



SUBMISSION OF THE COUNTY BUDGET ESTIMATES FOR 2024/2025, SUBMITTED TO THE DEPARTMENT OF FINANCE AND ECONOMIC PLANNING IN KWALE COUNTY.

Submitted on: 26th April 2024

Contact Person

Reena Atuma

Budget Facilitator, CRBH

Health Economist, Population Reference Bureau (PRB).

Email Address: khaiyareena885@gmail.com

1.0. Introduction

The Public Finance Management Act 2012 requires counties to use Programme Based Budget (PBB) in the preparation of Budget Estimates. The PBB format is meant to organize the budget around programmes with clear objectives, indicators and targets that are measurable and achievable. The Budget Estimates are prepared following Sections 129 to 131 of the Public Finance Management Act (PFM) 2012.

The Coast Regional Budget Hub (CRBH) is pleased to share its insights through this submission. The Coast Regional Budget Hub is a platform for Public Finance Management (PFM) practitioners that brings together regional voices for collective efforts and synergy to enhance public budgets and services across the Coast Region of Kenya. The Coast Regional Budget Hub operates in the six Coastal counties: Mombasa, Kwale, Kilifi, Lamu, Taita-Taveta, and Tana River Counties.

The Hub comprises budget coordinators, facilitators, and champions from various organizations/institutions, informal groups, academia, and individuals across the Coast. The Coast Regional Hub builds communities' collective capacity to engage effectively and mobilizes participation in the budget-making processes at the county, regional, and national levels. The CRBH achieves this through continuous capacity building of budget champions and communities in budget processes, research, and budget analysis for evidence-based advocacy engagement and network building with stakeholders. The Hub has over 15 budget facilitators and over 300 budget champions across the Coast.

Following the call for public comments, The Coast Regional Budget Hub is Pleased to submit, their views on the draft budget Estimates for 2024/2025.

2.0. DETAILED SUBMISSION

2.1. Revenue Mobilization

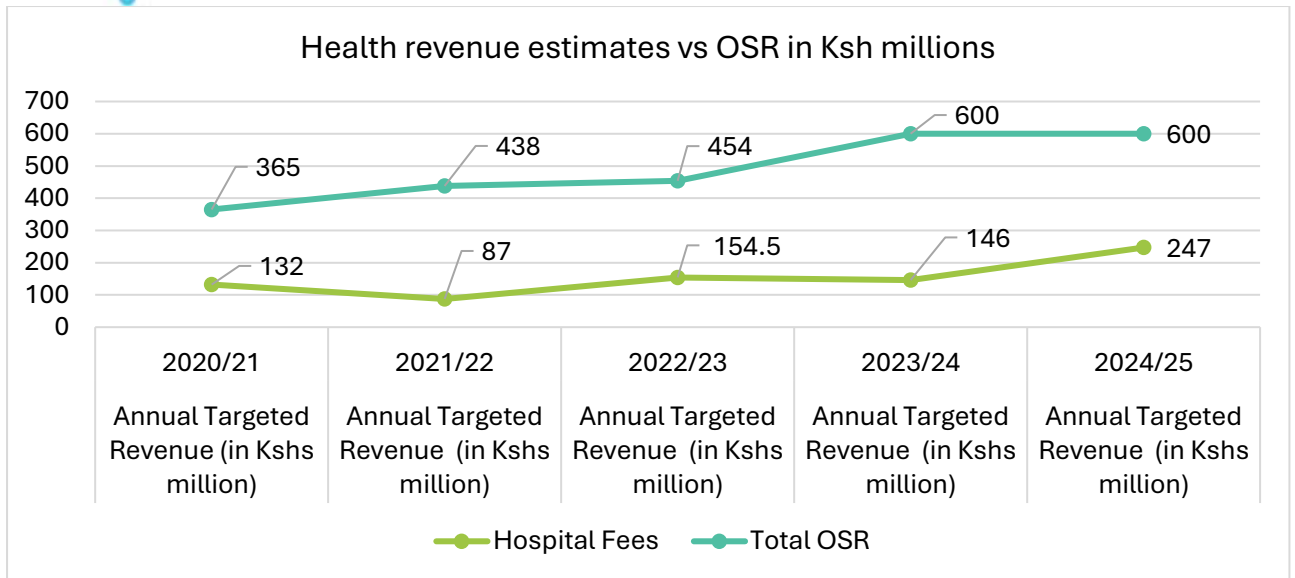
2.1.1. Status of FIF implementation.

As residents of the county, we are concerned about the compliance of the county to the national health financing reforms, for example, the implementation of facility improvement financing law. The benefits of FIF cannot be over-emphasized as on the base they help facilities that generate revenue to offset some of their commitments in their annual work and prompt provision of health services. The next FY presents an opportunity for the county to implement the FIF as part of compliance with the national reforms. The draft programme-based budget has, however, not provided clear directions on its actual implementation as it has failed to separate the revenues for facilities as appropriation in aid a practice that is implemented in other counties implementing FIF. The table below shows the anticipated own source revenue including the health revenues.

Own source revenue (in Ksh) for health in anticipation for FIF implementation				
Revenue Stream	Budget 2023/2024	Draft Estimates 2024/2025	Budget FY 2025/2026	Budget e Estimates FY
Public Health Services Fees	7,850,000	8,461,800		10,154,160
Hospital Fees	138,800,000			
Health Centers Services Fee		65,154,800		78,185,760
Maternities Services Fee		200,600,000		240,720,000
Public Health Facilities Operations		265,754,800		318,905,760
Total Health Revenue Estimates	146,650,000	274,216,600		329,059,920
Total OSR	600,000,000	600,000,000		720,000,000
Percentage of health revenue to total OSR	24%	46%		46%

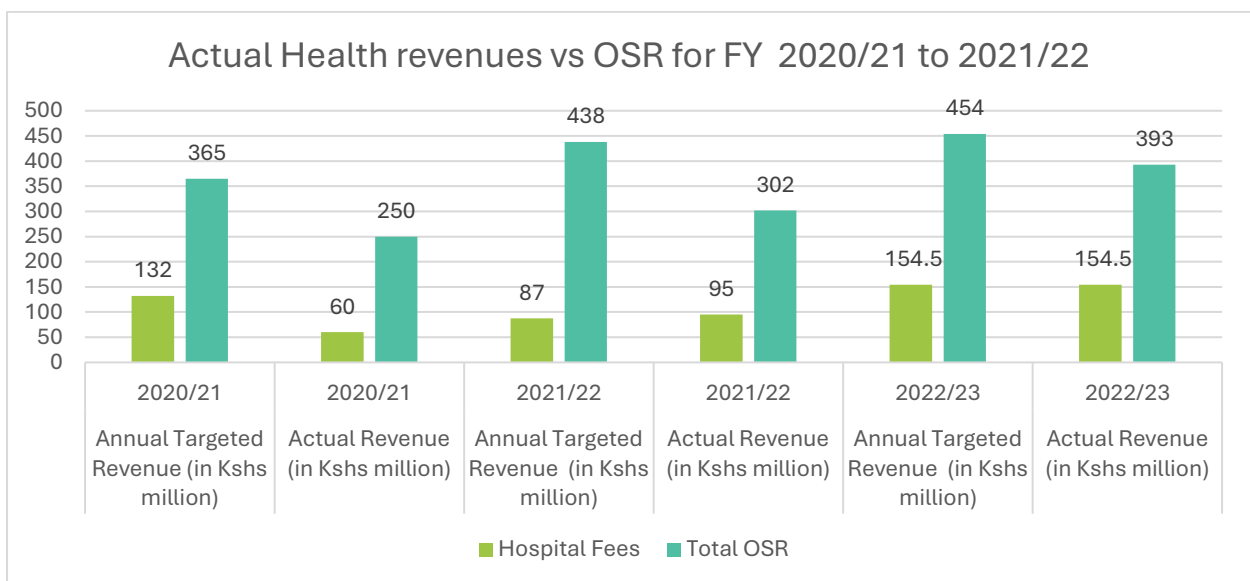
2.1.2. Revenue targeting

The revenue projection for the Health Department as per the draft budget is Ksh. 274 million which is way higher than what facilities have been able to collect in the previous FY. While this could have been potentially driven by factors like mass mandatory registration to SHI which casts the net wider on expected health revenues, the investments in health should be commensurate to this anticipation. The graph below shows the trends in health revenues vs OSR commitments for the period 2020/21 to 2024/25.



2.1.3. Health actual collections vs OSR

The highest revenue realized by the health department for the period 2020/21 to 2022/23 has been Ksh 150 million which means that for the department to raise Ksh 247 million



To realize this additional revenue then some preliminary investments have to be made which include.

1. Having a computer that is in good working condition and connected to the internet.
2. Allocation of revenue collection staff to support facilities raise their revenues.
3. Availability of electricity connection in collecting facilities and backup generators for a facility like Samburu Sub County Hospital which currently does not have one.
4. Other administrative commitments like the existence of gazette boards and facility management committees to oversee the FIF collections and expenditures and functional bank accounts with correct signatories as envisioned in the FIF law.

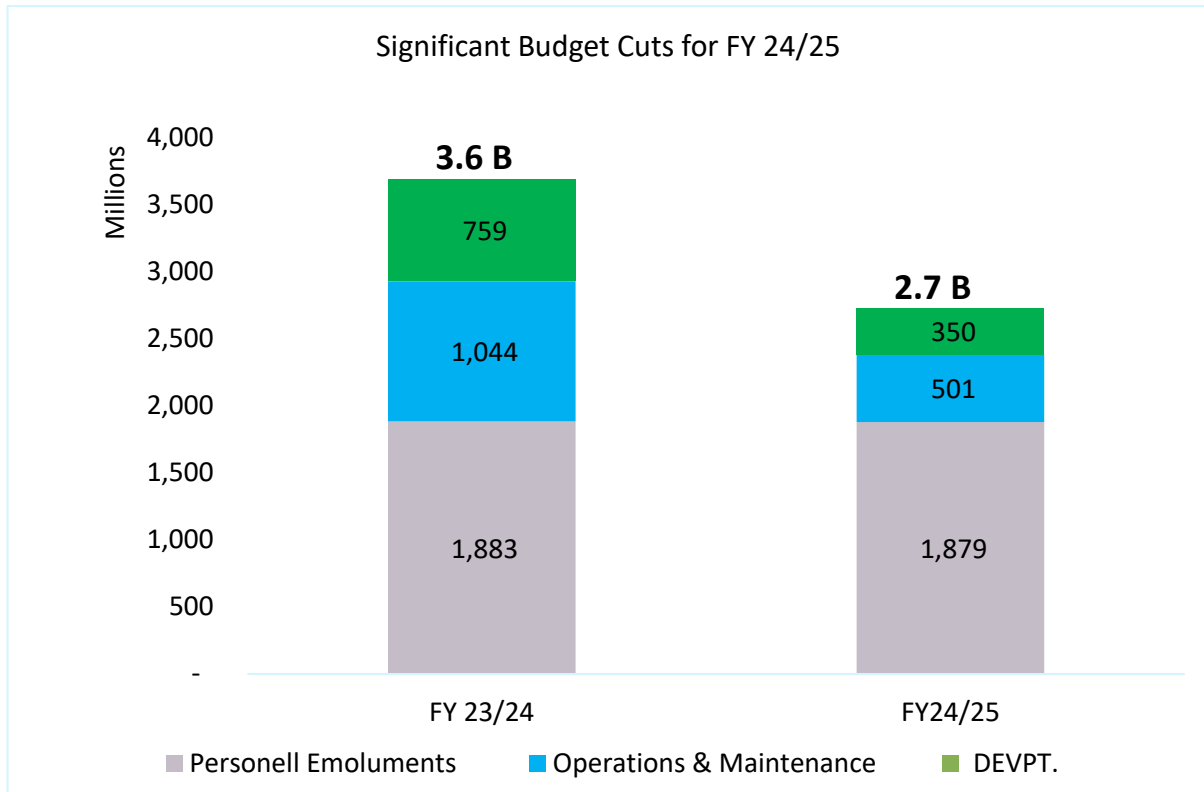
Recommendation:

1. The county implements the FIF law as envisioned in the CFSP in line with national health financing reforms to allow facilities to raise, retain, utilize and most importantly account for the resources at the collecting facilities.
2. The Department of Finance increases the health budget to allow for reforms in anticipation of Kwale residents' mass registration to SHI which includes the purchase of computers, investment in additional human resources for health to retain SHI clients and other administrative costs. This will aid the health department in realizing its revenue targets as well as fostering facility autonomy.
3. There is a need to introduce a column for Appropriation in Aid in the National Budget to separate expenditures to be supported by the County Revenue Fund from those to be supported by FIF.

3.0.Sector Priorities

The health sector budget has reduced significantly from Ksh 3.6 billion in FY 2023/24 to Ksh 2.7 billion in 2024/25. We note that these shifts may have huge implications for the delivery of service and realizing the vision for a healthy county. The health department requires at least Ksh 700 million for medical and laboratory supplies, Ksh 1.8 billion for human resources which has not factored in new hires and some allocations to factor in the CHP stipend allowance as well as development budget. Additionally, to raise more in the health sector as envisioned by SHI then citizens ought to receive quality of care at public facilities for their retention as clients. These reforms can be realized through targeted investments aimed at ensuring health services are of quality and affordable which best places public health facilities at an advantage over private facilities in the provision of affordable care. To sustain affordable care then the health department should be equipped with the right investments that

aim at client retention at the facilities. The graph below shows the budget allocations for health in FY



2023/24 and 2024/25.

Recommendations.

1. The treasury and health department could consider re-aligning the budget to cover more critical costs that have long-term benefits, for example, the purchase of health commodities in order not to lose outpatients to private facilities and hiring additional human resources for the provision of quality health aimed at the client retention. In future, some of the facilities will be able to offset some of their requirements through FIF but it is critical if the little resources are allocated efficiently to yield maximum benefits.
2. While fiscal constraints are acknowledged as witnessed in the graph above, there needs to maintain or increase the percentage allocation to health progressively up to 30% of the total county budget. In FY 2023/24, it was 25% while in FY 2022/23 it was 27% and in FY 2021/22 it was 30% thus showing a decline in percentage allocation.



4.0. Annexes

Budget Champion Engaged in the Analysis.

S / No	Name	Organization	Telephone No.	Email
1	Collins Muriithi	Coast Regional Budget Hub	254110425084	collinsmurithi2018@gmail.com
2	Mwalimu Mwabwanga	MWARP	254725003425	mwalimudackenya@gmail.com
3	Rashid Salim Sawa	K.Y.G	254701876009	rashidsalim634@gmail.com
4	Ali Saidi Mwasipho	Active Minds CBO	254746580493	mwasiphoali@gmail.com
5	Hassan Yussuf Salim	Active Minds CBO	254703196062	maileshassan@gmail.com
6	Mejumaa Hamisi Mwamashanga	Active Minds CBO	254720434282	mejumaahamisi@gmail.com
7	Sanura H Kururushi	YMI C.B.O	254702055167	sanurakururusioz@gmail.com
8	Mwanaisha Shabani	Bomu Hospital	254711107753	mwazumemwanaisha@gmail.com
9	Athumani Fadhili	Shimo Development Institute	254721114559	afanali2000@gmail.com
10	Florence Nerima	C.M.H	254796710263	nerimaflorence@gmail.com
11	Peggy Wamalwa	Coast Regional Budget Hub	254710695518	peggywamalwa50@gmail.com