

# Health Policy Project Helps Generate US\$30 Million for Strategic Health Commodities Including ARVs in Kenya

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Stephen Muchiri, Director,  
Health Policy Project/Kenya



Photo by Direct Relief

The USAID- and PEPFAR-funded Health Policy Project (HPP) in Kenya helped the Ministry of Health (MOH) secure an allocation of KSh 2.9 billion (approximately US\$30 million) in the 2015/16 national budget to purchase HIV commodities and other strategic health commodities. Of this, US\$21 to 23 million will go to purchase antiretroviral drugs (ARVs) and HIV testing kits. The remainder will supplement the purchase of malaria and tuberculosis commodities. HPP also helped secure the reinstatement of a line item for an annual allocation for HIV commodities in future national budgets.

This achievement comes after several months of intense advocacy efforts to demonstrate to the Kenyan government that, contrary to expectations, the country's HIV program is not sustainable given its almost entire dependence on donor support, which has declined over time. Before 2013, the government of Kenya directed US\$10 million to the MOH for the purchase of ARVs. However, once the country began the process of devolution, that money was redirected to Kenya's 47 newly created counties, leaving the national budget without a dedicated line item for the purchase of HIV commodities. Because there was no earmark guiding the funds, none of the county governments used the redirected resources to purchase HIV commodities in their 2014/15 budgets. This, along with the country's historic reliance on donor support to fund the HIV program, threatened the sustainability of the program and Kenya's progress toward controlling its HIV epidemic.

In response, HPP began discussions with county governments and the MOH on the need to protect funding for strategic commodities (i.e., ARVs; commodities for tuberculosis, family planning, and malaria; and vaccines). “The only sustainable way of doing this was to get counties and the national government to set aside dedicated funding for ARVs in their annual budgets,” said Mr. Stephen Muchiri, director of HPP/Kenya.

## Enhanced interventions

Toward the end of 2014, USAID allocated funds for HPP to sensitize the Kenyan Parliament, the national government, and county governments on why they should allocate and protect funds for HIV. The hope was that at least US\$10 million would be allocated in the 2015/16 budgets.

HPP's initiative included high-level advocacy to convince government officials that Kenya needed to secure money in the national budget for the MOH to purchase ARVs and other strategic health commodities. “They were under the impression that Kenya had no funding gaps for ARVs because donors were supporting it,” said Mr. Muchiri.

Although there had been an increase in donors' support to HIV, their funding for the health sector in general was decreasing. Further, even though the Kenya

government allocates funds for health programs each year, these funds have been inadequate to meet the country's comprehensive HIV prevention, care, and treatment needs. In fact, government expenditure on HIV and AIDS has stagnated as a proportion of total government spending on health. "We needed evidence to demonstrate to the government that a gap existed in HIV financing and that the loss of the US\$10 million from previous budgets would affect the future sustainability of HIV programs," said Mr. Muchiri. The OneHealth analysis and the National Health Accounts, both supported by USAID and PEPFAR through HPP, provided this evidence and enabled the government to appreciate the underfunding and external reliance of HIV programs in Kenya.

## Opportunity springs

In the course of discussions with the government, HPP learned that, if successful, Kenya's 2015 application for funds from the Global Fund to Fight AIDS, Tuberculosis and Malaria would require the country to provide counterpart funding. HPP seized this opportunity to sensitize budget officials on the need to—at a minimum—reinstate the US\$10 million allocation to cover ARVs in the national budget. Working against a June 2015 deadline (when the national budget had to be finalized), HPP facilitated the MOH's request to the National Treasury for the creation of a line item for HIV commodities. HPP also organized meetings (both formal and informal) with the National Treasury's budget team and select members of the Parliamentary Committee on Health to discuss why the procurement of HIV and other strategic commodities should be the responsibility of the national government.

These discussions led to the inclusion of KSh 2.9 billion (approximately US\$30 million) in the 2015/16 budget, presented to Parliament in June, with US\$21 to 23 million exclusively earmarked for HIV commodities. "With this inclusion, we expect the same level of funding to be sustained in future budgets and HPP will be working with the Ministry of Health to fast-track the absorption of the funds," commented Mr. Muchiri.

## So what worked?

- Solid evidence and clear messages about the effects of the funding gaps demonstrated to the National Treasury and Parliament that donor funding to the

health sector was decreasing and that Kenya needed a sustainable approach to fund its HIV programs.

- Policy advocacy enabled HPP to work with government officials and members of Parliament to help them understand the economic and national benefits of increasing the number of people living with HIV on ARVs.
- Work with policy champions—individuals who understood the need for dedicated HIV funding and how to navigate the delicate political and government landscape—helped to influence the budget process. Meanwhile, HPP increased its effectiveness by bringing on board staff who understood the budgeting and policy processes at the National Treasury and Ministry of Health, how Parliament works, and who could access high-level individuals in both government and Parliament.

## What next?

Now, HPP is looking toward the future of Kenya's HIV program and the sustainability of the country's health financing. Regarding Kenya's new commitments for HIV, Mr. Muchiri commented, "It is important that two things happen in Kenya to secure this funding in future: the Ministry of Health must demonstrate the capacity to use funds of this magnitude, and the county governments must start programming for these funds."

To this end, HPP is providing technical assistance to a pilot group of 10 counties to change the budgeting approaches they use to secure funds for HIV activities, aiming to increase county funding for HIV. Specifically, the project is training county health teams on program-based budgeting and planning and working to build the teams' capacity to advocate and secure support for increased funding in their county budgets. HPP is also working with private sector pharmacies and hospitals to stock ARVs that can be accessed by those who can afford them. As part of this initiative, the Kenya Medical Supplies Authority has already earmarked ARVs for 10,000 patients to help trigger sales. Innovative efforts, like increasing ARV sales in the commercial sector, can further enhance the sustainability of Kenya's HIV program and increase access to ARVs and HIV services for those who cannot afford private care.

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