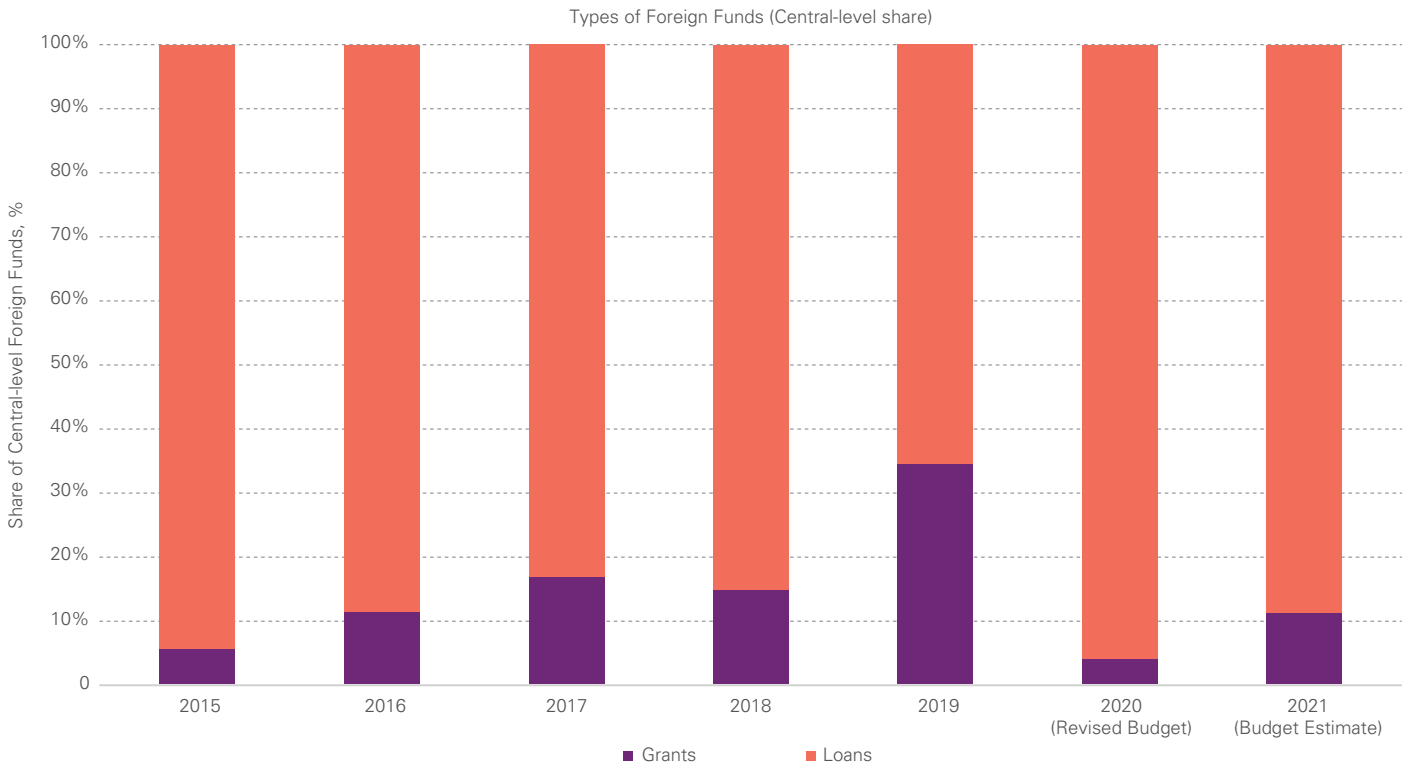
29. S. N. Amarasinghe, K. C. S. Dalpatadu, and R. P. Rannan-Eliya, Sri Lanka Health Accounts: National Health Expenditure 1990–2016 (Institute for Health Policy 2018), IHP Health Expenditure Series (5), p.11–17.

30. Performance Report 2019, Department of External Resources. Available at: http://www.erd.gov.lk/index.php?option=com_content&view=article&id=56&Itemid=220&lang=en. Accessed on 26 August 2021.

Development finance institutions have recently committed funds to strengthen Sri Lanka's healthcare system (see Exhibit 7). In 2019, Sri Lanka and the WB signed a USD 200 million loan agreement to help increase the use and the quality of Sri Lanka's primary healthcare services. The *Primary Healthcare System Strengthening Project* will benefit the people in Sri Lanka by increasing the quality of primary healthcare services, focusing on the detection and management of non-communicable diseases, responding to the changing health needs of the population and targeting the most vulnerable.[31] In 2020, the WB approved the USD 128.6 million *Sri Lanka COVID-19 Emergency Response and Health Systems Preparedness Project* to assist the country to prevent, detect and respond to the COVID-19 pandemic and thereby strengthen its public health preparedness.[32] In 2021, Sri Lanka also received an additional USD 80.51 million from the WB to implement the second round of additional financing for the *Sri Lanka COVID-19 Emergency Response and Health Preparedness Project*.[33]

Additionally, in 2020, the Asian Development Bank approved a USD 3 million grant from its *Asia Pacific Disaster Response* Fund to assist Sri Lanka in its response to the COVID-19 pandemic. The grant, which is financed by the Government of Japan, will fund the purchase of test kits, diagnostic reagents, personal protective equipment and other essential medical supplies.[34] In 2021, Sri Lanka also received nearly USD 3 million from the Government of Japan through UNICEF to support the cold chain system in Sri Lanka and strengthen the delivery of immunisation services, including responses to the COVID-19 pandemic.[35]

EXHIBIT 7 | Types of foreign funds

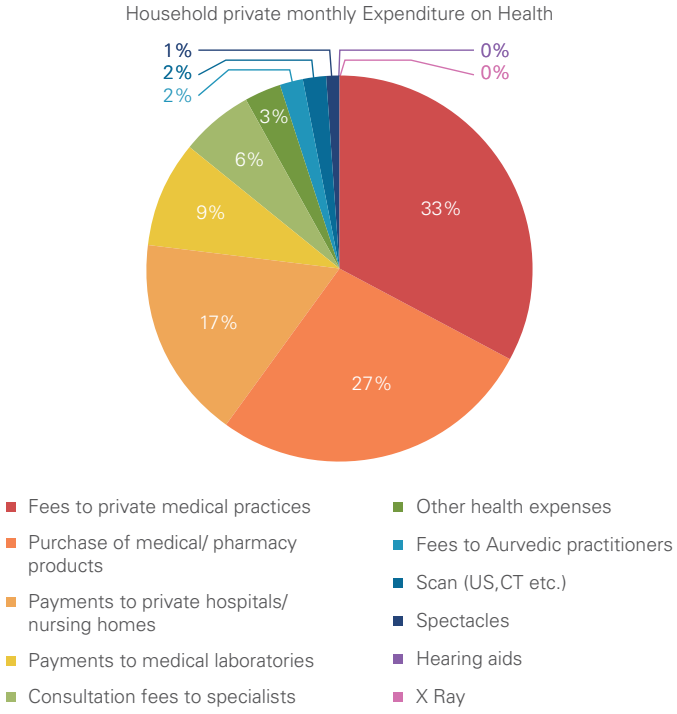


Source: Author's calculation using Budget Estimates 2015–2021

31. Press release (January 23, 2019), World Bank, available at : https://www.worldbank.org/en/news/press-release/2019/01/23/sri-lanka-and-world-bank-partner-to-improve-health-care-services. Accessed on 26 August 2021.
32. Press release (April 2, 2021), World Bank, available at : https://www.worldbank.org/en/news/press-release/2020/04/01/world-bank-fast-track-support-covid19-corona Accessed on 26 August 2021.
33. News release (May 13, 2021), Ministry of Finance, available at: https://www.treasury.gov.lk/news/article/41 Accessed on 26 August 2021.
34. News release (June 10, 2020), Asian Development Bank, available at: https://www.adb.org/news/adb-approves-3-million-grant-assist-sri-lanka-s-response-covid-19 Accessed on 26 August 2021.
35. Press release (March 30, 2021), UNICEF, available at : https://www.unicef.org/srilanka/press-releases/new-funding-japan-strengthen-immunization-services-sri-lanka Accessed on 26 August 2021.

The Household Income and Expenditure Survey (HIES) is conducted by the Department of Census and Statistics (DCS) under the National Household Sample Survey Programme every three years.[36] **The most recent HIES data available from the year 2016 show that, on average, the monthly household private expenditure on health is approximately LKR 1,695 (See Exhibit 8).**[37] The largest proportion of the total is spent on fees to private medical practices (33%) and the purchase of medical or pharmacy products (26.6%). In addition to this, 16.5% is spent on payments to private hospitals or nursing homes.

EXHIBIT 8 | Household private monthly expenditure on health



Source: Department of Census and Statistics, HIES data 2016[38]

36. Note: Due to the COVID-19 pandemic and time restraints during the time of writing the report, data was only available until 2016.
37. Household Income and Expenditure Survey Final Report 2016, Department of Census and Statistics, available at : http://www.statistics.gov.lk/IncomeAndExpenditure/StaticalInformation/HouseholdIncomeandExpenditureSurvey2016FinalReport Accessed on 26 August 2021.
38. Ibid.

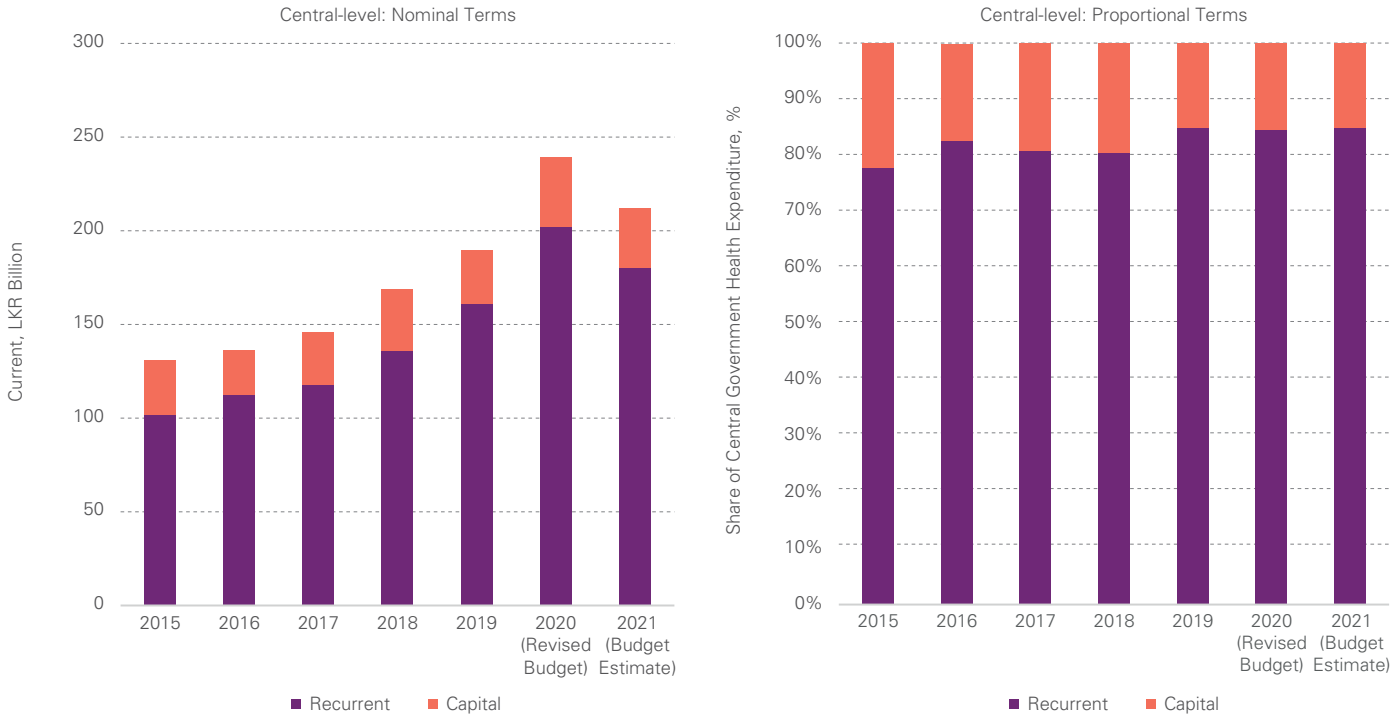
5. HOW ARE HEALTH SECTOR RESOURCES SPENT?

5.1 Recurrent vs Capital expenditure

Public health spending in Sri Lanka is divided into recurrent and capital expenditure. Recurrent expenditure refers to spending on salaries/remunerations, goods and services, operating costs, transfers and financial operations. Capital expenditure refers to spending aimed at improving access to health services and quality care (e.g., construction of clinics and hospitals, training of doctors and nurses, etc.).

Most of Sri Lanka's public health expenditure is recurrent (see Exhibit 9). Between 2015 and 2020, recurrent spending averaged 82% of total public health expenditure at the central level. In the 2021 central-level health sector budget, the recurrent-to-capital spending ratio stands at 85% to 15%. Capital expenditure at the central level is predominantly allocated for the development of hospitals, whilst almost the entirety of recurrent expenditure is spent on the operation of hospitals and the provision of medical supplies.

EXHIBIT 9 | Health sector spending – recurrent vs capital expenditure at the central level



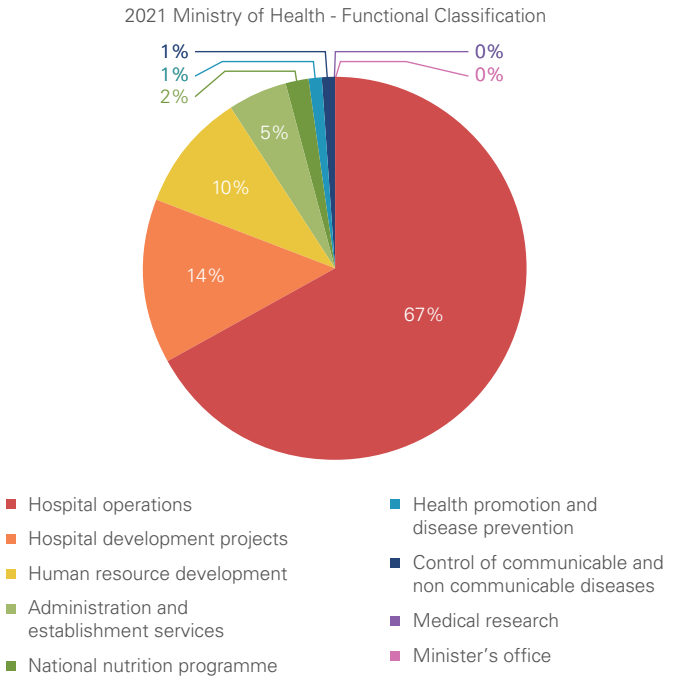
Source: Author's calculations using Budget Estimates 2015–2021

5.2 Spending by functional classification[39]

Spending on hospital operations dominated the total expenditure of the Ministry of Health (at the central level) in 2020 and 2021 (see Exhibit 10).[40] In the 2021 Budget, hospital operations, which is included in operational spending, received an allocation of LKR 98.8 billion (66.5% of the ministry's resources). Hospital development projects, administration and establishment services and human resource development have also been allocated substantial amounts of funding in 2021 at LKR 20.3 billion (13.7% of the ministry's budget), LKR 7.8 billion (5.2% of the ministry's budget) and LKR 14.8 billion (9.9% of the ministry's budget), respectively. On the preventive side, health promotion and disease prevention were allocated LKR 2.1 billion (1.4% of the ministry's budget), while the control of communicable diseases and NCDs was allocated LKR 1.5 billion (1% of the ministry's budget) in the 2021 central-level budget. The National Nutritional Programme has been allocated LKR 2.8 billion, accounting for 1.9% of the ministry's budget. In comparison to the 2020 revised budget estimates, allocations to the hospital development projects decreased by 31%, while allocations to the national nutrition programme and control of communicable diseases and NCDs increased considerably by 68% and 48%, respectively.

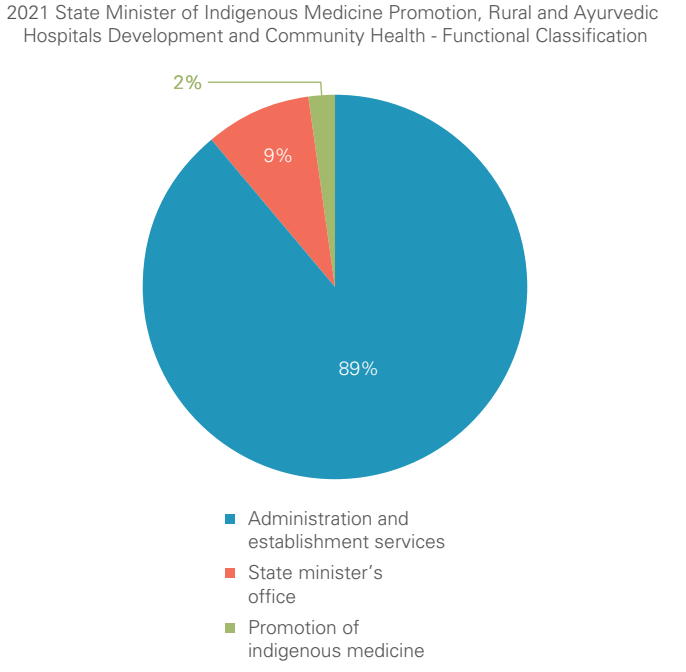
Administration and establishment costs dominated the State Ministry of Indigenous Medicine Promotion, Rural and Ayurvedic Hospitals Development and Community Health (i.e., 89%) in 2021 at the central level (see Exhibit 11).[41] In comparison to the 2020 revised budget estimates, allocations to the administration and establishment services and the promotion of indigenous medicine considerably increased by 195% and 82%, respectively.

EXHIBIT 10 | Functional classification of the Ministry of Health



Source: Author's calculation using Budget Estimates 2021

EXHIBIT 11 | Functional classification of the State Ministry of Indigenous Medicine Promotion, Rural and Ayurvedic Hospitals Development and Community Health



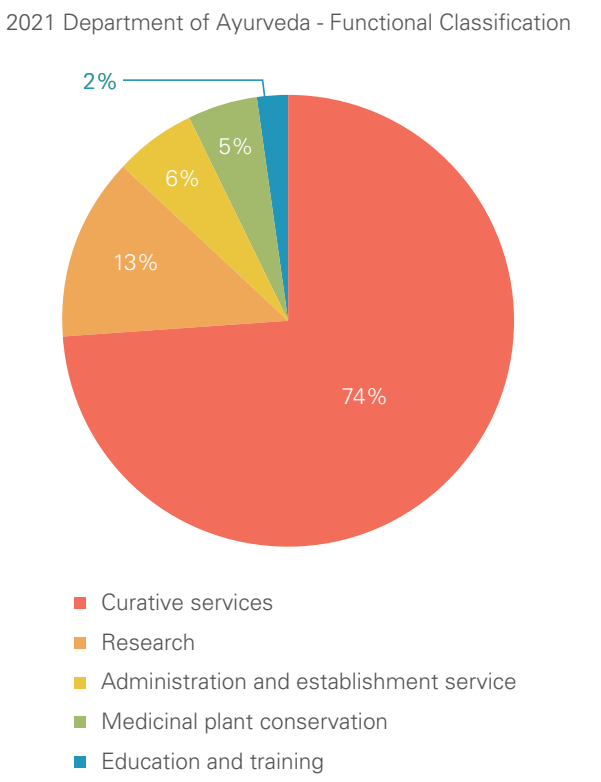
Source: Author's calculation using Budget Estimates 2021

39. Due to the change of ministries in 2019, these figures only reflect the functional classification of the ministries and departments for the years 2020 and 2021.
40. Functional categories under the Ministry of Health includes administrative costs, state minister's office cost, hospital operations, hospital development projects, health promotion and disease prevention, control of communicable and non-communicable diseases, national nutrition programme, medical research and human resource development.
41. Functional categories under the State Ministry of Indigenous Medicine Promotion, Rural and Ayurvedic Hospitals Development and Community Health include administrative costs, state minister's office cost and promotion of indigenous medicine.

Spending on ayurvedic medicine at the central level amounts to LKR 2.2 billion in the 2021 approved budget, of which, the largest share (74%) is dedicated to curative services (see Exhibit 12).[42] In Sri Lanka, ayurvedic medicine is formally recognised by the state and falls under the Department of Ayurveda and State Ministry of Indigenous Medicine Promotion, Rural and Ayurvedic Hospitals Development and Community Health. The Department of Ayurveda has a separate budget from the above-mentioned state ministry specifically dedicated to ayurvedic medicine. In comparison to the 2020 revised budget estimates, allocations to curative services, medical plant conservation, education and training and research increased by 28%, 28%, 15% and 13%, respectively.

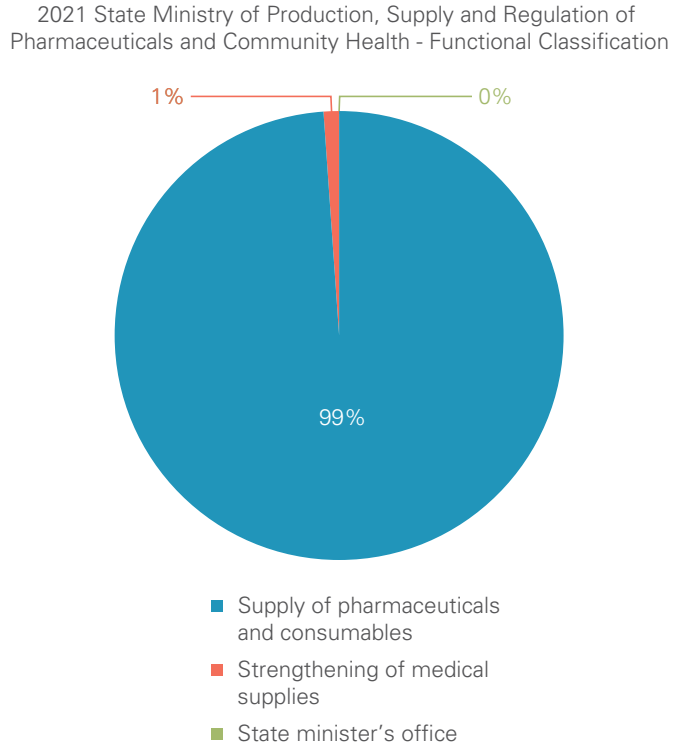
A substantial proportion of the expenditure of the State Ministry of Production, Supply and Regulation of Pharmaceuticals and Community Health at the central level is dominated by expenditure for the supply of pharmaceuticals and consumables (see Exhibit 13).[43] In the 2021 budget, the supply of pharmaceuticals and consumables received LKR 60.7 billion (99.2%). This figure is a comparative reduction by 29% relative to the 2020 revised budget allocations of LKR 85.8 billion, which made up 99.8% of the total budget allocations.

EXHIBIT 12 | Functional classification of the Department of Ayurveda



Source: Author's calculation using Budget Estimates 2021

EXHIBIT 13 | Functional classification of the State Ministry of Production, Supply and Regulation of Pharmaceuticals and Community Health



Source: Author's calculation using Budget Estimates 2021

42. Functional categories under the Department of Ayurveda include administrative costs, curative services, education and training, medicinal plant conservation, and research.

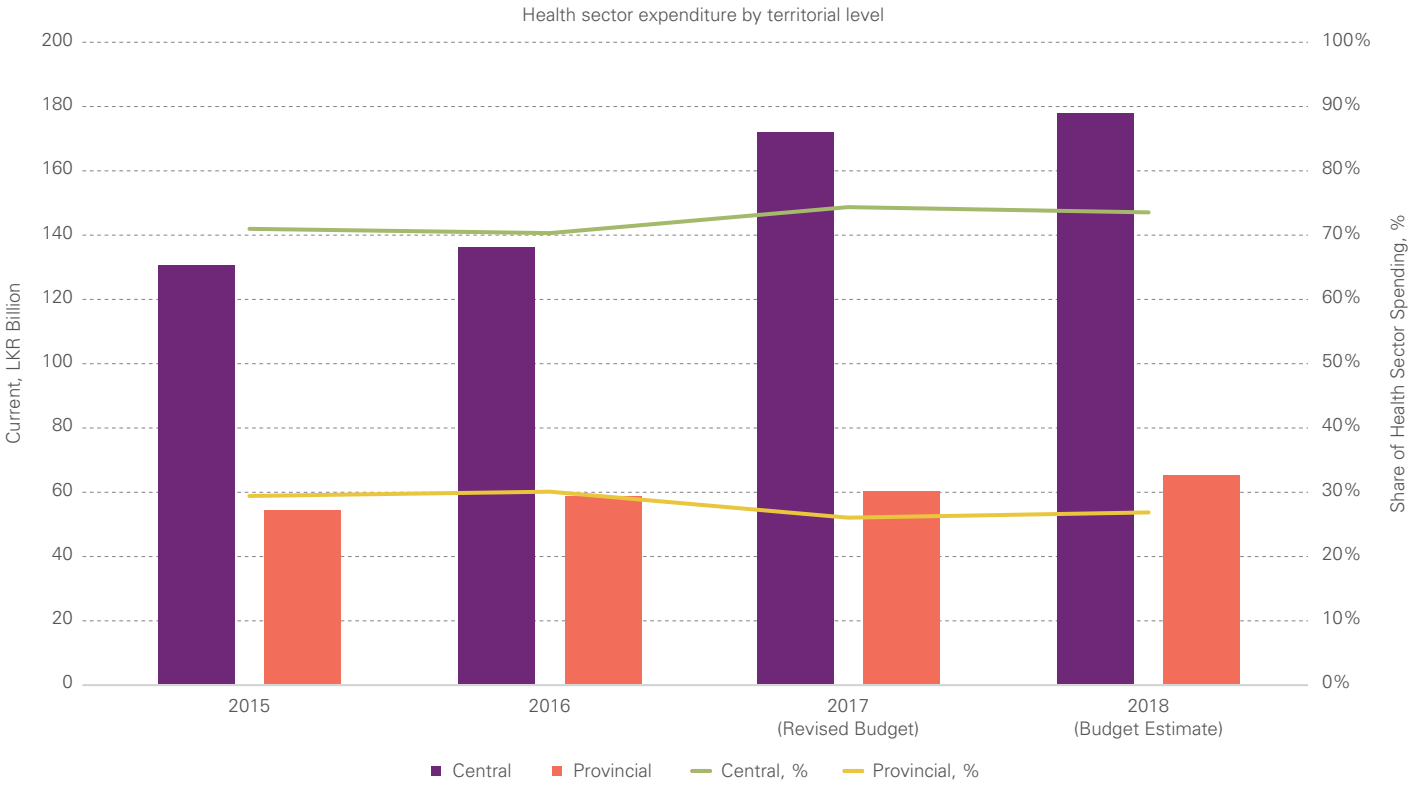
43. Functional categories under the State Ministry of Production, Supply and Regulation of Pharmaceuticals and Community Health include Supply of Pharmaceuticals and Consumables, State Minister's Office and Strengthening of Medical Supplies.

6. TO WHAT EXTENT HAS THE HEALTH SECTOR BEEN DECENTRALISED IN SRI LANKA?[44]

Public health spending in Sri Lanka is relatively centralised. Between 2015 and 2018, approximately 72.4% of resources, on average, were executed at the central level and the rest at the provincial level (see Exhibit 14).

The nine Provincial Ministries of Health mostly undertake primary medical care services, including preventive care and secondary levels of curative services.

EXHIBIT 14 | Health sector expenditure by territorial level

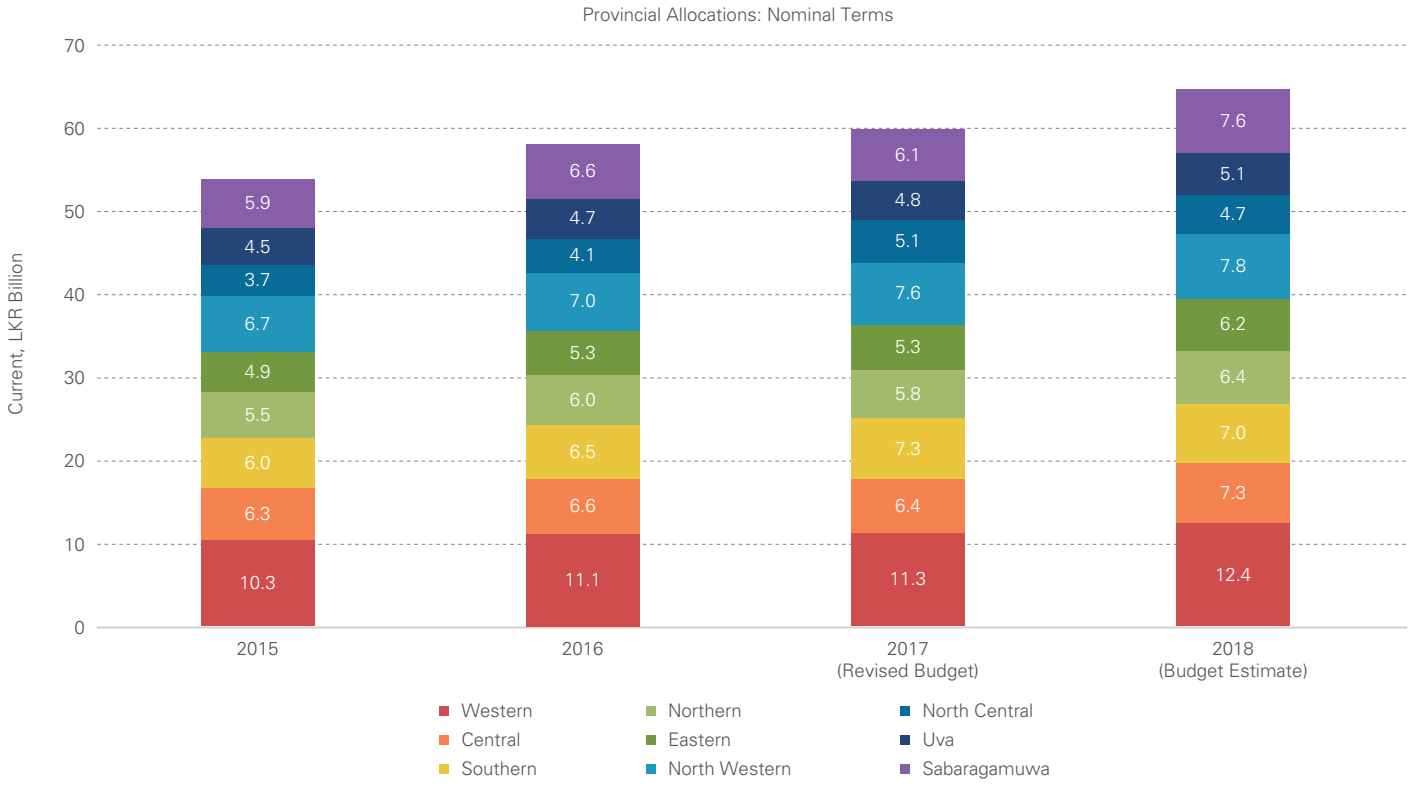


Source: Author's calculation using Budget Estimates 2015–2018

44. Due to the prevailing country situation, VR was not able to collect the updated provincial-level data. Hence, VR used the data that was available in the existing database for PC analysis.

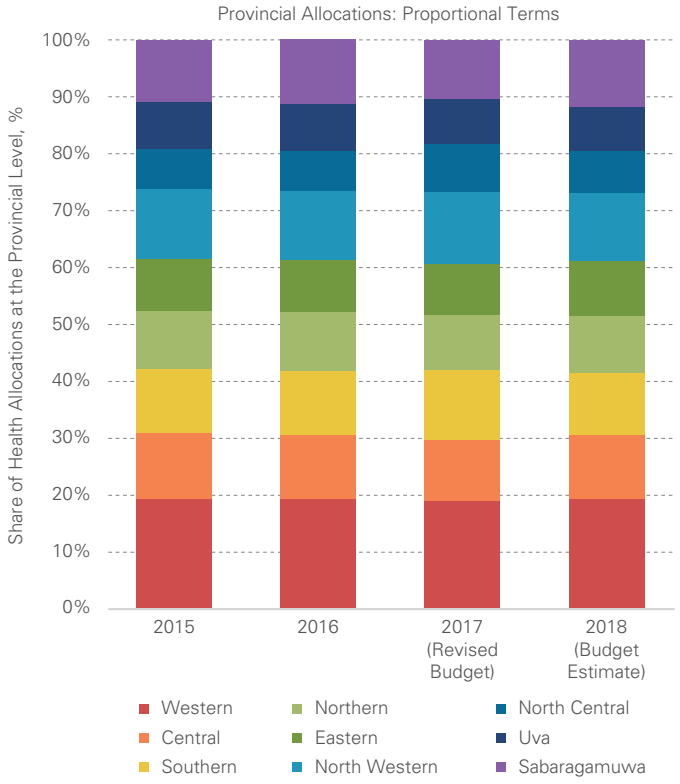
The allocation of health resources, in nominal terms, varied substantially across different PCs over the years (see Exhibits 15, 16 and 17). The Western Province has consistently received larger shares of funding compared to other provinces. In 2018, budgeted funding for the Western Province amounted to LKR 12.4 billion (19% of provincial share), nearly double that of the second-largest provincial budget assigned to the North-Western Province. However, this is due to the Western Province having the largest population and accounting for the largest number of healthcare facilities in the country. On the other hand, health expenditure in per capita terms is the lowest in the Western Province, accounting for LKR 2,017 in 2018 per person. The Northern Province has the largest allocation with LKR 5,701 per person in 2018. In nominal terms, the Uva and North Central Provincial Councils received the lowest health sector budgets of LKR 5.1 and 4.7 billion, respectively, in 2018. However, allocations in per capita terms were second-highest for the Uva Province and fifth-highest for the North Central Province in 2018.

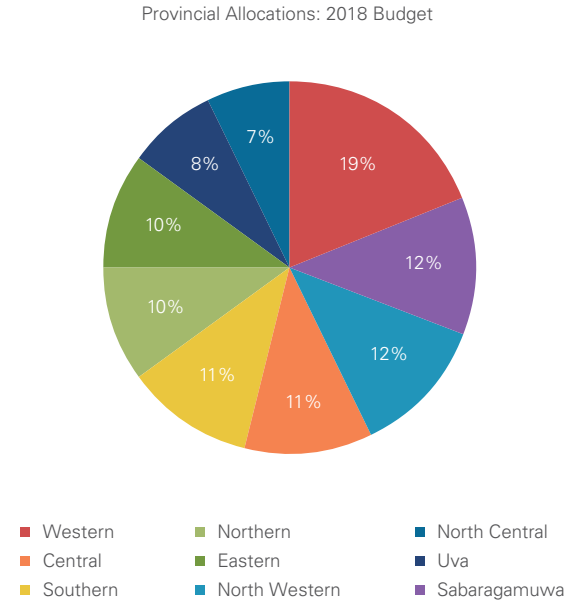
EXHIBIT 15 | Health expenditure by province



Source: PC Budget Estimates 2015–2018

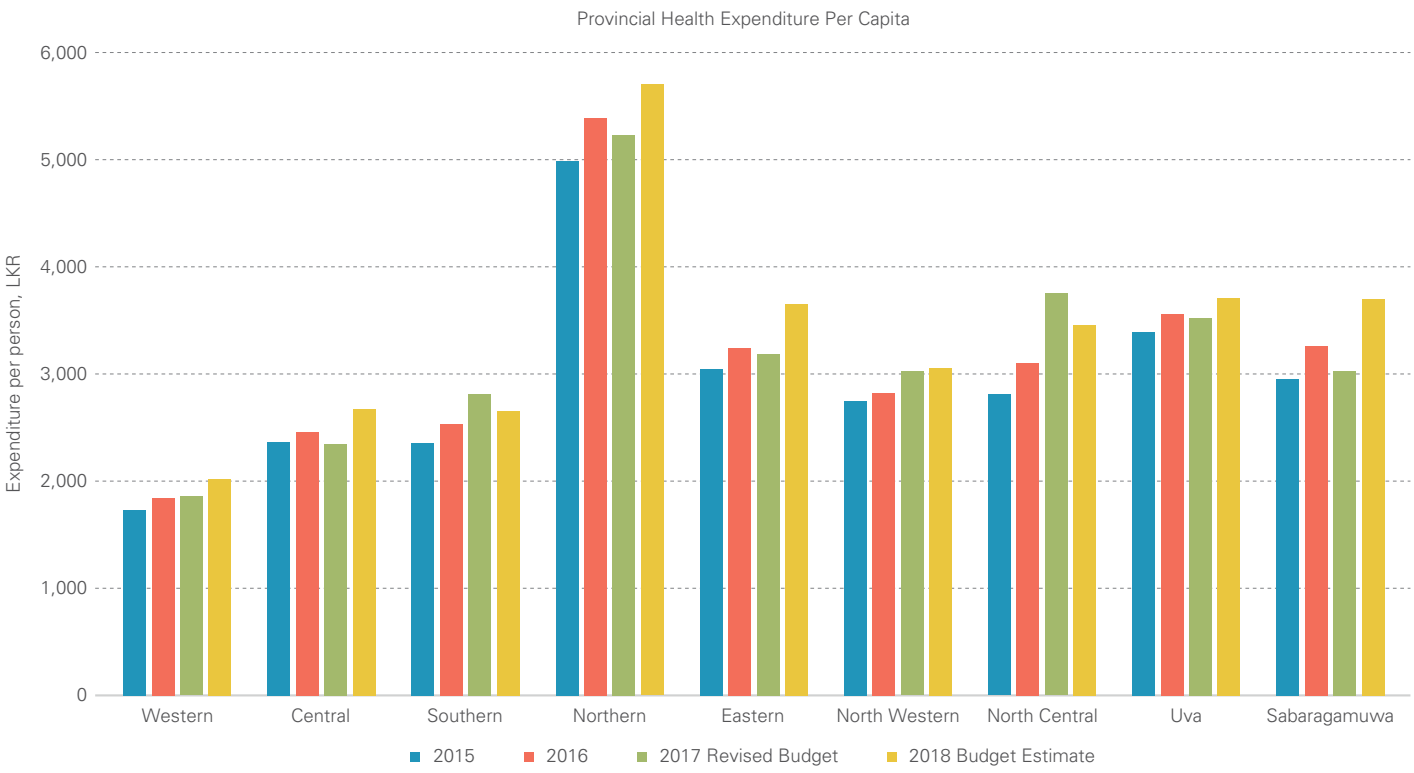
EXHIBIT 16 | Health sector share of provincial allocations





Source: Source: PC Budget Estimates 2015–2018

EXHIBIT 17 | Provincial health expenditure per capita

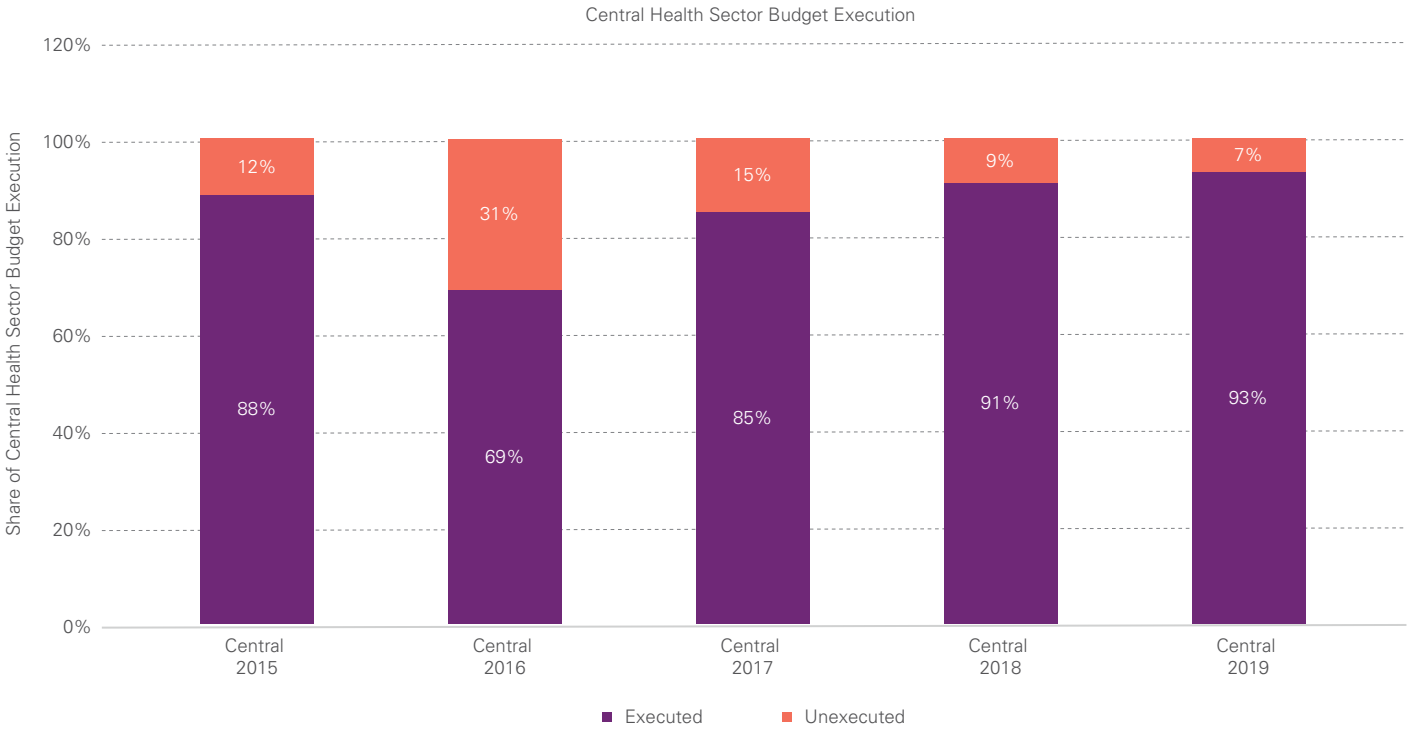


Source: Author's calculations using data from the Department of Census and Statistics, Sri Lanka, and PC Budget Estimates 2015–2018

7. HOW WELL HAS THE HEALTH SECTOR EXECUTED ITS BUDGETS?

On average, Sri Lanka's health sector at the central level has executed approximately 85% of its allocated budgets between 2015 and 2019 (see Exhibit 18). The execution rates of the allocations in 2017, 2018 and 2019 were 85%, 91% and 93%, respectively.

EXHIBIT 18 | Health sector budget execution



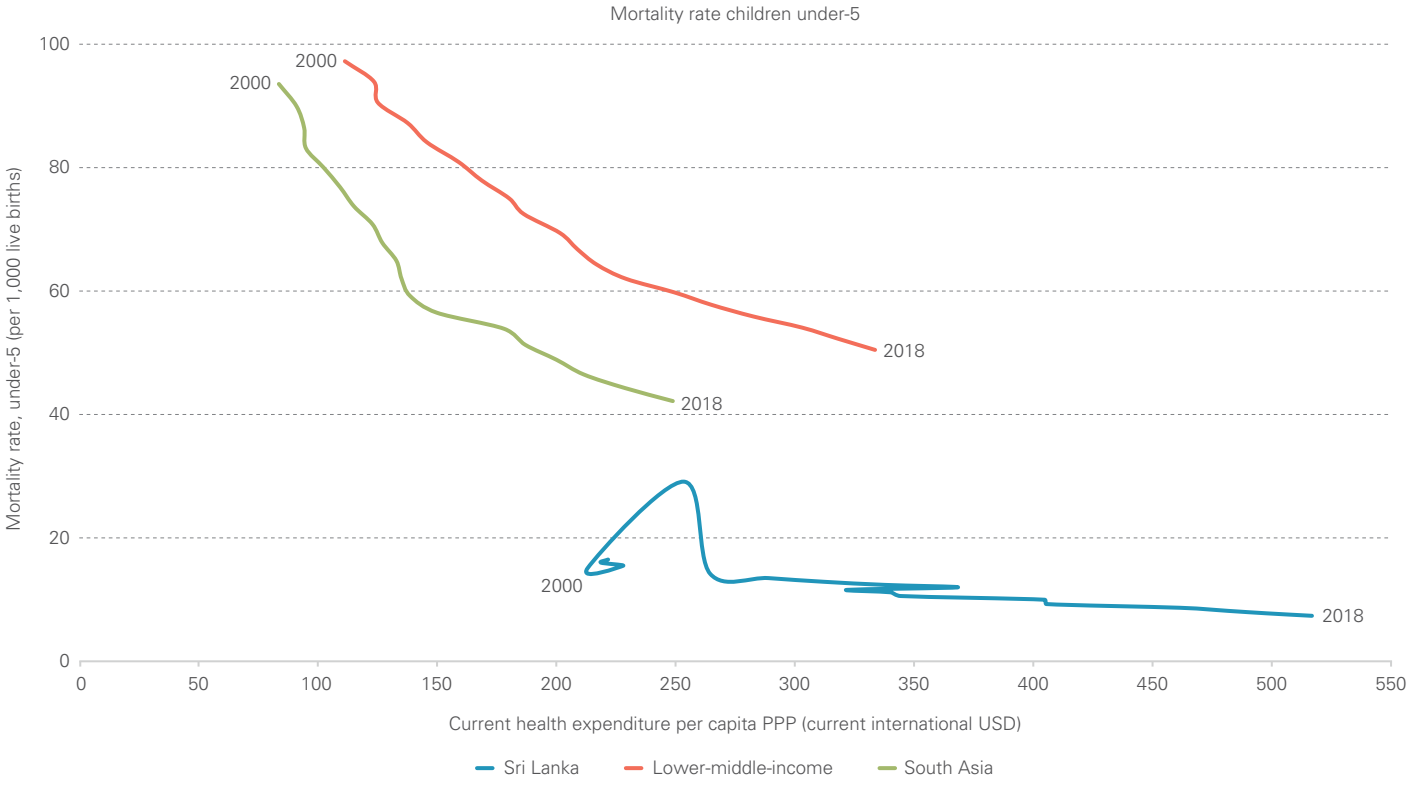
Source: Author's calculation using Budget Estimates 2015-2021

8. HOW WELL HAS THE HEALTH SECTOR PERFORMED?

Sri Lanka has achieved significant progress in ensuring quality and universal access to health services following the SDG principle of 'leaving no one behind'.[45] The SDGs are a set of seventeen aspirational global goals with 169 targets that meet the urgent environmental, political and economic challenges facing our world.[46] Of these, the third SDG aims to ensure healthy lives and promote well-being for everyone at all ages.

Sri Lanka significantly outperforms its peers on major health indicators, such as in reducing child and maternal mortality rates and increasing life expectancy at birth (see Exhibits 19, 20 and 21). Sri Lanka's child and maternal mortality indicators are already lower than the relevant targets under the SDGs and are on par with those of developed countries. SDG target 3.2 aims to end preventable deaths of children under 5, with all countries aiming to reduce under-5 mortality to at least as low as 25 per 1,000 live births. Furthermore, the under-5 child mortality rate in Sri Lanka, which is significantly lower at the baseline than that of its peers, further decreased from 16.5 in 2000 to 7.1 per 1,000 live births in 2019. At the same time, lower-middle-income countries decreased their under-5 child mortality rate from an average of 97.2 to 48.9, while South Asian countries on average decreased their under-5 child mortality rates from 93.4 to 40.2. Under SDG target 3.2, Sri Lanka has been able to decrease the neonatal mortality rate per 1,000 live births from 9.6 in 2000 to 4.3 in 2019, which is in line with the SDG aim of decreasing this figure to at least 12 per 1,000 live births. Furthermore, lower-middle-income countries decreased their neonatal mortality rate from an average of 40.6 to

EXHIBIT 19 | Comparison of Sri Lanka's child mortality rate (under 5 years) with regional and income peers



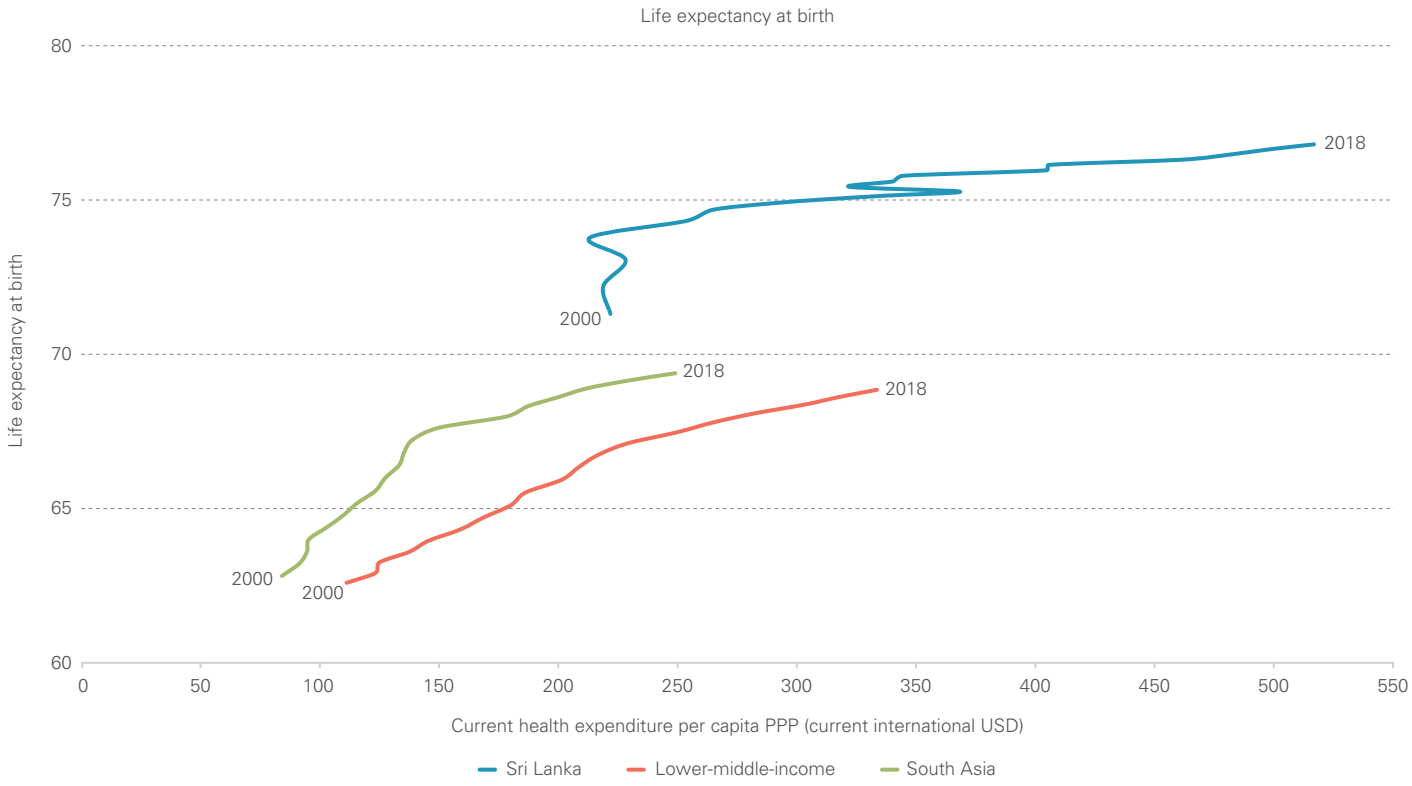
Source: WB, World Development Indicator database

45. Website of UN Sustainable Development Group, UN, available at: https://unsdg.un.org/2030-agenda/universal-values/leave-no-one-behind Accessed on 26 August 2021.
46. Website of UN Sustainable Development Group, UN, available at: https://sdgs.un.org/goals Accessed on 26 August 2021.

23.8, while South Asian countries, on average, decreased their under-5 child mortality rates from 46.3 to 25.1. SDG target 3.1 aims to reduce the global maternal mortality ratio to less than 70 per 100,000 live births. According to data from the WB, maternal mortality in Sri Lanka decreased from 56 in 2000 to 36 per 100,000 live births in 2017.[47] In comparison, lower-middle-income countries were able to decrease maternal mortality from 424 to 253 per 100,000 live births, while South Asia, on average, has been able to reduce this from 395 to 163 per 100,000 live births.

Similarly, Sri Lanka's life expectancy at birth increased from 71 years in 2000 to 77 years in 2019. In comparison, the lower-middle-income country average increased from 63 years to 69 years and the South Asian average increased from 63 years to 70 years.

EXHIBIT 20 | Comparison of Sri Lanka's life expectancy at birth with regional and income peers



Source: WB, World Development Indicator database

47. Website of World Bank, World Development Indicators. Available at: http://datatopics.worldbank.org/world-development-indicators/. Accessed on 26 August 2021.

EXHIBIT 21 | SDG health targets related to mother and child health

Child mortality - under 5 (per 1,000 live births)	2000	2005	2010	2015	2019	SDG Target (2030)	Progress
Sri Lanka	16.5	14.2	11.6	8.7	7.1	25	Achieved
Lower-middle income Average	97.2	80.9	66.8	55.9	48.9		
South Asian Average	93.4	76.7	61.9	48.8	40.2		
Neonatal mortality rate (per 1,000 live births)	**2000**	**2005**	**2010**	**2015**	**2019**	**SDG Target (2030)**	**Progress**
Sri Lanka	9.6	6.4	6.4	5.2	4.3	12	Achieved
Lower-middle income Average	40.6	35.1	30.5	26.5	23.8		
South Asian Average	46.3	39.9	34.5	29	25.1		
Maternal mortality ratio (per 100,000 live births)	**2000**	**2005**	**2010**	**2015**	**2017**	**SDG Target (2030)**	**Progress**
Sri Lanka	56	45	38	36	36	70	Achieved
Lower-middle income Average	424	360	301	264	253		
South Asian Average	395	309	235	179	163		

Source: Source: WB, World Development Indicator database

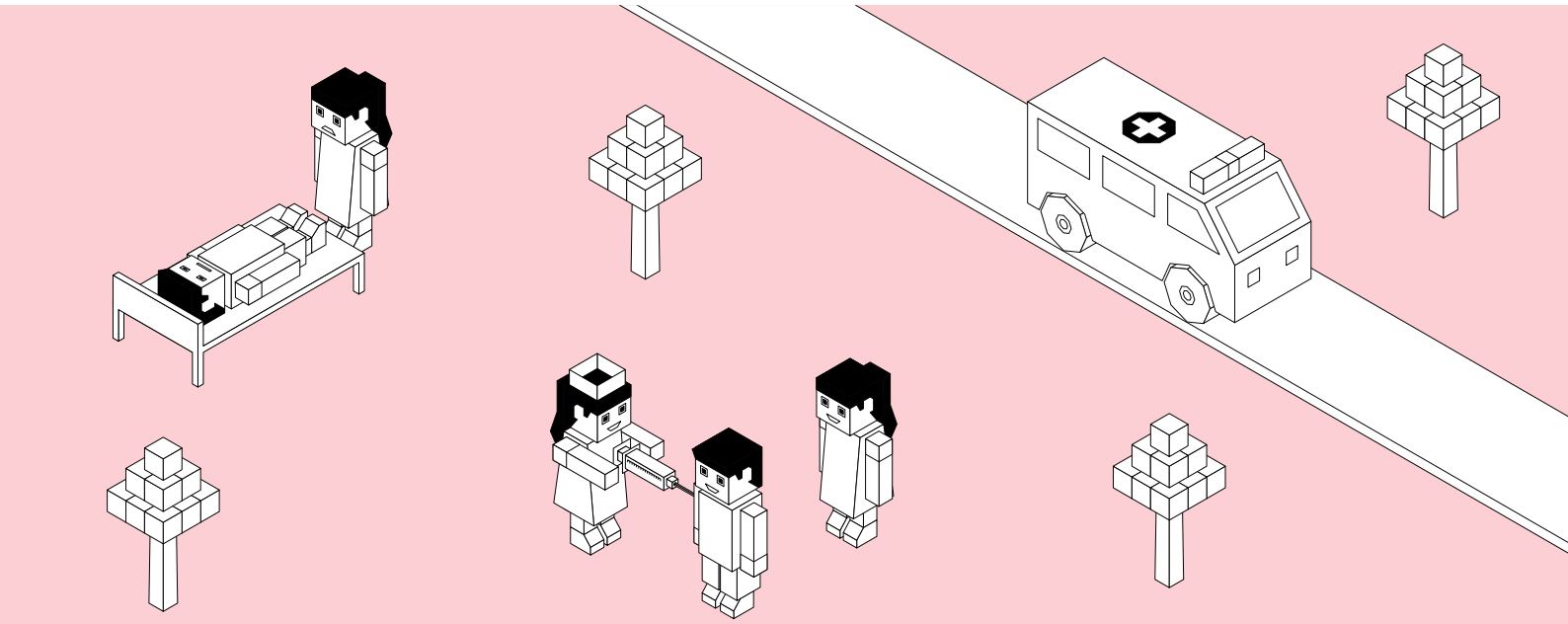
Sri Lanka has also achieved remarkable progress in mitigating communicable diseases, such as malaria and tuberculosis. In 2019, Sri Lanka's tuberculosis incidence was 64 per 100,000 population,[48] in comparison to the South and East Asia average of 217.[49] Sri Lanka's effective treatment coverage for Tuberculosis is 54%. Furthermore, Sri Lanka succeeded in eradicating Malaria in 2012 and was declared Malaria-free in 2016 and Measles-free in 2019 by the WHO. Sri Lanka also eliminated rubella, situating her as one of the first two countries in the WHO South-East Asia region to achieve measles and rubella elimination ahead of the 2023 target.[50] However, efforts are still required to reduce the incidence of other communicable diseases, particularly dengue, which would require enhanced multi-sectoral coordination.[51] The year 2017 saw a record high number of dengue cases in Sri Lanka, with

48. Website of World Health Organisation, Tuberculosis Country Profiles: Sri Lanka (2019). Available at: https://www.who.int/tb/country/data/profiles/en/. Accessed on 26 August 2021.

49. Website of World Health Organisation, Tuberculosis Regional Profiles: South-East Asia (2019). Available at: https://www.who.int/tb/country/data/profiles/en/. Accessed on 26 August 2021.

50. Website of World Health Organisation, News Maldives, Sri Lanka Eliminate Measles and Rubella, Ahead of 2023 Target (2020), https://www.who.int/southeastasia/news/detail/08-07-2020-maldives-sri-lanka-eliminate-measles-and-rubella-ahead-of-2023-target Accessed on 26 August 2021.

51. Government of the Democratic Socialist Republic of Sri Lanka, Voluntary National Review on the Status of Implementing Sustainable Development Goals (Ministry of Sustainable Development, Wildlife and Regional Development 2018), p.74-75. Available at: https://sustainabledevelopment.un.org/content/documents/19677FINAL_SriLankaVNR_Report_30Jun2018.pdf Accessed on 26 August 2021.



186,101 cases. A total of 51,659 and 105,049 dengue cases were reported in 2018 and 2019, respectively.[52] Furthermore, a total of 31,162 suspected dengue cases for the year 2020 and 9,448 suspected dengue cases for the period from January to June 2021 were reported to the epidemiology unit from all over the island.[53]

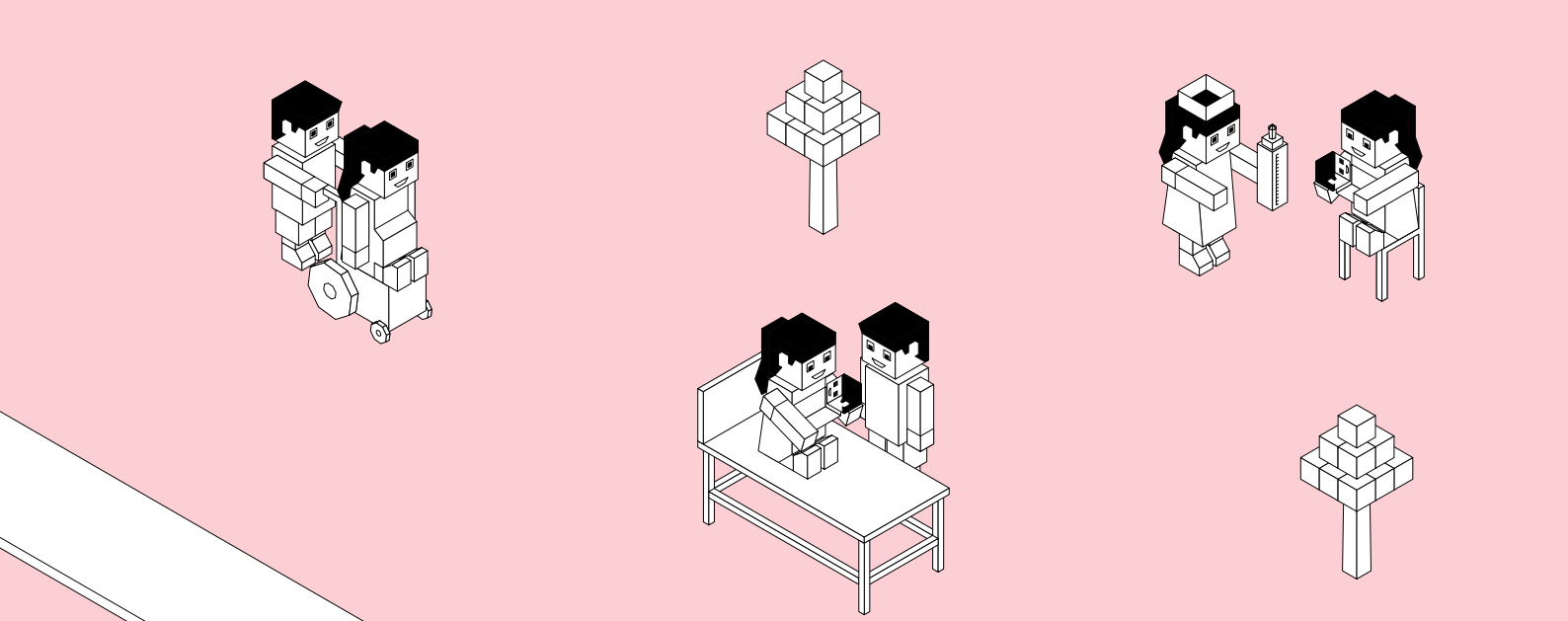
The rise in NCDs, accompanied by the ageing population and lifestyle changes, have altered the country's healthcare needs in recent years. Most deaths in Sri Lanka in 2019 (82.5%) were due to NCDs.[54] Therefore, managing this new threat will require close attention to SDG target 3.4, which aims to reduce premature mortality from NCDs by one third by 2030 and promote mental health and well-being.

Sri Lanka faces many socio-economic challenges including the impact of a nutritional 'triple burden', spanning undernutrition, high levels of overweight and obesity, and vitamin and mineral deficiencies.[55] Despite the existing budgetary constraints, Sri Lanka has maintained a relatively stable level of investments in nutrition (nutrition specific & nutrition sensitive interventions) over the years. Between 2014 and 2018, the country's annual public investment in nutrition was approximately 5–6% of the total government expenditure across all the ministries. Furthermore, relative to other countries in the region, Sri Lanka has been spending a modest amount of government resources on nutrition.[56] Sri Lanka has made some progress towards achieving the target for stunting, but 17.3% of children under 5 years of age are still affected, which is lower than the average for the Asian region (21.8%). Sri Lanka has made no progress towards achieving the target for wasting, with 15.1% of children under 5 years affected, which is higher than the average for the Asian region (9.1%), and among the highest in the world. The prevalence of overweight children under 5 years of age is 2.0% and Sri Lanka has made no progress against increasing the figure.[57]

Road safety remains another major concern as the rate of injuries and deaths due to road accidents is rising. Mortality caused by road traffic injuries (per 100,000 population) were 16.3, 17.9 and 19.7 in 2017, 2018 and 2019 respectively.[58] This sets Sri Lanka further behind in achieving the SDG target 3.6 (halve global deaths and injuries from road traffic accidents by 2030).

Sri Lanka was successful in limiting its number of cumulative COVID-19 cases to approximately 3,300 until September 2020. However, two subsequent waves over the following months resulted in an exponential rise in the number of cases, as Sri Lanka eased the mobility restrictions and implemented localised lockdowns instead of

52. Website of Epidemiology Unit, Ministry of Health, available at: http://www.epid.gov.lk/web/index.php?option=com_casesanddeaths&Itemid=448&lang=en# Accessed on 26 August 2021.
53. Ibid.
54. Website of World Bank, World Development Indicators. Available at: http://datatopics.worldbank.org/world-development-indicators/. Accessed on 26 August 2021.
55. Website of UNICEF, United Nations World Food Programme. Available at: https://www.wfp.org/countries/sri-lanka. Accessed on 26 August 2021.
56. Website of UNICEF, Assessing Public Financing for Nutrition in Sri Lanka (2014–2018). Available at: https://www.unicef.org/srilanka/reports/APFNSL. Accessed on 26 August 2021.
57. 2020 Global Nutrition Report, available at: https://globalnutritionreport.org/resources/nutrition-profiles/asia/southern-asia/sri-lanka/. Accessed on 26 August 2021.
58. Website of World Bank, World Development Indicators. Available at: http://datatopics.worldbank.org/world-development-indicators/. Accessed on 26 August 2021.



large-scale lockdowns.[59] In November 2020, the State Ministry of Primary Health Care, Epidemics and COVID Disease Control was established to control the COVID-19 pandemic and prevent the spread of epidemics. **As of September 30, 2021, the cumulative COVID-19 cases stood at 517,377 while the cumulative number of deaths stood at 12,906.[60]** The severity of the COVID-19 pandemic has been similar and, in some cases, even worse for Sri Lanka compared to other South Asian nations.[61] The Sri Lankan government has incurred LKR 117.5 billion of COVID-19 related expenditure in 2020 and LKR 53 billion during the period from January to June in 2021. These expenses comprised of relief and livelihood support extended to affected families, expenses on mitigation measures such as quarantine facilities, and the import bill on vaccinations.[62]

Sri Lanka received several grants and loans from development finance institutions such as the WB and Asian Development Bank (ADB), and also from the Government of Japan through UNICEF, to assist in its response to the COVID-19 pandemic. *The COVID-19 Emergency Response and Health Systems Preparedness Project* approved by the WB will be utilised for the benefit of the entire population by prioritising slowing the spread of the virus, reducing case numbers, and preventing outbreaks in communities. It is expected that this support will help scale up emergency response mechanisms, strengthen the capacity of laboratories and hospitals, effectively treat patients, train medical staff, and raise public awareness about handwashing, hygiene, and social distancing.[63] Sri Lanka has also received USD 987 million in the form of loans and grants to combat COVID-19 from February 2020 to May 2021. The WB has been the largest donor and lending agency to Sri Lanka for efforts combatting COVID-19.[64]

Sri Lanka began vaccinating its population in February 2021. **As of September 30, 2021, 67.5% of the total population had received at least one dose of the vaccine and 54.6% had been fully vaccinated.[65]** Furthermore, as of June 2, 2021, a total of 2.4 million vaccines had been received, while it is expected that by 2022, Sri Lanka will have received 44.3 million vaccines in total.[66] Sri Lanka received three consignments of vaccines at no expense through the COVAX Facility, a partnership between CEPI, Gavi, UNICEF, WHO and multiple donors, helping to make the COVID-19 vaccine available to protect vulnerable groups against the pandemic.[67] In addition to vaccines received through donations and in-kind receipts, Sri Lanka intends to procure vaccines through bilaterally negotiated contracts with vaccine manufacturers and governments.[68]

In conclusion, this brief highlights the need for a continued improvements in the quality of Sri Lanka's public healthcare system. The situation is particularly challenging in the estate sector, where the population has less access to healthcare and lower levels of nutrition compared to their counterparts in urban and rural areas.[69] Furthermore, the absence of a proper referral system and the shortage of primary healthcare facilities lead to the overcrowding of secondary and tertiary healthcare units. The above factors prompt citizens to seek healthcare with private institutions, thereby increasing their out-of-pocket expenditure.[70]

59. COVID-19 Policy Tracker, International Monetary Fund, available at: https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19 Accessed on 26 August 2021.
60. Johns Hopkins University, Covid-19 data, available at: https://ourworldindata.org/coronavirus/country/sri-lanka Accessed on 5 October 2021.
61. For more information, see: Verité Research. (2021). 'Sri Lanka's Expenditure on COVID-19 Response is Much Lower Than its Regional Peers'. Available at : https://publicfinance.lk/en/topics/Sri-Lanka%E2%80%99s-Expenditure-on-COVID-19-Response-is-Much-Lower-Than-its-Regional-Peers-1630477922. Accessed on 2 September 2021.
62. Mid-year Fiscal position Report (2021) available at: https://www.treasury.gov.lk/api/file/70d070ac-53be-474b-bad4-d3437991176d Accessed on 26 August 2021.
63. Press release (April 2, 2021), World Bank, available at : https://www.worldbank.org/en/news/press-release/2020/04/01/world-bank-fast-track-support-covid19-corona Accessed on 26 August 2021.
64. For more information, see: Verité Research, (2021). 'Sri Lanka Received USD 987 Million in Foreign Loans and Grants for Combatting COVID-19 in 2020 and 2021'. Available at: https://publicfinance.lk/en/topics/Sri-Lanka-Received-USD-987-Million-in-Foreign-Loans-and-Grants-for-Combatting-COVID-19-in-2020-and-2021-1627548111. Accessed on 2 September 2021.
65. Johns Hopkins University, Covid-19 data, available at: https://ourworldindata.org/coronavirus/country/sri-lanka Accessed on 5 October 2021.
66. Asian Development Bank, Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility, available at: https://www.adb.org/sites/default/files/linked-documents/55085-001-sd-01.pdf Accessed on 26 August 2021.
67. Press release (July 31, 2021), UNICEF, available at : https://www.unicef.org/srilanka/press-releases/sri-lanka-receives-large-consignment-astrazeneca-vaccines-japan-covax-facility Accessed on 26 August 2021.
68. Website of Asian Development Bank, Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility, available at: https://www.adb.org/sites/default/files/linked-documents/55085-001-sd-01.pdf Accessed on 26 August 2021.
69. Government of the Democratic Socialist Republic of Sri Lanka (2018), p.74.
70. Government of the Democratic Socialist Republic of Sri Lanka (2018), p.72.

GLOSSARY OF BUDGET TERMS:

Budget Estimate: The first allocation of funds, approved by Parliament

Revised Budget Estimate: A revised allocation of funds, approved by Parliament

Actual Expenditure: Allocated funds that are spent by the end of the fiscal year.

Budget Execution: Percentage of allocated funds spent out of the total revised allocation

Nominal/Current Values: Numbers not corrected for the effect of inflation

Real/Constant Values: Numbers corrected for inflation

ABBREVIATIONS:

ADB:	Asian Development Bank
CEPI:	Coalition for Epidemic Preparedness Innovations
DCS:	Department of Census and Statistics
ERD:	External Resources Department
FC:	Finance Commission
GAVI:	Global Alliance for Vaccines and Immunization
GDP:	Gross domestic product
HIES:	Household Income and Expenditure Survey
LKR:	Sri Lankan Rupee (Local Currency)
MC:	Municipal Council
MCH:	Maternal and Child Health
MoH:	Ministry of Health
NCD:	Non-communicable diseases
ODA:	Official Development Assistance
PC:	Provincial Council
PPP:	Purchasing power parity
PS:	*Pradeshiya* Sabha
SDG:	Sustainable Development Goal
UC:	Urban Council
USD:	US Dollars
WASH:	Water, Sanitation and Hygiene
WB:	World Bank
WHO:	World Health Organization

සබඳතාව
තෙකෝර්ප්පු
EU-Sri Lanka Partnership

VERITÉ RESEARCH
Strategic Analysis for Asia

unicef
for every child
සෑම දරුවෙක් වෙනුවෙන්ම
ஒவ்வொரு சிறுவர்களுக்காகவும்