



Submission of inputs on the Budget Estimates 2025/2026

**Submitted To,
National Assembly, Parliament Buildings
P.O. Box 41842. Nairobi, Kenya**

15th May 2025.

Mr. Samuel Njoroge,
The Clerk of the National Assembly,
P.O Box: 41842-00100,
E-mail: clerk@parliament.go.ke

Dear Sir,

RE: SUBMISSION OF INPUTS ON THE BUDGET ESTIMATES 2025/2026

Members of non-state organizations listed below deliberated and prepared this joint memo for the National Assembly on proposed Budget estimates to be considered by the National Assembly in finalization of the National Fiscal Budget for the Financial Year finance 2022/23.

The submission highlights the proposed amendment to the budget, supported by a statement on the issues to be addressed and a justification for the proposed amendment.

Thank you for your consideration.

Yours sincerely,



Dr. Margaret Lubaale
Executive Director, ED
Health NGO's Network (**HENNET**)
Nachu Plaza along Kiambere Road Upperhill Road.
Address: P.O Box 30125-00100, Nairobi, Kenya
Email: director@hennet.or.ke | admin@hennet.or.ke | programs@hennet.or.ke
Phone: +254796785973/+254792906273. www.hennet.or.ke | **Twitter:** @HennetKenya |
Facebook: @Hennet17.Kenya



SUBMISSION OF INPUTS THE BUDGET ESTIMATES 2025/2026

This Memorandum is hereby submitted by **the Health NGOs Network (HENNET)**, in collaboration with like-minded civil society organizations (CSOs), in response to the Public Notice calling for public participation in the 2025/26 Budget estimates and pursuant to the principles enshrined in the Constitution of Kenya, 2010—particularly **Articles 1, 10, 35, 43(1)(a), and 118**—as well as provisions of the **Public Finance Management Act, 2012 and the Health Act, 2017**.

Background and context

The health sector is a critical pillar in Kenya's socio-economic development, contributing to the well-being and productivity of the population. The 2025 Budget Policy Statement (BPS) outlines the government's fiscal priorities and resource allocation for healthcare in alignment with the country's Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA). The sector has witnessed both progress and challenges, necessitating strategic investments and policy interventions to ensure accessible and quality healthcare for all Kenyans.

The reflections contained herein constitute technical inputs arising from a comprehensive review and analysis of the **FY2025/26 National Budget Estimates** as well as a consultative meeting held by health CSOs on 14th May 2025, historical health sector performance, and publicly available health sector policy documents and reports. These submissions are made in good faith and are intended to constructively inform and support evidence-based resource allocation, fiscal responsibility, and alignment with the stated national health priorities, in furtherance of the right to the highest attainable standard of health as guaranteed under **Article 43(1)(a) of the Constitution**.

These inputs are further guided by the constitutional imperative for public participation and transparency in governance under **Articles 10 and 118**, and the obligation imposed upon all State organs to ensure prudent and equitable use of public resources as stipulated in the **Public Finance Management Act, 2012 (Sections 125–127)**. Moreover, they reaffirm the role of CSOs in contributing to policy discourse and promoting accountability within the health sector, as acknowledged under **Section 15 of the Health Act, 2017**.

This budget comes at the backdrop of reduced donor funding and changing global AID focus, this has led to disruption of the health service delivery in **Jan 2025** after the US Government issued the stop work order as well as due to ending grants and reducing funding streams, it is in this background that we are proposing for an increase in domestic financing for Health to align to the ALM 2019 declaration as well as **the Abuja 2000** declaration on health financing.

Kenya has committed to co-financing agreement with different donors including the GAVI and Global Fund to fight AIDS, Malaria and TB, adherence to these obligations is important for strengthened relationships as well as in enhancing health financing in Kenya. In this regard, **we recommend** for the government to allocate funding for GAVI Co-financing obligations as well as schedule for the payment to be effected in the first and second quarters of the financial year.

Health sector set Targets

- I. The Health Sector Report (MTEF FOR THE PERIOD 2025/26-2027/28) and some worrying indicators around family planning which has a target of 56%. Kenya's mCPR KDHS 2022 stands at 57% among married women a slight decline from 61% in 2014. Setting a lower target of **56%** for 2025/26 is regressive and not aligned with Kenya's FP2030 commitment to reach 64% mCPR by 2030.

Sub Programme: 0410030 Reproductive Maternal New Born Child Adolescent Health (RMNCAH)

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2025/2026	Targets 2026/2027	Targets 2027/2028
1082002600 Family Planning Maternal and Child Health	Maternal Neonatal and Child Health Services	Proportion of Women of reproductive age receiving FP commodities	56%	57%	60%
		Proportion of pregnant women	74%	79%	83%

353

1082 State Department for Medical Services

PART E. SUMMARY OF PROGRAMME OUTPUTS AND PERFORMANCE INDICATORS FOR 2025/2026 - 2027/2028

		attending at least 4 ANC visits			
		Proportion of women receiving post-natal care within 2-3 days of delivery	66%	70%	74%

II. Clarity on Indigent Coverage Under Taifa Care

While the 2025/26 target for indigent coverage under the Taifa Care program is provided, the absence of a clear baseline significantly limits the ability to assess progress or evaluate performance against set objectives. For effective planning, monitoring, and accountability, it is essential to establish the baseline that reflects the current number of indigents covered and their distribution across counties.

Furthermore, this aspect should be reviewed in alignment with existing social protection programs to ensure coherence, avoid duplication of effort, and promote efficient use of public resources. Harmonizing data and targeting mechanisms across programs will also strengthen coordination and support the delivery of more integrated and impactful social safety nets for vulnerable populations.

Sub Programme: 0412030 Social Protection in Health

Delivery Unit	Key Output (KO)	Key Performance Indicators (KPIs)	Targets 2025/2026	Targets 2026/2027	Targets 2027/2028
1082001800 Universal Health Coverage Coordination & Management Unit	Health Care Services	Number of UHC Staff offering Healthcare services	8,441	8,441	8,441
1082001900 Health Insurance Subsidy Program for Orphans Vulnerable Children	Health Insurance Services	Number of indigent households supported with Taifacare contributions	126,725	143,583	143,583
1082003100 Primary HealthCare Fund	Health Insurance Services	% level of financial support provided	100%	100%	100%
1082003200 The Emergency, Chronic and Critical Illness Fund BETA	Healthcare Insurance Services	% level of financial support provided	100%	100%	100%
1082003300 Digital Health Authority	Health Insurance Services	Number of Primary HealthCare Networks (PCNS) digitalized	105	105	110

III.

IV. Further we have noted as per the Health Sector report 2025, that Proportion of mothers delivered by Skilled Birth Attendant target for FY 2023/24 was 88% **proportion of births attended by a skilled health professional** in FY 2023/24 was targeted at **88%**, but the actual performance was only **75.2%**. This is a significant shortfall with life-threatening implications for maternal and newborn health. KDHS 2022 reports skilled birth attendance at **89%**, indicating that the MTEF2025/26 -2027/28 report reflects a possible **decline in quality or access** to skilled care.

V. Facility based maternal mortality rate per 100,000 deliveries is improving with a target of 97 and an achievement of 96.6 for FY 2023/24. While this shows progress in the quality of care inside facilities, it doesn't tell the full story. Nationally, 355 mothers still die for every 100,000 live births. The disconnect highlights persistent health system bottlenecks notably the 3 delays in seeking, reaching, and receiving care especially among women in rural and underserved areas. Notably facility ration in Nyeri with MMR 67/100,000 being the only county meeting SDG targets stands at 4.4/10,000 while in Bomet with the 3rd largest MMR 554/100,000 stands at 1.1/10,000people thus aggravating the state of access to skilled care in Bomet.

VI. Contrary to Facility Based MMR, the Facility based neonatal deaths per 1000 live births are still high for FY 2023/24 with a target of 8 and achievement of 9.5. KDHS 2022, indicates NMR to be 21/1000 live births a performance that has stagnated over the years. Inability to demonstrate progress is indicative of systemic gaps in quality of newborn care, limited uptake of essential neonatal interventions such as neonatal resuscitation, Kangaroo Mother Care, and inadequate investment in wholesome continuum of care approaches.

Our submission based on the 2025/26 budget estimates is as indicated below:

2. Summary of FY2025/26 Health Sector Allocations

Budget Policy Statement 2025 has a budget allocation of **Ksh. 204.5 B**, unfortunately the budget estimate allocation is lower by more than Ksh. 68Billion. We note with concern that the health

sector report has a **Ksh. 390 Billion** budget requirement. We request for the sector budget to be reviewed and increased to the sector indicated budget need for us to be able to achieve Universal Health Coverage (UHC) objectives.

The proposed health sector allocation for FY2025/26 is **Ksh. 136.79 billion** distributed as follows:

Department	Recurrent (Ksh)	Development (Ksh)	Total (Ksh)
State Department for Medical Services	84.51 billion	20.94 billion	105.44 billion
State Department for Public Health and Professional Standards	26.20 billion	5.14 billion	31.34 billion

While the overall allocation shows a slight increase compared to the previous year, the budget remains below FY2021/22 levels in absolute terms.

3. Observations from Budget Trends and Sector Performance

We note that while recurrent budgets have shown good absorption, the underutilization of development budget is a concern. There is need for Ministry of Health to strategize aimed at enhanced budget absorption, including timely procurement and improved absorptions.

3.1 Budget Utilization Patterns

Between FY2021/22 and FY2023/24, the following trends were observed in the State Department for Medical Services:

Fiscal Year	Allocation (Ksh B)	Actual Expenditure (Ksh B)	Recurrent Absorption	Development Absorption
2021/22	129.8	109.4	94%	79%
2022/23	111.2	97.0	98%	68%
2023/24	105.3	85.2	95%	74%

Observation: Recurrent budgets were consistently well-utilized, while development budgets showed lower execution, potentially limiting capital investment and service delivery improvements.

3.2 Strengthening Domestic Health Financing through Strategic Resource Mobilization

To sustain the momentum of Universal Health Coverage (UHC) reforms in Kenya and ensure continued progress toward equitable and quality health services for all, it is vital to explore innovative and sustainable financing mechanisms. One viable approach is to optimize domestic resource mobilization by aligning existing and potential revenue streams with the health sector's strategic priorities.

Tax-Funded Primary Health Care and the ECCIF Fund

Leveraging earmarked taxes offers an opportunity to secure predictable funding for health. Taxes on products with known adverse health or social effects—such as alcohol, tobacco, sugar-sweetened beverages, cosmetics, and beauty products—can be aligned with preventive and promotive health goals. Earmarking a proportion of these revenues for the Primary Health Care (PHC) system and the Emergency, Critical and Chronic Illness Fund (ECCIF) would strengthen the financial base of essential services and protect vulnerable populations.

Mental Wellness Levy on the Betting Industry

Given the growing concerns around the mental health impacts of betting, a modest levy—such as a 3% charge on each stake placed—could serve a dual purpose: discouraging harmful behaviors while generating targeted resources to finance mental wellness services under the Social Health Authority (SHA) package. This approach would link fiscal policy with public health outcomes in a measurable and sustainable way.

Health Levy on Luxury Products

Introducing a health levy, set at a minimal rate (e.g., below 1%) on non-essential luxury goods, can incrementally expand the fiscal space for health. This targeted approach ensures equity by placing the burden on discretionary spending while generating additional resources to address budgetary shortfalls in the health sector without imposing undue pressure on basic consumption.

Structured CSR Contributions finance County Health Budgets

The National Treasury and Economic Planning, may consider formalizing a framework through which Private sector, Corporate Social Responsibility (CSR) initiatives contribute systematically to County Governments' development priorities and budgets. Designating a specific percentage of CSR contributions for the health sector would enhance the impact of private sector engagement, improve accountability, and create complementary support for public health investments.

4. Key Programme-Level Reflections

4.1 1082103800 Vaccines Programme

The national immunization coverage for children under 1 year (Proxy: Penta 3) was **84.7% in FY2022/23** and **84% in FY2023/24**, below the national target of 90%, as per the Health Sector report 2025/26 -2027/28. For the Ministry of Health to achieve the set target we seek for a fully funded immunization budget.

- The FY2025/26 allocation for Immunization Management is **Ksh. 4.89 billion**, compared to a baseline of **Ksh. 8.15 billion (FY 2023/24)**.
- Under the Vaccines Programme, GoK allocation stands at **Ksh. 2.03 billion**, with an additional **Ksh. 2.6 billion** from Appropriations-in-Aid (AIA).
- In FY2023/24, the cumulative expenditure for vaccines was **Ksh. 8.94 billion**.

Recommendation: The FY 2025/26 budget allocations might benefit from closer alignment with actual expenditure trends and coverage targets, to mitigate risks of vaccine shortages and unmet immunization goals.

4.2 1082107600 Reproductive, Maternal, Neonatal, Child, and Adolescent Health (RMNCAH)

The health sector report indicates that Skilled birth attendance was **75.2%** against a target of 88% in FY2023/24. In this regard, it is important for the government to strengthening domestic financing to RMNCAH programmes may help ensure continuity and resilience in service delivery, especially where donor dependency is high.

We have observed with concern of the declining allocations for RMNCAH budget allocation for FY2025/26 as well as the following years projections.

- RMNCAH Programme-based allocation decreased from **Ksh. 6.49B (FY2024/25)** to **Ksh. 6.29B (FY2025/26)**.
- The development budget for Reproductive, Maternal, Neonatal Child & Adolescent Health Project FY 2024/25 3,877,000,000 and FY 2025/26 is 3,800,000,000. There is a reduction in fund allocation by **77,000,000.00** in the development budget
- The Reproductive Health Integrated Programme increased to **Ksh. 750 million**, of which **Ksh. 700 million** is donor-financed, this translates to only 50 million being funded by the government.

Recommendation: We recommend for the RMNCAH budget to be increased or sustained at the 2024/25 baseline amounts. This is to ensure that there is adequate funding for the proposed interventions

4.3 1082104400 Human Vaccine Production - BETA

Local manufacturing of vaccines has been identified by the government as part of the key focus projects. We appreciate the budget allocation in the FY 2025/26 of Ksh, 100,000,000, this Positive indication of support for local vaccine manufacturing

Recommendation: We recognize the budget allocation and call on clear strategy in the on the Kenya Human Vaccine Production and progress updates to be provided to all stakeholders

4.4. 1082104300 Primary Health Care

- Allocation to Primary Health Care in the Devolved Context increased from **Ksh. 487.5 million** (FY2024/25) to **Ksh. 578 million** (FY2025/26) under Directorate of Medical Services.
- The Public Health Directorate allocation to PHC services increased from **Ksh. 3.64 billion** to **Ksh. 4.66 billion**.

Input: These increases reflect the sector's recognition of PHC as a foundation for UHC. Continued support for county-level implementation, including operationalizing Primary Care Networks (PCNs), may enhance access and equity. We call for the following:

- PCN functionality reports to be provided to all stakeholders on quarterly basis. This is aimed at ensuring that the established PCNs are operational and functional
- There is need for clear intergovernmental coordination for PHC interventions
- The full implementation of the PHC Fund regulations

5. Inputs and recommendations for Consideration

Based on the above, the following are submitted as technical inputs for consideration:

Area	Input
Immunization	Consider aligning vaccine allocations more closely with historical expenditures and coverage trends. Adherence to GAVI Co- financing obligations and develop a payment schedule which is within the first and second quarter of the Financial Year Multi-stakeholder engagement and review of the performance and employment of innovative approaches aimed at improving immunization coverage
RMNCAH	Sustained domestic financing may support continuity and long-term sustainability of reproductive and maternal health programmes.
PHC Strengthening	Ongoing investment in PHC, including support for county implementation of PCNs, may enhance preventive care and service equity. Fast tracking the PHC Fund regulations

Area	Input
Development Budget Execution	Measures to enhance development budget absorption, including early procurement planning and project readiness, could improve service delivery infrastructure.
Essential Commodities	Exploring options for ring-fencing funding for essential health products may address forecasted supply gaps
Emergency, Chronic and Critical Care Fund	The budget estimates do not have a specific budget allocation towards the Emergency, Chronic and Critical Care Fund as provided under the Social Health Insurance Act (2023). It is critical that the FY2025/26 budget includes a ring-fenced allocation for this fund to enhance access to life-saving services for critical care patients, especially in emergencies.
Outcome-Based Budgeting	Strengthening linkages between resource allocations and service delivery indicators may support improved planning and accountability. Develop a clear transition strategy for declining donor support, including contingency planning and increased domestic resource mobilization.
Facility Improvement Funds	The funds collected from public health departments especially medicals and health hygiene license should be part of facility fund to help in prevention and control of diseases impacted by USAID cut such as TB, Malaria and HIV/AIDs. The money currently goes to the county government.
Strengthening Domestic Health Financing through Strategic Resource Mobilization	Explore innovative and sustainable financing mechanisms including: Tax-Funded Primary Health Care and the ECCIF Fund Mental Wellness Levy on the Betting Industry Health Levy on Luxury Products Structured CSR Contributions finance County Health Budgets

6. Conclusion

The FY2025/26 budget estimates for the health sector provide an important opportunity in the development of a resilient health system and people centered products and projects. The budget comes at the backdrop of the shrinking donor financing and global aid changes as well as diverse needs and innovative opportunities. The reflections in this memorandum are offered to support the ongoing process of public participation

We hope that you will review, address, and include our concerns raised in this memo. We also anticipate a published report of this exercise on the same.

Yours faithfully,



Dr. Margaret Lubaale

Executive Director, ED

Health NGO's Network (HENNET)

Nachu Plaza along Kiambere Road Upperhill Road.

Address: P.O Box 30125-00100, Nairobi, Kenya

Email: director@hennet.or.ke | admin@hennet.or.ke | programs@hennet.or.ke

Phone: +254796785973/+254792906273. www.hennet.or.ke | **Twitter:** @HennetKenya |

Facebook: @Hennet17.Kenya

This memo is submitted on behalf of Registered HENNET Member Organizations.

