



## Budget Brief: The 2017 Health Sector Budget *Burundi*

### KEY MESSAGES

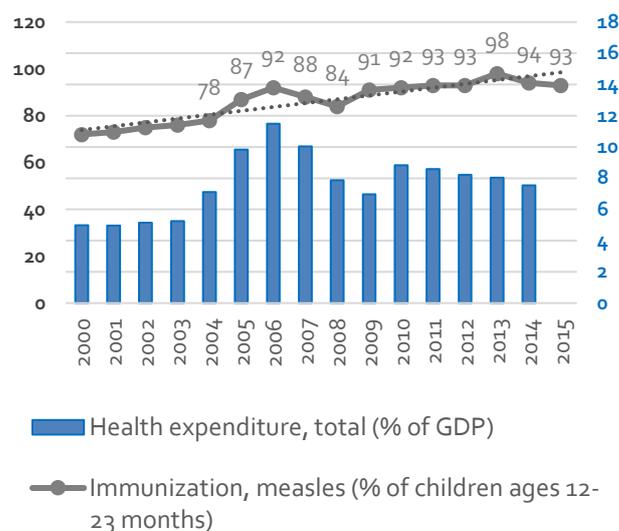
- **More resources to the health sector in 2017:** In 2017, the budget allocated to the Burundian Ministry of Public Health is 1.65 times the allocated budget to the Ministry in 2016, representing a 64.7 per cent increase from 99 billion BIF (53 million USD) to 164 billion BIF (97 million USD). However, if inflation and population pressures are accounted for, the increase in real available resources is very limited. Furthermore, the MoH's budget remains 24.3 per cent inferior to the pre-crisis allocated sectoral budget.
- **Strong external support to the sector:** The increase in available resources is mainly due to a drastic augmentation in external resources, notably for the Performance-based Financing mechanism and the Carte d'Assistance Medicale. According to the Financial Law 2017, 48.6 per cent of allocations to the Ministry of Public Health come from some few donors. Belgium provide their support to a wide range of activities, and the USA concentrate on vaccination, UNICEF on infantile health and the European Union on construction efforts. In 2017, external support represents nearly half of allocations to the Ministry of Health, but still below the level of support of 60.1 per cent in 2015.
- **Small increase in national resources:** Allocations in national resources increased by 1.9% - more resources allocated to the CAM, the PBF, and the purchase of Vitamin A. The national budget of the Direction for health programs and projects increased by 40%.
- **High recurrent costs limit investments:** only around 7% of national resources are investments, and the grand majority of resources are recurrent costs, such as salaries. Investments are nearly entirely financed through external resources.
- **Efforts need to continue:** Although the Government of Burundi has demonstrated its political will to invest in the health sector, Burundi – like many other countries – still falls short on the Abuja declaration target, requesting Governments to attribute 15 per cent of Government expenditures to the health sector. Guaranteeing access to essential health services to children, including in times of crisis, is vital for any future development of Burundi, with new evidence suggesting that the costs of inaction are enormous.

## (1) Introduction: The Case for Investing in the Health of Burundi's Children

In January 2016, the Government of Burundi enacted its National Health Strategy 2016-2025, reinforcing its commitments to improve health indicators and to work towards the common goals outlined in the Sustainable Development Agenda. As part of the strategy, the necessity to ensure adequate health financing is addressed with the aim of reinforcing the resilience of the health sector, which has been recognized as being considerably aid dependent.<sup>1</sup> The Government commits to strengthen its national and international mobilization of resources for the sector to ensure access to health services to the population – most notably the most vulnerable.

The strategy highlight the policy makers' commitment to allocate 15 per cent of the national budget to the health sector (Abuja Declaration target) and to introduce "innovative" financing mechanism in favor of supporting access to essential health services. Positive results have been made over past years and in 2017, 12 % of the Government's budget is allocated to the Ministry of Health (see Fig. 1a & 1b). Investment is especially important at a time of rapid population growth: fertility rates are exceptionally high (6.1 children per woman, UNFPA 2014) and the country's population is expected to increase from more than 10 million today to 23.1 million in 2040. Today, over 6 out of 10 Burundians are poor (ECVMB 2014) and children are particularly exposed to wide-spread poverty and vulnerability. Additionally, the cycle of violence and unrest that Burundi has been experiencing since April 2015 has become protracted and keeps affecting children disproportionately. In 2016, around 8 million malaria cases were registered. Two cholera epidemics have made access to sanitation and adequate health services even more important. Also, results of recent mass screenings show alarming levels of acute malnutrition, in a country where already 3 out of 5 children are stunted (56%, DHS 2016-17). In Kirundo province the prevalence of severe acute malnutrition (SAM) is above the World Health Organization emergency threshold in four out of seven communes; an estimated 62,500 children under age 5 are expected to require treatment for severe acute malnutrition in 2017 (HRP 2017).

Fig. 1a: Positive trends over past years...



Source: World Bank Data

Fig. 1b: Share of resources allocated to the Ministry of Health, 2017



Source: Financial Laws 2008-2017, Ministry of Finance

### Info Box: Key Health Figures

U5 Mortality Rate, deaths per 1,000 live births (2013, IGME)	83
Infant Mortality Rate, deaths per 1,000 live births (2013, IGME)	55
Neonatal Mortality Rate, deaths per 1,000 live births (2013, IGME)	29.8
% of 1 year-old children immunized against DPT (UNICEF/WHO)	96
% of 1 year-old children immunized against measles (UNICEF/WHO)	98
% Stunting, Children < 5 (2017, DHS)	56
Exclusive Breastfeeding Rate (2010, DHS)	69
% of births attended by skilled health personnel (2010, DHS)	60.3

<sup>1</sup> National Health Policy 2016-2025 Burundi, online available at: <https://www.minisante.bi/images/Documents/PNS%202016%202025%20Vf%2021052016.pdf> (last accessed on April, 10<sup>th</sup> 2017)

In October 2016, a new Lancet Series on early childhood development presented new evidence on the causes and effects of developmental inequities in early childhood, concluding that an estimated 250 million children under age 5 in low-income and middle-income countries are at risk of falling short of their potential due to the adversities they face in their early, formative years; estimations are highest for countries south of the Saharan desert.

Moreover, the evidence highlights the immense cost of inaction: if stunting is not reduced to a prevalence of 15 per cent or less, the costs will be several times more than what some countries currently expend on health. For example, cognitive losses associated with not breastfeeding amount to 302 billion USD annually at global level (Lancet 2016)<sup>2</sup>.

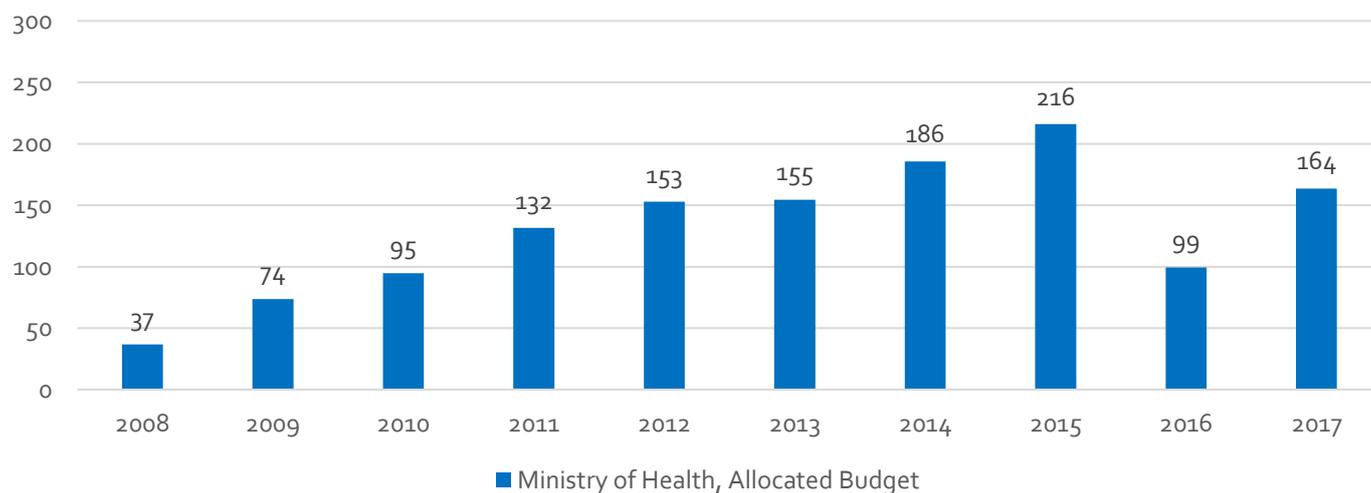
Burundi has developed policies reflecting the importance of health care for the development of its population. In 2005, a policy guaranteeing fee-free health care for children under five and pregnant women was introduced, demonstrating the Government's political will to invest in children and thus the whole nation. The Burundian health sector, which involves the provision, distribution,

and use of health services and related products, has experienced encouraging improvement after the end of the last civil conflict in 2005, particularly for children and women.

The introduction of the free health care policy coupled with the performance-based financing (PBF) system as well as the Government's policy of decentralisation, including the establishment of health districts bringing healthcare closer to homes', resulted in decreased infant, child and maternal mortality. The PBF system in particular prompted an increase of consultations of children under five (1.68 per child per year in 2009 to 2.2 in 2012) and improved the quality of provided services.

However, since the on-set of the 2015 crisis, access to health services has increasingly become more difficult: although not representative for the whole country, the results of a text-message based poll (U-Report), with more than 6,400 respondents to the question on availability of essential drugs, alerted that approximately one in three Burundians with children under age 5 (31%) are asked to pay for essential drugs at the national health centres – despite the fee-free policy being in place<sup>3</sup>.

Fig. 2: Trend in National and External Allocations to the Ministry of Public Health 2008-2017 (in billion BIF)



Source: Financial Laws 2008-2017, Ministry of Finance, Government of Burundi

<sup>2</sup> Lancet Early Childhood Development Series; online available: [www.thelancet.com/series/ECD2016](http://www.thelancet.com/series/ECD2016) (last accessed on March 7<sup>th</sup>, 2017).

<sup>3</sup> Results of the U-Report on access to health services online available: <https://burundi.ureport.in/poll/1513/> (accessed on March 7<sup>th</sup>, 2017).

## (2) Health Spending Trends

According to the 2008 - 2017 Financial Laws, resources allocated to the Ministry of Public Health, the main provider of health-related services, have steadily increased in absolute terms since 2008 – with the exception of 2016 (see Fig. 2). From 2016 to 2017, the health sector budget increased by 64.7%, from 99 billion BIF (53 million USD<sup>4</sup>) to 164 billion BIF (97 million USD). This sharp increase is mostly due to strengthened foreign support to the health sector – external resources are nearly 5 times higher in 2017 compared to 2016. National resources to the sector, increased by 1.9% (82.5 billion BIF to 84.0 billion BIF). Both, levels of national and external resources fall short on 2015 allocations (see Fig. 3). In 2017, the health sector budget represents the second highest sectoral budget of all Ministries, after the Ministry of Education – considering both external and national resources. If only national resources are considered, the budgets of the Ministry of Defense and the Ministry of Public Security combined is twice as high as national resources allocated to the Ministry of Public Health. However, if inflation tendencies are taken into consideration, the rise of allocations over time is less remarkable. Allocations to the Ministry of Health in 2017 fall below the level of allocations in 2010 (see Fig. 4). Additionally, Burundi's population quadrupled between 1962 after independence and 2015, decreasing per capita health sector spending. According to the Financial Law 2017 and if allocations are adjusted for inflation, approximately only 4.4 USD per capita are available in 2017 (base 2008) – more than in 2016, but less than 8 years ago in 2009 (see Fig. 5).

**Health spending targets.** In 2001, African countries' leaders came together to commit to health financing goals, knowing that investment in the health of their population is key to development and progress. The outcome of the meeting in Abuja, known as the Abuja Declaration, was the commitment to allocate at least 15 per cent of annual budgets to the health sector. Furthermore, the conclusion was that low-income countries, such as Burundi, would need to spend on average USD 60 per capita by 2015 to ensure access to essential health services<sup>5</sup>. Based on the information from the Financial Law, Burundi has not yet reached the 15% target (see Fig. 6).

Fig. 3: External vs. National Resources to the Ministry of Public Health (in billion BIF)



Source: Financial Laws 2008-2017, Ministry of Finance

Fig. 4: Trends in Allocations to the Ministry of Public Health (in billion BIF)

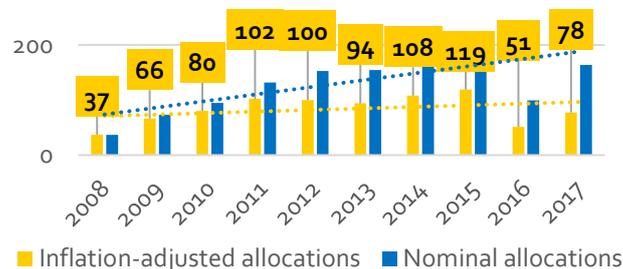
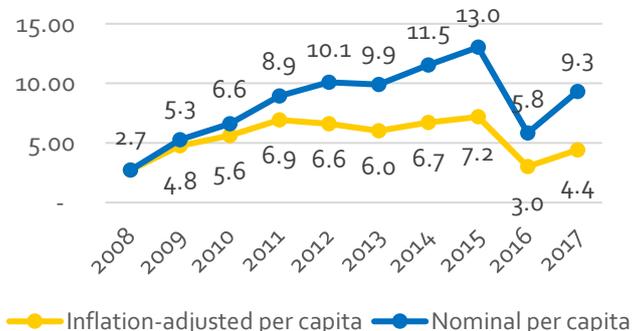
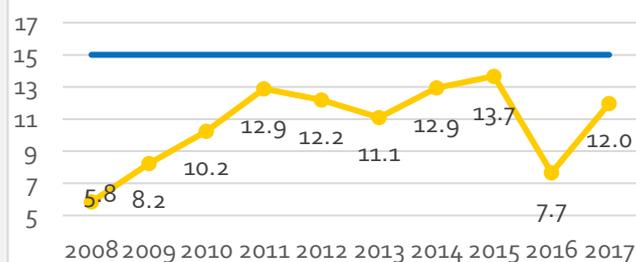


Fig. 5: Trends in Public Health Sector spending per capita, 2008 - 2017 (in USD)



Source: Own calculations based on Financial Laws 2008-2017, IMF Inflation Estimates, UNFPA/ISTEEBU Estimates

Fig. 6: Share of Budget Allocations to the MoH (%)



Source: Own calculations based on Financial Laws 2008-2017, Ministry of Finance

<sup>4</sup> 1 USD = 1686.807 BIF, 1 March 2017, UN Operational Rate of Exchange

<sup>5</sup> Spending targets for health financing: no magic number (WHO); online available: <http://apps.who.int/iris/bitstream/10665/250048/1/WHO-HIS-HGF-HFWorkingPaper-16.1-eng.pdf> (last accessed on March 9<sup>th</sup>, 2017).

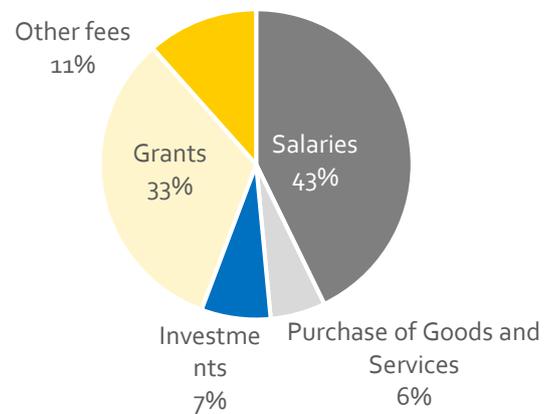
### (3) What are the resources used for?

Since 2015, the national health system has gotten more and more under pressure, posing a real risk to health care access for the most vulnerable people. According to the 2017 Financial Law, and like in previous years, resources available for investments are very limited. Only 7% of national resources are real investments in the health sector, putting the functioning of the health systems at risk. The majority of resources is used to cover for recurrent costs, such as salaries (see Fig. 7). External resources are in its entirety spent for investments.

Furthermore, according to the ECVMB household survey 2013-14, only 2.3% of household expenses are used for health care. According to a 2012 Burundian health report (PMS 2012), average costs for health services mount up to approximately 1.9 USD per person per month. The most recent household survey took place pre-crisis, and does not reflect the additional pressure households are experiencing now and the decrease in purchasing power. The current socio-political crisis has further weakened the health system in Burundi and increased families' out-of-pocket expenditure. Although health services are meant to be free for pregnant women and children under 5, it was noted that many households needed to pay for drugs out-of-pocket, making it impossible for some families to get necessary treatment due to widespread lack

of disposable income. In the same context, ensuring a steady supply of essential drugs to meet demands in all of Burundi's 900 health centres has been identified as a key challenge, with stock outs being noted in some rural health centers. The National Drug Store (CAMEBU) has alerted difficulties in procuring urgently needed essential drugs due to lack of funding. For many women and children access to health care thus is no longer feasible, since they cannot afford to pay themselves for the necessary medication in private pharmacies.

Fig. 7: Health Care Spending by Category (National Resources allocated to the MoH), 2017



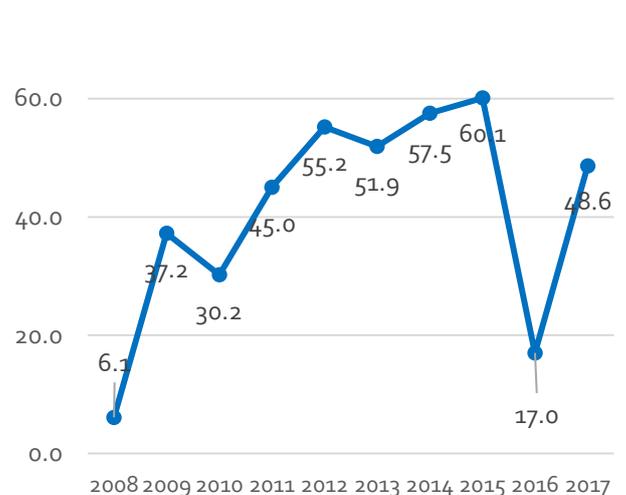
Source: Financial Law 2017, Ministry of Finance

### (4) Composition of Health Spending

Burundi is one of the poorest countries in the world poverty and vulnerabilities are widespread and affect the grand majority of the population. According to 2013/2014 data (ECVMB), 64.6% of the Burundian population is not able to cater for their most essential needs. Children are disproportionately affected: close to 7 out of 10 children live in poor households that lack the financial means to guarantee a minimum of basic services. If international thresholds are considered, poverty is even more prevalent: 74% of children live on less than USD 1.25 a day, and 89% of children on less than USD 1.90.

An analysis of multiple forms of privation shows further that half of Burundi's children under age 5 are deprived in the domain of health, meaning have difficult access to a health facility in their proximity (48.8%; UNICEF 2017, based on the ECVMB 2013/2014).

Fig. 8: Trend in Aid Dependency 2008-2017 (% of external resources within MoH)



Source: Financial Laws 2008-2017, Ministry of Finance, Government of Burundi

Despite encouraging improvements over the past years, such as decreasing infant mortality and high levels of vaccination coverage, Burundi still needs to improve its performance regarding many health indicators. Rates of chronic malnutrition of children under age 5 and maternal and neonatal mortality are still high, and many children die as a result of insufficient or poor-quality treatment; most child deaths are largely avoidable through cost-effective interventions.

The protracted crisis since 2015 has put additional pressure on an already fragile population and continuously increases humanitarian needs in a country still trying to overcome its many structural challenges. According to the Humanitarian Needs Overview developed in an inter-agency effort in October 2016, 3 million people, of which around a third are estimated to be children, may require humanitarian assistance related to health (OCHA 2017).

**Close to half of 2017 health sector budget financed by donors.** As illustrated in Fig. 8, over past years, the country has had difficulties to ensure provision of quality basic social services crucial for children’s development and well-being without external support.

While in 2015, 60.1% of allocated resources to the Ministry of Public Health consisted of foreign aid, contributions of donor Governments only represented 17% of health allocations in 2016, according to the Financial Laws of the Government of Burundi. However, from 2016 to 2017, external support listed in the Financial Law more than quadrupled – aid-dependency in the health sector is at 48.6% in 2017 (see Fig 9.). Recorded donors to the sector are Belgium, the United States of America, UNICEF<sup>6</sup> and the European Union (see Fig. 10). Additionally, it might be expectable that further external resources may be channelled to beneficiaries through alternative channels, since several donors are looking for ways of circumventing direct collaboration with the Government of Burundi.

Fig. 9: National vs. External resources, Ministry of Public Health (% , 2017)

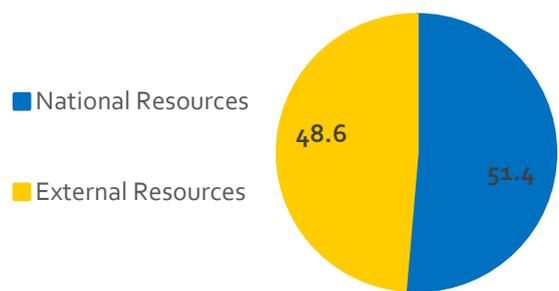
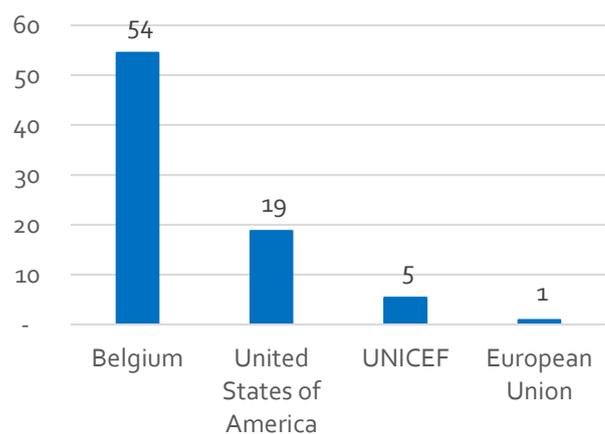
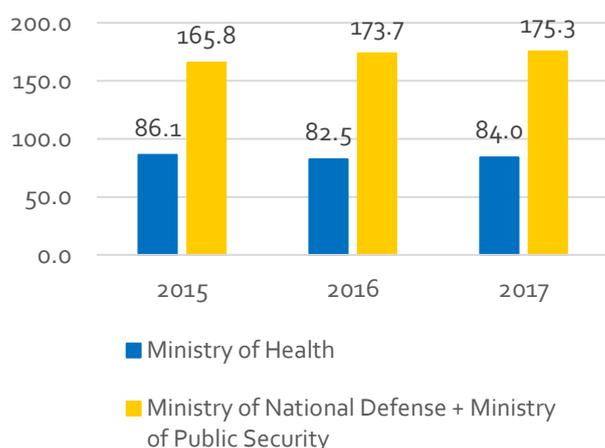


Fig. 10: Donor Contributions to the Ministry of Public Health, 2017 (in billion BIF)



Source: Financial Laws 2017, Ministry of Finance

Fig. 11: Health vs. Defense/Security National Allocations (billion BIF)



Source: Financial Laws 2015-2017, Ministry of Finance

<sup>6</sup> According to the Financial Law 2017, UNICEF supports only two projects on infantile health; however, UNICEF’s Annual Work Plan 2017 foresees

more activities and its planning budget figure for health and nutrition interventions is at 36.78 million USD.

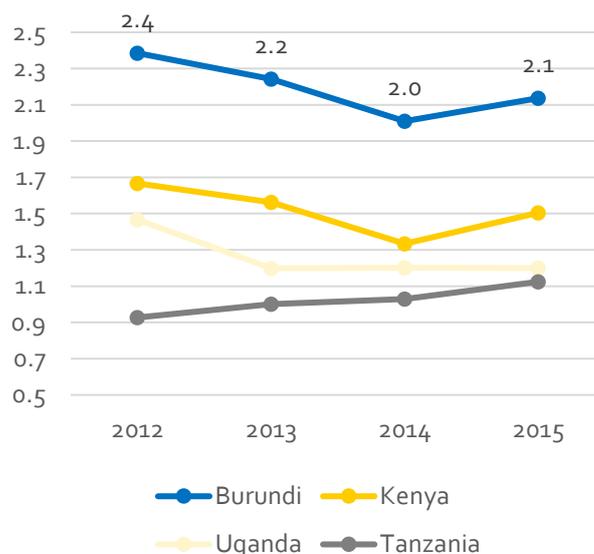
### National resources for health increase by 1.9% from 2016 to 2017.

In 2017, 84 billion BIF (49.8 million USD), slightly more than in 2016 (82.4 billion BIF; 48.8 million USD) were allocated to the Ministry of Health, representing a 1.9% increase in national resources<sup>7</sup>. National resources include taxes, tariffs, and duties, and it is unclear at this stage whether the Burundian Tax Authority will be in a position to mobilize the planned level of internal revenues. Also, allocations to the Ministry of Defense and the Ministry of Security combined are twice as high as allocations in national resources to the Ministry of Health (see Fig. 11). According to the World Bank, Burundi's military expenditures as percentage of GDP are highest in the East African Community (see Fig. 12), suggesting that there may be existing possibilities to reorient considerable resources into social sectors benefiting children in their earliest stage of life and those that are most vulnerable.

Within the Ministry of Health, essential services contributing to the well-being of children and women received slightly more resources: an additional billion BIF and an additional 0.6 billion BIF were allocated to the Performance-based financing mechanism and the *Carte d'Assurance Maladie*, respectively (see Fig. 13). Despite these increases in absolute numbers, relatively, the same shares of available national resources were allocated to the PBF (1.4% of the total State Budget in 2016 and 2017) and the CAM (0.7% in 2016 and 2017). Compared to 2015, allocations in national resources to the PBF are -5.2% lower in 2017, but slightly higher for the CAM (+1.5%).

**Particular attention needs to be put on assuring that access to essential health services for children and their care takers is guaranteed, including in times of crisis.**

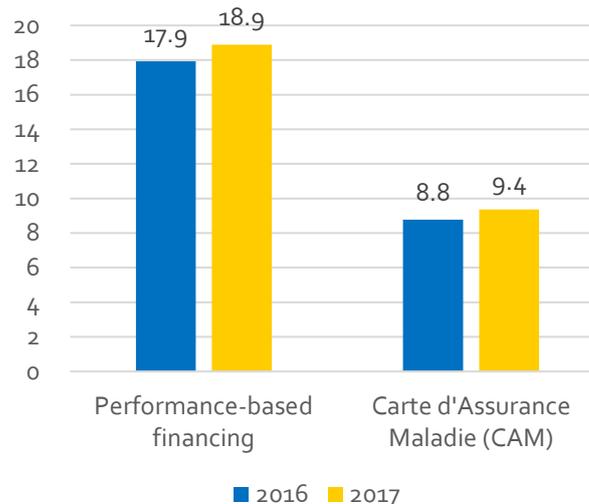
Fig. 12: Military expenditures (% of GDP), Selected Countries



Source: World Bank Data:

<http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS>

Fig. 13: National allocations to the PBF and the CAM, 2016 vs. 2017 (billion BIF)



Source: Financial Laws 2017, Ministry of Finance

<sup>7</sup> In total, all allocations of national resources increased by 8% from 2016 to 2017.