REPUBLIC OF KENYA

HEALTH SECTOR WORKING GROUP REPORT

MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

FOR THE PERIOD 2015-16 to 2017-18

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November 2014

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FOREWORD

As a consequence of increased demand for access to quality healthcare resulting from the improvement in socio-economic status as well as the epidemiological and demographic changes, the health sector needs to re-engineer and define innovative strategies to keep pace and meet these demands within a constrained fiscal space. This challenge has been accentuated by the need to accelerate realization of right to health as provided for under Article 43 of the Constitution. Further, there is global consensus that one of the fundamental approaches to achieving a newly healthcare to improve efficiency and effectiveness through harmonization and alignment of key health strategies by all stakeholders in health.

The Health Sector Medium Term Expenditure Framework (MTEF) for the period 2015/16 - 2017/18 is anchored on the Second Medium Term Plan (2013 – 2017) of Vision 2030, the proposed Kenya Health Policy 2014 - 2030, the Health Sector Strategic Plan 2013 – 2017 and the Constitution of Kenya 2010.

The main purpose of the Report is to provide a snapshot of the priority health sector programmes to guide policy makers, donor agencies and other stakeholders in coming up with appropriate, health interventions for financing within the MTEF period.

This Health Sector Working Group (SWG) report presents an analysis of the Sector performance, achievements, challenges and the resource requirement. It further provides insights to the Cross sector linkages, Intra Sectoral Linkages within the Health Sector and Emerging Issues in view of the demographic, epidemiologic, economic and technologic transitions.

Finally, the report highlights key recommendations that should be considered to accelerate achievement of sector objectives.

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We are particularly grateful to the entire MTEF Report Writing Team whose members were drawn from the National Treasury, Ministry of Devolution and Planning (State Department of Planning) and National Ministry of Health and its SAGAs. The Team worked tirelessly to ensure the Report was completed on time. The logistical support provided is also acknowledged.

LIST OF ABBREVIATIONS

ACUs	AIDS Control Units
ADB	Africa Development Bank
AIA	Appropriations in Aid
AIDS	Acquired Immune Deficiency Syndrome
AMREF	African Medical and Research Foundation
ANC	Antenatal care
ARVs	Antiretroviral (drugs)
BOPA	Budget Outlook Paper
CBOs	Community Based Organizations
CDC	Centre for Disease Control
CIDA	Canadian International Development Agency
CRWPF	Central Radioactive Waste Processing Facility
DANIDA	Danish International Development Agency
DFID	Department for International Development
DNA	Deoxyribonucleic Acid
ERS-WEC	Economic Recovery Strategy for Wealth and Employment Creation
FBOs	Faith Based Organizations
FP	Family Planning
GDP	Gross Domestic Product
GoK	Government of Kenya
HIS	Health Information Systems
HISP	Health Insurance Subsidy Programme
HIV	Human Immunodeficiency Virus
HR	Human Resources
HRH	Human Resources for Health
ICT	Information and Communication Technology
IHIMS	Integrated Hospital Information Management System
JICA	Japanese International Corporation Agency
KAIS	Kenya AIDS Indicator Survey
KDHS	Kenya Demographical Health Survey
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Authority
KHP	Kenya Health Policy
KHSSP	Kenya Health Sector Strategic Plan
KIDDP	Kenya-Italy Debt for Development Programme
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KM	Knowledge Management
KM/KT	Knowledge Management/Knowledge Transfer
KMTC	Kenya Medical Training College
KNBS	Kenya National Bureau of Statistics
KNH	Kenyatta National Hospital
KQMS/H	Kenya Quality Model for Health

KShs	Kenya Shillings
M.E.S	Managed Equipment Service
MDGs	Millennium Development Goals
MPER	Ministerial Public Expenditure Review
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MTRH	Moi Teaching and Referral Hospital
NACC	National AIDS Control Council
NASCOP	National AIDS and STDs Control Programme
NBTS	National Blood Transfusion Services
NGOs	Non-Governmental Organizations
NHIF	National Hospital Insurance Fund
NHSSP	National Health Sector Strategic Plan
NLTLD	National Leprosy, Tuberculosis and Lung Diseases
NPHL	National Public Health Laboratories
O & M	Operations and Maintenance
PEPFAR	Presidential Emergency Plan for Aids Relief
QI	Quality Improvement
R&D	Research and Development
SAGA	Semi-Autonomous Government Agency
SWAP	Sector Wide Approach
SWG	Sector Working Group
TB	Tuberculosis
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USAMRU	US Army Medical Research Unit
VCT	Voluntary, Counselling and Testing
WB	World Bank
WHO	World Health Organization
WRA	Women of Reproductive Age

Executive Summary

Introduction

The Health Sector is made up of the Ministry of Health and seven Semi Autonomous Government Agencies namely Kenyatta National Hospital; Moi Teaching and Referral Hospital; Kenya Medical Training College; Kenya Medical Supplies Authority, Kenya Medical Research Institute, National Hospital Insurance Fund; and National AIDS Control Council. The mandate for the Sector is to build a progressive, responsive and sustainable technologically-driven, evidence-based and client-centred health system for accelerated attainment of the highest standard of health to all Kenyans. This Health Sector Report provides an analyses of sector performance, expenditure trends, achievements and resource requirements.

Situation Analysis

Kenya epidemiological profile shows that, disease burden is still high. Top five causes of outpatient morbidity are malaria, diseases of the respiratory system, skin diseases, diarrhoea, and accidents accounting for about 70 per cent of morbidity.

However, achievements have been realized in a number of indicators including reduction of under five mortality from 115 per 1,000 live births in 2003 to 74 per 1,000 live births in 2008/09; and infant mortality from 77 per 1000 live births to 52 per 1000 live births in the same period. Despite a decline from 590 per 100,000 in 1998, maternal mortality ratio for Kenya is still very high at 488 per 100,000 live births in 2008/09.

Expenditure review

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The approved Sector allocation increased from KShs. 77 billion in 2011/12 to KShs. 94 billion in 2012/13 andreduced to KShs. 45 billion in 2013/14 due to the transfer of devolved health function to the County Governments.

The Sector absorption rate was 79 per cent, 87 per cent, and 69 per cent of the approved budget in the period under review with recurrent vote absorbing 91 per cent, 100 per cent, and 80 per cent respectively. Development vote absorbed 63 per cent, 67 per cent, and 58 per cent respectively, in the same period. Further, 70% of the development budget is donor funded.

Analysis of expenditures by Economic classification indicates that prior to 2013/14 financial years, compensation to employees consumed the largest share of the funds for the health sector; followed by Use of Goods and Services. Analysis for FY 2013/14 show a shift whereby Grants, Transfers and Subsidies account for 68 per cent followed by Use of Goods and Services at 23 per cent. Compensation to employees is now 8 per cent of the total budget allocated to the Sector. KEMRI and KNH have pension deficits of KShs 597 million and KShs.3.5 billion respectively. Further, rationalization of the Government budget midstream has contributed to the creation of pending bills. The pending bill for FY 2012/13 was KShs 825 million while for FY 2013/14 was KShs 1,650 million.

Resource Requirements and allocations

In the Financial Year 2015/16-17/18, MTEF period the sector requires **KShs 88,983 million compared to a resource allocation of** KShs **48,407 million**. Further, requirements are KShs **93,003 million** and **KShs 97,653 million** for the 2016/17 and 2017/18 respectively. The Sector's resource requirements are guided by the sector policy commitments as broadly articulated in the Vision 2030 and more specifically in the Second Medium Term Plan (2012 – 2017) while ensuring alignment of the Health Sector policies.

Emerging Issues

Although HIV and AIDS has come under control through several interventions including provision of ARVs, several 'old' infectious diseases, including tuberculosis and malaria have proven problematic, because of increased antimicrobial resistance and activation of infectious agents (e.g. tuberculosis) in people whose immune system is weakened by AIDS. Further, deteriorating security concerns pose a significant and growing threat to national security with serious implications for public health. Threats from Ebola and acts of terrorism have the potential of affecting health and loss of lives.

The rebasing of the National GDP, is likely to impact on the financing of inputs and support from donor for programmes such as immunization, HIV and AIDS and TB among others.

Although significant progress towards containing the threat of communicable diseases such as HIV and AIDS, Malaria, Pneumonia, TB and Cholera have been made, the burden to the sector is still significant. This is at the backdrop of rising non-communicable diseases like cancer, hypertension, heart diseases and diabetes due to changes in life styles. Injuries (road traffic accidents) are also significant causes of death and disability. This combined double burden is projected to further increase, posing new challenges and pressure on the health care delivery system.

Challenges

The health sector faces a number of challenges which include:

(a) Health workers to population ratio. - The numbers of health workers has not kept pace with population growth.

(b) Over-reliance on external funding which form a significant share to development budget

(c) The high child nutrition status (stunting) has the potential to cause future declines in health status.

(d) Low budgetary allocation to the Sector

Recommendations

In order to sustain the gains made and improve on the sector performance, the following recommendations are made:

- The national and county governments should taking note of the inadequate budgetary allocations. The two levels of government should consider improving the efficiency and effectiveness in programmes implementation in addition to exploring alternative mechanisms of mobilizing additional resources.
- Most of the public health programmes are largely dependent on donors for financing. As more government funds become available to the health sector, efforts should be made to increase allocations to these public health programmes, with the overall goal of full financing in the long run.
- In the recent past, the country has witnessed potential disease threats like Ebola and acts of terrorism. This calls for additional resources allocation in order to prepare, respond and contain such situations.
- Maintain and strengthen the existing health sector inter-governmental consultative fora/ mechanisms for coordination of health sector in the two levels of government.
- The national government to undertake comprehensive capacity analysis with a view to developing a comprehensive capacity building plan to facilitate realization of health sector objectives.
- National Treasury to provide Kshs 550million required to upgrade and equip cancer units at KNH and Moi Teaching and Referral Hospitals. Resources allocated in FY 2015/16 amount to **KShs 240 million** and the Sector requiresadditional funds amounting to **Kshs 310 million**.

1 CHAPTER ONE: INTRODUCTION

The Health Sector Working Group (SWG) report for the 2015/16-2017/18,MTEF period presents an analysis of the Sector performance, achievements and the resource requirements for the period 2015/16 - 2017/18. The public Health Sector comprises of the Department of Health (Vote 108) and seven Semi-Autonomous Government Agencies (SAGAs) namely, Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), Kenya Medical Research Institute (KEMRI), Kenya Medical Supplies Authority (KEMSA), Kenya Medical Training College (KMTC), National Health Insurance Fund (NHIF), and National Aids Control Council (NACC). The main purpose of the report is to provide policy makers, donor agencies and other stakeholders with key information on government programmes that guide in making appropriate interventions.

1.1 Background

The Health Sector Medium Term Expenditure Framework (MTEF) for the period 2015/16 - 2017/18 is guided by the Second Medium Term Plan (2013 – 2017) of Vision 2030, the Kenya Health Policy 2012 - 2030, the Health Sector Strategic Plan 2013 – 2017 and the Constitution of Kenya 2010.

The Government long term economic blue print, Vision 2030 and its Second Medium Term Plan 2013-2017 has deliberately committed to undertake development processes aimed at making Kenya a globally competitive middle income country. Under the Social Pillar, the Government has committed to improve the quality of life for all Kenyans by ensuring Equitable, Affordable and Quality Health Care of the Highest Standard. In doing so the Health Sector has prioritized flagship projects that need to be implemented to support realization of the goal of the vision[1].

Under the Constitution, Kenyans have the right to life and the highest attainable standard of health, which includes the right to quality health care services, reproductive health, emergency care, clean, safe and adequate water for all Kenyans, reasonable standards of sanitation, food of acceptable quality and a clean healthy environment.[2] National government health ministry and related Semi Autonomous Government Agencies (SAGAs) are mandated in the Schedule 4 of Constitution of Kenya to deliver on the following;

i. Championing and supporting the implementation of the Constitution;
ii. Developing national policy, legislation, standard setting, reporting, sector coordination and resource mobilization;
iii. Offering technical support , emphasis on planning and monitoring of quality standards countrywide;
iv. Providing guidelines on tariffs chargeable for provision of health services;

[1] Republic of Kenya, Medium Term Plan 2013 – 2017
The flagship projects are: Country-wide Scale up of Community Health High Impact Interventions; Improve Access to Referral Systems; Construct Model Level 4 Hospitals; Health Care Subsidies for Social Health Protection; Re-engineering Human Resource for Health; Health Products and Technologies; Establish E-Health Hubs in 58 Health Facilities; Mainstreaming Research and Development in Health; Health Tourism; Locally Derived Natural Health Products; Modernize Kenyatta National Hospital; and Modernize Moi Teaching and Referral Hospital.

[2] Kenya Constitution 2010

v. Promote mechanisms for improving administrative and management systems including conducting appropriate studies.
vi. Capacity building of county governments to effectively deliver quality and culturally responsive health services
vii. Provision of apex referral services

1.2 Overview of the Health Sector

Kenya epidemiological profile shows that, disease burden is still high. Top five causes of outpatient morbidity namely malaria, diseases of the respiratory system, skin diseases, diarrhoea, and accidents accounting for about 70 per cent of total causes of morbidity.[3] The challenge facing the health sector is to halt and reverse this trend as well as sustaining the various gains made. These challenges are further complicated by the establishment of the two levels of governments, the national and the 47 county governments, with distinct roles and responsibilities in health delivery. Total health expenditure in Kenya accounts for approximately 5.4 per cent of gross domestic product (GDP) while government health expenditure accounts for 4.6 per cent of government expenditures.

According to the Kenya Demographic and Health Survey (KDHS) 2008/09, nutritional status of children has stagnated over the years. An estimated 16 per cent of children under-five years were underweight, 7 per cent were wasted, and 35 per cent were stunted compared to 1998 KDHS where an estimated 22 per cent of children under-five years were underweight, 6 per cent were wasted, and 33 per cent were stunted.

Overall morbidity and mortality remain high, particularly among women and children. Achievements have been made in a number of indicators including reduction of Under Five mortality from 115 per 1,000 live births in 2003 to 74 per 1,000 live births in 2008/09; and infant mortality from 77 per 1000 live births to 52 per 1000 live births in the same period.[4] Despite a decline from 590 per 100,000 in 1998, Maternal Mortality Ratio (MMR) for Kenya is still very high at 488 per 100,000 live births in 2008/09.

Although significant progress towards containing the threat of communicable diseases has been made, the burden to the sector is still significant. This is at the backdrop of rising non-communicable diseases due to changes in life styles. Injuries (road traffic accidents) are also significant causes of death and disability. This double burden is projected to further increase, posing new challenges and pressure on the already fragile health care delivery system. The past and prevailing disease outbreaks threats like Ebola and acts of terrorism have the potential of disrupting health and loss of lives.

Improvement of health is hinged on the contribution of other sectors. In this regards the sector will continue to strengthen linkages under the social determinants of health including; literacy levels, employment and poverty levels, globalization, urbanization and housing conditions, national security, environmental and occupational hazards, good infrastructure, fundamental human rights, promotion of health tourism among others in order to enhance achievement of health goals.

[3] Kenya Annual Health Statistics, 2011
[4] Kenya Demographic and Health Survey 2008/09

Health Sector Vision and Mission[5]

Vision

"A healthy, productive and globally competitive Nation."

Mission

To build a progressive, responsive and sustainable health care system for accelerated attainment of the highest standard of health to all Kenyans.

1.3 Strategic goals and Objectives of the Sector

The following policy objectives aim towards the realization of the Health Sector Vision:

a. **Eliminate communicable conditions:** The Health sector will achieve this by forcing down the burden of communicable diseases, till they are not of major public health concern.
b. **Halt, and reverse the rising burden of non-communicable conditions by** setting clear strategies for implementation to address all the identified non communicable conditions in the country.
c. **Reduce the burden of violence and injuries.** Through directly putting in place strategies that address each of the causes of injuries and violence at the time.
d. **Provide essential health care** that are affordable, equitable, accessible and responsive to client needs.
e. **Minimize exposure to health risk factor** by strengthening the health promoting interventions, which address risk factors to health, plus facilitating use of products and services that lead to healthy behaviors in the population.
f. **Strengthen collaboration with private and other sectors that have an impact on health.** The health sector will achieve this by adopting a 'Health in all Policies' approach, which ensures it interacts with and influences design implementation and monitoring processes in all health related sector actions.

1.4 Ministry of Health Mandate[6]

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According to the Executive Order No. 2 of 2013; the core mandate for the national Ministry of health are; Health policy, Health regulation, National referral facilities, Capacity building and technical assistance to Counties.

1.5 Autonomous and Semi-Autonomous Government Agencies

The sector has seven Semi-Autonomous Government Agencies (SAGAs) which complement it in discharging its core functions through specialized health service delivery; medical research and training; procurement and distribution of drugs; and financing through health insurance. These SAGAs are the Kenyatta National Hospital; Moi Teaching and Referral Hospital; Kenya Medical Training College; Kenya Medical Supplies Authority, Kenya Medical Research Institute, National Hospital Insurance Fund; National AIDS Control Council.

[5] Kenya Health Sector Strategic Plan 2013 - 2017
[6] Republic of Kenya, Ministry of Health Strategic Plan 2013/14 – 2017/18

1.5.1 Kenyatta National Hospital (KNH)

Kenyatta National Hospital (KNH) operated as a department of the Ministry of Health until 1987 when its status changed to a State Corporation through Legal Notice No. 109 of 6th April 1987.

The Hospital is the training facility for University of Nairobi (College of Health Sciences) and Kenya Medical Training College (KMTC). The institution also works closely with the Kenya Medical Research Institute (KEMRI), Government Chemist, National Radiation Protection Board, National Public Health Laboratories (NPHL), National AIDS and STDs Control Programme (NASCOP), National AIDS Control Council, National Blood Transfusion Services (NBTS) and African Medical and Research Foundation (AMREF).

Mandate

The Hospital has the following mandate;

i. Receive patients on referral from other hospitals or institutions within or outside Kenya for specialized health care;
ii. Provide facilities for medical education for the University of Nairobi Medical School, and for research either directly or through other co-operating health institutions;
iii. Provide facilities for education and training in nursing and other health and allied professions;
iv. Participate as a national referral hospital in national health planning.

Strategic Themes

The Strategic Themes identified for this planning period are;

a. **Excel in clinical care and outcomes**
   The management of KNH and the entire staff are committed to continued provision of accessible specialized quality healthcare, facilitate medical training and research. The hospital will initiate and implement appropriate programs to foster quality healthcare and promote clinical outcomes.
b. **Enhance Infrastructure, Processes and Systems**
   KNH has identified and incorporated into this plan the mechanisms to upgrade, maintain and rehabilitate the available infrastructure to support the processes, systems and facilities necessary to achieve this strategy.
c. **Improve Human Resource Management**
   KNH will continuously improve the use and performance of the available human resource as well as address the shortages by increasing numbers, rationalize deployment, improve quality and mix of the work force. In addition, KNH is committed to empowering its human resource for the achievement of this strategy.
d. **Ensure Financial Sustainability**
   The hospital aims at improving its financial sustainability through mobilization of resources, revenue generation /collection and Cost Containment. This strategic plan sets activities towards strengthening the hospitals financial position.

1.5.2 Moi Teaching and Referral Hospital (MTRH)

Moi Teaching and Referral Hospital was established by the Legal No. 78 of 1978 under the State Corporations Act (Cap 446). Its core functions include the provision of accessible

specialized, quality healthcare services and provision of teaching facilities through research, capacity building, innovation and participation in national health planning.

The mandate of MT&RH is to receive patients on referral from other hospitals and institutions within and outside the country for specialized health care; provide facilities for medical education for Moi University, and for research in collaboration with other health institutions; provide facilities for education and training in nursing and other health and allied professions.

The overall Goal of the Hospital is to provide Preventive, Promotive and Curative Health Care for all Kenyans through the following Strategic objectives;

i. To provide specialized, quality and accessible health care services to all clients.
ii. To provide an enabling environment for teaching and conducting co-ordinated research activities in order to contribute towards enhancing competent healthcare professionals
iii. To maintain and diversify a stable and sustainable financial base of the Hospital
iv. To increase the capacity of the institution to recruit, develop and retain a competent human resource that is able to provide excellent service delivery to its customers.
v. To strengthen and maintain strategic leadership, governance and ethical practices.
vi. To develop and maintain an efficient and effective Integrated Hospital Information Management System (IHIMS) that is compatible and robust in ICT connectivity and networking in delivery of specialized service by the Hospital.
vii. To position the Hospital to play its role in the attainment of Kenya Vision 2030 objectives.
viii. To ensure the risks in the Hospital are managed effectively.

1.5.3 Kenya Medical Training College (KMTC)

Kenya Medical Training College was established as a state corporation through an Act of Parliament (Legal notice no.14 of 1990) vide Cap.261, of 1991.

The mandate of KMTC as stipulated in the Act Cap 261 of the laws of Kenya is;

i. To provide facilities for college education for national health manpower requirements
ii. To play an important role in the development and expansion of opportunities for Kenyans wishing to continue with their education
iii. To provide consultancy services in health related areas
iv. To develop health trainers who can effectively teach, conduct operational research, develop relevant and usable health learning materials
v. To conduct examinations for and grant diplomas
vi. To determine who may teach and what may be taught and how it may be taught in the College
vii. To examine and make proposals for establishment of constituent training centers and faculties.

KMTC Strategic Objectives

i. To sustain quality in training and learning
ii. To expand training opportunities

iii. To enhance institutional research capacity
iv. To institutionalize consultancy services
v. To attract, develop and retain qualified staff
vi. To strengthen internal processes
vii. To integrate ICT in management of college operations
viii. To improve KMTC corporate image
ix. To establish appropriate resource mobilization mechanisms
x. To strengthen financial and resource management system

1.5.4 Kenya Medical Supplies Authority (KEMSA)

Kenya Medical Supplies Authority was established under the Kenya Medical Supplies Authority Act No. 20 of 25th January 2013 as a successor to the Kenya Medical Supplies Agency established as a State Corporation under Legal Notice No. 17 of 3rd February, 2000.

It is mandated as a medical logistics provider with the responsibility of supplying quality and affordable essential medical commodities to health facilities in Kenya through an efficient medical supply chain management system.

Specific mandates include:

i. Procure, warehouse and distribute drugs and medical supplies for prescribed public health programs, the national strategic stock reserve, prescribed essential health packages and national referral hospitals.
ii. Establish a network of storage, packaging and distribution facilities for the provision of drugs and medical supplies to health institutions.
iii. Enter into partnership with or establish frameworks with County Governments for purposes of providing services in procurement, warehousing, distribution of drugs and medical supplies.
iv. Collect information and provide regular reports to the national and County government's on the status and cost effectiveness of procurement, the distribution and value of prescribed essential medical supplies delivered to health facilities, stock status and on any other aspects of supply system status and performance which may be required by stakeholders.
v. Support County Governments to establish and maintain appropriate supply chain systems for drugs and medical supplies.

Strategic objectives of KEMSA

i. Realignment of KEMSA operations to a medical supermarket model to offer a demand driven supply system in line with the devolved system of government and health function.
ii. Effective servicing of the needs of county health facilities by selection and quantification of medical commodities in consultation and collaboration with the Ministry of Health and County Health Officials.
iii. Pre-testing of medical commodities samples before distribution to ensure high standards of drugs to Kenyans.
iv. Operating a distribution system for timely dispatch of commodities to County health facilities.

1.5.5 National Hospital Insurance Fund (NHIF)

National Health Insurance Fund was set up in 1966 under Cap 255 of the Laws of Kenya as a department under the Ministry of Health. Its establishment was based on the recommendation of Sessional Paper no. 10 of 1965: African Socialism and its Application to Planning in Kenya. The original Act was revised and currently, the Fund derives its mandate from the NHIF Act No. 9 of 1998.

The mandate of the NHIF is to provide accessible, affordable, sustainable and quality social health insurance through effective and efficient utilization of resources to the satisfaction of contributors. The core activities of NHIF include registering and receiving contributions; processing payments to the accredited health providers; carry out regular internal accreditation of health facilities and contracting health care providers as agents to facilitate the Health Insurance Scheme.

1.5.6 Kenya Medical Research Institute (KEMRI)

Kenya Medical Research Institute is a State Corporation established through the Science and Technology (Amendment) Act of 1979, as the national body responsible for carrying out health research in Kenya.
Mandate of KEMRI includes; conducting research aimed at providing solutions for the reduction of the infectious, parasitic and non-infectious diseases and other causes of ill-health in Kenya;

i. To carry out research in human health.
ii. To cooperate with other research organizations and institutions of higher learning on matters of relevant research and training.
iii. To work with other research bodies within and outside Kenya carrying out similar research.
iv. To cooperate with the Ministry of Health, the National Council for Science, Technology and Innovation (NACOSTI) and the Medical Sciences Advisory Research Committee in matters pertaining to research policies and priorities.
v. To do all things as appear to be necessary, describe or expedient to carry out its functions.

KEMRI strategic objectives

i. To develop tools and strategies for reduction of disease burden
ii. To strengthen relationships with stakeholders, research partners and collaborators for disease diagnosis, prevention, control and surveillance
iii. To strengthen research infrastructure
iv. To strengthen human resource capacity
v. To strengthen programme management and coordination
vi. To promote research and product innovation
vii. To promote products and services provided by the Institute
viii. To implement Quality Management Systems

1.5.7 National AIDS Control Council (NACC)

National AIDS Control Council (NACC) was established in November 1999 under the State Corporations Act and Legal Notice No. 170 with a mandate to coordinate the national response to HIV and AIDS.
The overriding mandate of NACC is national coordinating for HIV and AIDS. Specific mandates includes:-

i. Provision of policy and a strategic framework,
ii. Mobilization of resources,
iii. Prevention of HIV transmission, and
iv. Coordination of care and support for those infected and affected.

Strategic Objectives of NACC

The strategic objective of the NACC is to develop policies, strategies and guidelines for the prevention of HIV and AIDS and; mobilize resources for AIDS control and prevention. The ultimate goal is to reduce the spread of HIV, improve the quality of those infected and affected and mitigate the socio-economic impact of the epidemic. Households divert resources from productive use to cater for HIV and AIDS. Containing the spread of the epidemic will contribute significantly to increased investments that will guarantee steady income of Kenyans as envisioned in the Vision 2030.

1.6 Role of Sector Stakeholders

Under the new Constitutional dispensation a two tier health service delivery system has been introduced whereby the national level deals with Health policy, National Referral Hospitals, Capacity Building and Technical Assistance to counties,which the Counties deal with healthcare services delivery of Counties.

The Health Sector has a wide range of stakeholders with interests in the operational processes and outcomes. Some of the stakeholders who play important roles in the Sector include the following:

National level institutions

(i) The National Treasury plays a major role as a stakeholder by providing the budgetary support for investments, operations and maintenance of the Sector's ministries besides the remuneration of all employees within the Sector;

(ii) The Ministry of Devolution and Planning plays a crucial role in coordination in planning, policy formulation and tracking of results in the sector. It also provides the relevant schemes of service for career development under the directorate of Public Service Management.

(iii) Kenya National Bureau of Statistics (KNBS) and Kenya Institute of Public Policy Research and Analysis (KIPPRA); conduct surveys and provide information for planning purposes.

(iv) Other stakeholders are the Ministry of Environment, Water and Natural Resources, Ministry of Transport and Infrastructure and Ministry of Education.

(v) Parliament plays key role in legislating on matters relating to health including law enactment and budgetary approval.

County level institutions

(vi) County governments.
The Counties focuses on County Health Facilities and Pharmacies, Ambulance Services; Promotion of primary Health Care; licensing and control selling of food in public places; veterinary services, cemeteries, funeral parlours and crematorium; referral removal; refuse dumps and solid waste.

Non-state actors in health

Non-State actors in health includes Faith based organizations; Civil society organizations; Professional bodies/unions; Private sector providers and other actors (financers); and Development Partners. These stakeholders play the roles relating to: design, implementation and delivery of health services to communities; and mobilization of human and monetary resources critical for implementation of policies; specifically:

(vii) Development Partners play a critical role in providing financial support for various programmes within the sector;

(viii) International collaboration on matters of public health is a critical component in driving the process forward in prevention of diseases, sharing and partnering on public health best practices. Towards this effect Health Sector collaborates with WHO, CDC and other international bodies whose mandates is to contain, research, or disseminate findings on health matters. At local level the Sector collaborates with Public universities and research bodies in order to generate public health knowledge for benefit of the country. Other international key stakeholders in include UNICEF, UNFPA, DANIDA, GIZ, ADB, JICA, Italy, France, USAMRU (US Army Medical Research Unit)World Bank, among others.

(ix) Universities, NGOs, FBOs in the Health Sector and the private sector also play crucial roles in augmenting sector funding;

Clients/consumers

(x) Households, and communities have a role in resource mobilization and management of the sector programmes at all levels of care as well as to implement locally appropriate and innovative interventions, participate in local health care systems. Individuals and Households play a role of adopting good health practices and care seeking behaviors as the Policy outlines and also taking responsibility of own health, participate in local health care systems.

2 CHAPTER TWO: PERFORMANCE EXPENDITURE REVIEW 2011/12 – 2013/14

This chapter examines performance for the health sector for the 2011/12 to 2013/14 period. It provides an analysis of the resources that were allocated to the health sector from both the National Treasury as well as Development Partners. The section highlights the budget execution of the financial resources.

2.1 Performance of Sector Programmes –Delivery of Outputs

2.1.1 Preventive and Promotive Health Services:

Disease Surveillance and Response

Communicable diseases particularly malaria, HIV and AIDS, Tuberculosis and childhood immunizable diseases still contribute significant proportion of the disease burden. During the year 2013/14, the ministry accelerated the implementation of interventions targeting these conditions including introduction of Rota virus vaccine and Zinc/ORS co- pack for treatment of diarrhoea.

Communicable Diseases Control and Prevention

Communicable diseases particularly malaria, HIV and AIDS and Tuberculosis still contribute significant proportion of the health burden in this country. During the year 2013/14, the ministry accelerated the implementation of interventions targeting these diseases.

i. Malaria Control

A total of **336,776** Long Lasting Insecticide Nets (LLINs) for prevention of malaria were distributed to vulnerable groups of pregnant women and children below 1 year of age in the Malaria endemic areas around Nyanza, Coast and the Rift Valley Regions. In addition the Ministry procured and distributed **7 million** doses of first line malaria medicines for treating malaria cases across the country. This was in addition to 4.5 Million Rapid diagnostic tests kits for malaria thus improved treatment and early diagnosis of malaria.

ii. HIV and AIDS control

The Kenya Aids Indicator Survey 2012 Report indicated that HIV prevalence reduced to 5.6% thus surpassing the set target of 6% in 2012/2013. The particular interventions that contributed to this reduction included:

i. Increase in number of persons receiving Anti-Retroviral from 620,000 to 670,000.
ii. The number of people counselled and tested for HIV increased to 8,082,346 surpassing the set target of 6.8 million by 1,282,346.
iii. Development of County Profile Reports on HIV and AIDS burden
iv. Establishment of 23 Youth Networks aimed at building competencies in youth leadership including HIV prevention.
v. Development of Most At Risk Population (MARPs) policy

2.1.2 Curative Healthcare Services

2.1.2.1 Increase Access of Health Commodities to County Health Facilities

During the FY 2013/2014 the ministry aimed to ensure that essential health products and technologies were available, affordable, safe, efficacious and of good quality. Some of the achievements realized included:

i. KEMSA developed and implemented a new business model aimed at enhancing efficiency in the supply chain management. As a result, Order fill rate for supply of commodities to health facilities at the counties increased to 97.6% surpassing the target of 70%.
ii. A total of 375 county managers responsible for management of Health Products were trained on the Kenya Essential Medicines List (KEML).
iii. Automation of registration of medical products and premises**;** The Ministry has put in place an online product application system at the Pharmacy & Poisons Board. This allows clients from all over the world to register their products and print retention certificates.

2.1.2.2 Cancer management

Cancer ranks third among the main causes of death in Kenya after infections and cardiovascular diseases. It accounts for up to 22 100 deaths in Kenya annually and up to 60% of those who die are in the most productive years of their lives. Incidence of the cancer is rapidly increasing, with an estimated over 82 000 new cases reported annually in Kenya. The risk of getting cancer before the age of 75 years is 14% and dying before same age is 12%. Cancer of oesophagus, liver, breast, cervix, prostate, stomach, ovary, leukaemia, colorectum and kaposis are some of leading cancers in Kenya.

KNH offers radiotherapy services. However, the KNH Cancer Treatment Centre is often full with long queues of patients seeking admission and routine out-patient treatment due to high demand. The number of out-patients attendance at the KNH cancer treatment centre increased by over 20% from 18,510 in the calendar year 2012 to 22,130 in the year 2013 and the number Cobalt therapy sessions increased by 12% from 35,675 sessions in the calendar year 2012 to over 40,040 in the calendar year 2013.

In the period under review, the ministry initiated construction of bunkers for both KNH and MTRH. These are to be completed before the end of FY 2014/2015 and require funding to the tune of Kshs500million.However the government only provide Kshs.160 million in Financial Year 2014/15.

2.1.2.3 National referral Hospitals

Kenyatta National Hospital: The Hospital continued to offer specialized services to inpatient and outpatient clients. Highlights are:

(a)The outpatient attendance increased from 488,261 in FY 2012/2013 to 554,054 in the FY 2013/2014 and inpatients increased from 66,054 in the FY 2012/2013 to 74,929 in the FY 2013/2014, an increase of 13% in both cases.

(b) The average length of stay (ALOS) for inpatient decreased from 10.7 days in FY 2012/2013 to 9.5 in FY 2013/2014.

(c)The Free Maternity Services has led to increased deliveries (all types) in the hospital from 11,451 in the FY 2012/2013 to 14,385 in the FY 2013/2014, an increase of 26% and reduced Maternal Mortality Rate from 10.1 per 1000 in the FY 2012/2013 to 9.5 per 1000 live births in the FY 2013/2014.

(d) Increased open heart surgeries (valve and congenital) from 141 in FY 2012/2013 to 163 cases in FY 2013/2014 as a result of improved theater utilization and acquisition of a Cathlab machine, an increase of 16%.

(e)Successful kidney transplants increased from 18 to 26 in the FY 2013/2014 largely due to improved specialized skills through collaborations and exchange programs with Clinic de Barcelona University Hospital.

Moi Teaching and Referral Hospital: The Hospital continued to offer specialized services. These include:

(a) Outpatient attendance increased from 196,720 in the Year 2012/13 to 228,890 in the Year 2013/14 while the inpatient attendance increased from 37,973 in the Year 2012/13 to 44,425 in the Year 2013/14.

(b) The numbers of deliveries have increased from 8,103 in 2012/13 to 11,717 in the year 2013/14 as result of the Free Maternity program

(c) Neonatal Mortality Rate reduced from 50.2 in the FY 2011/2012 to 45.6 per 1000 live births in the FY 2013/2014, the Hospital based maternal mortality rate reduced from 5.3 in the FY 2011/2012 to 3.6 per 1000 live births in the FY 2013/2014 and overall, the average Length of Stay in hospital reduced from 7 days to 6 days.

2.1.3 Health Research and Development

2.1.3.1 Capacity Building and Training

During the period under review, the college established ten more campuses to meet increased demand for health personnel. Student population increased from 19,000 in 2011/12 to 23,000 in 2013/14 and a total of 21,853 health workers graduated from the various KMTC Campuses. The college constructed 6 classrooms at KMTC Embu and a Laboratory at KMTC Kisumu to cater for the increasing no of students.

Research and Innovation

Key achievements within the period include securing of donor funding for research project amounting to KShs 6 billion which represents for 80% of the Institutes total funding. However, the donor funding has decreased byKshs500M as compared to previous reporting period. The government should therefore fund the research in order to fill the gap. Over 1,000 Publications in peer-reviewed journals and abstracts were presented in scientific forums/conferences. Strong collaborations and partnerships has also led to key discoveries in HIV, Malaria prevention, Infectious and Neglected Diseases.

In addition KEMRI has a production unit for diagnostic kits and Disinfectant. During the period under review, the institute .

- Produced and supplied HIV1/2 Rapid testing kit KEMCOM and HEPCELL Kit for Hepatitis B & C testing. Both this products are being used in National Blood Safety program.

- Produced and supplied a broad spectrum disinfectant currently used in National Institutions for cleaning contaminated surfaces
- Developed Particle Agglutination (PA) kit for the diagnosis of HIV and the HLA tissue typing techniques for kidney transplants.
- Developed a national disease surveillance and rapid response capacity for major disease outbreaks. It is this capacity that enabled the nation to respond quickly and effectively to yellow fever, rift valley fever and viral haemorrhagic fever outbreaks in Kenya. It is also this capacity that keeps outbreaks, including those for catastrophic diseases such as the Ebola, Marburg, SARS and others away from Kenya.
- Established in liaison with the Jomo Kenyatta University of Agriculture and Technology (JKUAT), of a Graduate School (the Institute of Tropical Medicine and Infectious Diseases – ITROMID) for Masters and Ph.D training in health sciences and developed a critical mass of health research scientists, with 80 scientists with Ph.D degrees, 140 scientists with master's and bachelor's degrees and 250 highly trained and skilled technical staff.

2.1.4 General Administration, Planning and Support services

Health Care Financing

i. Free Primary Health Care

The Government of Kenya, as part of its endeavour to improve access to health care services and achieve Universal Health Coverage, removed all user charges at dispensaries and health centres in FY 2012/13. Removal of financial barrier imposed by out-of-pocket payments can have profound effects on access and utilization of health services especially for the poor. In this regard, the government has abolished user fees on primary health care. During the period under review, KShs. 674 million was disbursed to 832 dispensaries and 2,481 to dispensaries for free primary health services.

ii. Free Maternal Services

The Government introduced free maternal deliveries in public health facilities in an effort to address the financial barriers preventing poor mothers from accessing skilled birth attendance. The thrust of the free maternal policy is to improve uptake, quality, and financial and geographic access of delivery care services. This policy has led to an increase in the proportion of deliveries in health facilities and, hence, professionally attended deliveries. In the year under review, the number of mothers delivering in the public hospitals increased to 749,987 up from 676, 107 in FY 2012/13. The government disbursed KShs. 3.2 billion for the free maternal services to over 301 hospitals and over 2,087 health centres and dispensaries countywide.

iii. Output Based Approach (OBA)

The objective of the OBA Programme in Kenya is to support provision of high quality health care services in the fields of safe motherhood, family planning and gender violence recovery for the economically disadvantaged population. The programme is implemented in the following counties: Kisumu, Kitui, Kiambu and Kilifi and the Nairobi informal settlements of Viwandani and Korogocho, using both public and private (for profit and not for profit) facilities. Currently the programme has about 5 million clients in the operation sites.

The government in collaboration with KfW (Germany) continues to implement this programme. During the period under reviews, the programme supported 51,534 delivery

services (CS and Normal), 25,240 Long Term Family Planning services and 1,495 Gender Based Violence Recovery services. The number of accredited service providers also increased from 180 accredited facilities to 226 facilities during the same period. The programme also phased out the paper vouchers and substituted it with the 'chip smart' cards.

Sector partnerships and intergovernmental consultative mechanisms

To enhance synergy and build trust amongst the partners, the sector continued to implement sector coordination framework based on Sector Wide Approach (Swap) principles at the national level. In addition, the sector established intergovernmental consultative forum to facilitate national and county government dialogue to consult and discuss matters of health concern.

2.1.5 Maternal and Child Health

Child Health Services

The sector continued to support the ongoing free health services at the primary facility level. The proportion of fully immunized under 1 year increased marginally from 82% (2012/2013) to 83% (2013/2014) falling below the target of 85%.

However, pneumococcal immunization coverage for 1st and 3rd antigen dropped by 3% from 79% to 76% and 73% to 70% respectively. Similar decline in the nutritional status of children was noted where the percentage of under-5 children who were underweight increased from 6.5% in 2012/2013 to 7.6% in 2013/2014. Conversely, exclusively breastfed female and male children under six months recorded increase from 47 and 45.5 to 55.2 and 53.2 % respectively.

Maternal and Neonatal Health Services

The maternal and child health mortalities improved during the 2013/14 financial year. Delivery by skilled health workers increased to 66% as compared to 44% in the preceding year. During the same period ANC attendance increased to 83% surpassing the set target of 82% by 1%. This is a general pointer of improved quality of maternal and neonatal health services in the facilities. The latest World Bank Report (2013) also confirmed a drop in maternal mortality ratio to 400 from 488 per 100, 000 live births.

2.2 Review of key indicators of sector performance

Table1: Key performance indicators for the sector

Performance Indicator	***Target Baseline (2013)***	***Progress and Remarks***
PROGRAMME 1: PREVENTIVE AND PROMOTIVE HEALTH SERVICES OUTCOME(S): Reduced incidence of Preventable Diseases and ill Health		
% of HIV clients on ARVs treatment	60	ARV use among HIV infected adults aged 15-64 years eligible for ART stood at 78% (2013) while that of children below 14 years was 42 %. Prevention Of Mother To Child Transmission (PMTCT) coverage was estimated at over 87%

Performance Indicator	*Target Baseline (2013)*	*Progress and Remarks*
LLITN distribution to Pregnant women	30	Malaria incidence declined during the period 2013/14. from 32% to 22%
% of T.B patients completing treatment	85	Kenya observed a sharp decline of TB cases in 2013, having a total number of 89,760; a 9.48% decline from the 99,159 cases observed in 2012.
PROGRAMME 2: CLINICAL SERVICES **OUTCOME(S): Improved health status of the individual , family and community**		
% of facility based maternal deaths	114	Facility-based maternal mortality ratio dropped from 128 to 111 per 100,000 live births
Average length of stay (ALOS)	5.6	Overall average length of stay remained stable.
PROGRAMME 3: MATERNAL AND CHILD HEALTH SERVICES **OUTCOME(S): Improved maternal and child health**		
% of Pregnant women attending 4 ANC visits	***36***	ANC attendance increased marginally across board with 1st ANC visit attaining 70.2 % from 67.5%. The proportion of women attending 4th ANC visit increased from 45 to 48 %
% of WRA receiving FP commodities	***45***	FP uptake increased from 35.5 % to 48.6 %
% Fully immunized children	79	Increased coverage can be attributed to intensity of campaigns and health education coupled with Community strategy implementation
PROGRAMME 4: GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES **OUTCOME: Improved Service delivery and supportive function to Government Agencies in the Health Sector**		
Performance Indicator	***Target Baseline (2013)***	***Progress and Remarks***
No of facilities per 10,000 population	1.5	A total of 107 health facilities were constructed across the country under the Economic Stimulus Programme (ESP) in a bid to increase access to health services
% of facilities equipped as per norms	25	The Ministry carried out facilities inspection visits to ensure conformity with the set health standards and regulations
No of Health related policy enacted.	1	The Kenya Health Policy 2014 – 2030 which outlines the country's long term aspirations in attaining the overall health goals was developed and launched has been approved by Parliament.

Performance Indicator	*Target Baseline (2013)*	*Progress and Remarks*
PROGRAMME 5: HEALTH RESEARCH AND DEVELOPMENT **OUTCOME: Increased knowledge through research findings and capacity building.**		
Performance Indicator	*Target Baseline (2013)*	*Progress and Remarks*
No. of scientific publication published.	1200	1232 scientific publication were published and disseminated
Number of policies formulated and enacted		Research conducted at the institute informed formulation of the following 9 policies. i. Kenya National School Based Deworming program ii. Framework for strengthening integrated vector management in Malaria control programs iii. Report on harmonization of regulations governing herbal products iv. The 2nd impact assessment of the implementation of the safe strategy for trachoma control in Narok v. Cancer Guidelines 2013 vi. Kenya AIDS Indicator Survey vii. The cost of maternal mortality to families and communities viii. Intersection of HIV and reproductive health ix. National strategic plan for infection prevention and control for health care services 2014-18
No of Health Workers trained	6,000 per year	A total of 21,853 health workers in various cadres graduated from the various KMTC Campuses during the period under review
Masters and PhD training in health sciences	450 students	A total of 345 students graduated in PhD and Masters in health sciences in Institute of Tropical Medicine and Infectious Diseases

2.3 Expenditure Analysis

This Section analyses and reports the recent trends of budgeted funds and the actual expenditures over the past three years and the extent to which they are consistent with the health priorities. Specifically, it provides a detailed assessment of the budgetary allocations and actual expenditure of the sector during the Financial Years (FY) 2011/12, 2012/13 and 2013/14. In addition, the chapter analyses the ministry's budgetary absorptive capacity by comparing the budgeted expenditure (approved estimates) with the actual expenditure.

The expenditure is broadly categorized into recurrent and development expenditure. Recurrent expenditure comprises personnel emoluments, supply of Medical drugs and non-pharmaceuticals, goods and services (O&M). Development expenditure is non-recurrent and involves expenditures on physical assets and infrastructure. Expenditure trends over time shows that national government allocation to the public health sector remains below the Abuja Declaration target of 15 per cent.

Analysis of Expenditure (Gross in Millions)

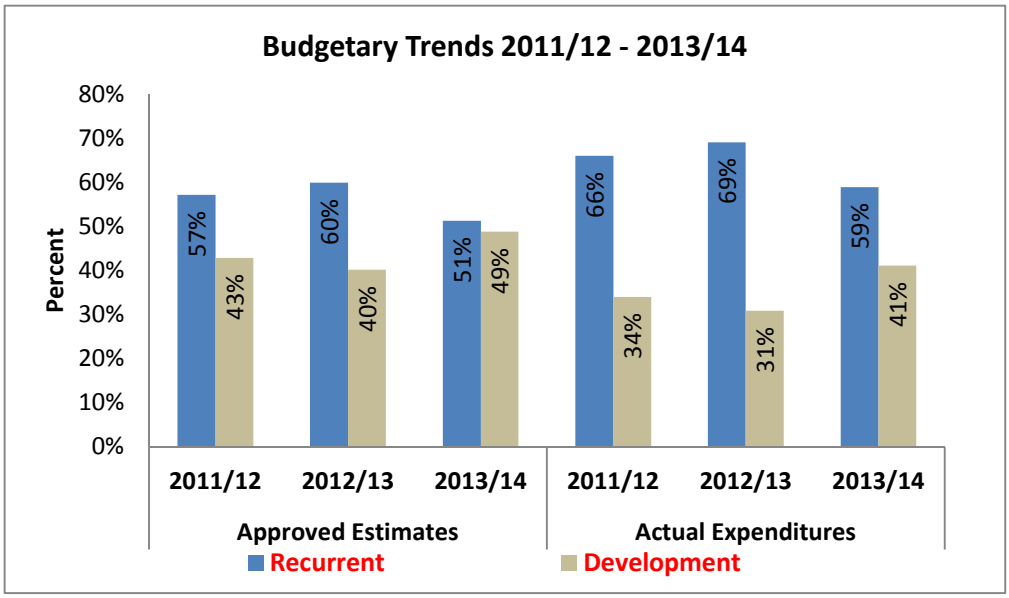
The approved Sector allocation has been rising significantly over the period from KShs. 77 Billion in 2011/12 to KShs. 94 Billion in 2012/13. However in Financial year 2013/14, approved allocation reduced to KShs. 45 Billion due to the transfer of devolved functions to the County Governments in line with schedule 4 of the constitution. Similarly actual expenditures also decreased from KShs. 81 Billion in 2012/13 to KShs. 31 billion in FY 2013/14 (Table 2).

Table 2: Trends in Expenditures (Gross KShs. Millions)

Vote	*Approved Estimates*			*Actual Expenditures*		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
Recurrent Budget	43,816	56,031	22,973	40,016	55,980	18,298
Development Budget	32,837	37,558	21,877	20,622	25,003	12,777
Total Expenditures	**76,653**	**93,589**	**44,850**	**60,638**	**80,983**	**31,075**

Figure 1 illustrates that, the Recurrent vote has been the dominant component of the sector accounting for 57 per cent, 60 per cent and 51 per cent respectively for FY 2011/12, 2012/13 and 2013/14 of the approved budget and stood at 66 per cent, 69 per cent, and 59 per cent for the actual expenditures, which is in line with the PFM Act,2012 requiring the government to allocate at least 30% for capital development and 70% for Recurrent expenditure,

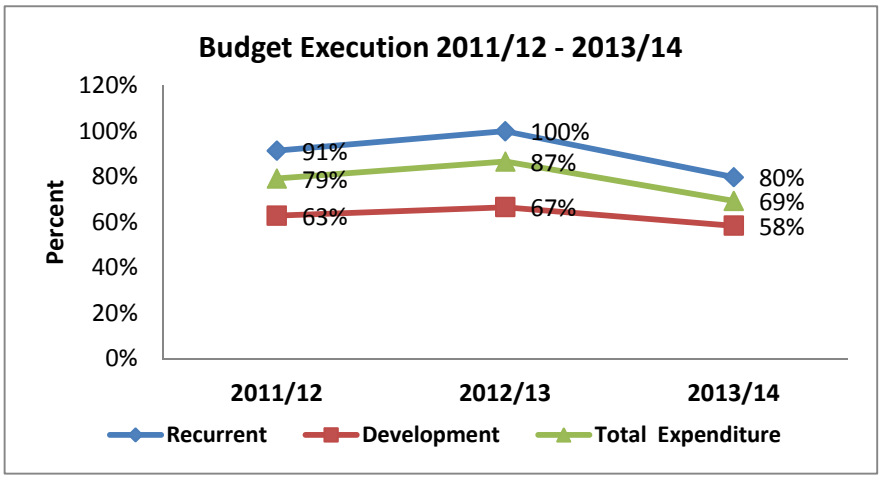
Figure 1: Budgetary Trends 2011/12 – 2013/14



Sector Absorption Capacity

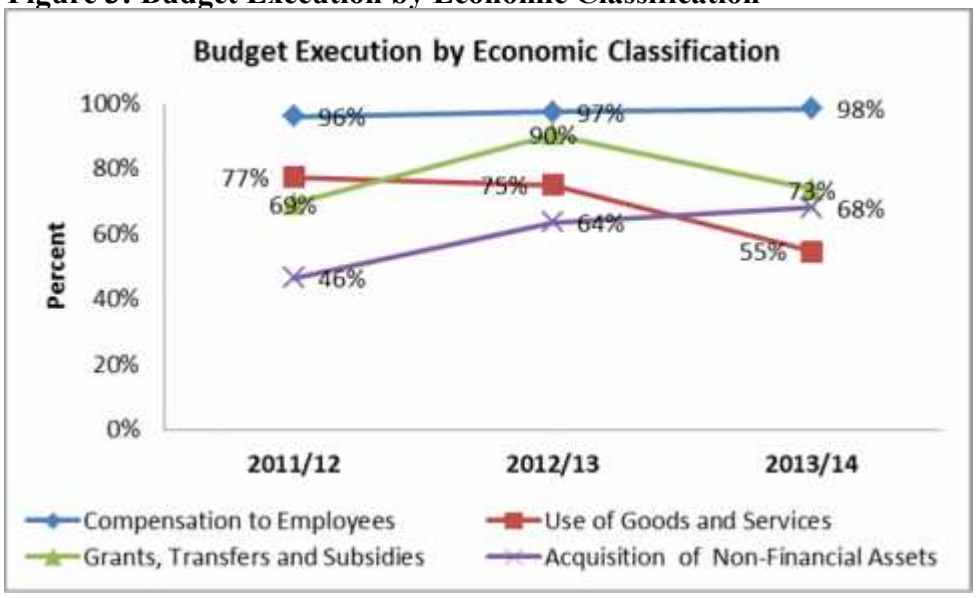
In terms of budget execution, the sector absorbed 79 per cent, 87 per cent, and 69 per cent of all approved budget in the period under review with Recurrent vote absorbing 91 per cent, 100 per cent, and 80 per cent respectively,. Development vote absorbed 63 per cent, 67 per cent, and 58 per cent respectively, in the same period (Figure 2).

Figure 2: Health Budget Execution



As seen in Figure 3, public health sector low budgetary executions were lowest for Use of goods and services at 55 per cent followed by Acquisition of Non-Financial Assets at 68 per cent as well as Grants, Transfers and Subsidies at 73 per cent. Reasons provided for these low levels include non release of donor funds, lengthy and cumbersome procurement procedures and processes; non release of exchequer from the National Treasury among others and budget rationalization.

Figure 3: Budget Execution by Economic Classification

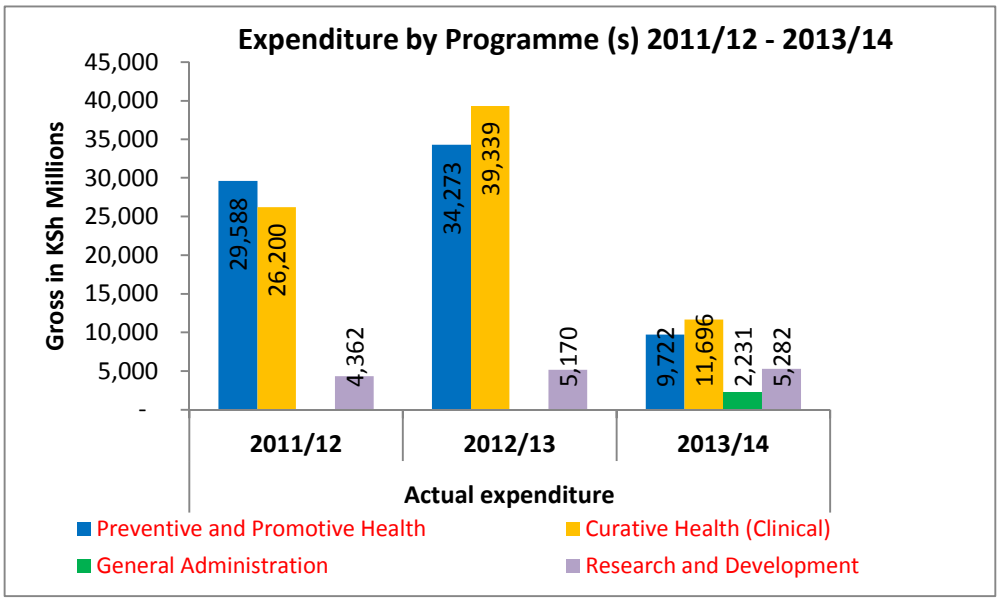


2.3.1 Expenditure Analysis by Programme (s) (Gross KShs. Millions)

The health sector identified 4 programmes in the last planning cycle; these are : Curative health services; Preventive and Promotive health services; Administration and planning; and Research and Development. Analysis of cumulative expenditure for the MTEF period shows that Curative Health (Clinical) programme utilized the largest share of financial resources at 46 per cent followed by Preventive and Promotive Health programme at 44 per cent.

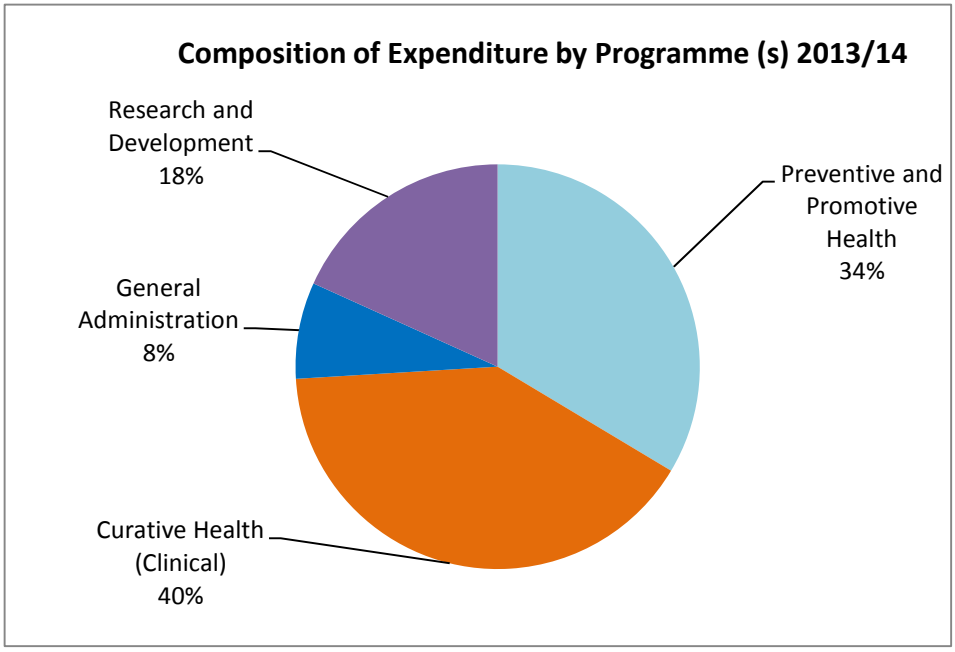
The Figure 4 provides at a glance, the actual expenditures by the programmes in the period under review. The above observation is replicated in the annual spending by the four programmes.

Figure 4: Sector Expenditure by Programmes (Gross KShs. Millions)



In view of transfer of most health functions to the county governments, the composition of the spending by the four programmes is shown in Figure 5. Curative health programme consumed the largest share of the resources in the sector at 40 per cent, preventive and promotive health programme at 34 per cent, research and development at 18 per cent and general administration at 8 per cent.

Figure 5: Composition of Expenditure by Programme (s) FY 2013/14



Analysis of Expenditure: Preventive and Promotive Programme

Funding for the preventive and promotive health programme, has been increasing in the period between 2011/12 and 2012/13 financial year. The funding for 2013/14 decreased from KShs. 42 Billion in FY 2012/13 to KShs. 17 Billion in FY 2013/14. The programme absorbed

only 57 per cent of the approved budget in 2013/14 Financial Year. Table 3 shows the trends in funding of the programme.

Table 3: Expenditure for Preventive and Promotive Programme (Gross in KShs. Millions)

Vote	*Approved Estimates*			*Actual Expenditures*		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
Recurrent Budget	12,305	16,474	1,496	12,434	16,554	1,521
Development Budget	25,007	26,022	15,918	17,154	17,719	8,201
Total Expenditures	**37,312**	**42,496**	**17,414**	**29,588**	**34,273**	**9,722**

Analysis of Expenditure: Curative Programme

The actual expenditures decreased from KShs. 26 Billion in 2011/12 to 12 Billion in 2013/14 FY. This is against the Approved budget of KShs. 31 Billion and KShs. 13 Billion in the respective period. This allocation is utilized towards payment of Recurrent Grants, salaries, procurement of medical commodities, specialized procurements for diagnostic services, construction and rehabilitation of Kenyatta National Hospital, Moi Teaching and Referral Hospital, National Spinal Injury Hospital and Mathari National Teaching & Referral Hospital (Table 4).

Table 4: Expenditure for Curative Programme (Gross in KShs. Millions)

Vote	*Approved Estimates*			*Actual Expenditures*		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
Recurrent Budget	27,643	34,778	8,236	24,810	36,084	7,905
Development Budget	3,479	5,119	4,950	1,390	3,255	3,791
Total Expenditures	**31,122**	**39,897**	**13,186**	**26,200**	**39,339**	**11,696**

Analysis of Expenditure: General Administration and Planning Programme (Gross KShs. Millions)

Table 5: Expenditure for General Administration and Planning Programme (Gross KShs. Millions)

Vote	*Approved Estimates*			*Actual Expenditures*		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
Recurrent Budget	-	-	2,648	-	-	2,231
Development Budget	-	-	-	-	-	-
Total Expenditures	**-**	**-**	**2,648**	**-**	**-**	**2,231**

Analysis of Expenditure: Research & Development Programme (Gross KShs. Millions)

Research and Development covers the areas of health research, Training and Capacity building and includes Kenya Medical Research Institute as well as the Kenya Medical Training College. There is a huge donor dependency especially in the field of Health research (Table 6).

Table 6: Expenditure for Research & Development Programme (Gross KShs. Millions)

Vote	*Approved Estimates*			*Actual Expenditures*		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
Recurrent Budget	5,079	6,012	7,742	3,947	4,625	4,685
Development Budget	579	911	829	415	545	597
Donor Funding(KEMRI)	-	-		6,645*	6,506*	6,001 *
Total Expenditures	**5,658**	**6,923**	**8,571**	**11,007**	**11,676**	**11,283**

*The donor funds in KEMRI are expended as per the individual donor budget of the development partners. Thus the government need to allocate some funding for research to set the research agenda.

2.3.2 Analysis of expenditure by economic classification

The main government expenditure strategy is to restructure overall expenditure by directing more resources to activities that promote faster economic growth, employment creation and poverty reduction. Economic classification distinguishes between various categories of current and capital expenditure in nature.

The main categories in the economic classification of recurrent and development expenditure includes:

i. **Compensation to employees** - (salaries and personnel emoluments);

ii. **Use of goods and services** - including general administrative expenses and purchases of other goods and services which are not of a capital nature including drugs and medical consumables;

iii. **Grants, Transfers and Subsidies** - within this, grants to Kenyatta National Hospital, Moi Teaching and Referral Hospital, Kenya Medical Training College, Kenya Medical Supplies Authority, Kenya Medical Research Institute are included;

iv. **Acquisition of Non-financial Assets** – this comprises expenditure on construction, the purchase of equipment and other physical assets.

This section examines the distributions of expenditures by economic categories. Table 7 and Figure 6 shows the trends of health sector expenditure by economic categories and each of these categories as a share of the total recurrent, development and overall expenditure.

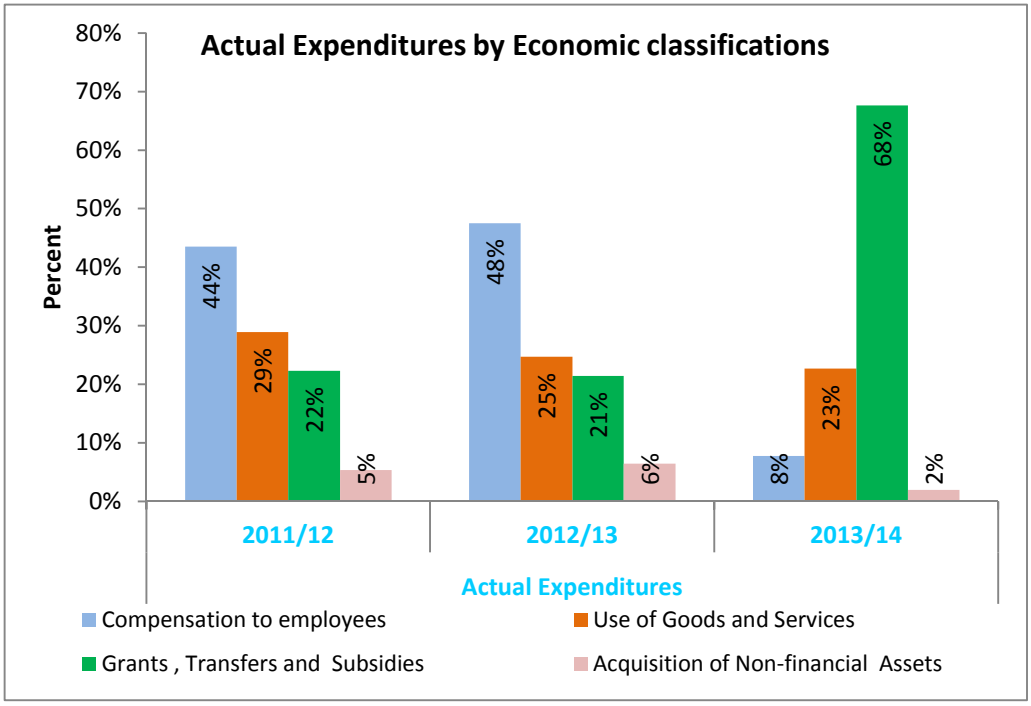
Table 7: Breakdown of Expenditure by Economic Classification (Gross in KShs. millions)						
Vote	*Approved Estimates*			*Actual Expenditures*		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**

Table 7: Breakdown of Expenditure by Economic Classification (Gross in KShs. millions)						
Recurrent Budget						
Compensation to Employees	23,833	35,219	2,315	23,811	35,217	2,296
Use of Goods and Services	6,009	7,779	1,838	5,708	7,591	1,804
Grants, Transfers and Subsidies	13,898	12,951	18,628	10,425	13,096	14,006
Acquisition of Non-Financial Assets	76	82	192	72	76	192
Total Recurrent	**43,816**	**56,031**	**22,973**	**40,016**	**55,980**	**18,298**
% of Total	*57%*	*60%*	*51%*	*66%*	*69%*	*59%*
Development Budget						
Compensation to Employees	3,664	4,314	123	2,572	3,253	102
Use of Goods and Services	16,657	18,908	11,060	11,804	12,404	5,238
Grants, Transfers and Subsidies	5,637	6,230	9,990	3,088	4,222	7,020
Acquisition of Non-Financial Assets	6,879	8,106	704	3,158	5,124	417
Total Development	**32,837**	**37,558**	**21,877**	**20,622**	**25,003**	**12,777**
% of Total	*43%*	*40%*	*49%*	*34%*	*31%*	*41%*
Recurrent and Development						
Compensation to employees	27,497	39,533	2,438	26,383	38,470	2,398
Use of Goods and Services	22,666	26,687	12,898	17,512	19,995	7,042
Grants , Transfers and Subsidies	19,535	19,181	28,618	13,513	17,318	21,026
Acquisition of Non-financial Assets	6,955	8,188	896	3,230	5,200	609
Total Expenditure	**76,653**	**93,589**	**44,850**	**60,638**	**80,983**	**31,075**

Analysis of expenditures by Economic classification indicates that prior to 2013/14 financial years i.e. before Kenya implemented a two tier government, Compensation to Employees consumed the largest share of the funds for the health sector; followed by Use of Goods and Services. However, the analysis for FY 2013/14 shows a different scenario whereby after the split of functions of both the National Ministry of Health and that of County Departments of Health, the national Ministry's budget is consumed mainly by the Grants, Transfers and Subsidies at 68 per cent followed by Use of Goods and Services at 23 per cent. Compensation to employees consumed only 8 per cent in FY 2013/14 (Figure 6).

Figure 6: Analysis of Expenditures by Economic Classification

Further investment in non financial assets in very low/below 6% and this is a pointer to the old and dilapidated medical equipments to our hospitals. However, with devolution, we hope that the Counties Governments will invest heavily in medical infrastructure.The National Government has also come up with an intervention to hire medical equipment for County health facilities.



2.3.3 Analysis of capital projects by programme

The Ministry had various capital projects at various rates of completion, some of the projects have had lack of or insufficient funding hence leading to delays in their completion. Procurement bureaucracy coupled with legal issues has led to project commencement being challenge.

Table 8: Summary of Capital Projects 2011/12 - 2013/14

Name of the project	Start Date	Initial contract sum	2011/12		2012/13		2013/14	
			Funds Dispersed (KShs. B)	Level of completion	Funds Dispersed	Level of completion	Funds Dispersed	Level of completion
Preventive								
Government Chemist - Construction of Modern Lab Block in Kisumu	30th June 2012	56.3	20	41%	40	74%	70	85%
Radiation Protection Board- Central Radioactive Waste Processing Facility (CRWPF) – Phase I in Oloolua, Ngong	15th December 2009	518.5M	115	74%	300	92%	300	95%
East Africa Public Health Laboratories Machakos,	3rd April 2013	48		0%		30%		95%
East Africa Public Health Laboratories Kitale,	: 8th April 2013	56		0%		25%		99%
East Africa Public Health Laboratories Busia,	22nd April 2013	48		0%		15%		87%
East Africa Public Health Laboratories – Malindi	7th April 2013	57		0%		15%		89%
East Africa Public Health Laboratories Wajir	22nd April 201	61		0%		25%		95%
East Africa Public Health Laboratories Nairobi	2nd April 2013	99	235	0%	225	35%	174	98%
Wajir District Hospital	01st May 2008	450	200	5%	20	12%	5	14 %
KIDDP-Construction of 30 bed and Theatre at Ngong Sub-district Hospital	June 2013	43		(10%)			43	
KIDDP-Construction and Equipping of a Maternity Ward at Likoni District Hospital	**June 2013**	19		0%		0%	19	0%

Table 8: Summary of Capital Projects 2011/12 - 2013/14

Name of the project	Start Date	Initial contract sum	2011/12		2012/13		2013/14	
			Funds Dispersed (KShs. B)	Level of completion	Funds Dispersed	Level of completion	Funds Dispersed	Level of completion
KIDDP-Construction of a 20 bed ward and the theatre at Muhoroni District Hospital	**June 2013**	38		0%		0%	38	0%
Research and Development								

2.4 Pending Bills

2.4.1 Recurrent and Development Pending Bills

The Pending bills can be attributed to the Transfer of functions to the devolved county government and related projects e.g. Mama Lucy Hospital, Othaya Hospital and the Nanyuki Hospital and other related expenses.

The Development pending bills are mostly on the purchase of Medical equipment, construction and rehabilitation of buildings while the recurrent pending bills are mostly on on-going service contracts, purchase of reagents and Non Pharmaceutical for the Free Maternity Program.

Table 9: Recurrent Pending Bills

	Due to lack of liquidity			**Due to lack of provision**		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
MOH (HQ)	0	131.1	357			
KNH	0	310	310			
MTRH	0	0	263			
KEMRI	597	597	723			
KMTC						
TOTALS RECURRENT	**597**	**1,038.1**	**1,653**			
MOH (HQ)	0	384.6	428.7			
KNH			292			
KMTC			265			
TOTALS DEVELOPMENT		**384.6**	**720.7**			

Table 10: **Development Pending Bills**

	Due to lack of liquidity			**Due to lack of provision**		
	2011/12	**2012/13**	**2013/14**	**2011/12**	**2012/13**	**2013/14**
MOH (HQ)	0	384.6	428.7			
KNH			292			
KMTC			265			
SUB TOTALS		**384.6**	**720.7**			

KEMRI
The Industrial Court awarded a salary increase of 17% to all unionisable employees of the institute with effect from July 2013. The institute has implemented the salary increase but the **KShs. 126** million arrears for one year is still pending.

The institute owes the pension scheme an amount of **KShs. 597 Million** as per the evaluation done in the 2007/208 Financial Year. This amount is exclusive of interest which has accumulated over the years. The institute is therefore requesting the National Treasury to bail it out to avoid consequences of court cases from retirees.

MTRH

The development grant was reduced mid-year despite the fact that commitments in development had been made. This led to spending recurrent monies (AIA) totalling KES 263 to offset these commitments to stop litigations, thus ..... pending bill for the recurrent budget.

RECOMMENDATIONS TO REDUCE PENDING BILLS

a) Processing of AIE's and subsequent of funds should be done within the 1st quarter of the Financial year as this allows for proper planning/adequate consultation with Management Committees
b) Improving budget predictability.
c) Recognizing and increasing the budget for operation and maintenance expenditures such as supplies, utilities, communication, etc. At present, approved budgets are not matched with timely release of exchequer funds by the Government.
d) A review of current procedures governing the release of certified and voted funds is needed in order to avoid delays, and to facilitate overall improvement in the implementation of the budget.

3 CHAPTER THREE - MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2015/16 -2017/18

3.1 Prioritization of programmes and sub- programmes

During the last five years the sector has recorded improvement in maternal and child health and decline in infectious conditions. However, the burden of communicable and non-communicable diseases and maternal mortality still constitute major challenges in the sector. In the 2015/16 financial year the focus of the health sector will be on investing in quality and increasing access to healthcare. This will result in reduction of the burden to the households and attain the highest standards care for sustained long-term growth and development. The focus will include the following areas:

a. Continuing to support access to free maternal health care by reimbursing deliveries and thus ensuring that most deliveries are conducted under the care of skilled health attendants.

b. Increasing access to healthcare for the indigents by rolling out the Health Insurance Subsidy Programme (H.I.S.P) through the National Health Insurance Fund and free primary health care.

c. Equipping and developing health infrastructure in 94 hospitals (2 per county) on a Managed Equipment Service (M.E.S) contract framework that will give emphasis on Critical and Specialised care equipment. This will include capacity development and technical assistance to county governments.

d. Increasing capacity of referral facilities through investment in human resource and specialized equipment.

e. Building capacity in human resources for health

f. Strengthen cancer treatment to respond to the rising cases of cancer across the country.

g. Investing in sustainable child health programmes

h. Further reduce incidence of communicable diseases and reverse increasing trends of non-communicable conditions

i. Strengthening health research for improved quality of healthcare.

3.1.1 Programmes and their objectives

During 2015/16 the sector will implement programmes under the following broad categories to enhance efficiency and optimize the use of limited available resources:

Table 9: Programmes and their Objectives

Programme	Objective
Preventive and Promotive Health Services	• To increase access to quality promotive and preventive health care services
Family Health	• To increase access to maternal and child health services
Curative Health Services	• To improve the provision of quality specialized health services
Training, Research and Development	• To increase knowledge through training, research and development in human health
General Administration, Planning and Support Services	• To strengthen leadership, management and administration of the health sector

The above programmes are aligned and consistent with the strategic objectives to achieve the Kenya Vision 2030, MTPII flagship projects, the Ministerial Strategic Plan, 2013-2017, the Millennium Development Goals (MDGs) and the core mandates of subsectors. In overall, these programmes aim at achieving improved accessibility, affordability of health services, reduction of health inequalities and optimal utilization of health services across the sector.

3.1.2 Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
Outcome: Prevalence of communicable conditions and non-communicable conditions reduced			
Program 1. Preventive and Promotive Health Service			
To increase access to quality promotive and preventive health care services	Communicable disease control	Access to ARVs by HIV positive clients and ANC mothers increased	Number of HIV+ eligible clients on ARV (From 710,000M to 850,000)
			Number of eligible HIV positive ANC mothers on ARVs (From 70% to 90% of 94,000)
		Access to HIV prevention interventions increased	No. of new HIV infections
		Access to TB treatment increased	% of TB patients completing treatment
		Access to prompt malaria treatment increased.	Proportion of patients with suspected malaria presenting to health facility who are tested for malaria with RDT or microscopy in the public sector
			Proportion of health facilities having no stock-out of ACTs for 7 consecutive days in past 3 months (for ALL ACT weight band)
	Disease Surveillance and Epidemic Response	Outbreaks prevented and promptly contained	No of detected outbreaks promptly contained
	Non-communicable conditions Prevention	NCD prevention and control coordinated	NCD prevention and control Strategy
			NCD Interagency Coordinating Committee
		Step Survey for NCD Risk Factors Conducted and launched	Step Survey Report Launch report
		Violence and Injury Prevention	Violence and Injury Prevention National Strategy

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
		National Strategy Developed	No. of Stakeholders' meetings held
	Environmental Health	National Aflatoxin Management platform in place	National Aflatoxin Management Platform
		International Health Regulations (IHR) implemented in all Points of Entry (POE)	No. of Points of entry implementing IHR
		The Kenya Open Defaecation (ODF) Strategy developed and implementation supported	The Kenya Open Defaecation (ODF) Strategy
			No. of counties implementing ODF
	National Public Health Laboratory	Access to PCR testing technology by HIV exposed infants increased	No. of infants exposed to HIV tested using PCR technology
	Radiation Protection	Access to HIV Viral load testing services increase	No. of HIV patients receiving one viral load test per year
		Access to testing for Multi-drug resistant (MDR) increased	No. of suspected MDR TB patients tested
		Radiation facilities and workers registered and Licensed	No. of new radiation facilities and health workers Licensed and registered
		Radiation sources in the Country monitored for Safety and Security	No. of radiation sources monitored for Safety and Security
	Government Chemist	Analysis of forensic related samples improved	No. of labs refurbished
			No. of forensic related samples analyzed
Program 2. **Family Health** **Outcome**: Maternal and child morbidity and mortality			

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
To increase access to maternal and child health services	Immunization	Immunization coverage increased	% of children under 1 year fully immunized
	Family Planning	WRA accessing family planning services increased	% of WRA accessing FP services
	Maternal Health and Child Health	Deliveries conducted by skilled birth attendants increased	Percentage of deliveries conducted by skilled health workers.
		Children under five years correctly managed for diarrhoea increased	Number of packets of ORS-zinc co-pack distributed
	Maternal, infant and young child nutrition	Pregnant women accessing Iron and folic (IFAS) increased	% of Pregnant women accessing Iron and Folic acid
Program 3. **Curative Health Services**			
Outcome: morbidity and mortalities due to communicable diseases and non-communicable conditions reduced			
To improve provision of quality specialized health care services	National referral hospitals	Cancer Units of KNH and MTRH upgraded	KNH and MTRH Cancer Centres construction completed
			Cancer Equipment for KNH and MTRH
			Cancer patient period of first appointment for radiotherapy reduced
	Spinal injury Hospital	Spinal injury patients admitted and rehabilitated	Proportion of spinal injury patients admitted and rehabilitated
		Special spinal equipment purchased	Number of spinal equipment purchased
			Average length of hospital stay

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
	Mental health hospital	Management of mental patients improved	
			No. of mental patients treated and rehabilitated back to the community
	Capacity building and technical assistance on specialized clinical services	Standards and Guidelines on specialized clinical services developed and implemented	No. of guidelines and protocols on specialized clinical services
			No. of County staff oriented on guidelines and protocols for provision of specialized clinical services
		Technical assistance to initiate specialized clinical services in counties provided	No of counties initiating specialized clinical services according to guidelines
		Standards and Guidelines for mental health services and treatment and rehabilitation of substances abuse developed	No. of copies of Standards and Guidelines for mental health services and treatment and rehabilitation of substances abuse printed
		Quality of Mental Health services monitored	No. of public complaints reviewed by the Kenya Board of Mental Health
	Forensic and diagnostic services	Guidelines on forensic medicine and mortuary management developed	Guidelines on forensic medicine and Mortuary management
		Standards for investigating victims of sexual violence developed	Standards for investigating victims of sexual violence
		Standard for disaster victim identification developed	Standards for Disaster victim identification developed

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
	National Blood Transfusion Services (NBTS)	Safe blood and blood products available	Number of blood units collected and tested
	Emergency and disaster management	Disaster preparedness and response framework developed	No. of copies of Disaster preparedness and response framework
		Emergency medical services policy developed and launched	Policy on Emergency medical services available
			Minutes of launch of Emergency medical services policy
	Commodity security	Essential Medicines and Medical Supplies (EMMS) lists developed, printed and disseminated	Hard and soft copies of EMMS lists
			Number of Counties to which EMMS lists have been disseminated
		Guidelines on Medicines and Therapeutics Committees (MTC) developed and disseminated	Hard and soft copies of Medicines and Therapeutics Committees guidelines
			Number of counties to which MTC guidelines have been disseminated
		National Clinical Guidelines revised and disseminated	Hard and soft copies of Revised National Clinical Guidelines
			Number of counties to which Revised National Clinical Guidelines have been disseminated
	Radiology and Diagnostic Imaging	Guidelines on Imaging and Personnel Radiation Monitoring developed and Disseminated	No. of counties to which Guidelines have been disseminated.
			No. of County staff sensitized on Imaging and personnel Radiation monitoring Guidelines.

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
		Health workers monitored on radiation exposure	No. of Thermolumnicent Dosimeters-TLDs (equipment for detection of radiation exposure) purchased
			No of health workers monitored for radiation exposure
Program 4. **Training, Research and Development**			
Outcome: To strengthen leadership, management and administration of the health sector			
To increase knowledge through training, research and development in human health			No. of trained health professionals
	Research and innovations	Innovative research findings.	Number of research findings in use.
		Policy briefs developed and archived	No of policy briefs developed and disseminated
		Research translated to policy dialogue	No of dialogues held
		a) Partnership frameworks with local and international training and research institutions. b) Production of diagnostic kits for enhancing blood safety. c) Production of disinfectants for enhancing Infection Prevention	No. of partnership frameworks established No. of diagnostic kits produced No. of disinfectants produced
	Capacity building and training	Trained researchers.	Number of graduate researchers trained

Table 10: Programmes and sub-programmes, Expected Outcomes, Outputs and Key Performance Indicators for the sector			
Programme objectives	**Sub-programmes**	**Key outputs**	**Key performance indicators**
		Trained health professionals	
	Products and services		
Program 5. General Administration, Planning & Support Services			
Outcome: Ministry's leadership and management mechanisms strengthened**.**			
To strengthen leadership, management and administration of the health sector	Health Policy, Planning &Healthcare Financing	Health Policies and planning frameworks developed	No. Of Health Policies and Plans developed
		Health Care Financing Legal Framework developed	Proportion of Kenyans enrolled under insurance cover
		Households covered by Health insurance subsidy	No. of households health insurance subsidy
	Health Standards and Quality Assurance	Health legislative and regulatory frameworks reviewed and implemented	Health Bill enacted
			No. of health legislative frameworks reviewed
			Number of regulatory frameworks, guidelines and standards developed and implemented.
	Human Resource Management/ Administrative services	Reviewed schemes of service Security management in Afya house improved	No. of schemes of service reviewed and implemented
			Afya House under CCTV surveillance
	National Quality Control Laboratories	Surveillance of medicines enhanced	Surveillance report
			Updated Databank
			Number of counties undertaking medicine screening
			Ultra-modern laboratory facility

3.1.3 Programmes by order of ranking

To achieve maximum outcome from the sector investments, the programmes have been ranked using the following criteria;

3.1.3.1 Criteria for programme prioritization

, based on Circular **Ref. Treasury Circular No. 10/2014 dated 28th October 2014 (Ref No.: ES 1/03 'H' (66.**.

1. Linkage of the programme with the objectives of the Vision 2030 MTPII for the period 2013-2017;
2. Linkage to the Jubilee administration flagship projects/interventions;
3. Degree to which the programme address core poverty interventions;
4. Degree to which the programme is addressing the core mandate of the MDAs;
5. Expected outputs and outcomes from the programme;
6. Linkage of a programme with other programmes;
7. Cost effectiveness and sustainability of the programme and
8. Immediate response to the requirement and furtherance of the implementation of the Constitution.
9. On-going projects
10. Emerging & re-emerging health issues (disaster management, Disease Surveillance, Outbreak Investigations & response)

Scoring Method

- Each of the above criterion carries a maximum of 5 marks.

Based on the above criteria the programmes have consequently been ranked as follows:

1. Preventive and Promotive Health Care Services
2. Family health
3. Curative Health Care Services
4. Research, Development and Training
5. General Administration, Planning & Support Services (Leadership and governance)

3.2 Analysis of Resource Requirement versus allocation

Sector Requirement by Programme (s)

The total resource requirement under the health sector for the Financial Year 2015/2016 is **Kshs. 88.9 Billion**. Details of justification are shown in Annex 2. These amount is to enable the Ministry achieve its mandate as envisaged in vision 2030 and Millennium Development Goals. The sector will finance the budget from the Exchequer and User Fee, Development Partners and through PPP arrangements.

The Sector's resource requirements in the medium term are guided by the sector policy commitments as broadly articulated in the Vision 2030 and more specifically in the Second Medium Term Plan (2012 – 2017) while ensuring alignment of the Health Sector policies.

3.2.1 Sector (Recurrent and Development)

The following table shows sector resource requirements for both recurrent and development for the FY 2014/15 to 2017/18.

Table 11: Sector resource requirements for both recurrent and development for the FY 2014/15 to 2017/18

No.	Recurrent	Requirement 2015/16	Allocation 2015/16	Requirement 2016/17	Allocation 2016/17	Requirement 2017/18	Allocation 2017/18
1	Leadership and governance (administration)	6,088	7,314	6,393	7,580	6,712	8,105
2	Preventive and Promotive Health Services	10,536	8,443	11,064	8,727	11,617	8,864
3	Clinical Services (Curative)	44,319	21,714	46,534	22,297	48,861	22,709
4	Research and Development	14,714	5,655	15,449	5,808	16,222	5,917
5	Reproductive Health	12,917	5,281	13,563	5,431	14,241	5,823
	Total	**88,574**	**48,407**	**93,003**	**49,842**	**97,653**	**50,660**

Sector Requirement for both Recurrent and Development Budget Projections

The table below illustrates the sector resource requirements for the Financial Years 2015/16 and projections for the outer years 2016/17 and 2017/18 (Kshs. Millions).

No.	Recurrent	Requirement 2015/16	Allocation 2015/16	Requirement 2016/17	Allocation 2016/17	Requirement 2017/18	Allocation 2017/18
1	Leadership and governance (administration)	5,988	1,746	6,288	1,793	6,602	2,089
2	Preventive and Promotive Health Services	1,967	134	2,066	138	2,169	174
3	Clinical Services (Curative)	28,393	16,704	29,812	17,149	31,303	17,396
4	Research and Development	13,941	5,354	14,638	5,497	15,370	5,560
5	Reproductive Health	198	4,073	208	4,182	218	4,358
	Total Recurrent	**50,487**	**28,011**	**53,012**	**28,759**	**55,662**	**29,577**
	Development			-		-	

1	Leadership and governance (administration)	100	5,568	105	5,787	110	6,016
2	Preventive and Promotive Health Services	8,569	8,309	8,998	8,589	9,448	8,690
3	Clinical Services (Curative)	15,926	5,010	16,722	5,148	17,558	5,313
4	Research and Development	773	301	811	311	852	357
	Reproductive Health	12,719	1,208	13,355	1,249	14,023	1,465
	Total Development	**38,087**	**20,396**	**39,991**	**21,083**	**41,991**	**21,083**
	Grand Total	**88,574**	**48,407**	**93,003**	**49,841**	**97,653**	**51,627**

3.2.2 Sub-Sectors (recurrent and development)

The health sector has no sub sectors.

3.2.3 Programmes and sub-programmes

There are five programmes under the Health Sector which are Preventive and Promotive, Research and Development, Leadership and Governance, Curative Health and Family Health

The programmes are envisaged to undertake the mandate of the Ministry as outlined in its Kenya Health Sector Strategic and Investment Plan for the Financial Years June 2013- June 2017 (Table 13).

Table 12: Programme and Sub- Programme Requirements for FY 2015/16 – 2017/18 (KShs. Millions)

	Sub-Programme	Requirement 2015-2016	Allocation 2015-2016	Requirement 2016-17	Allocation 2016-2017	Requirement 2017-18	Allocation 2017-18
Preventive and Promotive Health Services							
1	Communicable Disease	733	2,336	769	2,405	808	2,491
2	Non Communicable Disease	4,517	43	4,743	44	4,980	46
3	Health Promotion/NACC/KHSSP	3,140	2,927	3,298	3,079	3,463	3,189
4	National Public Health Laboratory	856	684	899	704	944	730
5	Government chemist	401	353	421	363	442	376
6	Radiation Protection Board	821	134	862	104	905	108
7	Environmental Health	68	836	72	861	75	892

	Total Preventive	**10,536**	**7,313**	**11,064**	**7,560**	**11,617**	**7,832**
Family Health							
1	National referral hospitals	29,751	15,006	31,238	15,451	32,800	16,005
2	Mental health hospital	1,041	676	1,093	696	1,148	721
3	Spinal injury	597	240	627	247	658	256
4	Forensic and diagnostic services	7,484	2,314	7,859	2,382	8,251	2,467
5	Capacity building technical assistance on specialized services	200	100	210	103	221	107
6	National Blood Transfusion Services (NBTS)	462	295	485	273	510	283
7	Emergency and disaster management/Trauma Centre Rongai	100	225	105	232	110	240
8	Commodity security (KEMSA and Pharmacy)	3,683	1,959	3,867	2,017	4,060	2,089
9	Free Primary Healthcare	1,000	900	1,050	927	1,103	960
	Total Family Health	**44,318**	**21,715**	**46,534**	**22,328**	**48,861**	**23,128**
Curative Health Care Services							
1	Capacity building and training	8,845	3,386	9,287	3,486	9,751	3,611
2	Research and Innovation	5,660	2,269	5,943	2,336	6,240	2,420
3	Research coordination and knowledge translation	209	-	220	-	231	-
	Total Curative Services	**14,714**	**5,655**	**15,450**	**5,822**	**16,222**	**6,031**
Research Development and Training							
1	Health Policy, Planning & Financing	1,300	1,315	1,365	1,354	1,434	1,403
2	Health Standards & Quality assurance	136	39	143	40	150	42
3	National Quality Control Laboratories	225	69	236	71	248	74
4	Human Resource Management/Interns	2,203	2,203	2,313	2,268	2,429	2,350
5	Administrative	2,224	1,655	2,335	1,704	2,452	1,765
	Total Research Development and Training	**6,088**	**5,281**	**6,392**	**5,437**	**6,713**	**5,634**
General Administration, Planning & Support Services (Leadership and governance)							
1	Immunization	3,083	3,128	3,237	3,128	3,399	3,240
2	Family planning	1,157	28	1,215	28	1,276	29

3	Maternal Health	7,980	4,819	8,378	4,819	8,797	4,991
4	Maternal and young child nutrition	698	719	733	719	769	744
	Total General, Planning & Support Services	**12,918**	**8,693**	**13,563**	**8,694**	**14,241**	**9,004**
		88,574	**48,657**	**93,003**	**49,841**	**97,654**	**51,629**

3.2.4 Semi-autonomous Government agencies

Table 14 shows resource requirements and allocation for SAGAs under the Health Sector namely Kenya Medical Research Institute (KEMRI), Kenya Medical Training College (KMTC), Kenya Medical Supplies Agency (KEMSA), Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), National Aids Control Council (NACC) and the HIV & AIDs Tribunal for the FY 2015/16, 2016/17 and 2017/18 respectively.

Table 14: Resource Requirement (s) for SAGAs FY 2015/16 – 2017/18

SAGAs	Baseline	Requirement	Allocation	Budget Estimates	
RECURRENT vote	**2014-15**	**2015/16**	**2015/16**	**2016/17**	**2017/18**
KEMRI	1,881	5,366	2,118	2,212	2,299
KMTC	2,960	7,815	2,974	3,087	3,189
KEMSA	334	550	335	344	352
KNH	8,599	17,782	8,795	8,994	9,170
MTRH	5,257	7,320	5,301	5,404	5,507
NACC	544	632	546	557	568
HIV/AIDS Tribunal	47	0	-	-	0
Total	**19,621**	**39,464**	**19,645**	**16,275**	**16,761**
DEVELOPMENT vote	**2014/15**	**2015/16**	**2015/16**	**2016/17**	**2017/18**
KEMRI	80	294	151	215	250
KMTC	330	479	150	200	210
KEMSA	1,506	1,510	1,491	1,510	1,510
KNH	250	2,492	305	326	352

MTRH	544	1,543	659	675	686
NACC	150	873	137	224	250
HIV/AIDS Tribunal	20	0	-	-	0
Total	**2,880**	**6,831**	**2,893**	**3,150**	**3,258**
Grand Total	**22,501**	**46,295**	**22,538**	**19,425**	**20,019**

3.2.5 Economic classification

The table below contains the Health Sector resource requirements by economic classification for the FY 2015/16, 2016/17 and 2017/18 respectively.

Table 15: Health Sector Requirement (s) by Economic Classification for FY 2015/16 – 2017/18 (Millions)

Economic Classifications	Estimates	Requirement	Allocation	Projected Estimates	
Recurrent Budget	**2014/15**	**2015/16**	**2015/16**	**2016/17**	**2017/18**
Compensation to Employees	4,283	6,485	5,611	5,744	5,916.
Use of Goods and Services	1,987	5,450	2,222	2,251	2,282
Current transfers Government Agencies	19,345	39,464	19,732	20,311	20,920.
Other Recurrent Expenditure	446	550	446	452	458.
Total Recurrent (Gross)	**26,061**	**50,488**	**28,011**	**28,758**	**29,576.**
Development Budget					
Acquisition of Non-Financial Assets	748	9,263	3,106	3,211	3,358
Capital transfers to Government Agencies	7,924	7,128	2,905	3,003	3,141
Other Development (Free maternity)	12,629	22,104	14,385	14,870	15,552
Total Development (Gross)	**21,301**	**38,495**	**20,396**	**21,083**	**22,051**
GRAND TOTAL	**47,362**	**88,983**	**48,407**	**49,841**	**51,627**

3.2.6 Resource Allocation criteria

The sector adopted the following criteria in the allocation of resources for the financial year 2015/2016

1. Personnel Emoluments for the existing staff
2. Utilities (water, electricity and telephone expenses)
3. Statutory/mandatory obligation where Kenya is a signatory
4. Flagship project/programmes under the Jubilee manifesto
5. Completion of the on-going projects
6. GoK counterpart funding
7. Payment of statutory fees and taxes where financing agreement exempts development partner from paying of duty/taxes/fees for project related inputs

4 CHAPTER FOUR: CROSS-SECTOR LINKAGES, EMERGING ISSUES AND CHALLENGES

4.1 Introduction

The Constitution established two distinct and interdependent levels of governments consisting of the national and 47 county governments with specific functions. These two levels must conduct their relations through consultation and cooperation[7] in order to effectively deliver their mandates.

At the national level, the health sector interacts with other sectors of the economy that contribute to its outputs/outcomes. Identification and harmonization of intra and inter sectoral linkages, therefore is critical to ensure optimal utilization of limited resources.

4.2 Intra Sectoral Linkages within the Health Sector

The national health sector comprises of the Ministry, KEMRI, National Referral Hospitals, NACC, KEMSA and NHIF among others. Intra-sectoral collaborations are mainly in the major programme areas of curative, preventive, promotive health, social protection and training, research and development. The departments and agencies of the Ministry will collaborate in information sharing, policy and strategy formulation, planning, programme implementation, setting of standards and monitoring and evaluation. With devolved system of government intergovernmental sectoral linkages with structured dialogue processes will be paramount if the two levels of governments have to contribute to accelerated realization of rights to health.

4.3 Links to other SECTORS

The collaboration with other sectors focuses mainly on issues that impact and contributes to improved health care and quality of life. These include literacy, employment, poverty, globalization, urbanization and housing conditions, nutrition, environmental and occupational hazards among others.

4.3.1 Energy, Infrastructure and ICT Sector

Expansion, modernization and operation of the health sector to effectively respond to the changing health service needs is highly dependent on energy, infrastructure and ICT sectors. Structured and deliberate engagement by the health sector with these sectors will be critical to ensure accelerated attainment health sector meet its goal. Reliable infrastructure will facilitate access to health care facilities and emergency services across the country hence improving clinical outcomes.

As the Health Sector continues to embrace ICT as medium for improved health care delivery, internet connectivity will be a key resource for implementing e-health, telemedicine and training. Strengthening collaboration with the ICT sub sector will be prioritized to ensure sectoral standards, cost efficiency and effectiveness, and reliability of data for national planning. Specifically, the two sectors in consultation with the county governments will work together towards establishment of web portal, national e-health hubs and health facility based e-health hubs across the country.

[7]The Constitution of Kenya, 2010

4.3.2 Environmental Protection, Water and Natural Resources Sector

Provision of clean water, safe environment, adequate sanitation lead to improved living conditions and reduction in incidence of vector borne and other communicable diseases, hence better health for all.

The target of MDG goal No. 7 is to halve the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015. In line with this goal, the health sector will engage with these sectors in policy and regulatory dialogue to ensure safe environment, water, and sanitation facilities meet the set standards and the regulatory requirements.

4.3.3 Social Protection, Culture and Recreation Sector

The Health Sector through the National AIDS Control Council coordinates the national HIV and AIDS programmes, advocacy and mobilisation of resource

es to deal with the scourge. HIV and AIDS had been recognized as a serious challenge facing human development and identified as a target to be addressed in the national and Millennium Development Goals and Vision 2030. The newly established HIV and AIDS Equity Tribunal shall arbitrate on related human rights issues to ensure non-discrimination of all those infected and affected.

The Health Sector will cooperate with the sub sector of labour, social security and services in the area international recruitment as well as mainstreaming occupational safety and health into management systems across the sector. Further, the sector will contribute towards review of policies and legislation on occupational safety and health.

The Health Sector is committed to promote industrial peace and harmony, and guarantee social economic rights of workers in order to boost the healthcare workers' productivity and performance.

4.3.4 Public Administration and International relations

The success of programmes in health sector is dependent on the funding levels and the timely disbursement. In order for the sector to achieve its goals, it will provide the necessary data and information to enable the National Treasury to provide the necessary funding in time. The Health Sector will continue to play its role in line with the national and sectoral policies.

One of the objectives of the Vision 2030 is to restructure public expenditure to be more growth and pro-poor oriented and this will benefit the sector significantly. The need to invest in human capital will also be emphasized. Resource allocation will be directed towards promotive and preventive aspects of healthcare while giving adequate attention to curative care.

The Health Sector will make its contribution towards achievement of gender equality in the provision of health training in line with MDG goal Number 3 and the National Gender Policy. The sector will work closely with the National Gender and Equality Commission.

National disasters like droughts and floods, frequent road traffic accidents, fires and acts of terrorism take heavy toll on the performance of the sector especially referral hospitals. The sector will commit funds for disaster preparedness, response and recovery as well as develop guidelines for use by County governments.

The Sector will institutionalize and strengthen public private partnerships as resource mobilisation strategy for the purpose of bridging budgetary deficit in accordance to the Public Private Partnership Act (2013).

4.3.5 Education Sector

The direct link between education and positive economic development including improved health outcomes is indisputable. The education sector programmes are geared towards improving efficiency in core service delivery of accessible, equitable and quality education and training. The sector by ensuring the provision of an all-inclusive high level and quality education can contribute substantially towards health seeking behaviour as it rolls out health education and outreach programmes. The two national teaching and referral hospitals will continue facilitating training of medical and paramedical students from public and private institutions. The Health sector will collaborate with Education Sector in the provision of high health impact intervention including deworming.

4.3.6 Governance, Justice, Law and Order Sector

The Health Sector is guided by the relevant constitutional provisions on the right to highest quality of health care especially Chapter four, Article 43 supported by the relevant legislation and statutory regulatory mechanisms such as such Public Health Act, Research Ethics and Standards, Food and Drug Administration among others.

The Health Sector will review and finalize the Health Bill to facilitate its enactment into law. The enforcement of this law and other related legislations will require close cooperation between the Office of the Attorney General among others.

4.3.7 General Economic and commercial affairs

The sector is committed to improving its specialized health care services thorough benchmarking to effectively compete globally. These services will be modelled and benchmarked around the experiences from middle income countries like India, Thailand and South Africa in order to accelerate the development of Kenya as a medical tourism destination hub for specialised health and medical services attracting local, regional and global clients. This tourisms sub-sector is anticipated to contribute significantly to economic growth.

The priority areas will include advocacy for developing Kenya as a medical tourism destination hub and defining the roles of each sector of the economy to support this process. In addition, technical input like setting quality standards in line with international best practices, and development of human resource capacity, establish the necessary infrastructure, financing mechanisms and marketing strategy through the relevant sectors will be prioritized.

4.3.8 Agriculture, Rural and Urban Development

The Health Sector will ensure strengthening of platforms for policy dialogue on nutrition, housing, water and environment in order to improve services to Kenyans. Discussion on nutrition will emphasize on women of reproductive age and children under five (5) years of age including joint implementation of the National Nutrition Action Plan 2012-2017.

4.4 Emerging Issues

Emerging health issues are those that pose either a threat or relief from threat to the overall health of the population. An emerging issue can be a disease or injury that has either increased incidence or prevalence in the recent past or threatens to increase in the near future. Finally, it can be an increased visibility in a long-standing health issue that continues to obstruct the public health goal of reducing morbidity, mortality and disability.

New and re-emerging infectious diseases have been witnessed in Kenya. Although HIV and AIDS has come under control through several interventions including provision of ARVs, several 'old' infectious diseases, including tuberculosis and malaria have proven problematic, because of increased antimicrobial resistance and activation of infectious agents (e.g. tuberculosis) in people whose immune system is weakened by AIDS.

Although specific new infectious diseases cannot be predicted, understanding of the epidemiology of disease through constant surveillance and research need to be done and related systems improved. But large-scale human-induced environmental change, including climate change, is of increasing importance. The health sector is complex, dynamic and is sensitive to both internal and external environmental changes that require swift and appropriate strategic and operational responses. Key among the emerging issues includes:

4.4.1 National Security/Displacements

Deteriorating security situation in some parts of the county pose significant and growing threat to national security with dire implications for public health. The sector should work closely with other sectors (e.g. internal security) to create strategies that balance individual sector dimensions appropriately within a holistic national approach and clearly articulating the role of public health within the national strategies.

4.4.2 Knowledge management

Knowledge Management (KM) is recognised as the backbone for creativity and innovation. Development of standard policies and guidelines will ensure information sharing cross institutions to enhance relevant knowledge at all levels.

4.4.3 Kenya's economic status

With the rebasing of economy, it is likely that the country will go beyond the threshold eligible for donor funding resulting in reduction or cessation of funding of public health programmes e.g. Global Fund, GAVI. The Government therefore needs to be ready to allocate adequate resources to these programmes.

4.4.4 Devolution

Through the new Constitutional dispensation, a two tier health system has been introduced whereby the national level deals with Health policy, National Referral Hospitals, Capacity Building and Technical Assistance to counties. On the other hand, the County Health Services will focus on County Health Facilities and Pharmacies, Ambulance Services; Promotion of Primary Health Care; licensing and control of selling of food in public places; veterinary services, cemeteries, funeral parlours and crematorium; referral removal; refuse dumps and solid waste. This scenario will need strengthen linkages and cooperation. Relevant health sector laws, legislation, policies and regulation need to be formulated and implementation to guide the devolution of health services and programme implementation.

4.4.5 Burden of Communicable and Non- Communicable diseases

Although significant progress towards containing the threat of communicable diseases such as HIV and AIDS, Malaria, Pneumonia, TB and Cholera have been made, the burden to the sector is still significant. This is at the backdrop of rising non-communicable diseases like cancer, hypertension, heart diseases and diabetes due to changes in life styles. Injuries (road traffic accidents) are also significant causes of death and disability. The situation is further aggravated by the high cost of medical care for such cases and poverty (inability to pay for services).

4.4.6 Quality of Health Care

Improving quality of health care is about making healthcare safe, effective, patient-centred, timely, efficient and equitable. This can be achieved through systematic and continuous actions that lead to measurable improvement in health care services and the health status of targeted patient groups. In addition, a standardized system of evidence-based performance measurement and reporting must be strengthened applying the principles of quality improvement (QI) to the Kenyan healthcare system.

4.4.7 Standards and Accreditation

The Ministry of Health has been spear-heading various initiatives to institutionalize quality management including the rolling out of Kenya Quality Model for Health (KQMS/H). There is an urgent need to come up with a national accreditation mechanism for health facilities. The process will be deepened through international accreditation such as ISO, Joint Commission International (JCI), Planetree Authorisation (for patient-centred hospitals), among others.

5 CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

The Health Sector is committed to ensuring the attainment of the highest standards of health to Kenyans as enshrined in the Bill of Rights in the Constitution. The Sector further takes cognisance of the opportunities and challenges in establishing strong health systems responsive to the population under the new constitution.

With Kenya's population growing at a rate of nearly 3 percent annually, the population will continue to place a huge demand for health services. Kenya must continue expanding maternal and child health services while developing the capacity of the health systems to cater for communicable and non-communicable disease burdens which are on the rise.

During 2015/16 planning period, the sector plans to implement priority programmes aligned to MTP II. Efforts will be made to ensure progressive realization of rights to health as envisioned in the Constitution. Further, the sector will continue to build capacities of county governments and provide the necessary technical support so that the counties can effectively execute the functions assigned to them under the Fourth Schedule. In addition the national health sector will continue to strengthen the national referral hospital to be able to provide the critical backstopping to the counties with regards to specialized health services. All these national government functions will require significant financial inputs.

5.2 RECOMMENDATIONS

Maximizing health outputs and outcomes with the available resources remains the major focus for the Sector during this medium – term budgeting period. In order to realize these, the following recommendations are made:

- There is need for the National Treasury to consult the relevant MDAs on the Priority projects,costs of the on-going projects, and flagship programmes before setting ceiling for subsequent Financial Years. This will enable the Government to allocate sufficient funds to avoid stalled projects and accumulation of pending bills that may occur.

- The national and county governments taking cognizance of the inadequate budgetary allocations. The two levels of government should consider improving the efficiency and effectiveness in programmes implementation in addition to exploring alternative mechanisms of mobilizing additional resources.
- Most of the public health programmes are largely dependent on donors for financing. As more government funds become available to the health sector, efforts should be made to increase allocations to these public health programmes, with the overall goal of full financing in the long run.
- The Ministry of Health should focus on improvement of the performance of the Parastatals with an emphasis on reduced reliance on exchequer funding and containment of their ever increasing wage bill.
- The Government should provide funds to cater for pending bills before determining the resource envelope to be shared
- Parastatals to provide for pension deficit from their AIA collection

- In the recent past, the country has witnessed potential disease threats like Ebola and acts of terrorism. This calls for additional resources allocation in order to prepare, respond and contain such situations.
- Maintain and strengthen the existing health sector inter-governmental consultative for a mechanisms for coordination of health sector in the two levels of government.
- With the rebasing of economy, it is likely that the country will go beyond the threshold eligible for donor funding resulting in reduction or cessation of funding of public health programmes e.g. by GAVI, Global Fund. The Government therefore needs to be ready to allocate adequate resources to these programmes.
- The Government of Kenya both National and County Governments should enhance allocation of funds to the Sector as a deliberate attempt to attain the Abuja Declaration target of 15% ;
- The National Government and Counties need a written agreement on the shared responsibilities on procurement and distribution of commodities for programmes of public health importance and which are heavily donor funded such as ARVs, TB drugs, Malaria drugs, vaccines and family planning commodities.
- Unlike in preventive health services where most policies and guidelines exist up to county level, curative services have very few of these. The National Government and Counties therefore need to work very closely especially when specialized clinical services are introduced to counties in order to ensure that the counties are provided with policies and guidelines and that adequate capacity and technical assistance is given to maintain the quality of these services.
- There is need for National Government to partner with Counties to ensure that health sector funding is prioritized at county level.
- The departments and agencies of the Ministry should collaborate in information sharing, policy and strategy formulation, planning, programme implementation, setting of standards and monitoring and evaluation.
- Relevant health sector laws, legislations, policies and regulation need to be formulated and implemented to guide the devolution of health services and programme implementation.
- Strengthen health in all policies.
- National Treasury to provide Kshs.550 millions for upgrading and equipping cancer unit at KNH and MTRH for Financial Year 2015/16.

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7 ANNEXES

Table 13: Capital Projects		
Contract date	**Contract Completion date**	**Expected completion date**
PROJECT 1: Government Chemist - Construction of Modern Lab Block: **Location:** Kisumu		
Contract date: June 2010	**Contract Completion date:** 30th June 2012	**Expected completion date:** 26th December 2014
Contract Cost: Kshs. 56.3M	**Expected final cost:** Kshs 133.7M	
Completion Stage 2011/12: 41%	**Completion Stage 2012/13**: 74%	**Completion Stage 2013/14:** 85%
Budget Provision 2011/12: Kshs. 20,000,000	**Budget Provision 2012/13:** Kshs. 40,000,000	**Budget Provision 2013/14:** Kshs. 70,000,000
Project justification: This project is aimed at testing DNA samples from Kisumu for the prevention and control of crime and other social factors		
PROJECT 2: : Radiation Protection Board- Central Radioactive Waste Processing Facility (CRWPF) – Phase I		**Location:** OLOOLUA, NGONG
Contract date: 15th December 2009	**Contract Completion date:** 8th January 2013	**Expected completion date:** 30th June 2014
Contract Cost: Kshs. 518.5M	**Expected final cost:** Ksh.518.5M	
Completion Stage 2011/12: 74%	**Completion Stage 2012/13**: 92%	**Completion Stage 2013/14** : 95%
Budget Provision 2011/12: Kshs. 115,000,000	**Budget Provision 2012/13:Ksh** Kshs. 300,000,000	**Budget Provision 2013/14:** Kshs. 300,000,000
Project justification: This is a waste management facility that is aimed at reducing radioactive substances away from the environment and the people.		

Table 13: Capital Projects		
Contract date	**Contract Completion date**	**Expected completion date**
PROJECT 3: East Africa Public Health Laboratories		**Location:** Machakos, Kitale, Busia, Malindi and Wajir
Contract date: Machakos: 3rd April 2013 Kitale: 8th April 2013 Busia: 22nd April 2013 Malindi: 7th April 2013 Wajir: 22nd April 2013 Nairobi: 2nd April 2013	**Contract Completion date:** Machakos: 31st January 2014 Kitale: 4th February 2014 Busia: 22nd February 2014 Malindi: 20th February 2014 Wajir: 22nd February 2014 Nairobi: 30th July 2014	**Expected completion date:** Machakos: 17th October 2014 Kitale: 12th August 2014 Busia: 14th November 2014 Malindi: 31st October 2014 Wajir: 24th October 2014 Nairobi: 17th October 2014
Contract Cost: Kshs Machakos: 48,360,806.00 Kitale: 56,016,277.74 Busia: 48,175,206.00 Malindi: 57,933,584.20 Wajir: 61,015,246.00 Nairobi: 99,432,875.00	**Expected final cost:** Kshs. Machakos: 55,525,554.19 Kitale: 64,036,365.70 Busia: 55,402,223.24 Malindi: 66,591,706.36 Wajir: 69,391,608.93 Nairobi: 113,719,788.80	
Completion Stage 2011/12: Machakos: 0 Kitale: 0 Busia: 0 Malindi: 0 Wajir: 0 Nairobi: 0	**Completion Stage 2012/13:** Machakos: 30 Kitale: 25 Busia: 15 Malindi: 15 Wajir: 25 Nairobi: 35	**Completion Stage 2013/14:** Machakos: 95 Kitale: 99 Busia: 87 Malindi: 89 Wajir: 95 Nairobi: 98
Budget Provision 2011/12: Kshs. 235,500,000	**Budget Provision 2012/13:** Kshs. 225,260,000	**Budget Provision 2013/14:** Kshs. 174,863,393
PROJECT 4: Wajir District Hospital	**Location:** Wajir	

Table 13: Capital Projects		
Contract date	**Contract Completion date**	**Expected completion date**
Contract date: 01st May 2008	**Contract Completion date:** 30th June 2013	**Expected completion date:** 30th June 2016
Contract Cost: Kshs.450,000,000	**Expected final cost:** Kshs.450,000,000	
Completion Stage 2011/12: 5%	**Completion Stage 2012/13**: 12%	**Completion Stage 2013/14:** 14 %
Budget Provision 2011/12: Kshs.200,000,000	**Budget Provision 2012/13:** Ksh.20,000,000	**Budget Provision 2013/14:** Kshs.5,000,000
Project Justification: The project which is aimed at making Wajir District Hospital into a referral facility for the region		
PROJECT 5: KIDDP-Construction of 30 bed and Theatre at Ngong Sub-district Hospital		**Location:** Ngong
Contract date: June 2013	**Contract Completion date:** 30th June 2016	**Expected completion date:** 30th June 2016
Contract Cost: Kshs.43,000,000	**Expected final cost**: Ksh.43,000,000	
Completion Stage 2011/12: (10%)	**Completion Stage 2012/13:**	**Completion Stage 2013/14: 0**%
Budget Provision 2011/12: Kshs	**Budget Provision 2012/13:**Ksh	**Budget Provision 2013/14:** Kshs.43,000,000
PROJECT 6: KIDDP-Construction and Equipping of a Maternity Ward at Likoni District Hospital		**Location:** Mombasa
Contract date: June 2013	**Contract Completion date:**	**Expected completion date:** 30th June 2016
Contract Cost: Kshs.19,000,000	**Expected final cost:** Ksh.19,000,000	
Completion Stage 2011/12: (%)	**Completion Stage 2012/13:**	**Completion Stage 2013/14: (0%)**

Table 13: Capital Projects		
Contract date	**Contract Completion date**	**Expected completion date**
Budget Provision 2011/12: Kshs.	**Budget Provision 2012/13:**Ksh	**Budget Provision 2013/14:** Kshs. 19,000,000
PROJECT 7: KIDDP-Construction of a 20 bed ward and the theatre at Muhoroni District Hospital		**Location: Kisumu**
Contract date: June 2013	**Contract Completion date:**	**Expected completion date: 30th June 2016**
Contract Cost: Kshs. 38,500,000	**Expected final cost:** Kshs. 38,500,000	
Completion Stage 2011/12: (%)	**Completion Stage 2012/13:**	**Completion Stage 2013/14: 0**%
Budget Provision 2011/12: Kshs	**Budget Provision 2012/13:**Ksh	**Budget Provision 2013/14:** Kshs. 38,500,000

Annex 2: Justification Notes

MINISTRY HEADQUARTERS

The total resource requirements under the Ministry of Health for the Financial Year 2015/2016 is **Kshs.88.9 billion** against the National Treasury ceiling of **Kshs.48.4 billion**. This therefore leaves a resource gap of **Kshs.48.3 billion.**

The budget required at the Ministry Headquarters is to meet salaries of existing staff and intern doctors amounting to Kshs. **5.023 billion**, Hire/Leasing of Medical Equipment for Hospitals to be implemented in phases under Strategic Intervention at a total cost of **Kshs. 4.5B**, slum upgrading programme **Kshs. 500 million**, Free Maternity Health Programme whose budget requirement is **Kshs 6B** for the FY 2015/2016.

The Ministry has further allocated **Kshs.1Billion** towards indigent population/vulnerable needy groups e.g orphans, older persons, and persons with disability who are not able to meet the cost of treatment. A further **Kshs. 500million** will go towards the construction and equipping the slum upgrading programme.

The Ministry also intends to digitize (automation) all hospital records within the country at a total cost of **$ 75 million** (approx. **Kshs. 6.45 B**) under the Private Public Partnership (PPP) arrangement. The programme will be implemented in a phased period of 3 years at a cost of **Kshs.2.15 billion** per year.

Other activities to be implemented by the National Government includes; Communicable and Non-communicable Disease control, Refurbishment and construction of Mathari National Referral and Teaching Hospital, Spinal Hospital ,Government Chemist, Radiation Protection Board, Blood Transfusion, National Public Health Laboratories, Immunization, Maternal and Child Health Programme, Nutrition, Free Access, Policy, standard and Guidelines, Operational research, National Quality Control Laboratories, Family Planning, Environmental Health, Disaster and emergency response.

BUDGET SHORTFALL: MINISTRY HQS

The following is an analysis of the allocation for 2014/2015 Financial Year, resource requirement on key priority programmes, allocation and the financing gap for the Financial Year 2015/2016 under the Ministry headquarters.

1. Flagship Programmes

	Items	**2014/15** Alloc.	**2015/16 Req.**	**2015/ 16 Alloc.**	**Gap**	**Remarks**
1	Free maternity	4.040B	6.0B	4.298	1.702B	For the reimbursement of maternity costs in the hospitals (Strategic intervention)
2	Hire of equipment	3.0B	4.5B	2.0B	2.5B	These are funds for Hire/Leasing of Medical Equipment for Hospitals to be implemented in phases under Strategic Intervention. The total capital cost of the project is **Ksh. 24 billion** to be implemented over a phased period of 6 years.
3	Capacity building and technical Assistance for specialized Medical care	0	200M	100M	100M	The amount is for capacity building and technical Assistance for specialized Medical care in the county Governments
4	Construction and equipping of health centres in Slum areas	300M	300M	200M	100M	Procurement of equipment for **20 health centers** to be constructed by the Ministry in conjunction with the National Housing Corporation
5	Removal of 10/20 policy to enable free access to Dispensaries and Health centres	0. 7 B	1.0B	0.9 B	100M	Amount required to scale up access to medical care
6	Digitization/automation of health	0 (PPP)	2.150B	0	2.15B	The amount is to automate all the hospitals across the country. The total cost of the project as jointly presented

	facilities					to the Ministry of Health and Ministry of ICT is **$ 75 million** (approx. **Ksh. 6.45 billion**) The programme will be implemented in a phased period of 3 years at a cost of **Kshs. 2.15 billion** per year.
	TOTAL	**8.040B**	**14.150B**	**7.498B**	**6.652B**	

2. Ongoing Projects/programmes

NO	**Items**	**2014/2015 Allocation**	**2015/2016 Requirement**	**2015/2016 Allocation**	**Gap**	**Remarks**
1	GOK Contribution to GAVI for the procurement of Vaccines	260M	260M	260M	0	This is GOK contribution towards Global Alliance for Vaccine Initiative (GAVI) towards the procurement of Vaccines.
2	Procurement of Vaccines	202M	202M	150M	52M	Procurement of Vaccines not covered by GAVI programme.
3	GOK Counterpart funds to Kenya Health Sector Support Programme(KHSSP)	100M	200M	150M	50M	This is counterpart funding for the Procurement of commodities and Capacity building to Health Centres and Dispensaries
4	GOK Contribution to Donor Funded	0	149M	0	149M	This is GOK counterpart funding towards a grant from

	Programmes(US AID)					USAID for the Procurement of Commodities
5	Trauma Hospital (Rongai, Nakuru County).	0	150M	0	150M	This GOK contribution for the construction of a National Trauma Centre at Rongai, Nakuru County. The Ministry has identified and forwarded local firms to BADEA who will work with BADEA firms. Donor component Opec and Badea are giving **KShs1.5Billion**
6	Government Chemist	30M	350M	0	350 M	Amount is for completion and expansion of ongoing projects at Kisumu,Mombasa and Nairobi
7	Radiation Protection Board	75M	350m	33M	317M	The amount is for Construction of the ongoing National Central Radiation Waste Processing Facility at Oloolua forest, Kajiado County
8	Blood Transfusion services	50M	300M	30M	270M	Procurement of lab supplies, Blood bags and testing equipment.
9	Mathari Hospital	45M	500M	0	500M	The amount is for Infrastructure development
10	Spinal Injury Hospial	29M	500M	0	500M	The amount is for Infrastructure development
11	T.B Drugs	336M	500M	0	500M	Procurement of 1st Line T.B Drugs which are not provided under Global Fund Programme
12	Global Fund-HIV/AIDS	50M	1.5B	0	1.5B	The amount is for Procurement of ARV

						Drugs for Sustainability. These funds were devolved
13	Global Fund-Malaria	50M	100M	0	100M	For mitigation against Malaria.
14	Maintenace of Equipment.	150M	150M	0	150M	These are funds for maintenance of specialized medical equipment in health facilities.
15	Outstanding Pending bills	0	1.8B	0	1.8B	This is accumulation of pending bills over the years
	TOTAL	**1.377B**	**7.011B**	**560M**	**6.451B**	

3. Other priority Programmes

NO	**Items**	**2014/2015 Allocation**	**2015/2016 Requirement**	**2015/2016 Allocation**	**Gap**	**Remarks**
1	National Quality Control	30M	200M	0	200M	This is for the procurement of lab supplies and equipment for quality checks
2	National Public Health Laboratory	40M	200M	0	200M	This is for the procurement of lab supplies and equipment operationalize regional labs constructed by World Bank.
3	Family Planning Commodities	0	980M	0	980M	Procurement of Commodities for National security and Sustainability. These commodities are currently donor dependant.
4	Social Protection	500M	1.0B	500M	500M	The amount is to cater for indigent

						population/needy groups e.g orphans, older persons, ands persons with disability who are not able to meet the cost of treatment.
5	Operational Research	0	200M	0	200M	For coordination and support of health research
6	Emergency and Disaster response	0	200M	24	176M	For unforeseen disasters.
7	Communicable disease	7M	500M	0	500M	Mitigation of Communicable disease control
8	Forensic and Pathology services	0	50M	0	50M	The amount if for procurement of forensic equipment and operational costs
9	Non-Communicable disease	8.6M	100M	0	100M	Mitigation of Non-Communicable disease control
10	All HQs operational exp.including spinal and Mathari Hospital.	1.7B	2.5B	1.7B	800M	Amount is enable the Ministry Headquarters perform its core mandate as enshrined in schedule four of the constitution 2010
	TOTAL	**2.223B**	**5.930B**	**2.224B**	**3.706 B**	

Priority 4. Salary for Registrars

No.	**Item**	**2014-2015 allocation**	**Requirements 2015/2016**	**Allocation**	**Gap**	**Remarks**

1	Salary for registrars	198M	874M	0	874M	These are Doctors pursuing postgraduate on specialized fields in our universities

Note: The National Treasury has granted funds to the Ministry amounting Kshs198M to pay salaries to doctors who are undertaking post graduate programmes.

KNH Budget justification

KNH requires kshs.**20.2 billion** for recurrent and development expenditure for the FY 2015/16. The following is a summary of the major services/outputs to be derived from the proposed expenditure to be provided in the MTEF period.

		Funding		
Detail	2015/16	GOK	Donor	User fee
Recurrent	17,792	10,737	0	7,045
Development	2,492	735	1,000	757
Total	**20,284**	**11,472**	**1,000**	**7,802**

i. Recurrent Expenditure Kshs.17,792 million

a. **Personnel Emoluments Kshs.10.737** – the hospital requires a total of kshs.10,737 million for personnel emoluments. This is to cater for;

i. Current payroll (Basic pay, House all etc) KShs. 8,153 million,
ii. Off payroll items(Employer NSSF, etc) Kshs.1,401 million
iii. Pension deficit (Remedial plan) Kshs.1,183 million

In the FY 2014/2015, the Hospital was allocated Ksh.6.6 Billion against a budgetary request of Ksh.8 Billion. The Personnel Emoluments (PE) costs gap currently stands at kshs 1.4Billion, both for payroll and non-payroll costs and requires funding by the National Treasury.

b. **A-in-A kshs.7,045m** – The hospital estimates to raise kshs.7,045 from user fees during the FY 2015/2016. This will be driven by the investments in replacement/acquisition of plant & equipment and the improvement and upgrading of Infrastructure to meet the rising healthcare

needs such as completion of the private wing and functionality of the cancer cobalt center which are due for completion in the FY 2015/2016.

ii. Capital expenditure kshs.2,492m – The capital requirement for the hospital is Kshs,2,492 in the FY 2015/2016 which is prioritized as follows;

a.GOK grant Kshs. 735 million

i. Complete the rehabilitation of the Kenyatta Prime Care Centre (Private Wing) and make it the regional provider of choice for highly specialized health care in line with vision 2030 medical tourism target. Kshs **29,2 million** is required to complete the project.

ii. Provide peripherals for the Linear Accelerator **kshs.250 million**. The Government of Kenya provided Kshs. 300 Million for acquisition of 6 MV Linear Accelerator and accessories and construction of a bunker at KNH. The bunker requires peripheral facilities estimated to cost kshs 250 million to support its operation. This will consist of patient waiting area, patient recovery room, nursing and procedure rooms, doctors consulting room and a treatment planning room.

iii. Rehabilitation of 24 theatres to facilitate specialized care **Kshs.225 million**. This will include acquisition of laparoscopic tower units for urology and gynaecology operations, complete orthopaedic drills, neurosurgical microscope, operating tables, anaesthetic delivery machines etc. These will increase efficiency and quality of care for open heart surgeries, kidney transplants, neurosurgeries and other specialties that have long a waiting list. The total project cost is kshs 225 million.

iv. Critical care **Kshs. 120 million.** Provision of additional paediatric and adult critical care equipment is required due to the increased demand for emergency care and facilitate specialized surgeries. The Hospital has a 21-bed Critical Care Unit which has been expanded to 34 through creation of ward ICUs. However, this is still low compared to the WHO guidelines of at least 100 critical care beds for a 2,000 bed hospital. The project is in line with the Constitutional provision regarding emergency care and requires kshs **120 million** to implement.

v. ICT Network **kshs.110 million.** To actualize the ICT Master Plan and support current implementation of the Hospital Management Information System (HMIS) project, the Hospital needs to invest in the backbone network at a cost of kshs **110 million**. This will improve efficiency in service delivery, higher revenues due to improved billing and customer satisfaction.

b. Donor Funded Kshs.1,000 million

The construction of a Burns Management Centre and a Paediatric Emergency Centre is financed by a consortium of financial institutions including the Arab Bank for Economic Development in Africa (BADEA), Saudi Fund for Development (SDF) and OPEC Fund for International Development (OFID) in 2009 at a cost of US$23.83 million. The project is in tender stage. The re-advertisement for international tenders is expected to be done the FY 2014/2015 and actual construction work to be carried out from the FY 2015/2016. Constructions works is estimated to take 36 months. **Kshs.1,000 million** is required in the FY 2015/2016.

c. A-in-A kshs.757

The hospital will implement its asset management policy and set aside funds towards a sinking fund, depending on the performance of the user fee collections, to facilitate the

replacement of plant & equipment when they complete their economic useful life. In the FY 2015/2016 the hospital has prioritized the improvement and upgrading of the farewell (mortuary) home, equipping the Accident and Emergency centre, upgrading of diagnostic equipment etc. This will require kshs.757 million.

MOI TEACHING & REFFERAL HOSPITAL

The Hospital's proposed budget for the Financial Year 2015/2016 is Kshs **9,562,890,583** towards provision of Curative Health Care Services.

The Key Performance Indicators include Reduce Mortality rate, Reduce inpatient length of stay, Maintain Zero percent Malaria Deaths, Timely management of chronic Diseases, Reduce Average Turnaround time in outpatient attendance, Increase Number of Deliveries in the Hospital, Timely and effective management of the 5 common causes of maternal death, Reduce Maternal Mortality, Reduce neonatal mortality, Occupational Health & Safety.

The proposed budget breakdown is as tabulated below;

	TOTAL REQUIREMENTS	GoK	AIA	DONORS
Recurrent	7,319,590,583	5,753,679,456	1,565,911,127	0
Development	2,243,300,000	1,543,300,000	0	700,000,000
TOTAL	9,562,890,583	7,296,979,456	1,565,911,127	700,000,000

NOTES:

RECURRENT VOTE

The total required amount under Recurrent is **Kshs 7.319 billion** to cater for salary for existing staff, annual increments, common cadre promotions, employment of nurses, confirmation of nurses and nurses uniform allowance, CBA implementation and Shoe for Africa Hospital staffing requirements, procurement of medical commodities and other operational costs.

DEVELOPMENT

The Hospital's total requirement in the FY 2014/2015 amounts to **2,243 Billion** to finance priority areas including Expansion of Accident and Emergency Unit, Construction of Isolation Unit, Equipping of the Cancer & Chronic Disease Management Centre, Equipping Children's Hospital, Expansion and Equipping of ICU including modernizing other Medical Equipment as outlined below:

I) Expansion of Accident and Emergency Unit

Due to the current set up of the Accident and Emergency unit of the Hospital, patients are not effectively served at the Unit. There's need for expansion of the Accident and Emergency Unit to assure patients of systematic movement thus enhancing service delivery. **Kshs 100 million**

II) Construction of Isolation Ward

The Hospital requires a purpose built isolation unit to properly handle any likely highly infectious diseases such as Multi-Drug Resistant TB, Ebola, Murburg among others. The isolation ward in use is a house that was previously occupied by members of staff and is now designated as isolation area. Allocation of funds towards the construction of an isolation ward will go a long way in ensuring infections is avoided. **Kshs 100 million**

III) MRI (3.0 Tesla Magnet)

In order for the Hospital to continue offering quality and affordable services to the citizens of the Republic of Kenya, it is important for funds to be availed for the purchase of an MRI since MTRH does not have this important diagnostic equipment. Currently, patients access this diagnostic service from private hospitals at very exorbitant rates.

IV) CT- Scanner (Multi Detector CT) with Angiography component, software for colonoscopy and dental (CT Scanner - 64 slice)

This is aimed at increasing diagnostic services thus reducing time taken to treat patients **Kshs 83 million**

V) Oncology/ Radiotherapy Unit

Cancer is now one of the leading causes of mortality in Kenya and it is for this reason that funds for Oncology/ Radiotherapy Unit are being sought**. Kshs 300 million**

VI) Expansion & Equipping of ICU

MTRH has been referring patients to Private Hospitals within Eldoret Town to access ICU services due to limited capacity in the current ICU. This increases the cost of health care thus burdening the already struggling citizens. **Kshs 220.3 million**

VII) Assorted Medical Equipment

The Hospital heavily relies on donated used medical equipment to supplement what GoK provides through the Development grant. There is need to replace the old medical equipment to guarantee quality health care. **Kshs 200 million**

VIII) Equipping of the Children Hospital

The sponsors of the project signed for a build and transfer for the Children's Hospital hence the request of Kshs 140 million to equip the Centre of Excellence for Children. **Kshs 140 million**

IX) Equipping of Cancer & Chronic Disease Management Centre (CDM)

Construction CDM is scheduled to be complete by December 2014 and to become operational in April 2014. The sponsor allocated funds towards the construction of the facility but nothing for medical equipment. Kshs 140 million is required for equipping of CDM. **Kshs 140 million**

X) Hospital Laundry

Availability of reliable laundry services is paramount in a Hospital and it is for this reason that Kshs 60 million shall be required in the FY 2015/2016 to cope with the expansion of client base. This shall guarantee clean linen at all times in the Hospital. **Kshs 60 million**

THE NACC PRIORITY INTERVENTIONS FOR FINANCIAL YEAR 2015/16

For NACC to deliver on her mandate, **Ksh 1,505,881,274** is required for the Financial Year 2015/16 .The table below is the summary of requirements:

	TOTAL REQUIREMENTS	**GoK**	**AIA**	**DONORS**
Recurrent	632,881,274	632,881,274	0	0
Development	873,000,000	588,000,000	85,000,000	200,000,000
TOTAL	**1,505,881,274**	**1,220,881,274**	**85,000,000**	**200,000,000**

The following are the detailed activities to be implemented for the Financial 2015/16;

FY2015-16 NACC BUDGET REQUIREMENTS		
	Activity	**Amount Ksh**
	Development Vote	

1	Sustainability of TOWA Activities(To enhance CSO & Community engagement and participation in the national response	94,000,000
2	Engagement of the youth through the National Youth Council in mainstreaming HIV and AIDS programming and support eMTCT, keeping mothers alive & Beyond Zero Campaigns Programmes through resource mobilization	59,000,000
3	Implementation and dissemination of the Kenya AIDS Strategic Framework (KASF) by engagement Counties through consultative forums	188,000,000
5	Community initiatives(Monitoring granting and evaluation)	232,000,000
6	Institutional Strengthening	300,000,000
	Sub-Total	**873,000,000**
	Recurrent Vote	
7	Council (Board) Expenses	13,200,000
8	Personnel Cost (PE)	282,058,274
9	Utilities	337,623,000
	Sub- Total	**632,881,274**
	GRAND TOTAL	**1,505,881,274**

Notes and Explanations

1) NACC depended heavily on USD 135 Million funds from TOWA project to carry out her programmes between periods 2008-2013. The TOWA Project closed in June 2014 and there is need to increase allocation under development vote in order to sustain the programmes at the National, County and the Community Levels.**(Ksh 94,000,000)**

2) The country depends heavily on Donor funding, KNASA Survey 2013 revealed that 80% of HIV and AIDS funds comes from the development partners with the Government contribution of 20%. This situation is not sustainable in the long run. Donors are not scaling up their financial support and some have expressed desire to cut their support**.(Ksh232,000,000)**

3) NACC will require the engagement of Counties through consultative forums, dissemination of the KASF at the counties, development of the guidelines for the counties to facilitate HIV and AIDS planning, develop a frame work for HIV and AIDS training and standards.(**Ksh 188,000,000)**

4) Engagement of the youth through the National Youth Council in mainstreaming HIV and AIDS programming and support eMTCT and keeping mothers alive and Beyond Zero Campaigns Programmes.(**Ksh59,000,000)**

5) Recurrent vote is required for the NACC operational and support services which include; The Council expenses, personnel cost, rent and rates, telephone, transport, office supplies and replenishment of vehicles. These budgetary requirements under recurrent are necessary for attainment of NACC mandate.(**Ksh632,881,274)**

6) The NACC Board has expressed the need for NACC to acquire her own premises. This is informed by recurrent expenditure of rent amounting to Ksh 50m per year.(**Ksh300,000,000)**

KEMSA

KEMSA requires a total of Ksh.2,060,000,000 of which Kshs 550,000,000 will be utilised towards Personel Emoluments cost and Kshs 1,510,000,000 towards capitalisation. KEMSA has 457 employees, of whom 297 are on Permanent terms and 160 on contract terms. The funds required is to cater for personel cost and confirmation of contract staff to permanent establishment.

The Ksh.1.491billion under Development Vote is program funding by USAID for the procurement of ARVs, Equipment and Laboratory Reagents and Contraceptives under Division of Reproductive Health. These commodities are not for sale. The Ministry on its part is supposed to provide a budget line of Ksh.149 million (10% of cost) for distribution of these commodities as the donor does not pay for their distribution.

The Ksh.19 million requested for under GOK development vote is for refurbishment and maintenance of regional Depots.

	TOTAL REQUIREMENTS	**GoK**	**AIA**	**DONORS**
Recurrent	550,000,000	550,000,000	0	
Development	1,510,000,000	19,000,000	0	1,491,000,000
TOTAL	**2,060,000,000**	**569,000,000**	**0**	**1,491,000,000**

Currently, KEMSA has 457 employees, of whom 297 are on Permanent terms and 160 on contract terms. The total salary requirement is Ksh.216 million for Financial Year 2015-2016.

under development vote, Kshs. 1.491 billion will be provide by USAID for the procurement of ARVs, Equipment, Laboratory Reagents and Contraceptives under the Division of Reproductive Health. The Government will provide Ksh.149 million (10% of cost) for distribution.

The Ksh.19 million requested for under GOK development vote is for rehabilitation and maintenance of regional depots.

KEMRI

	TOTAL REQUIREMENTS	GoK	AIA	DONORS
Recurrent	5,366,000,000	5,366,000,000	0	0
Development	294,000,000	294,000,000	0	0
TOTAL	5,660,000,000	5,660,000,000		

KMTC

The college has an approved staff establishment of 3,932 and an in-post of 1,955. The amount required under the recurrent vote is to meet the personnel emoluments and operational costs.

Under the development vote, the college requires Kshs. 478 million for the expansion and infrastructural development across all the 47 counties**.**

	TOTAL REQUIREMENTS	GoK	AIA	DONORS
Recurrent	7,893,604,122	5,966,668,649	1,926,935,473	0
Development	478,595,211	478,595,211	0	0
TOTAL	8,372,199,333	6,445,263,860	1,926,935,473	