Using the Performance Based Financing (PBF) conditional grants to increase domestic resource allocation to health sector within the Kenyan context of devolution.

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Background- The health status of Kenya’s population has improved over the last decade. However, considerable inequity still persists with wide variation in health status by geographic and socioeconomic factors. One of the barriers to access and utilization of health services is inadequate and inequitable health care financing. In 2014, Kenya’s economy was rebased and is now a lower-middle-income country. Thus, the need for the mobilization of domestic resources. Kenya embarked on rapid devolution process to 47 counties. Subsequently, two-thirds of government health care allocations were devolved to counties, accounting for about 30% of the county sharable revenue. The Kenyan government is supporting the 47 counties to improve the delivery, utilization, and quality of (Primary Health Care) PHC services at the county level by using PBF that employs minimum conditions and allocation of resources to the counties based on their improved PHC results. The four key indicators used to measure performance are- fully Immunized child, fourth antenatal care, skilled birth attendance and family planning coverage.

Objectives-To assess compliance of the counties in attaining the minimum condition of the share of the county budget allocation for health is higher than the previous year, but not less than 20% and the Public Finance Management (PFM) criteriae and verify the 47 counties improved PHC results.

Methodology- Data for the descriptive assessment was obtained from Ministry of Health, Kenya county health budgets and the District Health Information System-2 for the period April-June 2017 and April-June 2018. SPSS was used for statistical analysis.

Results- 94% counties complied with the PFM criteriae .72% counties met the minimum condition of county budgetary allocation to health; 28% of the counties did not meet the criteriae due to reduction in capital investments in the current financial year. 94% of the counties had positive PHC result improved;19% of the counties have an average result improved greater than 20. Overall, only 72% counties were able to attain both the positive improved PHC results and the two minimum conditions concurrently.

Conclusion –The PBF is an effective policy tool in addressing increased county domestic resource allocation to health sector. The application of the minimum conditions at county levels have also improved PFM and accountability and ownership of PHC results at county. However, other factors that influence performance(access and utilization of health services) within health sector-political, and social-economic. Thus there is need to consider these factors in the PBF allocation to counties.