**Individual Abstracts:**

**Title:**

Fiscal Space for Health at Decentralized Level: The Potential Impact of Fiscal Arrangements in Kenya

**Speaker contact details:**

* **Name:** Kenneth Munge
* **Mailing address:** PO Box 43640 00100 Nairobi Kenya
* **Phone number:** + 254 730 162 000 (Office) +254722860006 (Mobile)
* **Email address:** kmunge@kemri-wellcome.org
* **Organization and position:** PhD Fellow, Initiative to Develop African Research Leaders, KEMRI Wellcome Trust Research Programme

**Abstract Information**

* **Paper title:**
* **Sub theme:**
* **400-word max abstract**

*Background*

Universal health coverage (UHC) arrangements anticipate a significant role for public expenditure. Fiscal space for health is the capability of a government to assign more resources to health without affecting its financial and economic position. While fiscal space for health is usually assessed at national level, decentralization is a feature of many health systems. The objective of the study was to perform a critical assessment of the fiscal space for health at decentralized (county) level in Kenya and its implications on the attainment of UHC.

*Methods*

We used a qualitative multiple case study approach with the unit of analysis being the county. We developed and applied a conceptual framework that accounted for changes in the government-citizen relationship and the four pillars of fiscal decentralization: revenue and expenditure assignments, intergovernmental transfers and subnational borrowing. Three case study counties were purposively selected based on their level of own revenue generation and public health expenditure (PHE), and sophistication of health systems. Data were collected through document reviews (statutes, policies, and reports), in-depth interviews (n=25) and focus group discussion (n=17) with citizens who were members of organised groups (e.g. community-based organisations).

*Results*

Expenditure and revenue assignments were described in policy and supported by institutional arrangements. There was overlap in performance of functions, others were neglected, and institutional arrangements to address conflicts did not function as required, though the impact on PHE was unclear. Fiscal decentralization resulted in high levels of county PHE. Conditional grants that were earmarked and supported by contracts and organizational capacity to monitor performance increased PHE. PHE was negatively impacted by inappropriate budget constraints e.g. fixed ratios on development and recurrent spending. PHE was also negatively influenced by poor vertical transfer and conditional grant design, irregularity of financial flows, planning capacity gaps, and favouring of capital expenditure. Service mix remained unchanged even though the design and implementation of conditional grants disrupted county planning activities, encouraged hospital-centric expenditure. and undermined accountability between national and county levels.

*Discussion/Conclusions*

Well-functioning institutional arrangements will address conflicts in expenditure assignments and other implementation challenges. Dependency on transfers from central level is likely to continue in the near term. The design and operationalization of these transfers, and of conditional grants in particular, is critical to ensuring county-level PHE helps meet equity, efficiency and quality of care goals of UHC.

* **Declaration on potential conflicts of interest:** None
* **Funding sources for research:** Wellcome Trust

**List of co-authors**

* **Name**: Edwine W Barasa
* **Mailing address:** PO Box 43640 00100 Nairobi Kenya
* **Phone number:** + 254 730 162 000
* **Email address:** ebarasa@kemri-wellcome.org
* **Organization, and position**: Director, Nairobi Programme and Head, Health Economics Research Unit, KEMRI Wellcome Trust Research Programme
* **Name**: Kara Hanson
* **Mailing address**: 15-17 Tavistock Place, London WC1H 9SH
* **Phone number**: +442079272267
* **Email address**: kara.hanson@lshtm.ac.uk
* **Organization, and position**: Professor of Health System Economics, Faculty of Public Health and Policy, London School of Hygiene and Tropical Medicine
* **Name**: Jane Chuma
* **Mailing address:** Delta Centre, Menengai Road, Nairobi, Kenya
* **Phone number:**
* **Email address:** jchuma@worldbank.org
* **Organization, and position:** Senior Health Economist, World Bank Kenya Country Office