

Experience of the Sri Lanka Health PER

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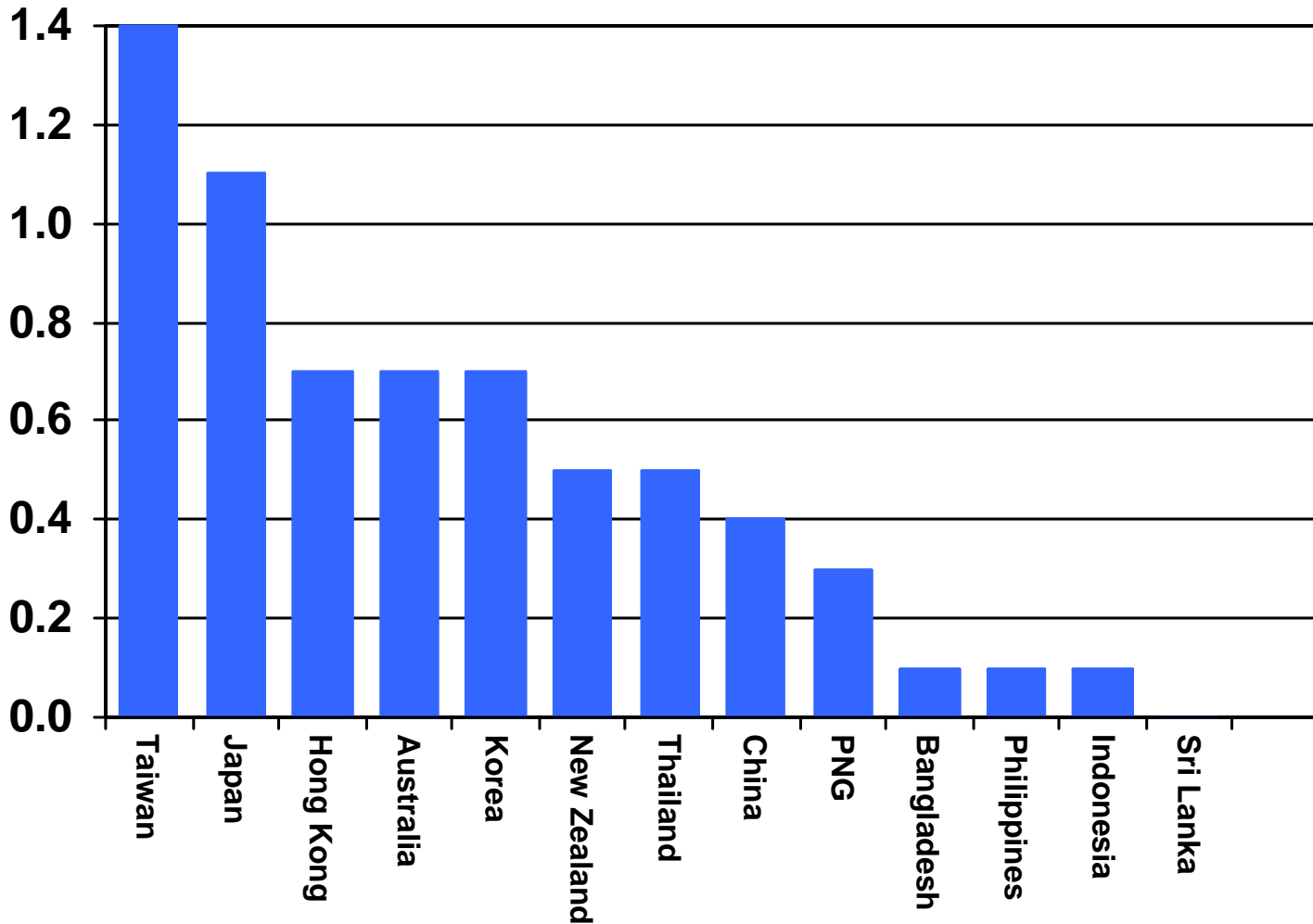
Sri Lanka Health PER 2004

- Sri Lanka health PER 2004
 - Part of overall PER examining all sectors
 - Commissioned by World Bank in consultation with GoSL
- Questions asked
 - Q1: Are preventive health expenditures too low?
 - Q2: Transparency of budget formulation process

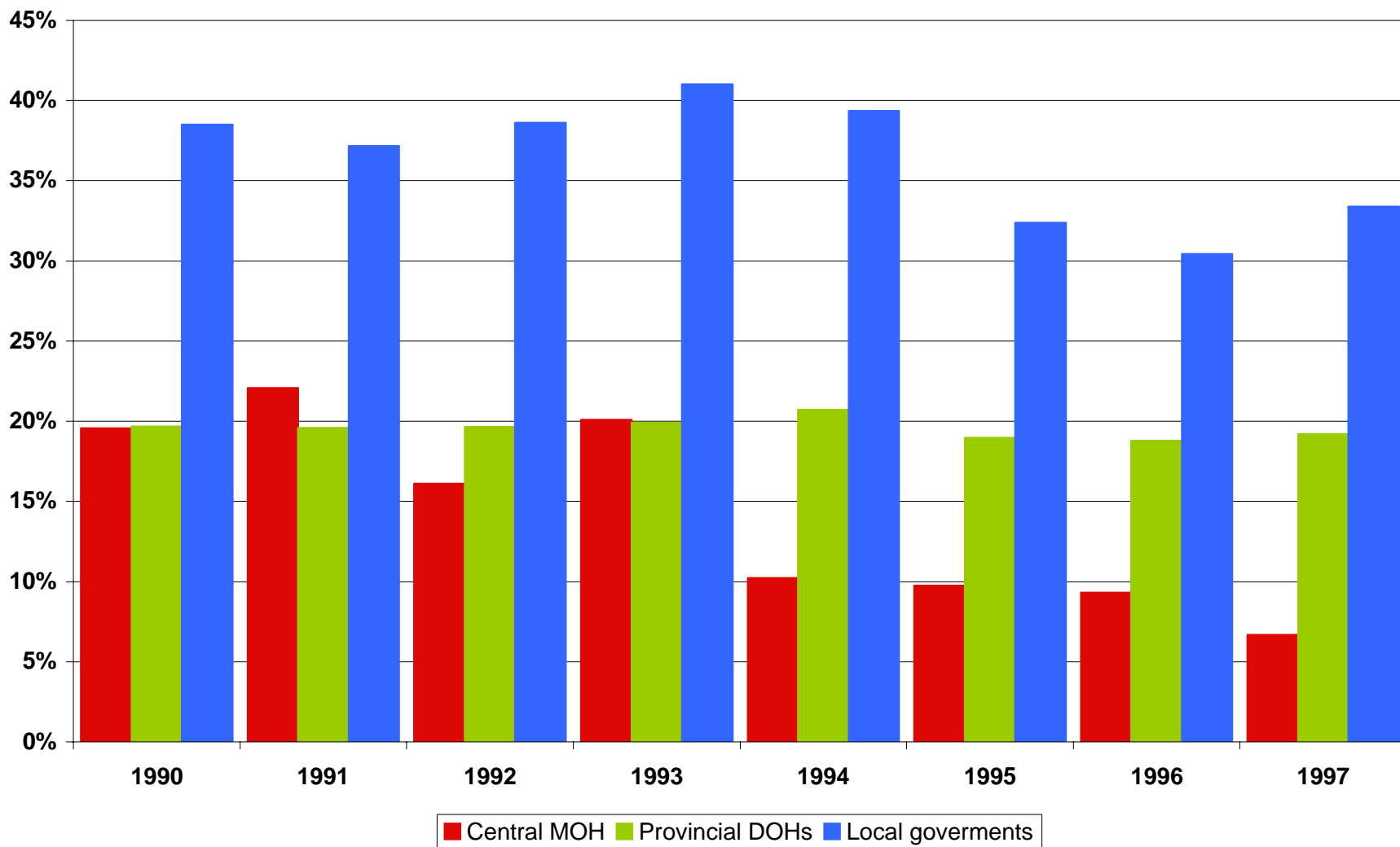
Activities

1. Analyses of government expenditure trends by source, program and function over time
 - Allocative efficiency
 - Technical efficiency
 - Targeting of spending by poor vs. non-poor
 - Geographic distribution
2. Analysis of budget formulation processes and transparency at central and provincial levels
3. Benchmarking of SL expenditures against international comparisons
4. Decomposition of changes in preventive health spending by factors affecting trends
5. Medium-term cost projections of future spending

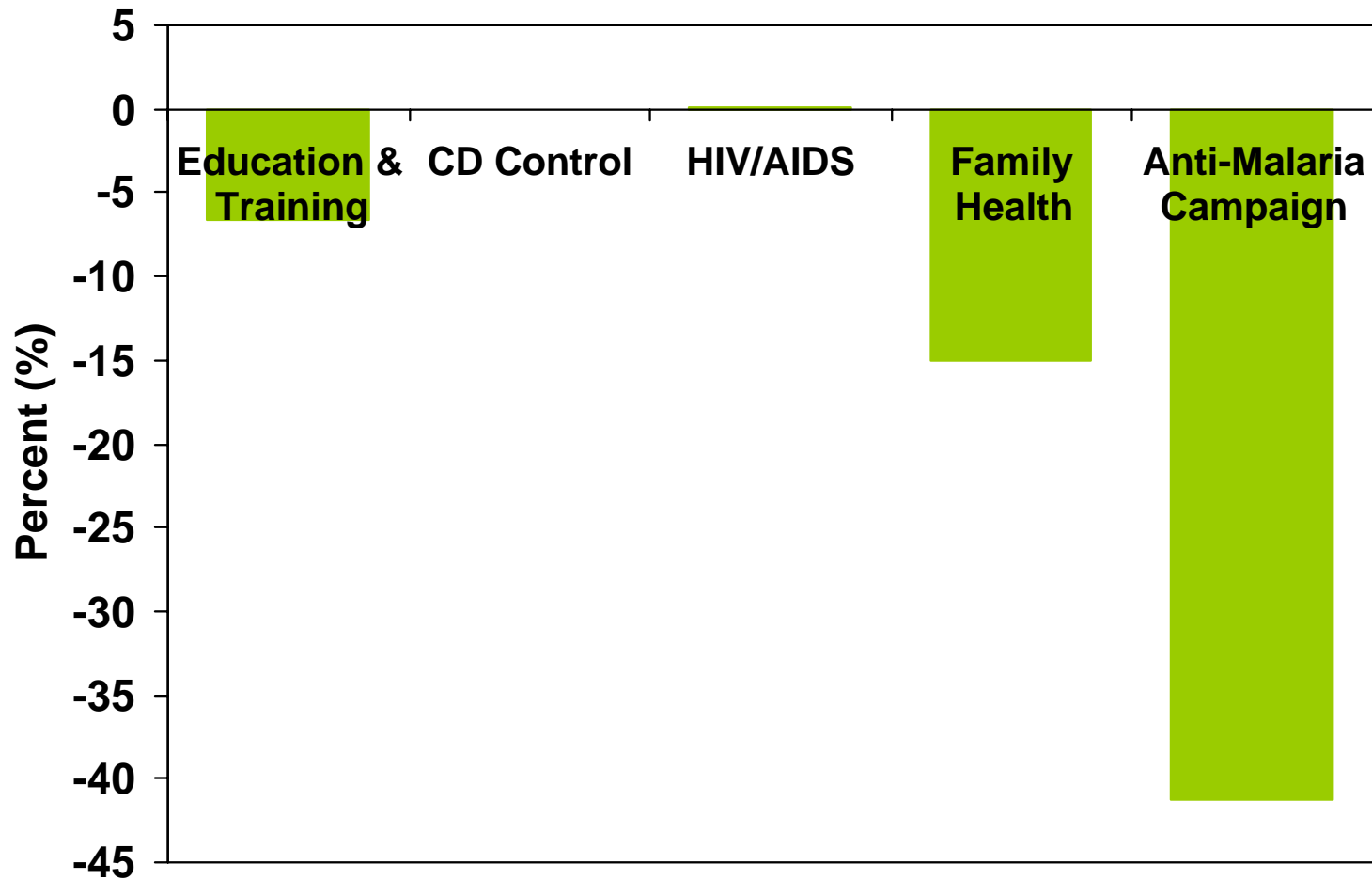
Sri Lanka: Changes in public expenditure in regional context 1990-2000 (%GDP)



Sri Lanka: Preventive health by source (% of expenditure)

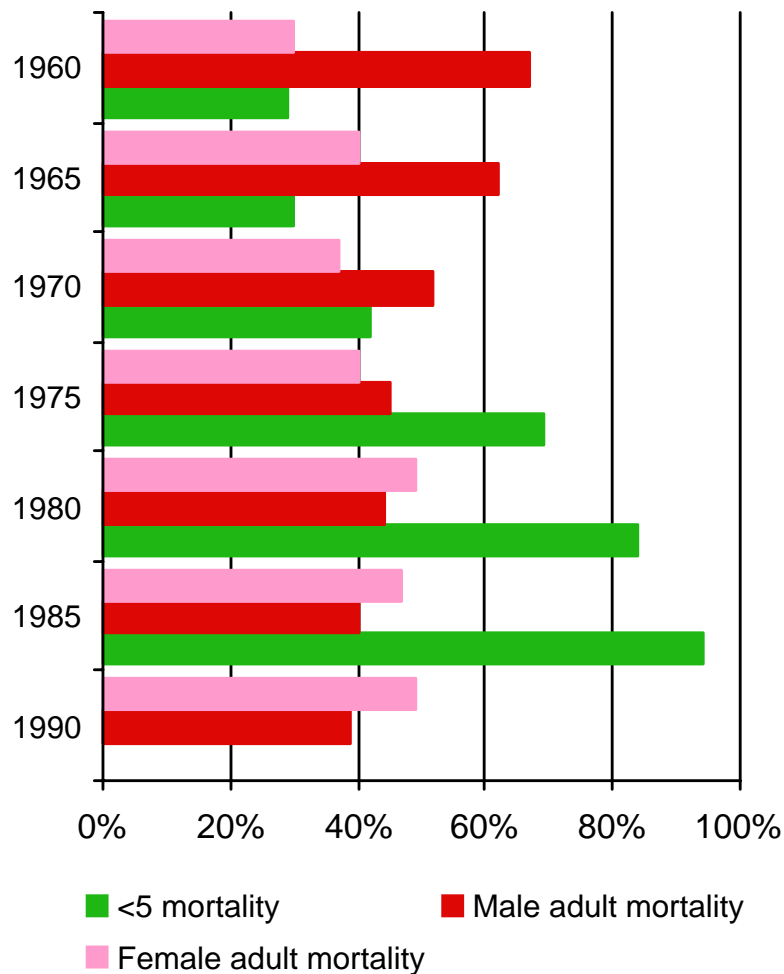


Sri Lanka: Decomposition of preventive health decline 1990-1997 (%)

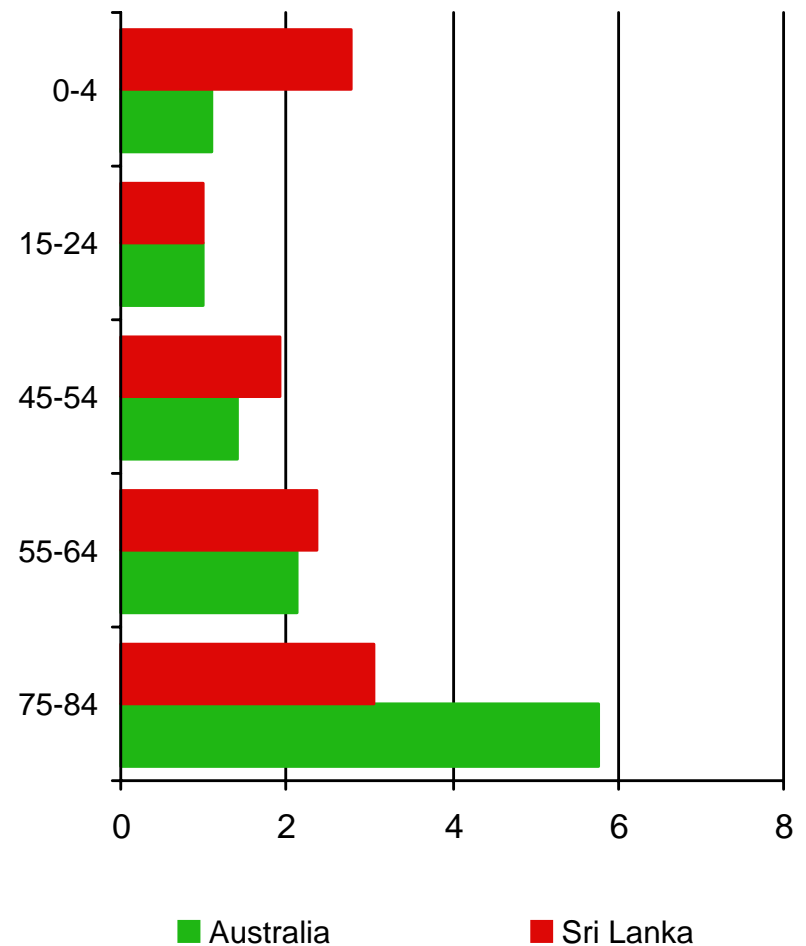


Expenditures vs. Performance

Sri Lanka health performance relative to income



Expenditure per capita by age, Sri Lanka vs. Australia



Sri Lanka Health PER 2004: Outcomes

- Conclusions
 - Need for public expenditure to increase
 - Preventive health decline not a real reduction in spending, but an increase
 - Need to target new spending on curative services and older adult health services
- PER process benefits for health expenditure estimation
 - Improved coordination with MOF
 - Improved data processes
- Policy impact
 - MOF has substantially increased public spending as share of GDP
 - Increasing interest in MOH in refocusing on adult health

Thoughts

- Repeating the PER activities from 2004 would be time consuming, but relatively straightforward.
 - This time many other relevant analyses, such as detailed health cost projections, etc have been updated
 - Access to CIGAS at national and provincial level and other needed data
- Main challenge is that an MTEF will require programmes to identify goals and activities, and this will require significant input from line directors

Thank you