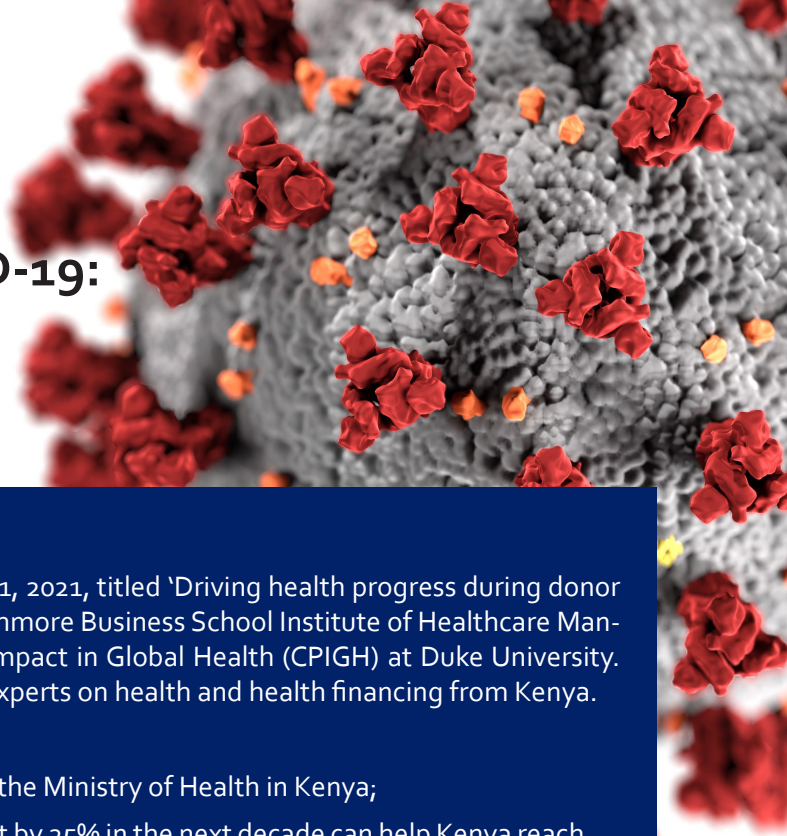


Transition in the time of COVID-19: Lessons from Kenya



Summary

This report summarizes a policy dialogue held on April 1, 2021, titled 'Driving health progress during donor transitions in Kenya.' The dialogue was hosted by Strathmore Business School Institute of Healthcare Management, in collaboration with the Center for Policy Impact in Global Health (CPIGH) at Duke University. Participants included policy makers, researchers, and experts on health and health financing from Kenya.

Four key takeaways emerged from the discussion:

1. Sustainable health financing is a key priority for the Ministry of Health in Kenya;
2. Increasing Kenya's health service delivery budget by 25% in the next decade can help Kenya reach universal health coverage (UHC) targets by 2030 in four key health areas: reproductive, maternal, newborn and child health (RMNCH), HIV, tuberculosis (TB), and malaria;
3. Kenya is heavily donor-dependent and relies on a small pool of donors for much of its health sector financing; and
4. The COVID-19 pandemic created disruptions in health service delivery and has highlighted a lack of domestic resource availability.

Introduction

On April 1, 2021, Strathmore Business School, Institute of Healthcare Management, in collaboration with the Center for Policy Impact in Global Health (CPIGH) at Duke University, facilitated a discussion on health transitions in Kenya and the impact of COVID-19 on these transitions. This policy dialogue was part of an ongoing [project](#) at Duke University called [Driving Health Progress During Disease, Demographic, Domestic Finance, and Donor Transitions \(the "4Ds"\)](#). The dialogue focused on Kenya's preparedness for these impending transitions, how COVID-19 has affected various aspects of Kenya's transitions, and what lessons can be learned from COVID-19 in navigating future health systems challenges. Participation was open to the public and participants included policy makers, researchers, and experts in health and health financing. This report summarizes the panel presentations and key ideas that emerged from the discussion.

Presentation summaries

Health transition from a government's perspective

Dr. Rashid Aman, Health Chief Administrative Secretary, Ministry of Health, Kenya, noted that the Kenyan economy was rebased to a middle-income country in 2014 due to positive economic growth in the preceding years. However, this positive economic transition also presents challenges in the form of declining donor funding, and is therefore a wake-up call for the country to move towards sustainable health financing. He pointed out that many strategic health areas, such as infectious diseases and maternal and child health (MCH), are still heavily dependent on donor financing, and emphasized that these are key areas where Kenya needs to build sustainability. The COVID-19 pandemic has also clearly shown the need to strengthen health systems across the world.

This is one in a series of dialogue reports focusing on COVID-19 and four major global health transitions: disease, demography, development assistance for health, and domestic resources for health. These dialogues are part of the study [Driving health progress during disease, demographic, domestic finance, and donor transitions](#) led by the Center for Policy Impact in Global Health.



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Dr. Aman argued that sustainable financing, along with ensuring value for money in the use of health resources, is the key to building the Kenyan health system. He highlighted that in working towards the goal of sustainable financing and transition preparedness, the Ministry of Health put together a task force to develop a roadmap for Kenya's transition from donor aid to sustainable financing. The key workstreams for this task force include: health financing, services and health delivery systems, human resources for health, and commodities and laboratories. He emphasized that the presentations shared during this webinar are very relevant to the Ministry of Health's priorities, especially for the resource requirements needed for Kenya to achieve progress in health coverage.

Resource needs estimation: Cost and health impact of providing UHC package in Kenya

Dr. Peter Nguhiu, *Health Economist, Kenya Medical Health Research Institute (KEMRI)*, presented a modeling study conducted by Strathmore University in collaboration with CPIGH. He noted that the model estimates the resource requirements and health impacts of increasing the provision of essential health services to reach universal health coverage (UHC) targets in Kenya. To align with the Sustainable Development Goals, the projection period for the model is between 2021 to 2030. The health services and scenarios selected were based on Kenya's domestic health policies and plans. Reproductive, maternal, newborn and child health (RMNCH), HIV, tuberculosis (TB), malaria and non-communicable diseases (NCDs) were the health areas included in the analysis. Preliminary findings showed that expanding service coverage towards UHC would avert a substantial burden of deaths and disability-adjusted life years. Although reaching UHC through expanding service coverage by 5% per year would require at least a 20% increase in health budget, the investment is highly cost-effective. Dr. Nguhiu noted that the results show that there is a need to allocate more resources at the service delivery level to help bring Kenya closer to its UHC targets.

Development finance in transition: Donor dependency and concentration in Kenya's health sector

Dr. Kenneth Munge, *Health Economist, World Bank, Kenya*, presented a study on Kenya's health aid landscape from the lens of two key concepts: donor dependency and donor concentration. Donor dependency, Dr. Munge noted, captures whether a country is likely to have the capacity to fill a funding gap caused by a donor's exit. It is measured using a ratio of external funding to domestic public resources: if the ratio is greater than 1:4, the country would

be considered donor dependent. Donor concentration is when a small number of donors provide most of the aid received by a country. Dr. Munge noted that for this study, if less than 20% of a country's donors make up more than 50% of official developmental assistance (ODA), then that country is considered to have a concentrated donor environment.

This study found that Kenya faces substantial, albeit declining, donor dependency. The donor dependency ratio was the highest in 2005-2006 at 1.1, and decreased to 0.6 in 2015-2016. Dr. Munge noted that dependency is a concern for development budgets, both at the national and county levels. Donor dependency is also high in key health sub-sectors in Kenya, particularly TB, HIV, and immunization. Kenya's health sector has a very high donor concentration, with just four donors (the United States, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the United Kingdom, and Gavi, the Vaccine Alliance) making up 89% of health ODA. ODA flows to Kenya predominantly target sexually transmitted diseases, HIV, TB and immunization and contribute more than 50% of total financing for these health areas.

These findings, Dr. Munge explained, indicate that donors play a dominant role in financing Kenya's health system. Significant over-reliance on donors can create risks for countries, as donor policies can fluctuate and sudden shifts in ODA flows can occur (e.g., the U.S. President's Emergency Plan for AIDS Relief had a significant overall budget drop in 2013). Kenya must proactively prepare for transitioning away from donor support in the near future and will need to mobilize more domestic resources for health.

Understanding the impact of COVID-19 on Kenya's health system and determining the pathway for improving future health emergency preparedness

Ms. Ipchita Bharali, *Associate in Research, CPIGH, Duke University* and **Dr. Joseph Onyango**, *Senior Lecturer, Institute of Healthcare Management, Strathmore Business School*, presented emerging findings from a recent qualitative study undertaken from mid-2020 to understand the impact of COVID-19 on the Kenyan healthcare system. The study drew from fifteen in-depth interviews conducted between September 2020 and February 2021 with policy makers, donors, and health care professionals. The findings were categorized into three broad areas: 1) health system preparedness; 2) healthcare financing; and 3) donor response and coordination.

In terms of preparedness, most of the respondents noted that Kenya's initial response was relatively good, especial-



ly in terms of controlling the pandemic with the resources it had at that time. For example, Kenya successfully relayed information to its citizens, created technical working groups, and fostered multisectoral collaboration. However, concerns were raised regarding service disruptions and the negative impact on health care access and continuity of care for health services like reproductive health, HIV, TB, and NCDs. Respondents also highlighted poor coordination between the national and county levels in Kenya during the pandemic, shortage of personal protective equipment and testing kits, and an increased strain on human resources for health.

Dr. Onyango explained that the respondents felt that Kenya's financial resources for health were inadequate to address the needs of the country even before the pandemic hit, and were further exacerbated by the pandemic. Some respondents faulted the improper use of existing resources for Kenya's health financing shortages. Most respondents praised the efforts of donors, who offered technical and financial support for pandemic response. Respondents noted that some development partners repurposed their funds to support the pandemic relief efforts. Concerns, however, were raised regarding the impact of COVID-19 on donor transition, especially on donors transitioning out more rapidly and shifting resources from countries like Kenya to focus more on their own domestic needs in light of the pandemic.

Policy implications and recommendations for the future: A window of opportunity for action

Dr. Nguhiu's presentation highlighted the impact in terms of life years saved from increased health financing. He highlighted the importance of mobilizing policy support to allocate more resources towards health. Dr. Munge noted that Kenya's donor dependency and concentration translate into a heightened need to proactively prepare for Kenya's transition away from donor financing. Kenya needs to find new ways to mobilize domestic resources for health and address health system inefficiencies. He explained that a key area for both Kenya and its external partners is to improve the tracking and reporting of reliance on health

aid. Currently, there is minimal data tracking, especially in publicly available domains. Key donors should identify clear pathways for transition that reflect a focus on effective coverage and not just on transferring the financial risk burden to recipient countries like Kenya.

Based on the interviews conducted to understand the impact of COVID-19 on Kenya's health system, Ms. Bharali and Dr. Onyango noted some key takeaways that have implications for improving Kenya's COVID-19 response as well as future pandemic preparedness. Kenya could make improvements in its pandemic response efforts by adopting lessons learned from other countries. For example, Kenya could increase its testing capacity, improve contact tracing and strengthen intergovernmental coordination between national and county governments. On financing, Kenya could increase value for money by improving financial accountability of COVID-19 funding, strengthen public private partnerships and review public financial management laws to accommodate options for effective and rapid pandemic response. Kenya also needs stronger collaboration with donors and inter-donor coordination not only for pandemic response, but also to improve donor transition planning to build a resilient health system.

Key recommendations for improved management of Kenya's health system transitions

1. Enhance policy support for increasing financial resources towards health and identify new pathways for mobilizing domestic resources;
2. Proactively prepare for Kenya's transition away from donor financing, such as through addressing health system inefficiencies;
3. Improve tracking and reporting of metrics for Kenya's reliance on health aid; and
4. Enhance pandemic preparedness and response by adopting lessons learned in other contexts, increasing value for money and financial accountability of COVID-19 funding, and improving donor collaboration and coordination.

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The 4Ds is a project led by the [Center for Policy Impact in Global Health](#) that focuses on integrated research across four major global health transitions: disease, demography, development assistance for health, and domestic resources for health.