

POLICY BRIEF ON KENYA’S JOURNEY TO SELF-RELIANCE ON IMMUNIZATION FINANCING BY INSTITUTE OF PUBLIC FINANCE KENYA

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Introduction

Immunization remains the most cost-effective health intervention for saving the lives of children and protecting them from disability and preventable diseases as well as saving families and communities from financial distress. Immunization is also a pre-requisite for an effective health system, with every shilling invested in immunization saving an average of 16 shillings in the health system. The wider economy also benefits by more than 44 shillings per child, by preventing later health complications that burden the health system and supporting the economy by keeping parents and other caregivers at work. Despite all these values derived from immunization, funding for this critical health intervention in Kenya is overly dependent on donors and development partners whose support is declining and the decline is expected to continue following the rebasing of our economy in 2014 into a lower-middle income category. Government budget expenditure remains low, about one third of total budget expenditure with the balance coming from donor funding where Global Alliance for Vaccines and Immunizations (GAVI) is the major contributor.

Rebasing of Kenya’s Economy

The rebasing of the country’s economy into lower middle income in 2014 resulted in changes for Kenya’s eligibility thresholds for donor funding leading to reduction or cessation of funding of some public health programs including immunization. A country is classified as a Lower-middle-income economy if it had Gross National Income (GNI) per capita between \$1,026 and \$3,995 in 2018, calculated using the World Bank Atlas method. Kenya enters the accelerated transition phase from GAVI support in FY 2022/23 and is expected to be ultimately self-reliant by FY 2026/27.

National Government Responsiveness Transition out of GAVI Support

The National government has shown significant amount of responsiveness to this new emerging issue and increased its financial contribution to Vaccines and Immunizations services by about 73% in FY 2020/21. The National Government expenditure was KShs.751,866,835 (22% of total budget expenditure) in the FY 2019/20 and was increased to KShs1,300,000,000 (33% of total budget expenditure) in FY 2020/21. The increase could be attributed to the government’s response to shrinking donor funding for immunization services as well advocacy initiatives to increase domestic financing for immunization. This is spearheaded by the African Population and Health Research Center (APHRC) through the Immunization Advocacy Initiative in collaboration with four local organizations which include the Institute of Public Finance Kenya (IPFK), Kenya Paediatric Research Consortium (KEPRECON), Health NGOs Network – HENNET and Community Health Partners (CHP). These organizations have been advocating for increase in domestic financing at National and County levels since 2019.

Source Funding for Vaccines and Immunization Program in Kenya (Kshs)

FY	Expenditure		Allocation	Projected Estimates	
	2019/20	2020/21	2021/22	2022/2023	2023/2024
Government of Kenya (GOK)	751,866,835	1,300,000,000	1,300,000,000	1,400,000,000	1,400,000,000
GOK share of total expenditure	22%	33%	33%	35%	35%
Grants from International Organizations - GAVI	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000
Total	3,351,866,835	3,900,000,000	3,900,000,000	4,000,000,000	4,000,000,000

Source: Gok’s Program based Budgets for various years (2019/20 – 2021/22)

The GoK's contribution to immunization financing from its domestic sources is low, just about one third and has stagnated at similar level in 2020/21 and 2021/22. It is projected to increase slightly in FY 2022/23 and 2023/24 but remains dismally above one third of the total projected expenditure. This implies that the fiscal space for delivery of immunization service gets squeezed given the expected decline of donor contribution and increased need for the program because of introduction of COVID-19 Vaccines.

Immunization Resource Shortfall

FY 2021/22	Requirement	Allocation	Shortfall
Vaccines and Immunizations program	3,470,000,000	1,400,000,000	2,070, 000,000
Percent shortfall			60%

Source: Gok's Program Based Budgets for FY 2021/22.

The analysis reveals that for every Ksh100 required in immunization program from the GOK to fully complement the donor funding, the government provides only Ksh40 leaving a gap of Ksh60. This is further complicated by gradual transition from donor support beginning FY 2022/23 and be self-reliant by FY 2026/27.

Recommendation

There is need for government continue filling up the funding gaps left by donors and development partners from domestic public resources for they are more predictable, equitable, efficient, and sustainable than other sources. The National Assembly should therefore approve the increase and provide strict oversight for timely release of immunization funds and ensure every shilling released to Afya House for immunization is spent in an open manner with public involvement and fully accounted for.