

# REPORT OF THE TECHNICAL MEETING TO STRATEGISE ON INCREASED HEALTH FINANCING IN KENYA

HELD IN NAIROBI, KENYA ON 9TH MARCH 2011



Prepared by Kenya Legal & Ethical Issues Network on HIV & AIDS

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## ABBREVIATIONS

AAIK . . . . .	Action AID International Kenya
ACU . . . . .	AIDS Control Unit
AIDS . . . . .	Acquired Immune Deficiency Syndrome
ARV . . . . .	Antiretroviral
CBO . . . . .	Community Based Organisation
CSO . . . . .	Civil Society Organisation
CEGAA . . . . .	Centre for Economic Governance and AIDS in Africa
COTU . . . . .	Central Organisation of Trade Unions
DPHK . . . . .	Development Partners in Health Kenya
DSW . . . . .	German Foundation for World Population
ERS. . . . .	Economic Recovery Strategy
GoK . . . . .	Government of Kenya
HAI – Africa . . . . .	Health Action International - Africa
HIV . . . . .	Human Immuno-deficiency Virus
HERAF . . . . .	Health Rights Advocacy Forum
ICC. . . . .	International Criminal Court
KANCO. . . . .	Kenya AIDS NGO Consortium
KELIN . . . . .	Kenya Legal & Ethical Issues Network on HIV and AIDS
KNCHR. . . . .	Kenya National Commission on Human Rights
KRA . . . . .	Kenya Revenue Authority
MDGs . . . . .	Millennium Development Goals
MSF . . . . .	Medecins Sans Frontieres
MSM . . . . .	Men who have sex with Men
MTEF. . . . .	Medium Term Expenditure Framework
NACC . . . . .	National AIDS Control Council
NHIF. . . . .	National Hospital Insurance Fund
NGO . . . . .	Non-governmental Organisation
OECD . . . . .	Organisation for Economic Cooperation and Development
PMTCT . . . . .	Prevention of Mother to Child Transmission
PPP. . . . .	Public Private Partnership
TB . . . . .	Tuberculosis
UNAIDS. . . . .	United Nations Joint Programme on HIV
VSO . . . . .	Voluntary Service Overseas (VSO Jitolee)

## DETAILS OF ORGANISING BODY AND PARTICIPANTS

Name of Hosting Institution	Kenya Legal and Ethical Issues Network on HIV and AIDS (KELIN)		
Country/Site of meeting	Panafric Hotel, Nairobi, Kenya		
Purpose of meeting	Technical meeting to strategise on increased health financing in Kenya		
Date of meeting	09 03 2011		
Total number of participants	Male	Female	Total
	16	17	33

## 1.0 EXECUTIVE SUMMARY

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The Kenya Legal and Ethical Issues Network on HIV& AIDS (KELIN) is one of the few organisations in Kenya and East Africa working on legal and human rights issues in relation to health and HIV. KELIN's goal is to undertake advocacy and provide leadership in ensuring an enhanced rights based approach in health and HIV strategies and programmes.

KELIN, in partnership with other civil society organizations (CSOs) including Centre for Economic Governance and AIDS in Africa (CEGAA), Health Action International - Africa (HAI - Africa), Kenya AIDS NGO Consortium (KANCO), VSO Jitolee, Health Gap, Health Advocacy Forum (HERAF), MSF France, DSW German Foundation for World Population, AIDS Law Project and Action AID International Kenya (AAIK) facilitated a one day technical meeting on the budgeting process. The overall goal of the meeting was to engage the various duty bearers within the Government to share key information relating to health financing in Kenya, with a view to indicating the overall situation, challenges and recommendations on how to scale up the same; and to reinforce commitment by leaders towards increased funding for health.

## 2.0 INTRODUCTION

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The meeting was opened by Mr. Allan Maleche, Coordinator at KELIN, who outlined the overall objectives of the meeting as follows:

- 1) To discuss long term strategies for the Government to facilitate increased funding for health and to monitor the utilisation of the funding received.
- 2) To elucidate the systems for planning, reporting and accountability for both the Government and the civil society on matters relating to health financing.
- 3) To advocate for the support of development partners in the realisation of the right to health.
- 4) To advocate for better coordination between development partners, the Government and NGOs/CBOs on sourcing and tracking the flow of funds allocated to health.

Mr. Maleche continued his introduction with a presentation regarding the Bill of Rights. He emphasised that Article 43 of the Constitution, which provides for the right to health, is immediately operative and requires no further implementing legislation.

Mr. Maleche followed his presentation with a video of the public protest march organised by KELIN on 28th September 2010 to demonstrate against the misappropriation of funds meant for the health sector and to demand for increased health funding in light of the ongoing Global Fund Replenishment talks that were taking place in USA. He asked the participants to consider whether this kind of approach, involving public protest, is the best way for CSOs to influence increased funding for the health budget?

Mr. Maleche finished his presentation by showcasing the Dollar Bill Campaign which was a resource used at the 19th World Economic Forum, and later customised for use during the public protest organised by KELIN in Nairobi, with the aim of challenging irresponsible spending by African leaders in light of health priorities.

In the interest of reasonable accommodation, the delay by some of the presenters necessitated flexibility of the presentations as scheduled in the programme.

## 3.0 SESSION ONE: THE ROLE OF THE GOVERNMENT IN DEVELOPMENT OF THE HEALTH SECTOR

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**Chair: Miano Munene**

**HERAF**

**and Rose Wanjiru**

**CEGAA.**

Mr. Munene introduced Session One, noting that, CSOs had heard a lot of rhetoric, they had complained, written petitions and letters to the key Ministries and to the Ministers. He reiterated that it was now time to put what was being said into practice: The question in mind was how can more resources be directed to the Health Sector especially in the country's National Budget?

### 3.1 AN ANALYSIS OF FINANCING OF THE HEALTH SECTOR

#### MINISTRY OF MEDICAL SERVICES; MINISTRY OF PUBLIC HEALTH AND SANITATION

This session was aimed at enabling an understanding of the factors that inform priority areas for the two ministries comprising the health sector, namely:

- i. Ministry of Public Health and Sanitation
- ii. Ministry of Medical Services.

It was also aimed at analysing household expenditures for both Ministries during the Budget for the year 2010-2011 and keenly examining whether the challenges faced then were factored into the proposals made by the sector in 2011-2012.

Unfortunately neither the Ministry of Medical Services nor the Ministry of Public Health and Sanitation were able to send a representative for presentations on the health sector.

### 3.2 AN OVERVIEW OF FINANCING FOR HIV IN KENYA: ENTRY POINTS FOR CIVIL SOCIETY FOR ADVOCACY.

#### Presenter: Ms. Regina Ombam

Head of Strategy Development, National AIDS Control Council (NACC)

Ms. Ombam began her presentation with an overview of financing for HIV in Kenya, with a view to providing ideas for entry points for civil society advocacy. Ms. Ombam noted that advocacy around HIV issues can be used as an entry point to leverage resources for the health sector in general.



*Ms Ombam of NACC captivates her audience*

Ms. Ombam outlined the historical aspects of HIV from the time the first case was documented in Kenya in 1984, through 1999 when HIV was declared a national disaster, to 2011 when HIV still affects each and every region of

the country. Ms. Ombam gave detailed statistics regarding HIV prevalence in Kenya, broken down by region, sex, and source of infection, including projections for numbers of HIV positive people in Kenya through to 2020. There remains a big gap between people in need of ARTs and the total number receiving ARTs. These statistics illustrated the extent to which HIV and AIDS continues to pose a threat to Kenya's realisation of Vision 2030.

Focusing on health financing, Ms. Ombam gave an overview of financing for HIV and AIDS, highlighting the fact that 70 – 75% of HIV funding comes from external resources, which are unpredictable, unsustainable, and are becoming more unavailable due to the current economic climate. For this reason the Government needs to plan for predictable and sustainable HIV&AIDS financing as a top priority. The focus of the sustainability analysis should be on the gap between treatment and care.

The Technical Working Group has proposed covering outpatient HIV&AIDS treatment through the National Hospital Insurance Fund (NHIF); as well as the establishment of a Trust Fund for HIV&AIDS prevention, treatment and care, potentially to be funded by innovative means including possible private sector contributions; a special levy on air tickets or airtime, or remittances from abroad; and a potential 1% contribution by Government from the Gross Revenue. Ms. Ombam noted that this year the gross revenue is KSh 773 billion, next year it will be KSh 836 billion, and the following year KSh 998 billion: If we could have 1% of this for HIV it would really help.

## RECOMMENDATIONS:

- HIV and AIDS remain a national disaster and should be gazetted by Government and a specific budget line created and ring fenced to ensure that the gap is addressed and scaling up is a continuous process.
- Management and eventual decentralised sustainable care and support for HIV and AIDS in all areas of the economy are critical to achieve Vision 2030, and therefore should have high priority in Vision 2030 planning and funding policies.
- All policy makers in all sectors agree to create an HIV and AIDS Trust Fund to sustain financing as the epidemic continues to evolve.
- Government to pay 1% of the National Revenue into the fund yearly, as part of the Abuja Declaration and commitment to allocating 15% of the national budget to the health sector. All sectors should agree to channel their HIV and AIDS budget to this pot.

## 3.3 PLACE OF HEALTH IN THE REALISATION OF VISION 2030

**Presenter: Mr Moses Ogola**

**Director - Sectoral Planning Directorate, Ministry of Planning, National Development and Vision 2030**

Mr. Ogola's presentation started from the premise that the participants had read the Vision 2030. The Vision has three major pillars: economic, social and political. The health sector falls within the social pillar; attaining social and equitable development within a clean environment. The health sector will play a critical supportive role in maintaining a healthy working population, necessary for the increased labour production that Kenya requires in order to match its global competitors.

Mr. Ogola asked whether Kenya is at the right stage to afford a public health care system? Do we have the capacity when half the population is living below the poverty line? He noted that it is important to recognise that good health boosts economic capacity. The important question is, can Kenya afford quality health care for everyone? Kenya is

shifting from curative to preventative health care which requires the participation of individuals so that communities can take charge of their own health. In order to change the strategy from curative to preventative health care, there is a need to strengthen the link between public health and sanitation and medical services. Mr. Ogola noted that the health sector has been doing well with a sectoral approach in ensuring there is no duplication.



*Mr Ogola makes a point during his presentation*

Mr. Ogola emphasised the need to link policies, plans and budgeting. The question is whether we are achieving our overall objectives and moving to overall health. He raised concerns regarding funds that have been devolved to health facilities which may not have the equipment to carry out the funded services.

The health sector budget has increased over the past years from 16.4 billion in 2003/04 to 38.8 billion in 2009/10. So far we are seeing 6-8% of total budget allocations targeting health. This level of funding is well below the Abuja Declaration target of 15% and the Economic Recovery Strategy (ERS) target of 12%. We need to know what the target of 15% really means: what is included in the 100% budget of which the health sector is to receive 15%?

Mr. Ogola reviewed Kenya's status in attaining the Millennium Development Goals (MDGs), including reducing child mortality (Goal 4); improving maternal health (Goal 5); and combating HIV and AIDS, malaria and other diseases (Goal 6). He noted that Kenya has made significant progress in reducing child mortality, largely due to a reduction in malaria related deaths, and also due to other interventions around child health and nutrition. However, Kenya's maternal mortality rate has not shown any major change over the past five years, and this is largely attributed to low uptake of maternal services in health facilities, and to gaps in the skills and competencies in maternal and newborn care. With regard to Goal 6, the rate of HIV prevalence among adults 15-49 years in Kenya was estimated to be 6.3% which is a reduction from 7.4% in 2007 and 6.7% in 2003. The incidence of TB has remained unacceptably high at 326/100,000 in 2009.

## RECOMMENDATIONS:

- There is need to fast-track the implementation of the PPPs policy framework to ensure a well-coordinated approach to healthcare financing and delivery.

### 3.4 THE BUDGET MAKING PROCESS IN LIGHT OF THE CONSTITUTION: ENTRY POINTS FOR CIVIL SOCIETY

**Presenter: Mr Kenneth Waithiru**

**Office of Deputy Prime Minister and Ministry of Finance**

Mr. Waithiru started with a basic definition of a public budget and its structure. He quoted from the OECD website, stating that “the budget is the single most important policy vehicle for giving effect to countries’ economic and social priorities”... “it is in the budget where policy objectives are reconciled and implemented in concrete terms”. He noted that the purpose of the budget is to determine what services government will provide and how to finance them. This involves allocation of public expenditure, control of public finance, and efficiency of public expenditure. The three basic underlying principles are comprehensiveness, realism, and transparency/ accountability.

The budget is prepared according to a defined cycle, and each level of government and public entity should have their own budget. The budget should include all revenues and expenditures and all extra-budgetary funds and special account expenditures financed by external sources should be subjected to the same scrutiny as normal programs.

The Budget Calendar for Kenya is a public document available online, available as part of the Budget Outlook Paper (BOPA). See slides at Appendix 3 for 2011 Budget Calendar.

Mr Waithiru notes that there is a feeling that the ministry is not fully accountable. The district process is not very effective. Sometimes the decisions are made before the consultations are completed, resulting in a scenario where the submission of district inputs comes too late in the process.



*Mr Waithiru as he emphasizes an important consideration*

#### RECOMMENDATIONS:

- Civil Society should be engaged in the budget process, access the publically available documents and engage in government scrutiny.

### 3.5 THE ROLE OF DEVELOPMENT PARTNERS IN ENSURING INCREASED HEALTH FINANCING FOR KENYA

**Presenter: Ms Stephanie Sealy,**

**GIZ (formerly GTZ): Chair of Development Partners in Health Kenya**

Ms. Sealy outlined the role of development partners in contributing to increased health financing in Kenya, which involves the following:

- Assisting the Ministry of Health and all health development partners with budget analysis and monitoring of the budget and actual expenditures;
- Monitoring that GoK is adhering to the agreements on increased financing and voicing deviations to DP – GoK dialogue fora;
- Analysing how funds are allocated in the budget and making comments / statements in the sector hearings;
- Supporting data collection and analysis;
- Supporting CSOs and NGOs in their capacity building in budget analysis, advocacy and policy dialogue.



*Ms Stephanie Sealy of GIZ breaks down the issues during her presentation*

Ms. Sealy found that there is still relatively poor involvement in the budget development process by development partners as well as civil society, with few stakeholders participating in the Medium Term Expenditure Framework (MTEF) and budget outlook paper formulation processes. Development partners are invited to data collection hearings, but often too late. We come with substantial comments and are really an integral part of the process. CSOs should get the same training as the Ministry of Finance so that they can understand how to read and contribute to a budget. Off-budget funds are also an issue – nobody is quite tracking the spending of these funds.

#### RECOMMENDATIONS:

- Ministries of Health to more actively involve development partners and civil society in the budget preparation process.
- Sector partners to maintain joint responsibility in ensuring funds are allocated according to agreed sector priorities.

### 3.6 QUESTION AND ANSWER SESSION

**QUESTION:**

*Has the NACC thought about programs addressing heterosexual couples and MSM? For example, men who are married yet are also engaging in sexual relations with men outside the relationship, and are therefore double contributors?*

**ANSWER (MRS. OMBAM):**

We now say we need to target heterosexual couples more than before. With regard to MSM we are talking about targeting interventions, but this is again something that is in conflict with the law in this country – we need to put the legal framework in place to allow us to take this on as a program activity.

**QUESTION:**

*It needs to come out clearly that most of the funding comes from a loan from the World Bank.*

**ANSWER (MRS. OMBAM):**

The World Bank is just one of the funding mechanisms, and whether it is a loan or a grant the bulk (90%) is coming from external sources which are now experiencing their own crises in their countries. We have to start thinking of innovative ways of sustaining financing; using HIV as an entry point to see how we can leverage resources for improving health financing in Kenya.

**QUESTION:**

*What has happened to the technical working group? – this needs to be revived.*

**ANSWER (MRS. OMBAM):**

The Technical Working Group has been working tirelessly, and even the presentation made today is a result of the technical working group. Maybe the communication channels are not working to reach everybody; we are pushing to ensure HIV financing for this country.

**COMMENT:**

Off-budget is very important, but you can't put those donor funds to the 15% and this is what most governments want to do to say they have achieved this. We need to keep this separate and note the gaps in donor funding.

**QUESTION:**

*Which development partner should we approach to train CSOs on this?*

**ANSWER (MS SEALY):**

Approach the DPHK and ask to make a presentation to all of the development partners, referencing the GIZ, and say it was suggested that you approach the DPHK for more support.

**QUESTION:**

*Is there any progress in the area of the National Social Budgeting Framework? I feel it can be of help for us as civil society in tracking and monitoring health financing.*

**ANSWER: (MR. OGOLA):**

The National Social Budgeting Framework was launched last year by the Minister for Planning. Progress has been made starting with specific districts, calling it Social Intelligence Reporting which is being done by the District Development Officers. It is difficult to get to all districts, but we hope to be in one district in all 47 counties by the end of the financial year. In the present format we are trying to change the guidelines to take care of issues of the new Constitution.

**QUESTION:**

*Is there an allocation of funds for health and HIV and AIDS that go to the array of ministries that we have? We have never had it articulated by any ministry to account for how these funds have been spent within any given budget year. Why should the Ministry be allocated funds that it cannot account for?*

**ANSWER (MR WAITHIRU):**

The AIDS Control Units (ACUs) are internally funded by the various ministries and they have their own budgets which are meant to capacity build the respective ministries to respond to the HIV and AIDS challenge but basically it is education for the ministries.

**ANSWER (MR WAITHIRU):**

We have had an advisor for the past two years based in the Ministry of Finance to ensure that the issues of social budgeting are taken on board in the budget and we have seen a big difference from him being there.



*Ms Wariara Mugo of MSF draws attention to an issue during the session*

**QUESTION:**

*Previously we have had budgets read in the East African Region on the same date, and now the new Constitution instructs the budget to be read in April; was there a reason why the budgets were read on the same day, and what will change after that?*

**ANSWER (MR WAITHIRU):**

Reading of the budget is a presentation by the Minister of Finance; a public activity so the budget will be ready as per the Constitution. Presentation to the public will still be done in line with the spirit of the East African Community. This is an ongoing discussion; most likely in the spirit of the Community we shall be reading it on the same day, but the budget shall be ready by the deadline in the Constitution.

**QUESTION:**

*The outline targets for health are very interesting but they don't connect reality to theory. Today children are dying across the board from malnutrition, HIV, all sorts of related diseases. We are not looking for grand targets – we want things that are tangible today. A reduction of the deaths today not promises to reduce them in 10 or 20 years.*

**ANSWER (MR. OGOLA):**

We get information through surveys as much as possible using credible information. At an international level we have targets to move towards. From a planning perspective if you do what we are saying we will be working towards those targets. What you are saying about on the ground happens everywhere, but we are talking about the numbers.

**QUESTION:**

*Interventions for sustainable health financing: I would like some insight from the Ministry of Finance on the proposed interventions, for example allocation of 1% of the budget to go to HIV related issues, and also a measure of the taxation of airlines and other levies – how practical is it?*

**ANSWER (MR WAITHIRU):**

We take it as a proposal and it will go through the process. These are very good proposals that should come through by writing to the Treasury so that these proposals are considered alongside other proposals that are competing for public resources.

**ANSWER (DR. KAHIU):**

Really 1% was just a figure we have come up with. It actually comes to about KSh 7 million if it is just the revenue, and that is just a suggestion we have discussed with the Ministry of Finance. They are willing to help us, but they may not be able to start with the 1% immediately. We are also going to lobby other people like companies and multinationals to see whether they can put some more money into that pot so that by the time people giving us money for ARVs are pulling out, we will at least have some money to buy ARVs. The money will also be used for prevention and for education. Most of this is going to education and it is very difficult to measure how much education has benefited people – how much they have retained what they have been told.



*Participants register their interest in the question and answer session*

**QUESTION:**

*Last year in July the Ministry of Medical Services released a circular to establish palliative services across the country and KEPHCA was to provide support to those services. We have seen in the last week a lot of awareness brought out through the Minister in relation to when he got cancer, and there are many Kenyans who are suffering due to lack of such services. KEPHCA has done a needs analysis in the ten Government hospitals listed in the circular and the biggest need is financial allocation for the task. Most hospitals say that money for the establishment of such services has*

*not been provided to them and therefore have not able to establish the services, but the good will is there to have such services. How do we support such initiatives? Do we have to go through the Ministry or are there other ways?*

**ANSWER (MR WAITHIRU):**

The Ministry of Finance is not able to prioritise for other ministries. If your sector is not able to handle that aspect we ask them to give us a write up of the critical expenditures that they are not able to finance so we can enter into discussions or negotiations with our development partners to see if these are areas they are interested to support. Our public resources are finite so as much as we would like to finance everything we are not able to. We give a sector a ceiling and they agree within themselves as to the priorities.

**QUESTION:**

*Recurring expenditure – are they revised, how often, who determines the revision and is there public input?*

**ANSWER (MR WAITHIRU):**

The revised budget normally comes around March/April then there is no further opportunity for revisions. We don't do it too often. Right now as we are talking we are in government printing for the revised budget which will be presented when Parliament opens in one week.

**QUESTION:**

*Before the Minister of Finance enters into any loans on behalf of other ministries are there consultations between other ministries or does the Ministry of Finance act on its own and consult after the loans have been given?*

**ANSWER (MR WAITHIRU):**

Ministries themselves have their needs and sometimes they appeal to donor partners who, depending on their priority, express the willingness to finance some of these programs. We come in at the tale end when we are contracting the loans, but the negotiations are done between the development partner and the relevant ministry. Because we have to establish that this loan is sustainable, the Minister of Finance contracts for external financing.

**QUESTION:**

*The 35 million that was used for diplomacy for the Ocampo 6 (International Criminal Court (ICC) suspects) – is there a pot for that money? The things that come unexpectedly, how do we deal with those things? Where does that money come from?*

**ANSWER (MR WAITHIRU):**

There are a lot of other demands that come to us over and above what was passed in the June budget. Sometimes it is not possible to lock them out; major ones to do with droughts, war etc. These are catered for in the contingency fund. For other minor ones like the KSh 35 million for the defendants going to the ICC we do what we call supplementary budgets. Right now we are finalising the supplementary budget which will regularise some of those changes.

**QUESTION:**

*What has the Ministry of Planning with the Ministry of Finance put in place to address the problem with maternal health care?*

**ANSWER (MR OGOLA):**

Only around 40% of women who give birth do so in facilities, even though the facilities are there. It is not purely a financial issue; CSOs come in here regarding advocacy and mobilisation for usage of resources. This can be sorted out through a non-financial strategy.

**QUESTION:**

*Very few mothers use the health facilities in the rural areas. It has turned out that the health facilities are hardly funded – most of the money remains at the district and national level. People at the local level are preferring to use traditional birth attendants rather than to go to the health centres. So what is the Ministry of Planning doing to enhance the facilities' capacities to provide services?*

**ANSWER: (MR OGOLA):**

If you have finite resources and spread them, then what? How do we capture other forms of finances, which definitely are there? In my opinion for small facilities the local community can generate the funds for health facilities. Not everything will come from Government.

**QUESTION:**

*In relation to the Ministerial Public Expenditure Review – reports for the past 3 or 4 years have raised the same issues. The planning is not effectively done. What is the Ministry of Planning doing to enhance the planning process to ensure that it is participatory? There is no notice and in any case whatever we say is not taken into consideration.*

**ANSWER (MR OGOLA):**

Don't give up. For example who knew that the Constitution would come last year? If you are involved now in that budgeting process, e.g. with the Ministry of Health and you actually engage and look at the figures, you can have influence.

**QUESTION:**

*Before we had health and education separate, then you separated them for better planning. Is it good to expect these ministries to compete? We were moving towards 15% easier when health was separate from education. What was the logic in combining those big ministries?*

**ANSWER (MR OGOLA):**

If you look at it from a theoretical paradigm it makes sense. These two sectors are related. Education has had very high funding for obvious reasons due to policy on compulsory primary education. What takes much more is education policy whether you leave education alone or combine it with health.

**ANSWER (MR WAITHIRU):**

This sector has been one big debate. They feel when they are together with education they are disadvantaged because education takes huge amounts of money and it is necessary. Policy wise the debate evolved and I think we agreed that the social sector should be together so that you see the human being in all perspectives. We as Treasury try to allocate resources to sectors and then introduce contestability within the sector: among the discretionary areas they compete. We are now looking at results and you have to justify your financing according to outputs.

**QUESTION:**

*Regarding the new Constitution, how will health be administered? Will it belong to the Counties or the National Government? Regarding the devolved funds to health services – how much of this has so far been dispersed? What factors are put into consideration when this fund is allocated? What was given to the health centres was a flat figure regardless of location.*

**ANSWER (DR KAHU):**

The district hospital and below will fall under Counties, and provincial hospital and above will fall under national government.

**QUESTION:**

*The Vision for 2030 needs to be translated into plans and policies by the different ministries and departments. What are the channels through which the CSOs can access those plans and influence those processes?*

**ANSWER (MR OGOLA):**

Once the funds have been distributed to the ministries, it is up to the ministry to allocate the funds. It is for the Ministry of Health to respond to how those funds are being used on the ground.

**COMMENT:**

Apart from the fact that the fund is a flat figure, the government has withdrawn some of the services that it had offered to these facilities. For example, food given to expectant mothers along with maternity services.

**QUESTION:**

*With regard to supplementary budgeting, given the budgetary cycle, how then would the non-state actors fit in? There is an issue of constitutionality of supplementary budgets – how much leeway does the central government have in terms of the contingency fund? How off can you really go as far as the initial budget you have read?*

**ANSWER (MR WAITHIRU):**

This is where there could be an oversight because part of the supplementary budget process is not a public process. The only chance where the public has leeway is where it goes to Parliament for debate. Members of the public through the various committees can make presentations against what they perceive as abuse of resources. It doesn't go through the normal process of budgeting. It has been one of the most challenging areas because of its very nature that it doesn't go through the normal budgeting process and your comments are noted.

The Contingency Fund is a given, presented in the budget and passed. It has its own approval mechanisms according to the Auditor General and it will be the same even with the new Constitution. It is a certain percentage of the budget – one that was passed by Parliament, and contingencies are defined.

**COMMENT:**

*Regarding the allocation of ACUs, since this is a line item in the Ministry of Finance budget, however minimal this line item is, that is money that these ministries should not be getting. Why can't these line items go back to the relevant ministries. I am sure there is no satisfactory explanation as Dr. Kahi said – there is no way you can measure education as you are allocating it to the ministry. It should go to the ministries who can quantify it: the Ministry of Health.*

**QUESTION:**

*I have a concern that the Treasury gets money every year from Ministry of Health for money not expended. On the ground you are expected to expend money which only comes in during the final quarter which is often not possible. These are bottle necks in service delivery for the poor.*

**ANSWER (MR WAITHIRU):**

The last quarter is a challenge for government as a totality because we spend money as it comes. We even issue circulars asking ministries to ensure that by April they have cleared with all their procurements so that by May/ June we are just clearing the payments. Sometimes the flow of funds from KRA is not forthcoming. Hopefully we will increase our efficiencies to address this.

## 4.0 SESSION TWO: THE WAY FORWARD

### 4.1 PLENARY

#### Chair: Dr. Thomas Kibua

Former Deputy Governor of the Central Bank of Kenya and former Executive Director of the Institute of Policy Analysis and Research.

Dr. Kibua prompted the participants to think practically and proactively so that Civil Society is able to engage with the budgeting process. He made the following recommendations:

#### RECOMMENDATIONS

- Civil Society needs to claim their position in the process in order to influence change. We need not wait for Government to engage with us but the reverse.
- Civil Society needs to be knowledgeable. In order to engage meaningfully you must come from an informed position. For guidance refer to Policy Paradox in Africa published by IDRC: (see <http://idl-bnc.idrc.ca/dspace/bitstream/10625/34995/1/126117.pdf>).

Dr. Kibua noted with great concern that the Ministry of Medical Services and Ministry of Public Health and Sanitation were not represented despite being invited. He stressed the need for key health sector Ministries to appreciate the need and significance of meaningful engagement with Civil Society to boost the health sector.

Dr. Kibua challenged all participants in the meeting to come up with take-home points from the meeting. The participants were invited to brainstorm as to what they could do as a group to get to get involved in the national budgeting process in good time. Dr. Kibua encouraged the group to choose the ten most important priority action points. The ten action points agreed upon through group discussion are included in the column headed 'What' in the table below at 4.2.

Dr. Kibua emphasised that Civil Society will only be engaged if it comes with a 'packaged message'. Part of this 'packaging' involves an implementation plan. Again, the participants were invited to brainstorm the required action points for implementation, and these are included in the columns headed 'How' and 'When'.



*KELIN representatives and other participants manifest concentration as the sessions draw to a close*

## 4.2 THE WAY FORWARD: MATRIX OF ACTION POINTS

	What	How	When
(i)	Comprehend the new budget calendar.	Take up offers of development partners towards capacity strengthening: Develop a knowledge base among CSOs.	Email DPHK by March 11, 2011, setting out our intention. Get comments from the meeting participants by March 30, 2011.
(ii)	Stay ahead of the Government by one month: Prepare yourself with facts. Tell the policy makers what you want them to do and justify it. Leave out the theories.	Engage the Minister of Medical Services, and COTU, to discuss the National Health Insurance Financing.	Pending until Court case on March 15, 2011.
(iii)	Institutional strengthening for more effective engagement: Fundraise to support human resources with specific commitment to the budget process.	KELIN, as the meeting convenors, are to prepare a report from the meeting, including the presentations, with specific action points, and share this among the CSOs – institutionalise the report and budget process.	First draft of report and video to be produced by March 25, 2011.
(iv)	Create a matrix of priorities on funding.	Identify and engage with organisations working in governance to help build capacity on decentralised funding structures.	Get a database of organisations as part of the report - DSW to circulate the forms for data collection by March 16, 2011. - forms to be sent out to partners by March 21, 2011. - DSW to analyse the data by March 28, 2011, for inclusion in the report.
(v)	Identify the key engagement partners in the bureaucracy: Parliamentary Committee on Health, Housing, Labour and Social Welfare, Ministry of Public Health and Sanitation, Ministry of Finance, Ministry of Planning, development partners. Identify the Chair. Think of new players so you don't just do the traditional things.	Institutionalise assessment on capacity of CSOs to engage with the budget process.	
(vi)	Engaging COTU in deliberations with regard to NHIF	Share knowledge among CSOs.	Share tools, reports and other materials that will add value to the process, by March 14, 2011. Develop a mailing list or be included in the DSW mailing list. Melba to share information regarding e-forum submission Caroline to include the group in the DSW mailing list re health budgets. There is a national e-forum on health.
(vii)	Target the Commission for Revenue Allocation who will give money to Counties and the rest to Government. (The allocation to Counties is upped depending on performance).		Submit a written memorandum to the ministries / Chair of Parliamentary Group. circulate one pagers by March 16, 2011 (Rose Wanjitu to lead). Input to NACC cabinet papers. Share one pager with Dr. Kahi.
(viii)	Engage with the Constitution Implementation Committee.	Engage in the current budget process.	
(ix)	Push for gazzetment of HIV as a national emergency. – it was declared a national emergency in 1999 but it has so far not been gazzeted.		

	What	How	When
(x)	<p>Enhancement of urgent monitoring activities: consolidate what is happening, enhance it, and get engaged all the time. Budget allocations and budget monitoring: both are equally important.</p> <p>HSSF and HSMF give us a good opportunity to do budget monitoring. Budget No. 328 for reproductive health doesn't reach the communities or even the healthcare providers.</p> <p>GIZ has been doing a lot of social budget monitoring and they have put structures down at the grassroots to monitor health budgeting. UNICEF has also done a similar thing – there is no need to reinvent the wheel. Also Institute for Social Accountability.</p>		

CONCLUSION

Ms. Rosemary Mburu of KANCO gave closing remarks thanking all of the speakers and participants for making time to contribute to this very important forum. She also acknowledged the support of various CSOs who formed an integral part of the planning process and execution of the meeting along with KELIN.

## 5.0 METHODOLOGY

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The meeting was conducted through learning processes including structured power point presentations, motion audio-visual presentations and question and answer sessions, including discussions with government ministers. KELIN undertook to forward the outcome of the meeting including all recommendations on the way forward in the form of a report circulated to all the stakeholders including the key Ministries that were invited and whose continued cooperation is vital in moving the process forward..

# APPENDIX I: PROGRAMME



## TECHNICAL MEETING TO STRATEGIZE ON INCREASED HEALTH FINANCING IN KENYA

DATE: Wednesday, 9th March 2011

Venue: Panafrican Hotel Nairobi

### PROGRAM

TIME	SESSION	CHAIR/PRESENTER	OBJECTIVE
8.00 – 8.30 AM		Registration	
8.30 – 8.40 AM	Introduction and Welcome Remarks	Mr. Allan Maleche (KELIN)	
<b>SESSION 1: THE ROLE OF GOVERNMENT IN DEVELOPMENT OF THE HEALTH SECTOR</b> CHAIR OF SESSION: MS. Rose Wanjiru (CEGAA)			
8.40 – 9.10 AM	An analysis of financing of the Health Sector Priority areas for both Ministries Allocation and House hold expenditure in 2010/2011 by both Ministries Challenges 2011/2012 submissions Recommendations	Mr. Maina (Ministry of Medical Services)  Mr. Onguti (Ministry of Public Health and Sanitation)	EVALUATING THE CURRENT STATE OF HEALTH FINANCING
9.10 - 9.30 AM	An Overview of Financing for HIV in Kenya: Entry points for Civil Society For Advocacy. HIV and AIDS – a national disaster Mobilization of Resources for HIV response (budget and off budget sources and expenditure) Absorption capacity Recommendations	Ms. Regina Ombam (NACC)	
9.30 – 9.50 AM	Ministry of Planning, National Development and Vision 2030. Place of Health in the realization of Vision 2030 (MDGs) Kenya's commitment towards International obligations in the realization of access to health for all Recommendations	Mr. Stephen Wainaina (Economic Secretary)	
9.50 – 10.10 AM	The Budget making process in light of the Constitution: Entry points for Civil Society". Budget making process Prioritizing health in the National budget vis-à-vis other sectors Economic stimulus package – impact on health financing Recommendations	Permanent Secretary Ministry of Finance / Acting Budget Director	
10.10 – 10.30 AM	The Role of Parliamentarians in Ensuring Increased Health Financing for Kenya in light of the Constitution. Role of parliament in ensuring health is prioritized Opportunities (entry points) for health activists and CSOs' input in the budget making process Recommendations	Hon. Robert Monda M.P (Chair Person, Parliamentary Health Committee)	
10.30 – 10.50 AM	The Role of Development Partners in Ensuring Increased Health Financing for Kenya How can development partners contribute to increased health financing in Kenya Past challenges in working with both the Government and NGOs Recommendations	Chairperson, World Bank	
10.50 – 11.10 AM	Question and Answer session		
11.10 – 11.40 AM :	TEA BREAK		
<b>SESSION 2: AN EFFECTIVE HEALTH CARE SYSTEM</b> CHAIR OF SESSION: Mr. Miano Muene (HERAF)			
11.40 – 12.00 PM	Towards universal access Proposed scheme- benefits Monitoring and Evaluating efficiency and service delivery	Mr. Chacha Marwa National Hospital Insurance Fund (NHIF) Representative	CONSIDERATION/ POSSIBILITIES FOR THE NEAR FUTURE
12.00 – 12.20 PM	The Impact of Foreign AID to Health and HIV Financing in Kenya Foreign AID – help or hindrance to the health sector in Kenya? Country comparison and best practices Recommendations (for the various stakeholders)	Dr. Urbanus Kioko, Health Economist	
12.20 – 12.45 PM	Question and Answer session		
12.45 – 2.00 PM	LUNCH BREAK		
<b>SESSION 4: PLENARY</b> CHAIR OF SESSION: Dr. Thomas Kibua (Former Finance Secretary)			
2.00 – 3.00 PM	Way forward	Dr. Thomas Kibua	BE THE CHANGE WE WANT
3.00 – 3.05 PM	Closing Remarks	Ms. Rosemary Mburu (KANCO)	
3.03 – 3.30 PM	TEA AND DEPARTURE		

## APPENDIX II: LIST OF PARTICIPANTS

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