



KENYA NATIONAL ASSEMBLY

TENTH PARLIAMENT - FOURTH SESSION (2012)

REPORT OF THE DEPARTMENTAL COMMITTEE ON HEALTH

ON THE BUDGET ESTIMATES 2012/2013
VOTE 111-MINISTRY OF MEDICAL SERVICES
VOTE 149- MINISTRY OF PUBLIC HEALTH AND SANITATION

Clerk's Chambers
Parliament Buildings,
NAIROBI

MAY 2012

PREFACE

Mr. Speaker,

The Departmental Committee on Health was constituted under Standing Order No.198

(1). Its mandate pursuant to Standing Order 198(3) is:-

- a) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
- b) To study the programme and policy objectives of ministries and departments and the effectiveness of their implementation;
- c) To study and review all legislation referred to it;
- d) To study, assess and analyze the relative success of the ministries and departments measured by the results obtained as compared with their stated objectives;
- e) To investigate and enquire into all matters relating to the assigned ministries and departments as may be deemed necessary, and as may be referred to it by the House or a minister; and
- f) To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation.

In accordance with Schedule II of the Standing Orders, the Committee is mandated to consider policy matters of and related to Local Authorities,

The Committee oversees the following Ministries:

- a) Ministry of Medical Services
- b) Ministry of Public Health and Sanitation

Committee Membership

The Committee comprises of the following members:

- | | | |
|-------|---|--------------------|
| (i) | The Hon. (Dr.) Robert Onsare Monda, M.P. | - Chairperson |
| (ii) | The Hon. (Dr.) Nuh Nassir Abdi, M.P. | - Vice-Chairperson |
| (iii) | The Hon. (Dr.) David Eseli Simiyu, M.P. | |
| (iv) | The Hon. Fredrick Outa, M.P. | |
| (v) | The Hon. Joseph Oyugi Magwanga, M.P. | |
| (vi) | The Hon. (Dr.) Victor Kioko Munyaka, M.P. | |
| (vii) | The Hon. Joseph Lekuton, M.P. | |

- (viii) The Hon. Thomas Mwadeghu, M.P.
- (ix) The Hon. Cyprian O. Omolo, M.P.
- (x) The Hon. Sheikh Muhammad Dor, M.P.

This is a Report of the Departmental Committee on Health on 2012/2013 Budget Estimates on matters under the health sector purview.

The Committee held a meeting with the Parliamentary Budget office and identified the issues to be raised with the Ministers for Medical Services and for Public Health and Sanitation. Thereafter, the Committee held a meeting with the Minister for Medical Services and further received written memoranda from the Ministry of Public Health and Sanitation on arrears of priority that the Ministry felt had been left out. The minutes of these meetings are attached herewith.

Acknowledgements

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate. The Committee further wishes to thank the Minister Medical Services and Minister for Public Health and Sanitation for the timely response to issues that were raised by the Committee during the examination of the 2012/2013 Budget Estimates.

As the Chairman of the Committee, I take this opportunity to thank all the Members of the Committee for their patience and commitment which enabled us to complete the scrutiny in time despite tight schedule that the Committee was going through.

The Committee further wishes to record its appreciation for the services rendered by the staff of the National Assembly attached to the Committee. Their efforts made the work of the Committee and the putting together of this Report achievable.

Mr. Speaker,

It is my pleasant duty and privilege, on behalf of the Departmental Committee on Health, to present to the House the Committee's Report on the Scrutiny of Annual Estimates for the Financial Year 2012/2013 for Votes – 111 and 149 pursuant to provision of Standing Order No. 152 (1) and (2).

Signed.....

Hon. (Dr.) Robert O. Monda, MP
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON HEALTH

May 24, 2012

SCRUTINY OF THE 2012/2013 BUDGET ESTIMATES

Introduction

1. The objective of this analysis was to interrogate the 2012/2013 Budget Estimates for the Ministry of Medical Services- Vote 111 and of Public Health and Sanitation- Vote 149. The Committee examined the coherence between the Ministries' sector priorities and the Government funding under these Votes in relation to the printed Budget Estimates for 2011/12. In its analysis, the Committee made reference from the Budget Policy Statement (BPS) 2012, the Budget Strategy Paper (BSP) – past issues and the MTEF Sector Working Group Reports for 2012.
2. The Committee noted that there were several salient issues that needed redress in the health sector and had budgetary implications. Key amongst these were:
 - a) Unrest by health professionals (doctors and other health workers) demanding improved remuneration
 - b) Underperformance of indicators on reproductive and maternal health - which remain well below the MDG targets and contributed to an unsustainably high population growth rate based on the 2009 census results
 - c) Inadequate infrastructure in the health sector with construction, rehabilitation and development projects urgently needed in several areas across the country
 - d) Insufficient number of health workers to offer services and inadequate remuneration of highly skilled personnel in the health sector
 - e) Inadequate investment in information technology to boost the efficiency of public health institutions in the county
3. In this light the Committee undertook to scrutinize the printed Estimates of the votes falling under the Health sector and observed that the Gross (national) Budget Estimates allocated for the last three (3) Financial Years and summarized the same as hereunder:-

Table I: Budget Estimates of Ministries under Departmental Committee on Health

Vote	Details of Vote	RECURRENT			DEVELOPMENT			TOTALS			% change from 2011/12	% of total budget
		Gross Approved Expend. 2010/11	Gross Estimates 2011/12	Gross Estimates 2012/13	Gross Approved Expend. 2010/11	Gross Estimates 2011/12	Gross Estimates 2012/13	Gross Approved Expend. 2010/11	Total Gross Estimates 2011/12	Total Gross Estimates 2012/13		
11	Ministry of Medical Services	27,089.90	27,549.97	38,814.01	4,474.33	4,134.50	5,334.07	31,564.23	31,684.48	44,148.08	39%	4%
49	Ministry of Public Health and Sanitation	10,118.52	10,756.64	14,713.36	15,694.22	21,580.48	26,167.37	25,812.74	32,337.12	40,880.73	26%	4%
	Totals	37,208.42	38,306.61	53,527.37	20,168.55	25,714.99	31,501.44	57,376.97	64,021.60	85,028.81	33%	8%

VOTE 111 MINISTRY OF MEDICAL SERVICES

Ministry mandate

- The Ministry of Medical Services is mandated to formulate health policies and strategic direction, regulating and setting health standards, providing healthcare services, training and research through public facilities

Performance of 2011/12 Programmes – as per 2012/13 BPS

- The Committee inquired into the implementation status and outputs achieved with the budgeted resources allocated to the Ministry in the previous year – 2011/12 based on the programmes as contained in the Budget Policy Statement for the period 2012/13-2014/15.

Vote Analysis for the Ministry of Medical Services FY 2012/13

- The Committee scrutinized the Budget Proposals for 2012/2013 submitted to Treasury against the proposed printed Estimates for the same period and held a meeting a meeting with Minister for Medical Services and noted that the following key areas had not been catered for in the 2012/13 Printed Estimates;

Medical Drugs KShs.741million

- Based on drug quantification the Ministry requires KShs.1.900 billion to procure essential drugs for hospitals across the country. However, only KShs. 1,159 Billion was allocated resulting in a deficit of KShs.741 million.

Anti-Retrovirals (ARVs) Ksh.597 million

- Currently five hundred (500,000) patients are under ARV drugs. The total requirement for the procurement of ARVs is Ksh.1.500 billion. However the available budget is Ksh. 903million leaving a deficit of Ksh. 597million

Dressing and Other Non-Pharmaceuticals KShs.327 million

9. The Ministry requires KShs.1.8 billion for the procurement of dressing and non-pharmaceuticals. However, in the printed estimates for 2012-2013 financial year, only KShs.453 million was allocated leaving a deficit of KShs.1.347 billion. However due to budgetary limitations, we urgently require Ksh 327 million as a stop gap measure.

Training of Specialists Ksh. 252 million

10. The Ministry requires KShs.350 million to train specialists at Masters level as tabulated below. It is important to note that our hospitals do not have the following specialists and cannot therefore offer specialist services.

Specialty	No:	Cost per year
a) Oncologists	20	40,000,000
b) radio-physists	10	20,000,000
c) renal physicians	10	20,000,000
d) Medical specialists	300	90,000,000
e) ICU nurses	50	15,000,000
f) Clinical anesthetists	50	15,000,000
g) Paediatric Nurses	50	15,000,000
h) Other cadres	300	37,000,000

However, in the printed Estimates for FY 2012-2013, only KShs.98 million was allocated leaving a deficit of KShs. 252 million

Social Health Protection – KShs.485 Million

11. As part of social responsibility to the less fortunate of the society, the Ministry requires at least Kshs. 485 million to enable them cater for those who are not able to meet their medical bills in terms of waivers, exceptions, and emergence cases such as grenade attacks and disasters. It is unfortunate to note that the public facilities are overwhelmed by waivers which have compromised service delivery in our facilities. This amount will also be used to pay for the poor on pilot basis to access cover from NHIF.

Automation of health facilities Ksh. 564 Million

12. To improve efficiency and accountability of health facilities, the Ministry requires ksh 564 million to automate at least two facilities per county at an estimated budget of Ksh. 6,000,000 per hospital.

Purchase of Ambulances KShs.320 million

13. The Ministry requires KShs.350 million to purchase fifty eight (58) ambulances at Ksh. Six million for each county and the balance for all the eleven level five referral hospitals.
14. The Committee's observations in this respect are summarized in table (II) below-

Table II: GOK 2012/2012 Budgetary Allocations, Requirements and Gaps for the Ministry of Medical Services (Kshs million)

ITEM	Requirement	Provision 2012/2013	Urgent intervention	REMARKS/Implications
Recruitment of Health workers on critical areas	1,757	0	683	To meet the staff shortage in the hospitals.
Procurement of Drugs	1,900	1,159	741	Shortages of drugs expected
ARVs	1,500	903	597	Many eligible people may not be covered
Non-PHARMS	1,800	603	1,347	Shortages of non- pharms expected
Training expenses	350	98	252	Shortage of specialists
Social Health protection	485	0	485	To enable the very poor in the society access health care
Procurement of Ambulances	350	30	320	Inadequate ambulance services
Automation of health facilities	564	0	564	To enhance accountability and efficiency

Analysis of transfers to Semi Autonomous Government Agencies (SAGAS) and Fund Accounts

15. Section 12 (2) of the Fiscal Management Act, 2009 provides for preparation of budget by public entities. *'The approved budget by Treasury must be annexed to the annual estimates of expenditure and revenue listed before the National Assembly each year'*
16. The Committee also inquired into the total budgets for SAGAs under the Ministry of Medical Services for the last three years.

Table III: Budgets Allocations for SAGAs under the Ministry of Medical Services for the last three Financial Years (Khs million)

	Name of SAGA	Actual 2009/10	Actual 2010/2011	Forecast. 2011/12	Printed est. 2012/13
1	Kenya Medical Supplies Agency	6,938,293	5,211,200	1,279,100	1,4189,400
2	Kenya Medical Training College	2,255,970	2,425,613	2,869,148	4,115,056
3	Kenyatta National Hospital	5,922,296	6,588,667	8,072,975	12,210,388
4	Moi Teaching and Referral Hospital	2,199,843	2,297,133	2,684,743	4,791,123
5	National Hospital Insurance Fund	6,017,001	6,501,429	7,015,711	12,293,140
6	Pharmacy and Poisons Board	233,389	287,060	660,320	436,600
7	Medical practitioners and dentist Board	54,538	78,146	83,664	146,848
	Total	23,621,330	23,348,092	22,665,661	48,182,555
	<i>Internally Generated Income</i>	<i>10,854,512</i>	<i>11,585,912</i>	<i>13,868,527</i>	<i>20,987,241</i>
	<i>Government Grants- recurrent</i>	<i>12,531,389</i>	<i>11,162,180</i>	<i>7,256,533</i>	<i>12,720,595</i>
	<i>Government Grants- Development</i>	<i>190,000</i>	<i>290,000</i>	<i>552,572</i>	<i>609,950</i>

Sources: 2011/12 – 2012/13 Annex of estimates or revenue and expenditure of state corporations

17. The overall allocation for the SAGAs appears to be on a downward trend. The biggest loser being Kenya Medical Supplies Agencies which over the three years has had an average decrease of 56% decrease in budgetary allocation.
18. The internally generated revenue of 2012/13 amounts to Kshs. 13.54 billion which is 42.7% of the whole Ministry budget of Kshs. 31.68 billion. The trends in expenditure analysis indicate that there has been a general high absorption rate of income

Kenya Medical Training College- Ksh. 400. Million - Expansion and recruitment of Personnel

19. KMTTC requires the additional funding to recruit additional lecturers and other support staff and for expansion and rehabilitation of the campuses. The resource requirement for this is Ksh. 1.1 billion. The amount requested therefore is to meet the core critical areas and in a phased approach.

Kenyatta National Hospital-Ksh. 200 million

20. The requested amount is to for the procurement of specialist equipment. The total request to treasury in 2012/2013 financial year was Ksh 800 million but only ksh.

200million was provided leaving a balance of Ksh. 600million. The amount requested is to procure the most urgent equipment.

Moi Teaching and Referral Hospital- Ksh.200 million

21. The requirement for MTRH for the procurement specialist equipment is Ksh. 500million. However no provision was provided in 2012/2013 financial year. We therefore request at least Ksh. 200 million to procure the most urgent equipment.

Kenya Medical Supplies Agency- Ksh.272, million

22. The amount requested for is to meet the additional costs for the distribution of Medical commodities and for employment of critical staff tabulated as below:

- i) Distribution Ksh. 200Million
 ii) Recruitment of critical Staff Ksh. 72 million

Table IV: Critical Budget Shortfall for SAGAS Under the Ministry of Medical Services

	Requirement (million)	Provision (million)	Urgent intervention	REMARKS/Implications
KMTC Recruitment of staff and expansion of campuses	1,100	0	400	To train health personnel
KEMSA. Distribution of Medical commodities	976	224	622	Distribution of medical commodities affected.
KEMSA -Rationalization of staff	72	-	72	Poor service delivery
KNH Procurement of equipment	1,600	200	1,200	To enhance diagnostic services
MRTH (Procurement of Equipment (CT Scan, MRI, Laundry machines, Oxygen Equipment ,	500	0	200	To enhance diagnostic services

23. Observations and Concerns

- i. The total available resources to the sector are well below the 15% stipulated amount as per the Abuja declaration to which Kenya is a signatory (calculated on overall expenditure)
- ii. The sector had initially placed the resource requirement for the Ministry of Medical Services at Kshs.67.7 billion for the 2012/2013 Financial Year. However,

the BPS indicated that Kshs.38.15 billion had been set aside for FY 2011/12, representing a reduction of the budget by Kshs. 29.5 billion. Nevertheless, in the printed estimates, the Ministry of Medical Services has been allocated a total of 44.15 billion.

- iii. The trends in expenditure analysis indicate that there has been a general underutilization of both the recurrent and development expenditure. Between 2010/11 and 2011/12, the average under-utilization of recurrent and expenditure funds stood at 3.2% and 23.6% respectively. The human resource development sector report has provided no reason or explanation for the underutilization.
- iv. Overall, the funding level is less than what the Ministry of Medical Services had initially required during the sector consultations. The Committee was concerned by how this underfunding would affect the ministry's execution of its programmes and objectives and called on the Ministry to institute austerity measures to bridge this gap in as much the Committee felt more allocation was required.

Recommendations

24. That a sum of Kshs. **48,722,074,459** be approved for the expenditure of the Ministry of Medical Services for the financial year 2012/13. In this regard additional allocation of Kshs. **4,574,000,000** be provided in addition to the amount proposed in the Printed Estimates to the Ministry in the following areas;
25. Under vote R.111
 - (i) **THAT**, an additional allocation of **Kshs. 683 million** be allocated to the Ministry of Medical Services under R.111 for Recruitment of more Health workers to meet the staff shortage in the hospitals;
 - (ii) **THAT**, an additional allocation of **Kshs. 485 million** be made for purchase of specialised equipments for regional referral Hospitals;
 - (iii) **THAT**, an additional allocation of **Kshs. 320 million** be made for the procurement of ambulances for purchase of 58 ambulances at Ksh.6 million, for each county and the eleven (11) level five referral hospitals; and.

26. Under vote R.111- State Corporations

(i) Kenya Medical Supplies Agency
THAT, an additional allocation of Kshs. 622 million be allocated to the Ministry under the Kenya Medical Supplies Agency as follows-

(a) Ksh. 500 million for the capitation of KEMSA to meet the drugs shortage in the country;

(b) Kshs. 50 million be made to KEMSA for medical supplies distribution; and,

(c) Kshs. 72 million for rationalization of staff at KEMSA.

(ii) Kenya Medical Training College-
THAT, an additional allocation of Kshs. 500 million be made for recruitment of staff at KMTC and expansion of KMTC campuses under the Ministry of Medical Services, as follows-

(i) Ksh. 300 million for expansion of KMTC campuses

(ii) Ksh. 100 million for recruitment of staff at KMTC ;

(iii) Ksh. 100 million, promotion and training of staff, to avert a looming industrial crisis at the College.

(iii) Kenyatta National Hospital
THAT, an additional allocation of Kshs. 1.0 Billion be made to Kenyatta National Hospital, under the Ministry of Medical Services, as follows-

(a) Kshs. 500 million for the Kenyatta National Hospital for the procurement of Gastroenterology / Endoscopy Units, Critical Care Units, Renal Units, Cardiac Centre (catheterization laboratory) and New Born Unit

(b) Kshs. 100 million to provide as funds to enable the hospital to respond adequately and cater for victims of disasters;

(c) Kshs. 100 million to cater for indigents who are unable to pay for health services received at the hospital;

(d) Ksh. 50 million for improvement of the ICT, particularly for collection of fees payable by patients at the Hospital; and,

(e) Ksh. 250 million for meeting the existing pay roll deficits and improvement of human resource emoluments at the Hospital.

(iv) **Moi Teaching and Referral Hospital**

THAT, an additional allocation of Kshs. 200 million be made for the procurement of specialized equipment at the Moi Teaching and referral Hospital

27. Under votes D.111

THAT, an additional allocation of Ksh. 764 million be provided as follows-

- (i) Ksh. 564 million for the automation of healthcare facilities in the country and,
- (ii) Ksh. 200 million for the construction and improvement of the specified health facilities at District and Sub-District level

28. Ministry Mandate

The Ministry of Public Health and Sanitation is obligated to provide primary care at the community level, dispensary and health centre levels.

The mandate of Ministry is to support the attainment of the health goals of the people of Kenya by implementing priority interventions in public health, guided by the strategic framework provided from the Medium-Term Plan 2008–2012 and the wider health sector.

In executing its mandate, the Ministry has indicated to the Committee that its priorities are in scaling up the implementation of interventions aimed at enhancing the equitability of access to public health and sanitation services. Such measures will include:

- (i) improving immunization coverage for children;
- (ii) ensuring that most deliveries are conducted under the care of skilled health attendants; and,
- (iii) reducing morbidity and mortality from malaria, HIV/AIDS, tuberculosis and non-communicable diseases amongst other measures.

29. Performance of 2011/12 Programmes – As Per 2012/13 Bps

The Committee should be furnished with the implementation status and outputs achieved with the budgeted resources allocated to the Ministry in the previous year – 2011/12 based on the above programmes as contained in the Budget Policy Statement for the period 2012/13-2013/14

**30. Budgetary Allocations and Requirements: Ministry of Public Health and Sanitation
FY
2012/13**

The total resource Request for the Ministry of Public Health and Sanitation (MOPHS) for Financial Year (FY) 2012/2013 was estimated at KES 70.94 billion). However, in the printed Estimates for the FY 2012/2013, a total of KES 40.88 Billion has been projected for the Ministry.

Comparing the Ministry's requests to provision in the Annual Estimates for 2012/13, there is a funding gap of KES 32,784 billion representing 46% under allocation

There was a 26% increase in the allocations for the Ministry from the Financial Year (2011/2012) to the Financial Year (2012/2013)

31. Observations

During its Scrutiny of the Estimates for the Ministry of Public Health and Sanitation for the 2012/13 financial year, the Committee noted that;

- a) The compensation of employee components in this Vote includes basic wages for contractual health workers under the Economic Stimulus Package. In order to enhance the gains and the contribution of contracted health workers employed under the Economic Recovery and Poverty Alleviation Programme in provision of primary health care services to Kenyans, the Committee noted that there is a need to increase the current levels of funding from Kshs 2.6 Billion to Kshs 6,058,001,040 in FY 2012/13 so that all 10,500 health workers can be brought on board.
- b) The commuter and Extraneous allowances being paid to the regular health workers ought to be extended to the rest of the (Economic Stimulus Package) ESP contracted health workers in order to harmonize the compensation to employees. These employees are now being paid commuter allowance and extraneous allowance with effect from 1st April, 2012.
- c) There was need to absorb the contracted health workers on permanent and pensionable basis to enable the Ministry and the Government to increase the health workforce and reduce high hiring failure rates and a high turnover rates among top staff performers experienced in the recent years.

32. Priority Items/Programmes Left Out/ Underfunded in the 2012/2013 Budget Estimates

a) Personnel Emoluments

The Committee noted that the Net Personnel Emolument requirement of the Ministry of Public Health and Sanitation for Financial Year 2012/13 amounted to KES.12,958,642,361 as compared to proposed allocation of KES 10.1 Billion resulting in a shortfall of KES. 2.8 Billion.

In this regard, the Committee noted that the Ministry is seeking a total additional Kshs.2.8 Billion to cater for the following:

- (i) Kshs. 2,426,898,000.00 for implementation of Phase two Extraneous Allowances for health workers; and,

- (ii) Kshs. 450,074,596.00 for payment of 720 and other 45 Health workers (Nurses & Clinical Officers hitherto contracted by DANIDA) absorbed into the regular establishment with effect from 1st January 2012.
- (iii) an additional Kshs. 52,731,960.00 for recruitment of 275 management function officers including; 75 drivers, 100 clerical officers, 40 support staff and 60 senior support staff);
- (iv) Kshs. 204,630,600.00 to employ 122 medical officers to promote disease prevention and health promotion and;
- (v) Kshs 47,472,598.00 to recruit 79 Records Management Officers to fill some of the existing vacancies in the ministry.

b) Kshs. 916million Support for Vaccination Campaign to curb ongoing Measles outbreak countrywide

The Committee was informed that the country is currently experiencing ongoing measles outbreaks that began in late 2010 and have continued since then. During this period, a total of 175 out of 285 districts in the entire country have reported nearly 5,000 measles cases and 38 deaths. It is estimated that a further 2,286,433 children under the age of 9 years in Kenya are at serious risk of contracting measles disease because they do not have adequate immunity.

The budget for the proposed campaign is approximately Kshs. 1,793,521,593 for the target population of over 13 million children. This is to be raised jointly by the GOK and the Measles Initiative (a global partnership of UNICEF, WHO, American Red Cross, CDC and UN Foundation). The Committee was also informed that the Measles Initiative was ready to provide all measles vaccines and injection materials needed and 50% of operational costs (approximately KES.916 Million) as part of its commitment.

c) Procurement of Cervical and Breast Cancer Screening Equipment

The Committee was informed that the Ministry had proposed to install at least each one of these equipments in each of the model health facilities at a cost of KES 1 Billion. This will not be achieved with the KES 350 Million available from Treasury in the budget for Financial Year 2012/13

d) Financing of installation of off-grid solar power water system (pumps) in Health Facilities in the country.

The Committee was also informed that in order to reduce morbidity arising from diarrheal-related diseases, there is need to assure availability of adequate and a portable water supply. The Ministry proposes to install off-grid solar powered water pumps in

2,500 health facilities at an estimated cost of KES 1 Billion. The expected benefits of this project will be:

- (i) Immediate drought relief
- (ii) Reduction of diarrheal and other water borne diseases especially among under fives.
- (iii) Access to safe water

e) Effective Implementation of Primary Health Services

The Committee was further informed that in the current year, Treasury provided resources which enabled the Ministry to procure only 43 ambulances against a requirement of 300; an additional Kshs. 834 Million would be required in the 2012/2013 Financial Year to meet this requirement.

f) Construction of Staff Houses

The Committee noted that a phased approach to the development of facilities in the Ministry were required whereby 210 dispensaries would be upgraded every year at an approximate cost of KES 10 Million each, giving a total projected cost of Kshs. 2.1 Billion every year. With model health centers getting to start working, there is a serious challenge of housing staff so that they are within the vicinity to offer quick services. Each model health centre will require at least 6 staff houses. A total of Kshs. 1.05 Billion is required to undertake this project.

33. Summary of additional requirements for the Ministry (in Kshs.) is as follows:

(i) Personnel Compensation	-	2.8 billion
(ii) Additional Ambulances	-	835 Million
(iii) Maintenance of Health centers	-	314 Million
(iv) Upgrading of 210 Dispensaries	-	2.1 Billion
(v) Construction of staff houses	-	1.005 Billion

34. Committee's Observations

- (i) The Ministry of Public Health and Sanitation budget has shown a 26 percent increase in funding level over the FY 2010/11, from kshs.32.34 billion to Kshs 40.88 billion.
- (ii) The sector had initially placed the resource requirement for the Ministry of Public Health and Sanitation at Kshs.35.8 billion for the 2011/2012 financial years. The Requests for FY 2012/13 were estimated at Kshs 70.94 billion. However, the BPS indicated that Kshs. 38.155 billion had been set aside for FY 2011/12, representing

a reduction of the budget by Kshs. 32,784 billion representing 46% under allocation.

(iii) Nevertheless, in the Printed Estimates, the Ministry of Public Health and Sanitation has been allocated a total of 40.88 billion. This implies that the allocation as provided for in the estimates as laid in the House was above the BPS ceiling by Kshs. 2.73 billion

(iv) The trends in expenditure analysis indicate that there has been a general underutilization in development expenditure. Between 2008/09 and 2010/11, the average underutilization stood at 72.6%. In 2011/12 the Ministry's development vote was adjusted downwards by kshs 2.53 billion in the Supplementary Budget. The human resource development sector report has provided no reason or explanation has been provided for the underutilization

Basic Salaries and personal allowances paid Constitute 69.7% of the total ministries recurrent outlay as shown below;

No.	Economic Classification	Allocation	% of allocation to total
1	Compensation to employees	10,259,000,000	69.7%
2	Use of goods and services	2,999,975,125	20.4%
3	Transfers	1,411,677,640	9.6%
4	Acquisition of capital goods	42,703,875	0.3%
	Total	14,713,356,640	100.0%

(v) The ministries development vote estimates reflected a net increase of Kshs 4.6 billion, an increase mainly attributed to Devolved functions and Promotive Health;

(vi) The trends in expenditure analysis indicate that there has been a general underutilization in Development Expenditure. Between 2008/09 and 2010/11, the average underutilization stood at 72.6%. during the Supplementary Budget, 2012, the Ministry had a negative adjustment of Kshs 2.5 billion in relation to the printed Estimates for 2011/12;

35. Recommendations

THAT , a sum of Kshs. **42,644,730,000** be approved for the expenditure of the Ministry of Public Health and Sanitation for the financial year 2012/13. In this regard additional allocation of Kshs. **1,764,000,000** be provided in addition to

the amount proposed in the Printed Estimates to the Ministry in the following areas;

- (i) THAT, additional funds be allocated as follows-
 - a) Ksh. 300 million- to cater for additional ambulances for the remaining constituencies for model health centres;
 - b) Ksh. 214 million- for Maintenance of Health Centres;
 - c) Ksh. 400 million for vaccinations to curb the ongoing measles outbreak countrywide
 - d) Ksh. 300 million- for procurement of cervical and breast cancer screening equipment health centres and dispensaries through the country;
 - e) Ksh. 350 million- for absorption of the existing health workers contracted through the ESP and engagement of a further ten nurses per constituency for the operationalisation of CDF dispensaries, giving priority to the contract staff already engaged by the Ministry to work in the primary healthcare facilities.

- (ii) THAT, Kshs. 200 million be allocated to cater for the installation of off-grid solar power water system (pumps) in Health Facilities in the country.