

Annex 3: Estimates for resource envelope for the 4th SWAp

Baseline Scenario

Medium Term Budgetary Framework (MTBF) projection shows that the estimated non-development budget for 2016/17 is Taka 8,114 Crore and for 2017/18 is Taka 8,925 Crore. Using the average growth rate of 10% of the non-development budget in the above mentioned years, a projection has been made for the non-development budget for 2018/19 (Taka 9,818 crore), 2019/20 (Taka 10,799 Crore), and 2020/21 (Taka 11,879 Crore). The total estimated non-development budget for 2016-21 thus stands at Taka 49,535 Crore (US\$ 6,192 million). The MTBF projects Taka 5,884 Crore as the development budget for 2016/17. Assuming constant development budget for the next five years, the total development budget stands at Taka 29,420 Crore. Therefore, the total estimated budget for the MOHFW is Taka 78,955 Crore for the next sector programme, inclusive of the development and non development budget.

Some DPs also support health programmes/ projects/ activities through non-state actors (e.g. NGOs, CSOs) and fund directly to the non-state actors. This off budget contribution is estimated as 3,974 in 2016/17 based on BNHA 2015. If this off-budget contribution remains constant over the next five years, a total of Taka 19,870 Crore will be channeled through off budget.

The total resource envelope for the baseline scenario is Taka 98,825 Crore (US \$12,353 million).

Table 1: Resource envelope for HNP sector (2016-2021) in Crore Taka-baseline scenario

Budget by type	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Non-development budget of MOHFW	8,114	8,925	9,818	10,799	11,879	49,535
Development budget	5,884	5,884	5,884	5,884	5,884	29,420
Total budget of MOHFW	13,998	14,809	15,702	16,683	17,763	78,955
Off budget contribution of DPs	3,974	3,974	3,974	3,974	3,974	19,870
Total	17,972	18,783	19,676	20,657	21,737	98,825

Assumptions at a glance:

- 1) Non-Development budget grows at an annual rate of 10%
- 2) Development budget is constant
- 3) Off budget is constant

Moderate Scenario

The Seventh Five Year plan of Bangladesh projected a total development budget of Taka 41,340 Crore to be channeled to the health sector. As 97% of the total health budget is being allocated for the MOHFW, the development budget for the MOHFW for the next five years is assumed to be Taka 40,100 Crore. MTBF projection shows that the estimated non-development budget for 2016/17 is Taka 8,114 crore. Assuming a 15% annual growth, the total estimated non-development budget for 2016-21 thus stands at Taka 54,708 Crore (US\$ 6,839 million). Therefore, the total estimated budget for the MOHFW is Taka 94,808 Crore (US\$ 11,851 million) for the next sector programme, inclusive of the development and non development budget. If off-budget contribution grows at an annual rate of 5%, a total of Taka 21,959 Crore will be channeled through off budget.

The total resource envelope for the moderate scenario is Taka 116, 767 Crore (US \$14,596 million).

Table 2: Resource envelope for HNP sector (2016-2021) in Crore Taka-moderate scenario

Budget by type	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Non-development budget of MOHFW	8,114	9,331	10,731	12,340	14,191	54,708
Development budget	8,020	8,020	8,020	8,020	8,020	40,100
Total budget of MOHFW	16,134	17,351	18,751	20,360	22,211	94,808
Off budget contribution of DPs	3,974	4,173	4,381	4,600	4,830	21,959
Total	20,108	21,524	23,132	24,961	27,042	116,767

Assumptions at a glance:

- 4) Non-Development budget grows at an annual rate of 15% (based on MTBF)
- 5) Development budget is 40,100 as per 7th Five Year Plan for the next 5 years
- 6) Off budget grows at an annual rate of 5%
- 7) The revenue budget is 58% of the MOHFW budget

Optimistic Scenario:

The Seventh Five Year plan of Bangladesh projected a total development budget of Tk 41,340 crore to be channelled to the health sector. As 97% of the total health budget is being allocated for the MOHFW, the development budget for the MOHFW for the next five years is assumed to be Tk 40,100 crore for the high scenario. MTBF projection shows that the estimated non-development budget for 2016/17 is Tk. 8,114 crore. Assuming a 20% annual growth, the total estimated non-development budget for 2016-21 thus stands at Tk. 60,381 crore (US\$ 7,548 million). Therefore, the total estimated budget for the MOHFW is Tk. 100,481 crore (US\$ 12,560 million) for the next sector programme, inclusive of the development and non development budget. If off-budget contribution grows at an annual rate of 10%, a total of BDT 24,262 crore will be channelled through off budget.

The total resource envelope for the moderate scenario is Tk 124,743 crore (US \$15,593 million).

Table 3: Resource envelope for HNP sector (2016-2021) in Crore Taka

Budget by type	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Non-development budget of MOHFW	8,114	9,737	11,684	14,021	16,825	60,381
Development budget	8,020	8,020	8,020	8,020	8,020	40,100
Total budget of MOHFW	16,134	17,757	19,704	22,041	24,845	100,481
Off budget contribution of DPs	3,974	4,371	4,809	5,289	5,818	24,262
Total	20,108	22,128	24,513	27,330	30,664	124,743

Assumptions at a glance:

- 1) Non-Development budget grows at an annual rate of 20%
- 2) Development budget is 40,100 as per 7th Five Year Plan for the next 5 years
- 3) Off budget grows at an annual rate of 10%
- 4) The revenue budget is 60% of the MOHFW budget