A nation’s budget is one of the most important policies for the country’s children. It is through the budget that the financial means necessary for the fulfilment of the rights of all children are allocated. Since the way in which Governments use public funds matters enormously to children, UNICEF Sri Lanka is engaged in budget analyses, particularly of what the national budget brings to the social sectors that most impact children’s lives.

This particular brief shares observations based on the Budget Speech 2019, presented to the Parliament of Sri Lanka on 5th March 2019 by Hon. Mangala Samaraweera, Minister of Finance, which, commendably, brings positive news for the social sectors, making solid and needed strides for children.

**WASH**

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The Government proposes Rs. 4,000 Mn for the provision of sanitation facilities to 260,000 houses (approximately one million individuals) that currently do not have sanitation facilities. This is very encouraging as proper sanitation is important for health and survival, especially for children, who are amongst the most vulnerable to diseases. This will certainly boost the progress that Sri Lanka has made on access to improved sanitation, where 92 percent of the households have access to exclusive toilet facilities (HIES, 2016).

**HEALTH**

In the pursuit of a healthy society, the Government highlighted allocations of large sums of funds for infrastructure (Rs. 24,750 Mn), primary health care units (Rs. 1,625 Mn), ambulance services (Rs. 200 Mn), CKDu (Rs. 550 Mn), Rabies control (100 Mn), Non – communicable diseases (Rs. 50 Mn), and sports development (Rs. 4,200 Mn). As the Government continues to strengthen primary health care services, with a greater focus on Non-Communicable Diseases (NCDs), it is crucial that the allocations to maternal and child health (MCH) be maintained or improved to ensure that the advances made in this area—which have placed Sri Lanka as example in the region—are not jeopardized.
It is encouraging to see Government’s attention to the rights and needs of differently-abled persons. The budget proposes to increase the monthly allowance differently-abled individuals currently receive from Rs. 3,000 to Rs. 5,000 and to expand funding in order to eliminate the waiting list of eligible low-income individuals, or almost 72,000 people (Rs. 4,320 Mn), as well as to provide incentives for companies that recruit at least five persons with disabilities. The Census of Population and Housing (2012) records a proportion of 8.6 percent of the population over 5 years (or approximately 1.6 million people) as having functional difficulties in hearing, seeing, walking, cognition, selfcare or communication. It is important to look at the special needs of children with disabilities, both in terms of access to and quality of services received, such as inclusive education.

The focus on strengthening the social safety net is also very welcomed, since despite the impressive and steady progress in poverty reduction and human development over the past decades, significant socioeconomic inequalities exist (with large pockets of left-behind poor, especially in the Estate and remote rural areas). About four percent of Sri Lankans are below the poverty line, and roughly another two percent are living just above it, an illness or a natural disaster away from falling into poverty. In fact, the very theme of the 2019 budget, namely Empowering People and Nurturing the Poor, is about “protecting and nurturing the poor and the weak, with a strong well targeted social safety net” (Paragraph 16). This shows that attention is being given to existing vulnerabilities. The Government recognizes weaknesses of the current system, particularly in terms of efficacy and of empowering citizens, and proposes to develop a transparent and measurable criteria to streamline the Samurdhi Program in a more effective manner (Rs. 10,000 Mn). This is a positive and much necessary development, because inefficiencies in social protection programs lead to social injustice, with many poor and vulnerable families being left out, while families who don’t need such support receive it. Still, it is important for the Government of Sri Lanka to go beyond the issue of Samurdhi targeting, and to be able to clearly articulate what it wants to achieve with its social protection system, taking into account the level of development of the country, as well as the remaining challenges. Sri Lanka has an extensive social protection system, yet it is comprised of nearly three dozen schemes, which are fragmented and managed by different agencies—some at national level, some at provincial level—which in some cases results in duplication and overlap. For children in particular, realizing their rights to social security and an adequate standard of living, health, education and care, and achieving the 2030 Agenda, will not be possible without a conducive policy framework that prioritizes children’s needs and requirements, and that includes an inclusive, rights-based social protection system for Sri Lanka.
The impacts that natural disasters have in the lives and livelihoods of Sri Lankans was also highlighted. Droughts and floods result in “the loss of life, loss of income and property” (Paragraph 170). The budget allocates Rs. 20,000 Mn to a Disaster Management Contingency Fund to mitigate such impacts. Further resources (Rs. 1,000 Mn) have been allocated to strengthen the natural disaster insurance scheme, in order to “mitigate both the vulnerability of natural disaster and to compensate the affected people and properties” (Paragraph 171). The budget also provides for debt relief to 45,000 women who are residents of drought affected districts and who resorted to micro-finance loans. Attention to this matter is extremely important in a country like Sri Lanka, since the intensity and frequency of weather-related shocks is increasing; Disaster Management Centre (DMC) data shows a clear increase in the occurrence of disasters caused by natural hazards – an increase by 22 times during the last decade, most of which are floods (56%). In 2019, the Global Climate Risk Index placed Sri Lanka 2nd in the list of the most affected countries by extreme weather events (having been ranked 98th just two years earlier). The global literature shows that after shocks, households many times resort to adverse coping mechanisms that have long-term negative implications for children, such as reduction of food consumption, selling assets, pulling children out of school, forced migration, etc. It is important for the Government to think about how best it can mitigate/reduce disaster risks and respond to shocks, including through its social protection system to avoid parallel systems and to respond more rapidly.

The budget places a lot of emphasis on supporting women and mothers to enter and continue in the labour force. The encouraging of the provision of child-care facilities by commercial establishments with more than 250 employees through concessionary loans schemes, and of After-School and Vacation Centers within selected schools, are constructive steps in that direction. Furthermore, encouraging the private sector to support working mothers by offering additional tax deductions for paid maternity leave is a major gain for women and for the economy as a whole. Policies that support quality child care present a double win for societies, since they not only allow for an increased labour force today, but also help to build fundamental skills for the young brains that will become the labour force of tomorrow, at a time known to be critical for cognitive development. These proposals and the 2018 amendments to the laws to entitle every employee, irrespective of their work type or the number of children they already have to the same paid 84 working days of maternity leave and more or same nursing breaks, collectively, make Sri Lanka’s provision of parental benefits progressive. Moving forward, it is important to discuss paternity leave or ‘parental leave’ in the budget of 2020, because parenting is not just a ‘women’s only’ issue.

The housing needs of the most vulnerable sectors of society was also highlighted in the budget. Rs. 24,500 Mn has been allocated for the provision of better housing to low income groups in Urban, Rural and Estate sectors and the North and the East. It is well-known that poor housing conditions, including a lack of water and sanitation, can have detrimental impacts on children’s health, nutrition, education and protection, so this support to families is of crucial importance for ensuring the welfare of children.
Given the unacceptably high levels of persistent malnutrition in the country, it would have been encouraging to see the issue of nutrition receive prominence in the Budget Speech, which was not the case this year. Seventeen percent of children under five in Sri Lanka are chronically malnourished, having their physical and cognitive development compromised, while another 15 percent are wasted (are too thin for their height), and almost 21 percent are underweight (DHS, 2016). Malnutrition has remained a critical issue in the country, having shown stagnation for a decade. High levels of malnutrition among children are likely to impact negatively on their mental and physical development, and therefore on the development of the country as a whole. While the highlighted free glass of milk for primary school children is welcomed, particularly for low income children, it does not address the high level of undernutrition, which is most harmful amongst children 0-5 years old.

There is a mismatch between what the scientific and economic evidence shows and what is prioritized in the budget as it relates to education of young children. Globally, the highest rates of return have been found on investments in early childhood development and education, since the early years are the most crucial in terms of brain and cognitive development. Young children’s brains grow to 80 per cent of adult size by age three and to 90 per cent by age five. They grow faster and learn more in their early years than in any other period of life. Children go to a preschool when they are three years of age and stay on until they are ready for primary school at age five. The 2019 budget acknowledges the comparative neglect of preschool education in Sri Lanka in the past (in comparison with primary, secondary and tertiary education), and makes some commitments for the future. Through encouraging both private and public-sector investments, the budget proposals recognize the need for improving direct services to young children and creating the supports that enable these services to be of the needed quality to provide real, long term value. The fact that the Government expects to play a more robust role in the regulation and governance of pre-schools is extremely positive, and something that UNICEF has been advocating for quite some time, including at last year’s landmark, ‘Building Brains, Building Futures’ – Sri Lanka Early Childhood Development High-Level Meeting in Colombo. However, adequate and sustained public investment is necessary to enable early childhood education services to improve and expand. While it is promising that overall public investment in education is expected to grow in 2019 (for example, allocating Rs. 500 million for scholarships to foreign universities and Rs. 25,000 million for upgrading national universities), public spending on early childhood education remains unearmarked in this year’s budget. Overt reliance on private funding, as proposed in the budget, without a good system for regulation, inspection and monitoring for quality, opens the doors to inequities and instability. Private operators are profit-oriented and charge fees for their services, which has consequences to equity in access to pre-schools, particularly for the most disadvantaged and vulnerable children. Although only four percent of the population is considered poor at a national level, poverty rates are much higher when we look at the different districts, such as in 18 percent in Kilinochchi, 13 percent at Mullaitivu and 11 percent in Batticaloa. In Sri Lanka, 40 percent of the children aged three to four years do not have access to either pre-schools or early childhood development centres (DHS, 2016), and the disparities could easily increase if the provision of such fundamental services is left to the private sector alone. The 2019 budget is an important step, yet it presents a new an important question that Sri Lanka must address. That is, how do we ensure that every child, especially those from the poorest households or the most isolated communities, is able to access at least one year of these lives changing high quality preschool education services? There are many proven solutions. We must accelerate discussions to implement these in coming months because, if Sri Lanka is to achieve target 4.2 in the Sustainable Development Goals, in ensuring that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education, the country needs a visionary and well-implemented national and provincial reform agenda for quality, equity, efficiency and sustainability of services it provides for its children.
It would also be important for the Budget Speech to highlight adequate allocation of funds to allow for the implementation of the newly approved Alternative Care Policy for Children in Sri Lanka. Funds will allow for identification of risk-prone children, identification of appropriate alternative care systems in Sri Lanka, legal background of alternative care referral, identification of techniques to prevent children from institutionalization, identification of service providers for children, measures to be taken for the children brought before law, and social integration of children.

Sri Lanka has made impressive progress in improving the lives of its children over the past decades. It has one of the lowest rates of child mortality in the region, and levels of access to antenatal care, exclusive breastfeeding, and immunization are almost universal. Water and sanitation coverage has also improved, and access to primary schooling reaches practically every child, with no significant gender disparities. The legal framework and institutions for child protection have been strengthened, and child labour has been greatly reduced.

However, many children in Sri Lanka still continue to miss out on opportunities to realise their basic rights and reach their full potential – a situation which ultimately undermines sustainable national development, and longer-term prospects for enduring social and economic progress. Some key challenges include unacceptably high levels of under-nutrition (stunting and wasting), high levels of violence and abuse against children and women, at home and in school, difficulty in children’s access to adequate, timely and efficient services in the justice sector, uneven quality and sub-optimal learning outcomes in all levels of education– early childhood, primary, secondary, vocational and tertiary, and inequitable access to preschool.

It will be difficult to maintain major improvements in human capital without tackling in a more forthright manner these gaps, including by making a more resolute effort to improve nutrition and development during the critical period of cognitive development in early childhood. As Sri Lanka aims to empower the people and nurture the poor, a high priority must be given to investment in the key social sector plans that allow for the realization of Sri Lankan children’s rights. Such investment must be informed by global trends in policy and practice for children, ensure sustainability primarily through domestic revenue generation, be clear about what the country perceives its commitment to young children to be, prioritize quality over quantity, and blend public and private funds in innovative ways.

UNICEF Sri Lanka is currently analysing the trends in the national budgets for the social sectors over the past few years. Stay tuned for upcoming reports at:

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