

# Youth Budget Framework in Bangladesh: An Appraisal

## What is Youth Budget Framework?

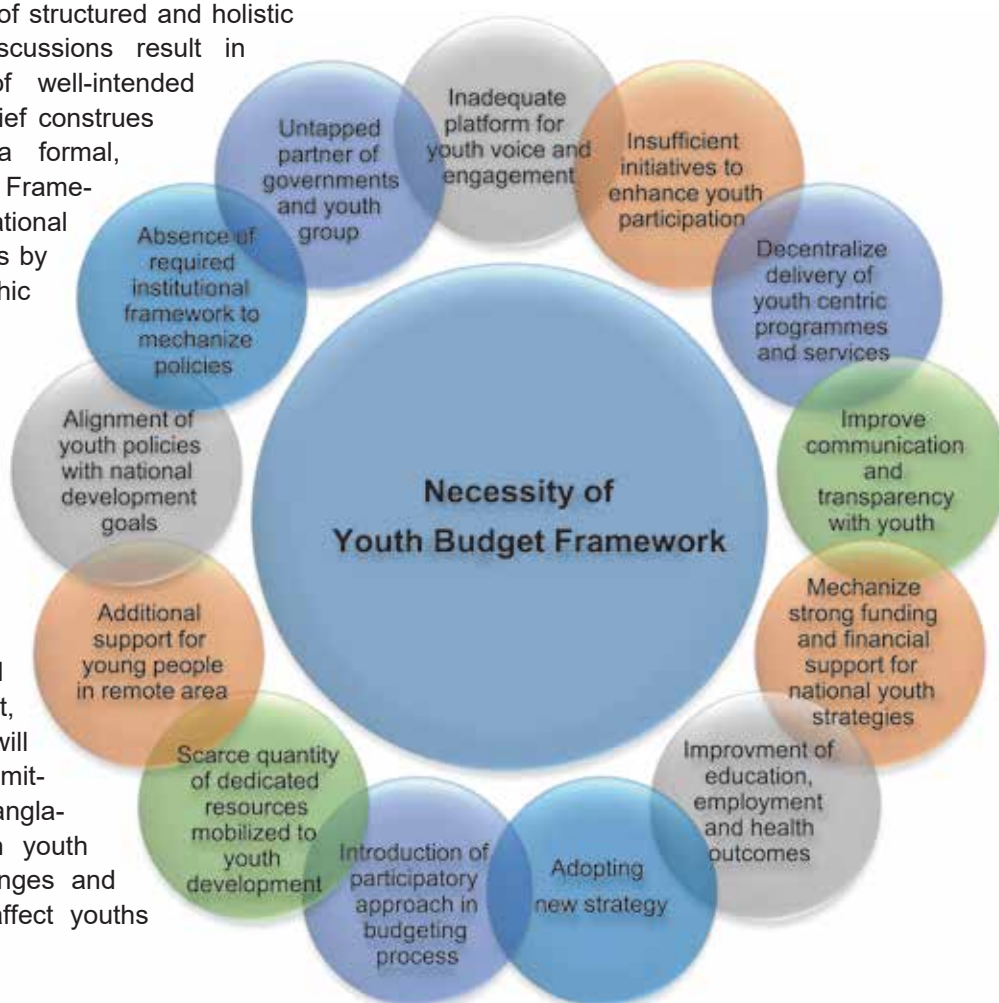
**D**ue to the demographic window, Bangladesh has the opportunity of harnessing youth potential for achieving long term development objectives. Even though Government of Bangladesh (GoB) has associated investment in youth with the development trajectory of the country through various plans and policies, youth related discussions are not contextualized due to absence of policy coherence and consensus on intended outcomes. Lack of structured and holistic approach towards these discussions result in ineffective implementation of well-intended policies. Hence, this policy brief construes that Bangladesh requires a formal, well-structured Youth Budget Framework (YBF) as part of the national budget to attain vital objectives by cashing in on demographic dividend.

A youth centric budget is intrinsically a framework of goals and visions to empower youths economically and socially. The designated monetary allocations in the budget will be analysed through a youth centric lens to equip the evidence-based policymaking process. In short, the youth budget framework will serve to represent the commitments of the Government of Bangladesh to invest holistically in youth development, alleviate challenges and bottlenecks which uniquely affect youths through various channels.

In Bangladesh, the analysis of youth sensitivity of proposed ADP for FY 2019-20 and FY 2020-21 reflected

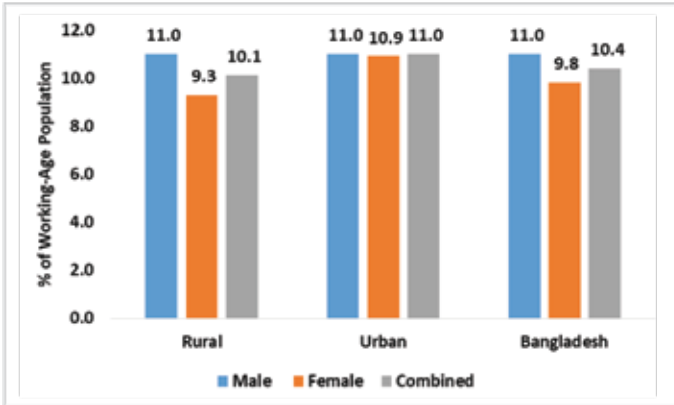
that among the 22 ministries who have youth related programs, 57 percent and 58 percent respectively were not youth focused budgetary allocation (SANEM and ActionAid, 2019). Figure 1 presents why adopting a Youth Budget Framework is crucial for Bangladesh.

**Figure 1: Reasons for adopting Youth Budget Framework**



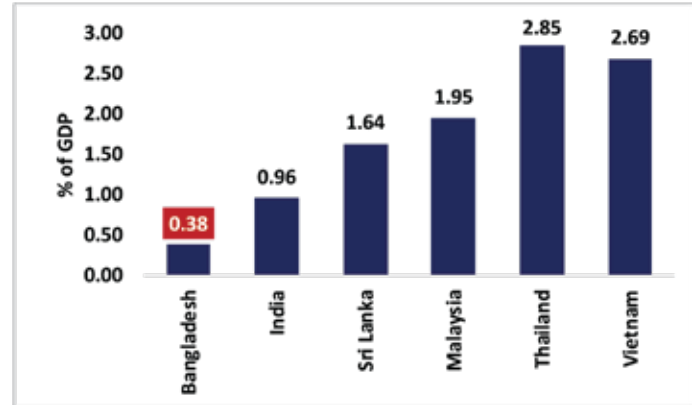
Source: Authors

**Figure 2: Youth labor underutilization**



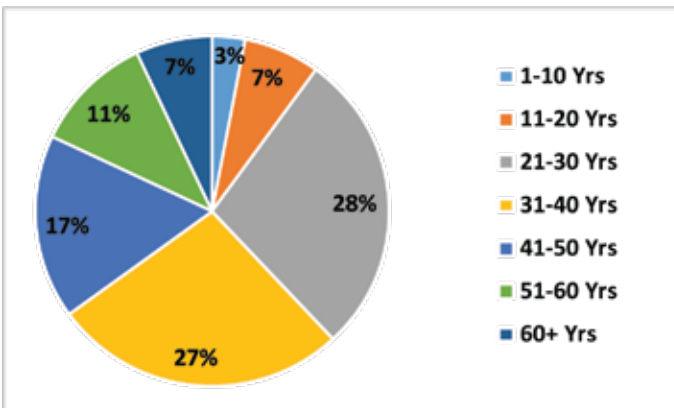
Data Source: The Labour Force Survey 2016-17

**Figure 3: Public expenditure in health as % of GDP**



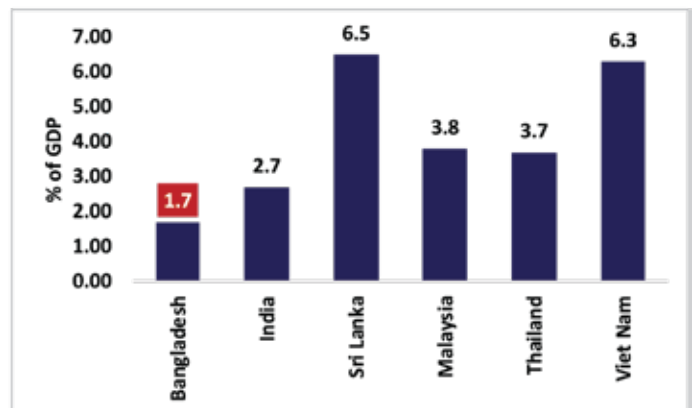
Data source: World Development Indicators, 2017

**Figure 4: Demographic distribution of COVID-19 confirmed cases**



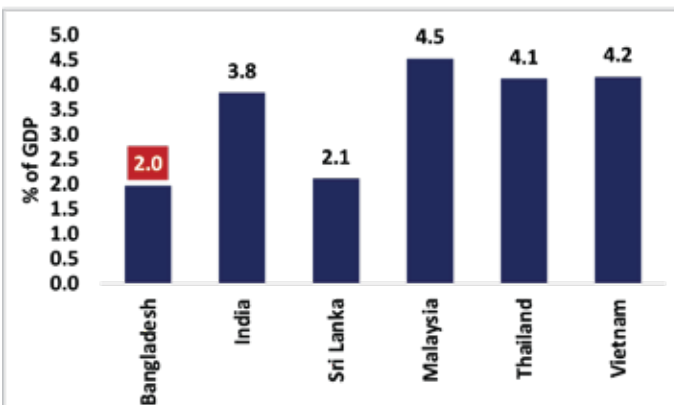
Data Source: Institute of Epidemiology, Disease Control and Research

**Figure 5: Public expenditure in social protection as % of GDP**



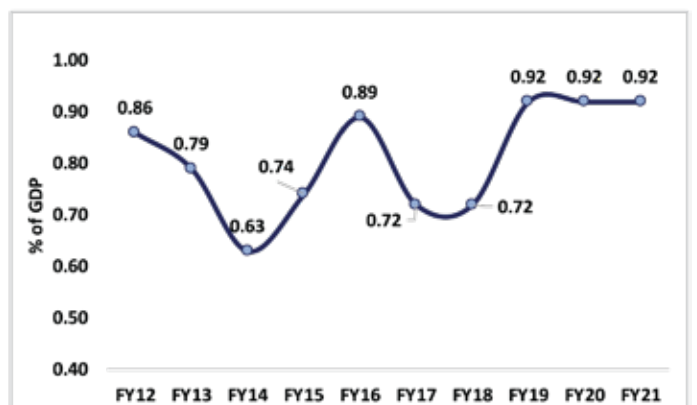
Data source: International Labour Organization, 2017

**Figure 6: Public expenditure in education as % of GDP**



Data source: World Development Indicators, 2017

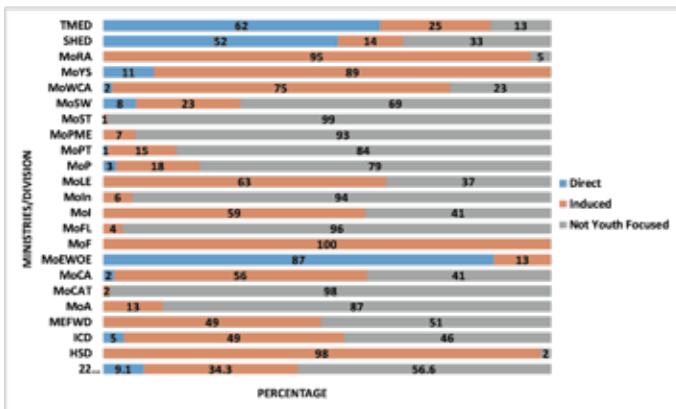
**Figure 7: Share of public expenditure for Ministry of Health as % of GDP**



Note: The budget for FY 2019-20 is revised budget while the FY 2020-21 budget is proposed budget.

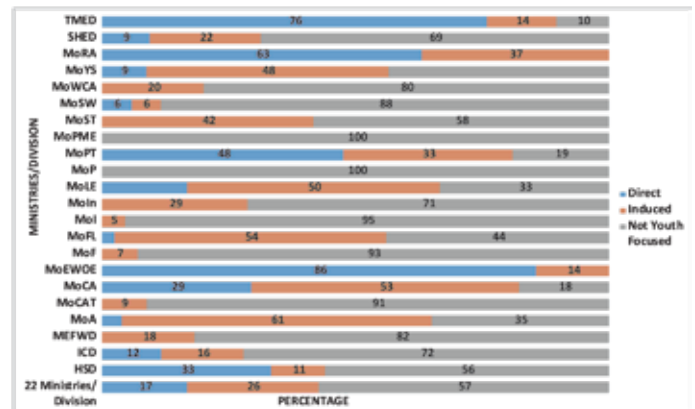
Data Source: Finance Division, Ministry of Finance, Bangladesh

**Figure 8: Youth sensitivity analysis of ADP allocation in FY2019-20**



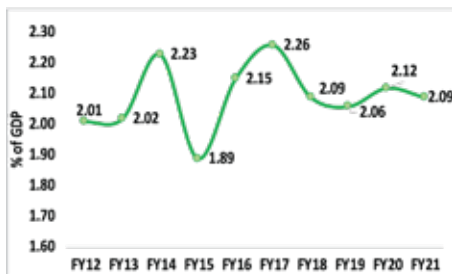
Data Source: Finance Division, Ministry of Finance, Bangladesh

**Figure 9: Youth sensitivity analysis of ADP allocation in FY2020-21**



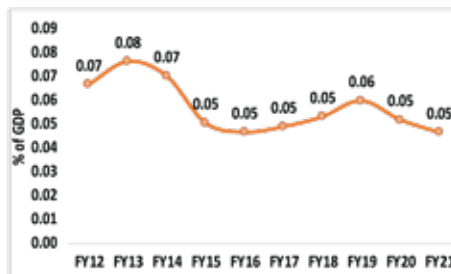
Data Source: Finance Division, Ministry of Finance, Bangladesh

**Figure 10: Share of public expenditure for education ministries as % of GDP**



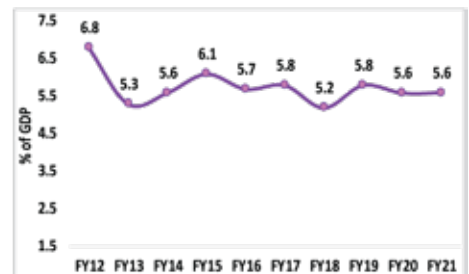
Note: The budget for FY 2019-20 is revised budget while the FY 2020-21 budget is proposed budget.  
Data Source: Finance Division, Ministry of Finance, Bangladesh

**Figure 11: Share of budget allocation of Ministry of Youth and Sports**



Note: The budget for FY 2019-20 is revised budget while the FY 2020-21 budget is proposed budget.  
Data Source: Finance Division, Ministry of Finance, Bangladesh

**Figure 12: Share of budgetary allocation in social protection**



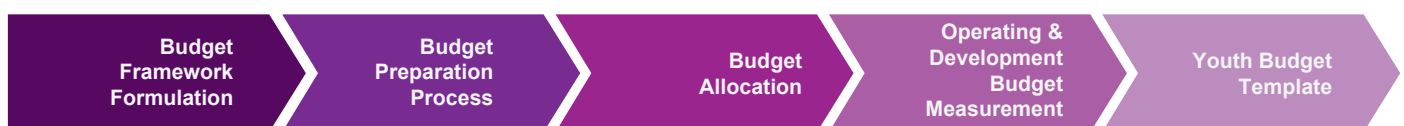
Note: The budget for FY 2019-20 is revised budget while the FY 2020-21 budget is proposed budget.  
Data Source: Finance Division, Ministry of Finance, Bangladesh

## Steps of Youth Budget Framework

Formulation of the framework begins with identification of the youth development mechanism. The mechanism refers to transmission channels that impact youths thus mandating policy actions for their holistic development. To align the YBF with national policies, relevant documents such as National youth policy 2017, Sustainable development goals among various others have been inspected. The entire youth budget framework method has been illustrated below in Figure 13.

Transmission channels are: health, education, employment, income, poverty and domestic violence. Secondly, the programmes and projects under different government ministries and departments will be identified according to their relevance to youth. In the third step, the allocated budget of ADP of the ministries will be inspected to their relevance to youth. In the third step, the allocated budget of ADP of the ministries will be inspected to decide youth sensitivity.

**Figure 13: Steps of adopting 'Youth Budget Framework'**



Source: Authors

As depicted, first step of designing the framework is deciding upon the transmission channels. The transmis-

The budget will be differentiated in three categories, direct, induced and not youth focused. The guiding

principle for assigning the components of the categories will be based on the Youth sensitivity matrix provided in Table 1.

In the fourth step, the operating budget has to be measured by the Key Productivity Indicators of the respective

ministry. The average score will be computed to assign the final sensitivity score. Finally, the summary of the youth budget will be provided in the summary table mentioned in the template of YBF. SANEM has previously listed 22 ministries which have youth centric ADP allocation.

**Table 1: Youth sensitivity matrix**

SL	Relevance category	Relevance range (%)	Determining characteristics (Breakdown of percentage)		
			Project Title	Project Objective	Outcome
1	Strongly Relevant	81 to 100	Yes	All	All
2	Significantly Relevant	61 to 80	Yes	Some	All
3	Moderately Relevant	41 to 60	No	Some	Some
4	Somewhat Relevant	21 to 40	No	Few	Some
5	Implicitly Relevant	6 to 20	No	Few	Few
6	Not Relevant	0 to 5	No	No	No

Source: Authors

## Major challenges to realize Youth Budget Framework

The planning and managing of new budget framework have always been labelled as one of the foremost dilemmas in developing countries like Bangladesh. During budget preparation, much trade-offs must be made between programs and priorities to meet the policies and goals of the government. Thus, major challenges exist in

planning, developing and executing the Youth Budget Framework due to insufficient resources, institutional constraints and inefficiencies existing in the system. The challenges have been grouped into broad categories in Figure 14.

**Figure 14: Major challenges to realize YBF**

### Major Challenges

#### **Eligibility criteria**

Intended realization of the budget will be determined by the ability of each ministry to set clear eligibility requirements. The criteria should allow proper identification of target groups, specific sub-groups and accurate classification of vulnerable youths based on their economic and socio-economic characteristics (Escudero, et al. 2015). Inaccuracies in setting the criteria would risk directing policies to wrong target groups.

#### **Accuracy of information**

Effectiveness of budgetary allocation depends on the design and scale of implementation of specific programs, current conditions of the target groups i.e. youths, institutional arrangements etc. However, there are severe data and information constraints regarding these factors.

#### **Overlapping among various focus**

Programs and policies for youth development and improvements in other focus areas are interdependent upon one another. For instance, effectiveness of interventions for enhancing employment opportunities will be compromised due to inadequate improvements in educational quality.

#### **Institutional barriers**

Appropriate institutional frameworks are prerequisite for successful implementation of the policies. In Bangladesh, weak institutions have negative impact on policies and programs. This mandates that the implementing institutions are well-resourced and capable to cater various youth groups (Escudero, et al. 2015).

#### **Coordination failure**

Successful budgeting process requires cooperative agreements among government bodies, policy makers, employers' organizations, trade unions, educational institutions, various youth groups, and non-government organizations etc. Coordination failure leads to time lags and inefficiency.

#### **Underutilization of allocation**

Lack of project readiness and accountability of implementing agencies lead to underutilization of allocated resources. For optimal utilization of funds, responsible authorities can learn from previous budgets.

#### **Efficiency**

Realization of expected benefits and policy outcomes would be challenged if delays in implementation are unaddressed. This mandates implementing agencies to oversee the application of interventions within an agreed time frame.

Source: Authors

## Policy recommendations

### Publicity

Awareness and capacity building programs about the youth budget framework's design, components, purpose and objectives will enable ministries to suggest correct programs and fund requirements, allow policy makers to advise the right track to modify the budget and implementation process as well as engage youths to make the budget fully responsive to their needs and development.

### Consensus

Relevant stakeholders such as, NGOs, ministries and divisions, policy makers, youth organizations etc. might have issues regarding the financing method, implementation method, prioritization of key productivity indicators etc. Thus, modifications of the proposed budget has to be inclusive through reaching consensus among all the relevant stakeholders.

### Cost benefit analysis

Without a cost-benefit analysis of the suggested programs and their capability of resulting in the desired outcomes, youth budget will not be effective. Such comprehension should also allow ministries to design relevant schemes to cushion any unfavorable impact that the original policies could have on other aspects.

### Financing needs and strategies

Sufficient resources are required for the effective operation

of the youth budget. Accurate target group for the correct projection of financing needs is required. With regards to financing strategies, the government should ensure that the additional financial requirements of the youth budget do not exert more pressure on the local banking system.

### Participatory approach

Without an institutional setup for civic participation, the budget loses its efficiency. In various countries, the participatory approach has been undertaken in various stages of budgeting such as formulation, analysis, tracking and evaluation (Wagle et al., 2002). Furthermore, participatory budgeting approach provides the target groups a sense of ownership and active engagement in the monitoring and evaluation process. Figure 15 depicts the three phases of youth budgeting process following the present budgeting process as well as the participatory approach and other mechanisms to ensure effective implementation of the Youth Budget.

### National Youth Development Cell

In order to address the concerns of youths and perform the steps of youth budgeting process, National Youth Development Cell may be formed under the Prime Minister's Office. This cell will effectively address the potential institutional barriers faced by the 'Youth Budget Framework'. This cell will ensure effective stakeholder consultation followed by ministerial action plans for the ministries with youth focused programs to realize the targets set to maximize demographic dividend.

Figure 15: Phases of youth budgeting process



Source: Authors

## Conclusion

The proposed Youth Budget Framework would serve to be a reflection of the government's efforts to integrate youths in the development process and attain national goals. The proposed framework will allow the government to incorporate a formal youth budget in the national budget, identify existing inconsistencies in the system for effective implementation of the budget as well as obtain input from relevant stakeholders to address youth development comprehensively.

This document is jointly developed by AcitonAid Bangladesh and SANEM.

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From ActionAid Bangladesh the document is contributed by Nazmul Ahsan and Iqbal Hossain.

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- SANEM and ActionAid. (2019). *SANEM-ActionAid Policy Brief: Realising the Demographic Dividend through Investing on Young People in Bangladesh*. Dhaka: South Asian Network on Economic Modeling (SANEM). <http://sanemnet.org/policy-brief-demographic-dividend-august-2019/>
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- Wagle, S., & Shah, P. (2002). *Participation in public expenditure systems: An issue paper. Participation and civic engagement group. Social Development Department. The World Bank*.

## Template

### Name of the Ministry

1. Background and major functions
2. Ministry-specific national policy directives in relation to youth development (general)
3. Strategic objectives and activities of the Ministry in relation to youth development

Long-term Objectives	Medium Term Objectives	Activities
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4. Youth participation in the activities in accordance with the transmission mechanisms of Youth Budget Framework
5. Achievements of KPIs in accordance with youth development
6. Achievements in accordance with national and international youth related policy framework

Policy/strategy	Activities	Progress
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7. Obstacles to achieve KPIs

KPI	Obstacle	Remark
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8. Progress on recommendations in the previous year

No.	The Recommendations of Previous YBF	Progress
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9. Recommendation for future

No.	Recommendations	KPIs to measure Progress
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10. Good Practice
11. Youth Budget Summary of Ministry

Table: Summary of youth budget of Ministry X

Description	FY2020-21			
	Budget (crore BDT)	Share of Youth (%)		
		Direct	Induced	Not related
Total Budget				
Ministry Budget				
Development				
Operating				