Public Expenditure Tracking Survey Targeting Early Child Development in 9 Counties, First 8 Years of a Child, in Sectors of Health, Nutrition, Early Learning, WASH and Social Protection

EXPERTISE GLOBAL CONSULTING

PORTICUS BILL & MELINDA GATES foundation SWEDEN FINNISH GOVERNMENT

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Foreword

Public expenditure tracking survey targeting Early Child Development, first 8 years of a child, in sectors of health, nutrition, early learning, WASH and social protection.

Kenya's long-term development blueprint, Vision 2030, aims to transform Kenya into "a newly industrialised, middle-income country through the provision of a high quality of life to all its citizens in a clean and secure environment". Its Social Pillar underscores the Government's commitment to eliminating poverty. Kenya subscribed to the Convention on the Rights of the Child, which underscores her commitment to nurturing every child to prosperity.

Children form 46% of Kenya's population; hence they are not just significant in number, but their welfare determines the overall state of Kenya. Further, the children form the most important resource of any country human capital. Investing in the early years of children, 0-8 years, has the highest returns to the economy (Heckman, James, 2008).

In the early years of 0-8, children mainly need services of health, nutrition, early learning, water and sanitation, and social protection. In Kenya, most of these services are delivered by County Governments or shared between National and County Governments. Therefore, the quality of services delivered significantly impact the welfare of the children, and in the medium term, the level of development of the country.

Child poverty remains high in Kenya, with an estimated 11.1 million children, that is 52.5% being multi-dimensionally poor. This means that they are deprived of fulfilment of three or more (out of six) basic needs, services, and rights (Comprehensive Poverty Analysis, KNBS 2020).

At least 15% of Kenya's annual budgets are transferred to Counties since devolution started in 2013 (based on most recent approved national accounts as defined by the Public Finance Management Act 2012). Since 2018, counties have spent on average above 38% of all budgets on social sectors (health, education, social protection, water and sanitation) while National Government has spent on average above 27% on the same sectors. Social sectors impact children the most.

Effective utilisation of public finance is probably the most important means to the realisation of Children's Rights. It is therefore important to generate evidence on whether or not money intended for tackling the challenges of poverty effectively reaches the end beneficiaries-the children in their first 8 years.

The main objective of the Public Expenditure Tracking Survey (PETS) was to identify possible space for efficiency gains and to look for evidence of significant losses due to administrative control difficulties. This study covered the first 8 years of a child focusing on health, nutrition, early learning, water sanitation and health, and social protection sectors that contribute significantly to this period.

We hope the evidence will positively contribute to Kenya fast tracking the achievement of its Vision 2030 through stronger financial management of scarce resources and enhancing investments in sectors that impact the poorest children and population.

I wish to thank the Government of Kenya institutions that worked closely with UNICEF to make this study a success. These include National Treasury and Economic Planning, Controller of Budget, Council of Governors, County Governments and Social Sector Ministries of Health, Water, and Social Protection.

I also thank Expertise Global Consulting Ltd that was retained by UNICEF to lead the analysis.

I thank the dedicated UNICEF staff from Social Policy, Education, Health, WASH and Nutrition sections that worked on the study.

Finally, I thank our development partners who provided financial resources that made this possible. These include Porticus Foundation, Bill and Melinda Gates Foundation, Sweden, Finland, and Italy.

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Acronyms

ADP	Annual Development Plan
AIEs	Authority to Incur Expenditure
ANC	Antenatal Care
BComm	Bachelor of Communication
CDC	Centers for Disease Control and Prevention
CIDP	County Integrated Development Plan
COB	Controller of Budget
CPAs	Certified Public Accountants
CRC	Convention on the Rights of the Child
CRF	County Revenue Fund
CWSK	Child Welfare Society of Kenya
DANIDA	Danish International Development Agency
ECD	Early Childhood Development
ECDE	Early childhood Development Education
ESAR	Eastern and Southern Africa Region
ESARO	Eastern and Southern Africa Regional Office
FANC	Focused Antenatal Care
FGDs	Focus Group Discussions
FY	Financial Year
GDP	Gross Domestic Product
GOK	Government of Kenya
HCI	Human Capital Index
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
IPPD	Integrated Payroll and Personnel Database
KDHS	Kenya Demographic Health Survey
LMIC	Low-And-Middle-Income Countries
MOEST	Ministry of Education, Science and Technology
MTEF	Medium-Term Expenditure Framework

NCAH	Newborn, Child and Adolescent Health
NCCG	Nairobi City County Government
NCCS	National Council for Children Services
NCF	Nurturing Care Framework
NCPWDs	National Council for Persons with Disabilities
NGOs	Non-Governmental Organisations
NHIF	National Health Insurance Fund
OCOB	Office of the Controller of Budget
ODF	Open Defecation-Free
O&M	Operations and Maintenance
PBB	Programme Based Budget
PETS	Public Expenditure Tracking Survey
PFMA	Public Finance Management Act
PFM	Public Finance Management
QSDS	Quality of Service Delivery Survey
RMNCAH	Reproductive Maternal Neo-natal Child & Adolescent Health
SAGAs	Semi Autonomous Governmental Agencies
SBA	Skilled Birth Attendance
SDGs	Sustainable Development Goals
SDU	Service Delivery Unit
SFRTF	Street Families Rehabilitation Trust Fund
SPA	Special Purpose Account
SPAs	Special Purpose Accounts
UHC	Universal Healthcare Coverage
UNCRC	United Nations Convention on the Right of the Child
UNICEF	United Nations International Children's Emergency Fund
WASH	Water, Sanitation and Hygiene
WHO	World Health Organisation

One

Introduction

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1. Introduction

UNICEF is working with the Government of Kenya to ensure that children have improved access to prevention, care, support and justice services required for their physical, mental and social well-being. One of the core pillars of UNICEF's Kenya Country Programme is to ensure that more counties have the capacity to implement early childhood development (ECD) packages (including health, nutrition, WASH, protection, HIV and early learning), in line with existing national standards and policies.

In 2018, UNICEF and UN WOMEN supported the development of a Public Expenditure Review (PER) focused on health, water, and sanitation. This analysis focused on 10 counties and provided insight into how funds are invested, and analysed the effectiveness in budget planning, expenditure allocation, and systems and frameworks for budgeting. The PER highlighted the following systemic challenges:

- Low efficiency in human resource allocations
- High recurrent expenditure outlays
- Ambitious development budget proposals
- Delays in transfers from the national government
- Underperforming local revenues
- Cash management challenges and frequent cash shortages
- Slow procurement procedures
- High domestic payment arrears
- Prioritisation of an increasing wage bill at the expense of providing and improving service delivery
- Difficulties in meeting the budget timelines
- Delinking of annual development and financing strategies from medium-term planning
- Lack of clear reflection of citizens' needs in planning
- Low credibility of county budgets

The 2020 UNICEF report 'Comprehensive Kenya Comprehensive Poverty Analysis: Children, Youth, Women, Men & the Elderly' further reinforced the need to ensure better investment towards outcomes for children in Kenya, which at the moment are very low. One of the recommendations in the UNICEF report was to enhance public finance for children, youth, women and other population groups through use of evidence. This was the genesis of this Public Expenditure Tracking Survey (PETS).

A public expenditure tracking survey (PETS) is an instrument developed by the World Bank, to determine how much of the allocated budget reaches its intended implementing unit. It helps reveal what percentage of the allocated resource is deployed to the intended beneficiary and determines the measure of unaccounted resources along the way, if any. It should be noted however, unaccounted resources as measured by PETS does not automatically point to corruption. Oftentimes, it reflects a reallocation of funds for activities that are considered priority at the time. PETS can inform stakeholders to the extent that existing PFM practices are effective, and how much budget allocation actually links to budget execution, and ultimately service delivery objectives and beneficiaries.

The purpose of this PETS exercise was to gather information beyond official data and administrative records to understand what happens to funds that are appropriated for service delivery in health, nutrition, early learning, WASH and social protection that serves children in their first 8 years.

This PETS also identifies possible space for efficiency gains and to look for evidence of significant losses due to administrative control difficulties. Ultimately this exercise should help the county treasuries and sector departments ensure that the services in these sectors are improved through greater transparency, improved accountability and stronger financial management of scarce resources.

The main analysis focuses on whether money intended for tackling challenges in these counties in these sectors, effectively reaches the end beneficiaries - the children in their first 8 years; to identify possible space for efficiency gains; and to look for evidence of significant losses due to administrative control difficulties.

This PETS covers the following:

- nine counties - Nairobi, Kisumu, Garissa, Samburu, Turkana, Kajiado, Busia, Kilifi and West Pokot;
- three fiscal years – 2017/18, 2018/19 and 2019/20;
- within budget and expenditure lines of children from age 0 to 8 years; and
- within five sectors - health, nutrition, early learning, WASH and social protection.

A public expenditure tracking survey (PETS) is an instrument developed by the World Bank, to determine how much of the allocated budget reaches its intended implementing unit. It helps reveal what percentage of the allocated resource is deployed to the intended beneficiary and determines the measure of unaccounted resources along the way, if any.

Two

Approach and Methodology

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2. Approach and Methodology

2.1 Data collection

For the identification of Early Childhood Development (ECD) related information, fiscal data has been gathered from various sources. This is done to have a comprehensive understanding of how funds were intended to flow through the public system from the county treasury to the final service facilities; and to ascertain the amount and the way resources were also delivered to each level of government and service provider and whether they were as intended in the budget.

2.1.1 Secondary Data Collection

Integrated Financial Management Information System (IFMIS) data, budget reports, and financial statements were used to extract all County Government budgetary allocations for ECD-related programmes and interventions to initiate the expenditure tracking process. For instance, in IFMIS data, the programmatic tiers of data disaggregation used for the identification exercise were as follows: sector, programme and sub-programme. Such information became essential in answering questions about cost per beneficiary, adherence to approved budget allocations, and comparisons of cost per target realised across counties as well as showing the breadth of each programme's impact given the level of spending.

The broad understanding of the programmatic descriptions of all ECD programmes in Kenya served as a guide in looking for ECD expenditure in government budgets and financial statements. All ECD programmes that were currently in existence that could be found were also revealed through a critical review of the budget's key performance indicators.

2.1.1.1 Identification Exercise

The tracking of ECD-related expenditure had probed a challenging process when reviewing financial information as the current programmatic approach to budget had not foreseen the structure required to isolate governmental activities targeted to population under 8 years. Except for the education sector, in which it was possible to trace self-contained programmes targeted to population under 8 years, the concept of ECD could not be directly tracked from the structure of the budget as many of the programmes, sub-programmes and/or activities led by national and local authorities had a broader scope of action and larger groups of beneficiaries. Based on the available information provided by the National Treasury IFMIS, the following steps were guaranteed to identify relevant governmental actions that might have impacted the target ECD population:

- From a set of ten sectors in the budget[1] the programmes and corresponding sub programmes directly targeted or with some relevance over population under 8 years were identified. For identification purposes, additional sources of information like Programme Based Budget reports were used to delimit the final proposed list of ECD-related sub-programmes.

- The resulting identified sub programmes were linked to one of the five ECD sectors at the centre of the analysis of this document.
- When an identified sub programme, by nature, had a larger population target, then a proportion relative to the size of population under 8 years would be applied to the financial amount as a proxy to indicate the most accurate allocation of money to the targeted population.

National Government

Approximately five percent of the total number of sub-programmes available on the budget during FY2018 to FY2020, executed by the National Government, were ECD-related. As listed in Table 1, only 20 different sub-programmes executed by the National Government were identified as being ECD-related. In financial terms, during this period approximately 14 percent of the total budget is identified as ECD-related. Sectors like health and education had the longest list of sub programmes (7 and 6, respectively).

Table 1: List of sub programmes under ECD-related expenditure scope (National Government)

Sector	Programme	Sub-Programme	Ecd-Sector (Proposed)
Agriculture, Rural & Urban Development	Housing Development and Human Settlement	▪ Delivery of Affordable and Social Housing Units	*Social Protection*
Education	Primary Education	▪ Early Child Development and Education	*Early Learning*
Education	Primary Education	▪ Free Primary Education	*Early Learning*
Education	Primary Education	▪ Primary Teachers Training and In-servicing	*Early Learning*
Education	Primary Education	▪ School Health, Nutrition and Meals	*Nutrition*
Education	Primary Education	▪ Special Needs Education	*Early Learning*
Education	Teacher Resource Management	▪ Teacher Management-Primary	*Early Learning*
Environment, Water, Natural Resources	Water and Sewerage Infrastructure Development	▪ Sewerage Infrastructure Development	*WASH*
Environment, Water, Natural Resources	Water Resources Management	▪ Water Supply Infrastructure	*WASH*
Health	Health Policy, Standards and Regulations	▪ Family Planning Services	*Health*
Health	Health Policy, Standards and Regulations	▪ Immunisation	*Health*
Health	Health Policy, Standards and Regulations	▪ Social Protection in Health	*Social Protection*
Health	National Referral & Specialised Services	▪ Free Primary Healthcare	*Health*

In financial terms, during this period approximately

14 percent

of the total budget is identified as ECD-related.

Sector	Programme	Sub-Programme	Ecd-Sector (Proposed)
	Preventive, Promotive & Reproductive Health	▪ Environmental Health	*Health*
		▪ Health Promotion	*Health*
		▪ Reproductive Maternal Neo-natal Child & Adolescent Health (RMNCAH)	*Health*
Social Protection	Gender Empowerment	▪ Gender and Socio-Economic Empowerment	*Social Protection*
	National Social Safety Net	▪ Social Assistance to Vulnerable Groups	*Social Protection*
	Social Development and Children Services	▪ Child Community Support Services	*Social Protection*
		▪ Child Rehabilitation and Custody	*Social Protection*

Source : NT-IFMIS

County Government

Approximately 6.5 percent of the total number of sub programmes available in the budget of the 9 analysed counties can be identified as ECD-related. In financial terms, the selected 72 sub-programmes collectively represent on average 8 percent of the overall expenditure.

Table 2: List of sub-programmes under ECD-related expenditure scope (Counties)

Sector	Programme	Sub-Programme	ECD-Sector (Proposed)
Education	Early Child Development	School Feeding Programme.	*Nutrition*
		Promotion of early childhood education	*Early Learning*
	Early Childhood Development Education	Early Childhood Development and Education	*Early Learning*
		Free Pre-Primary Education	*Early Learning*
	Early Child Education Management	Early Child Education	*Early Learning*
	Early Childhood Education	School Feeding	*Nutrition*
		Support to Pre-Primary Training Institution	*Early Learning*
	ECD Programme	ECD Training	*Early Learning*
		ECD, Polytechnic and Schools	*Early Learning*

Sector	Programme	Sub-Programme	ECD-Sector (Proposed)
	ECDE (Basic Education)	Child Nutrition	*Nutrition*
		ECDE Capitation	*Early Learning*
		Improvement of Infrastructure in ECDE Centres	*Early Learning*
	Education services	Early Childhood Development Centres	*Early Learning*
	Education Support	Pre-Primary Education	*Early Learning*
	Gender and Social Development	Social Development Facilities	*Social Sector*
	Pre-Primary Policy and Legislation	Primary Policy and Legislation	*Early Learning*
	Primary Education	Early Child Development and Education	*Early Learning*
		School Health, Nutrition and Meals	*Nutrition*
	Social Protection	Child Care and Protection	*Social Protection*
		Child Rescue Centres	*Social Protection*
		Children Welfare, Trainings, and School Requirements.	*Social Protection*
		Marginalised and Minority Groups Support	*Social Protection*
Energy, Infrastructure, and ICT	Citizen Participation	Disability Mainstreaming	*Social Protection*
	Energy and Housing	Housing	*Social Protection*
Environment, Water, Natural Resources	Water and Sanitation Infrastructure	Water and Sanitation Services	*WASH*
	Water Resources Management	Water Supply Infrastructure	*WASH*
	Water Services	Sanitation	*WASH*
		Water Services	*WASH*
	Water Services and Infrastructure	Water Infrastructure Development	*WASH*
	Water Supply and Sewerage Services	Rural Water Supply	*WASH*

Sector	Programme	Sub-Programme	ECD-Sector (Proposed)
Health	Curative Care / Curative Health Services	County Referral Hospitals	*Health*
		County Referral Services	*Health*
		Free Primary Healthcare	*Health*
		County Health Care Services	*Health*
		Curative Health Services	*Health*
		Hospital (Curative) health services	*Health*
		Referral Services	*Health*
		Reproductive Health	*Health*
	Maternal and Child Health	Family Planning Services	*Health*
		Immunisation	*Health*
		Maternity	*Health*
	Medical Services	Clinical Services	*Health*
		Referrals and Emergency Services	*Health*
	N.A.	Primary Health Care services	*Health*
	Preventive and Health Services	Health Promotion Unit	*Health*
		HIV/AIDS Prevention and Control	*Health*
		Malaria Control and Reproductive Health	*Health*
		Referral Health Services	*Health*
	Preventive and Promotive Health (Care) Services	Community Health Strategy	*Health*
		Environmental Health and Sanitation	*Health*
		Health Promotion	*Health*
		Health Promotion Service	*Health*
		Clinical Services	*Health*
		Family Health	*Health*

Sector	Programme	Sub-Programme	ECD-Sector (Proposed)
		Heath Promotion and Disease Control	*Health*
		Environmental / Public Health	*Health*
		Health Promotion	*Health*
		HIV/AIDS Prevention and Control Unit	*Health*
		Malaria Control & Other Communicable Diseases	*Health*
		Maternal Health Services	*Health*
		Reproductive Maternal Neo-natal Child & Adolescent Health (RMNCAH)	*Health*
		Health Promotion and Campaign	*Health*
		Nutrition	*Health*
	Public Health and Sanitation	Sanitation	*WASH*
	Sanitation	Sanitation Services	*WASH*
Social Protection	Conservation and management of natural ecosystem	Sustainable Access to safe Water	*WASH*
	Culture and Social Services Development	Social Welfare and Gender	*Social Protection*
	National Social Safety Net	Social Assistance to Vulnerable Groups	*Social Protection*
	Social Development	Social Assistance to Vulnerable Groups	*Social Protection*
	Social Development and Children Services	Child Community Support Services	*Social Protection*
	Social Services	Gender and Community Empowerment	*Social Protection*
	Women And Social Affairs	Social Protection	*Social Protection*

Source: NT-IFMIS

2.1.2 Primary Data Collection

In order to complete any gap in the initial secondary data assessment, independent surveys were conducted which included: a) survey 1 which covered County Treasuries and relevant Government Ministries/Departments, b) survey 2 which covered service delivery units across the ECD sectors in each County, c) survey 3 which focused on key informant interviews which were conducted at both county and sub-county levels, and d) survey 4 focus group discussions with stakeholders at the level of programme implementation.

2.2 Limitations

This section highlights the limitations in terms of access and data quality and mitigation measures employed in the primary and secondary data collection processes.

Table 3: Limitations of data collection and mitigation strategies employed

Limitation	Mitigation measures
Identification of ECD-related sub programmes which focus on the targeted ECD population/ECD goals	1. There were some self-contained sub programmes, and the descriptions were clear. 2. To analyse the numerous indicators associated to the programmes and identify the relevant ECD sub-programmes, we had to refer to the PBBs and ADPs. 3. If an ECD-related sub-programme had a bigger population target, a proxy for the proportion of children under the age of 8 would be added to the financial amount to reflect the most accurate allocation of funds to the targeted population.
The quality and comprehensiveness of available data was poor in some cases as access was restricted.	4. We engaged in early contact with County authorities that were responsible for authorising data release. Any assumption used to fill in data gaps was subjected to rigorous review by competent authorities to improve reasonable degree of validity and reliability. 5. Clearly outlined and acknowledged all remaining limitations due to data gaps and quality and described how this had impacted the conducted analysis. 6. At both national and county levels of government it was expected that data was difficult to access. Either it did not exist, was in hard copy, or was not readily shared. We adapted to data availability and a field questionnaire that could collect alternative qualitative data.

Limitation	Mitigation measures
Interviewee availability	7. Based on confidentiality issues, availability of data and/or political economy considerations, some stakeholders were not able to share information readily. Early contact with all interviewers minimised chances of non-availability of interviewees.
PETS was conducted during a period of election campaigns and within a short timeframe.	8. The selected counties were willing to engage and participate after the inception meeting that was held in the initial phases of this assignment. 9. We ensured that we engaged interviewees before the elections started.

Three

Early Childhood Development in Kenya


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3. Early Childhood Development in Kenya

Early childhood is a period of tremendous development opportunity for every child. The right combination of optimal services and programs during the first 1000 days of a child establishes the right foundation for brain development which has profound lifelong effect for learning, health and behaviour.

The Government of Kenya (GOK) ratified the Convention on the Rights of the Child (CRC) on 30th July 1990, followed by enactment of the Children's Act 2001 that came into force on 1st March 2002, and was revised in May 2022. The Government has reconfirmed its commitment to prioritising Early Childhood Development (ECD) through the Vision 2030, Universal Health Coverage (UHC), Constitution of Kenya (2010), the Kenya New-born, Child and Adolescent Health (NCAH) Policy of 2018, the National Pre-primary Education Policy 2018, the Community Health Policy 2020 – 2030 amongst other policy instruments and frameworks. At the international level, Kenya is party to the United Nation's Sustainable Development Goals (SDGs)[1] and Nurturing Care Framework (NCF)[2] launched in Geneva in May of 2018. The NCF sets out national transformative multidisciplinary, multisectoral approaches to increase child outcomes especially in low and middle-income countries.

The Public Expenditure Tracking Survey for the years 2017, 2018 and 2019 aims to determine the level and return on investment in selected essential sectors of ECD namely, Health, Nutrition, Water Sanitation and Hygiene and Social Protection. In 2013, Kenya devolved health and Early Childhood Development and Education (ECDE) services from National Government to the 47 Counties. The devolution of health and ECDE sectors have allowed the Counties to design innovative models and interventions that meet the unique needs of children and families in their contexts. To improve these indicators and support optimal early childhood development, the government at national and sub national levels continues to put in place programmes and interventions that support caregivers and their children. These services are provided individually or in partnership by the County and National Government as provided for in the Constitution of Kenya (2010).

Whereas there remain significant gaps in service delivery for children 0-8 years, the Government has made huge strides and continues to set the pace for other countries in the region to follow suit. Specifically, UHC implementation has added more than 200 community health units, with 7,700 community health volunteers and recruited over 700 health workers. UHC saw over 1.6 million more hospital visits[3] recorded during its first year of piloting indicating a rise in health-seeking behaviours necessary for improving health outcomes. There has been a significant increase in uptake of immunisation services leading to reduced child mortality. The under-five mortality rate reduced from 60 per 1,000 live births in

[1] https://sdgs.un.org/goals

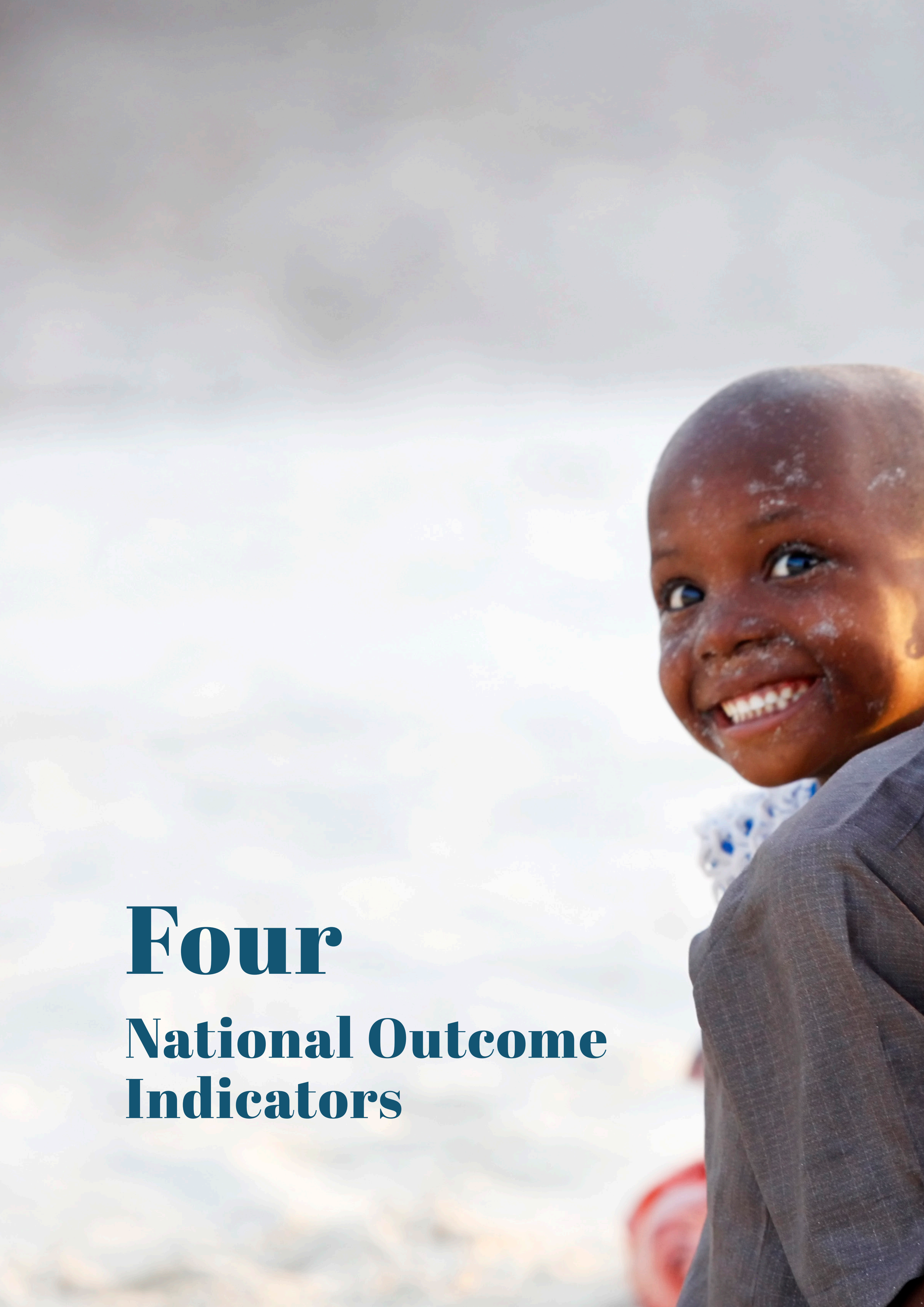
[2] https://nurturing-care.org/

[3] WHO 2020; https://www.afro.who.int/news/keeping-universal-health-coverage-path-kenya

2009 to 43 out of 1,000 children in 2019. On nutrition, Kenya is on course with stunting rate currently standing at 26% down from 35% in 2017 which is lower than the average for the Africa (30.7%). Similar improvements have been seen in Education, Water, Sanitation and Hygiene and Social Protection. Pre-primary has seen an increase in the enrolment of children for both boys and girls. Apart from enrolment, the Government has put in place measures to assure transition and retention of children in school.

Public expenditure in ECD and programme inefficiencies can broadly be traced in the often-fragmented approaches. Characteristically, different levels and ministries/departments of government and partners implement early childhood development programmes without sufficient consultation and monitoring. Greater attention must be directed toward joint planning, resource pooling and adequate monitoring and evaluation of ECD programmes if results are to be meaningful. Furthermore, it is evident that not all children are being reached by services and programmes due to their varied contexts such as poverty and disabilities among others and social protection programmes cannot be said to be reaching all deserving. There is also a need to simultaneously pursue quantity and quality while leaving no child behind.

Public expenditure in ECD and programme inefficiencies can broadly be traced in the often-fragmented approaches. Characteristically, different levels and ministries/departments of government and partners implement early childhood development programmes without sufficient consultation and monitoring.



Four

National Outcome Indicators


Photo Credit: Istock/ Getty

4. National Outcome Indicators

The Government of Kenya recognises the role of holistic development of its children in fostering human capital development and as a human right mandate under several national and international instruments ratified. Effectively, children are supported through a combination of services provided separately and jointly by ministries, Semi Autonomous Governmental Agencies (SAGAs), County Governments, and non-state actors as discussed below.

4.1 Health

Over the period under review, Kenya made significant strides in general population health owing to targeted policy and health strategy plans. UHC implementation has since added more than 200 community health units, with 7700 community health volunteers and recruited over 700 health workers into the health sector. UHC saw over 1.6 million more hospital visits recorded during its first year of piloting indicating a rise in health-seeking behaviours necessary for improving health outcomes. Community and government partnership to ensure adequate health workforce, improved skills, health facility financing as well as subsidising medical costs for low-income households and part-funding health insurance schemes are critical in sustaining health and wellbeing of children. Overall good health is important for expectant women and their unborn children. To attain optimum level of health during pregnancy and the best possible maternal and neonatal health outcomes, effective interventions need to be provided during preconception period and throughout pregnancy. Such interventions include family planning (delay pregnancy and ensure preparedness for it), provision of nutrients such as folic acid fortification/ supplementation and advice on prevention and cessation of substance abuse. According to Kenya Demographic Health Survey (KDHS, 2014) 58% of women of reproductive age use contraceptive methods to prevent unplanned pregnancy. Regarding supplementation, 69% of women took iron containing supplements during their most recent pregnancy (KDHS 2014).

Good care during pregnancy is important for the health of the mother and the development of the unborn baby. Pregnancy is a crucial time to promote healthy behaviours and parenting skills. Good Antenatal Care (ANC) links the woman and her family with the formal health system, increases the chance of using a skilled attendant at birth and contributes to good health through the life cycle. Inadequate care during antenatal period breaks a critical link in the continuum of care, and affects both women and babies (WHO, 2016). Kenya adapted the WHO goal-oriented ANC package, popularly known as focused ANC (FANC) as a key intervention to promote the health and survival of mothers and babies. Antenatal care from a skilled provider is important to monitor pregnancy and reduce morbidity and mortality risks for the mother and child during pregnancy, childbirth and post-delivery. The FANC model recommends four comprehensive personalised antenatal visits for women with uncomplicated pregnancies and even more for women at risk of complications. The four visits model emphasises on quality of care and provides a package of services that contributes to the health and well-being of women throughout pregnancy, childbirth, and the post-natal period (WHO, 2002). Despite the WHO revision of ANC guidelines to increase number of visits to eight in 2016, Kenya continues to emphasise at least 4 ANC visits due to limited resources and other constraints.

Skilled Birth Attendance (SBA) has been shown to reduce maternal mortality and improve birth outcomes. Access to proper medical attention and hygienic conditions during delivery can reduce the risks of complications and infections for the mother and baby. Children who die within the first 28 days of birth suffer from conditions and diseases associated with lack of quality care at birth or skilled care and treatment immediately after birth and in the first days of life (WHO, 2020).

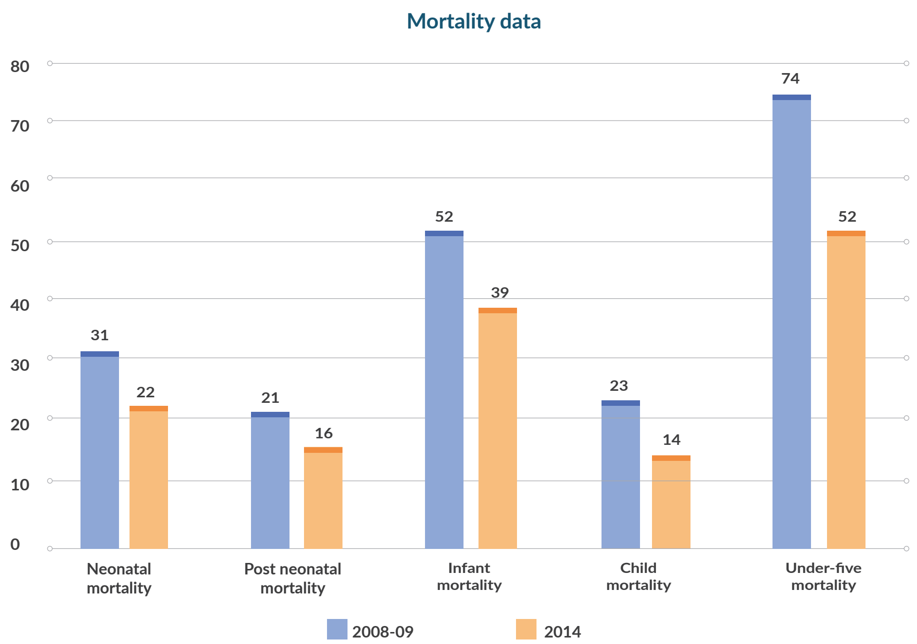
The country continues to record improvements in various maternal neonatal and child health indicators as shown below.

Indicator	2008-09	2014
Pregnant women accessing ANC services	92%	96%
Pregnant women accessing 4 or more ANC visits	47%	58%
Skilled deliveries		62%

Uptake of immunisation services is one of the major public health strategies to avoid childhood illnesses and mortality. Immunisation saves an estimated 2–3 million lives every year (WHO,2008) and is amongst the most cost – effective public health interventions for reducing global child morbidity and mortality (WHO,2018; CDC,2006). A basic measure of immunisation coverage has been the proportion of children receiving all basic antigens; the proportion of fully immunised children in Kenya during the period under review was 75% (KDHS 2014).

The figure below shows number of children who died per 1,000 live births.

Figure 1: Number of children who died per 1,000 live births



Source: Kenya Health Policy 2014-2030, Kenya Demographic Health Survey, 2014

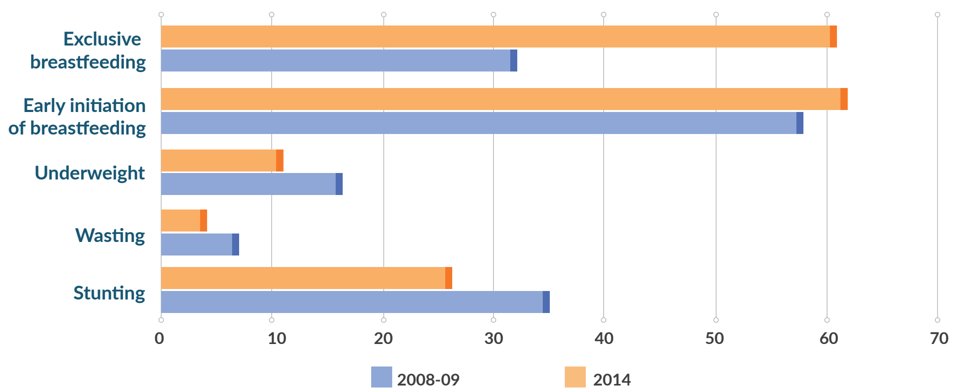
4.2 Nutrition

A child born in Kenya today is likely to achieve only half of their potential, according to the World Bank's Human Capital Index (HCI) framework where Kenya scored 0.55. Kenya's score is significantly undermined by high stunting rates with more than quarter (26%) children under five being stunted. Poverty is a major contributor to malnutrition and nutritional deficiencies among children, resulting in stunting. Stunting impacts children's cognitive development and future earnings, affecting the development of Kenya's labour force. Stunting interventions must start early and especially in the first 1,000 days of a child's life. A stunted child is estimated to earn around 20% less as an adult in comparison to their non-stunted peer. Addressing stunting is essential to building future productivity gains in Kenya's human capital.

In addition, it is essential in breaking the inter-generational vicious cycle of stunting and poverty. Kenya has prioritised reduction of stunting, wasting, anaemia, obesity, underweight and ultimately, infant mortality through exclusive breastfeeding, timely introduction of complementary foods and micronutrient supplementation (Kenya Nutrition Action Plan, 2018-2022). Counties are expected to domesticate this policy and implement high impact interventions outlined in the policy as a measure to reduce malnutrition and improve health and development outcomes for young children. Severe wasting, stunting, and deficiencies in some micronutrients (For instance, Iron, Zinc, Vitamin B12, and Iodine) have been shown to be associated with developmental deficits during early to mid-childhood (John et al., 2017).

Breastfeeding is one of the most effective ways to ensure child health and survival. WHO and UNICEF, 2020 recommend that children initiate breastfeeding within the first hour of birth and be exclusively breastfed for the first 6 months of life. Breastmilk is the ideal food for infants as it is safe, clean and contains antibodies which help protect against many common childhood illnesses. Infants should be exclusively breastfed for the first six months of life to achieve optimal growth, development, and health. Inappropriate feeding of infants and young children leads to malnutrition leading to increased mortality and morbidity including stunting and wasting. The table below shows national data on various nutrition indicators. Evidently, Kenya continues to record good progress on various nutrition indicators, thanks to Government interventions and support by different partners at National and Sub National levels.

Figure 2: National Level Nutrition Indicators



Source: USAID Advancing Nutrition. Kenya Country profile, 2020

4.3 Social Protection

The implementation of Social Protection (contributory and non-contributory) programmes with implication for children 0-8 years comprises social assistance, social security, and social health insurance. Social Protection interventions are spearheaded by the National Government and effected in conjunction with State Agencies, County Governments, Development Partners, Non-Governmental Organisations (NGOs), Civil Society, Private Sector, Communities, and Individual Philanthropy.

During the period under review, the main arm of Government tasked with social protection was the State Department for Social Protection which comprised of four technical directorates namely: Directorate of Children's Services; Directorate of Social Development; National Social Protection Secretariat; and Directorate of Social Assistance. It has three Semi-Autonomous Government Agencies (SAGAs) namely National Council for Persons with Disabilities (NCPWDs), Child Welfare Society of Kenya (CWSK) and National Council for Children Services (NCCS). It also houses two Trust Funds namely; Street Families Rehabilitation Trust Fund (SFRTF) and National Assistance Trust Fund for Victims of Counter Trafficking.

Social Protection covers and includes household level support to orphans and vulnerable children. Social protection programmes include Cash Transfer Programmes and the Hunger Safety Nets. Government support is currently not based on the individual child's need but the household raising a challenge with the number of children. There remains a gap relating to reintegration of children to families, financing, and related policies to entrench and sustain social protection.

The social protection sector has witnessed growth in a number of areas such as National and County Policy Framework to assure care of the vulnerable children and households. In the same breath, the Government developed a social protection plan together with a framework for sustainable financing of social protection. Policy enhancement has seen an increase of pillars to cover four, namely income security, health protection, shock responsive social protection and complementary initiatives. The National Government equally managed to generate working partnerships from development partners to expand household coverage with notable inclusion of counties in the drought prone counties.

The increase in scope for social protection programme coverage has seen an increase in the number of children benefiting from the welfare arrangement. For the financial year 2018/2019, for instance, the National Treasury allocated a total of Kshs 33 Billion for Social Safety Nets and a total of 44.6 Billion to Universal Healthcare Coverage. However, actual expenditure on social protection spending still remains below 0.5% as a proportion of the national GDP. The *Inua Jamii* programme, Government Flagship National Safety Net Programme for the Orphans and Vulnerable Children, Older Persons, Persons with Severe Disabilities Cash Transfer and Hunger Safety Net Programme, is funded to a tune of Kshs 29.5 Billion, with 6% utilised for administrative costs and 94% cash transfer payments to beneficiaries. Total spending on health insurance covered by NHIF in 2018/19 was Kshs 11.8 Billion while the private medical insurance spent Kshs 7.70 Billion in expenses.

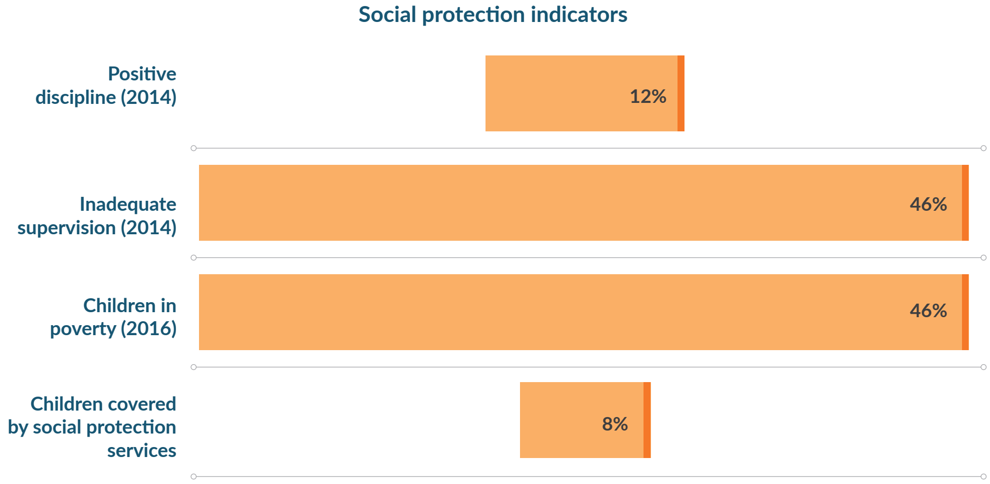
For the financial year 2018/2019, for instance, the National Treasury allocated a total of

Kshs 33 Billion

for Social Safety Nets and a total of 44.6 Billion to Universal Healthcare Coverage.

The figure below shows the status of some key national level child protection indicators. Data on county performance will be identified during the field data collection stage.

Figure 3: Key national child protection indicators



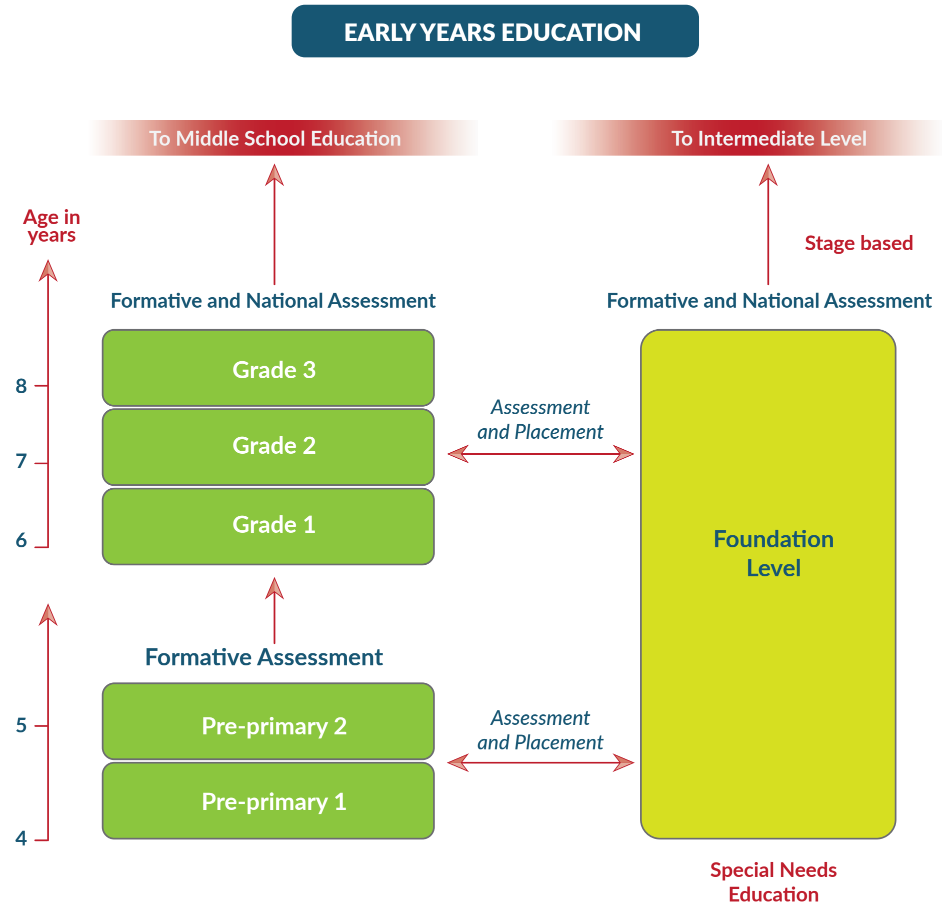
Source: USAID Advancing Nutrition. Kenya Country profile, 2020

4.4 Early Learning

The Kenya Constitution 2010 article 53 (1 (b)) entitles every child to free and compulsory basic education. This aligns very well with other national and international provisions such as the Kenya Vision 2030, United Nations Convention on the Right of the Child (UNCRC) articles 28 and 29 and the Sustainable Development Goal 4. Nurturing Care Framework for Early Childhood Development equally emphasises the need for universal access to good-quality day care for children, as well as pre-primary and primary education noting that early education is promotes cognitive and social development and facilitates preparation for formal schooling.

Early Learning at the National Government is a function of the Ministry of Education, Science and Technology (MOEST) and managed together with Basic Education; Vocational and Technical Training; University Education; Post Training and Skills Development; Implementation of Curriculum Reforms; and Teachers Service Commission. During the period under Public Expenditure Tracking survey, the Government through MOEST embarked on an ambitious education curriculum reform mission to foster learners' mastery of basic skills at an early age. Other key milestones alongside curriculum reform included promotion of inclusive education, teacher training and 100% transition of learners from home to pre-primary and from pre-primary to basic and compulsory primary education[4].

[4] 2022 Education Sector Report, Ministry of Education, Science and Technology, Kenya



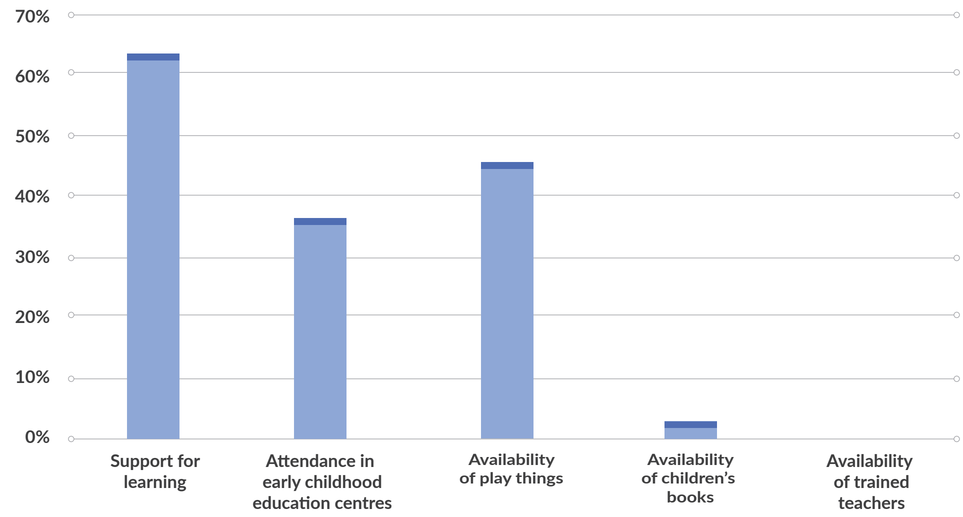
Source: Kenya Institute of Curriculum Development, 2018: Basic Education Structure for Early Years Education

There are over 3 million children in pre-primary today which has risen steadily since 2013 when the enrolment was at 2 million. The work remains to reduce disparities in school infrastructure, the number of teachers, desks, class size, and teaching materials across the country by increasing the State Department for Early Learning and Basic Education budget. Given the Government directives on 100% transition, higher allocations are needed to reduce learning disparities. It will also reduce the burden on Kenyan households currently funding 33% of expenses related to education.

The current practice of the National Government sending lumpsum funding to County Governments does not guarantee steady resources for ECDE and is open to re-direction of funds to other County Government functions.[5] One other challenge is the inclusion of children with disabilities due to home environment and school system and the lack of data that makes it impossible to quantify the extent of the problem. Young children from nomadic communities continue to face challenges including a perceived lack of value of schooling for pastoral societies and the long distance to schools in some areas.

[5] *Nurturing care to improve early childhood development: Kenya Country Profile*, USAID 2020

Figure 4: Early learning indicators (2014)



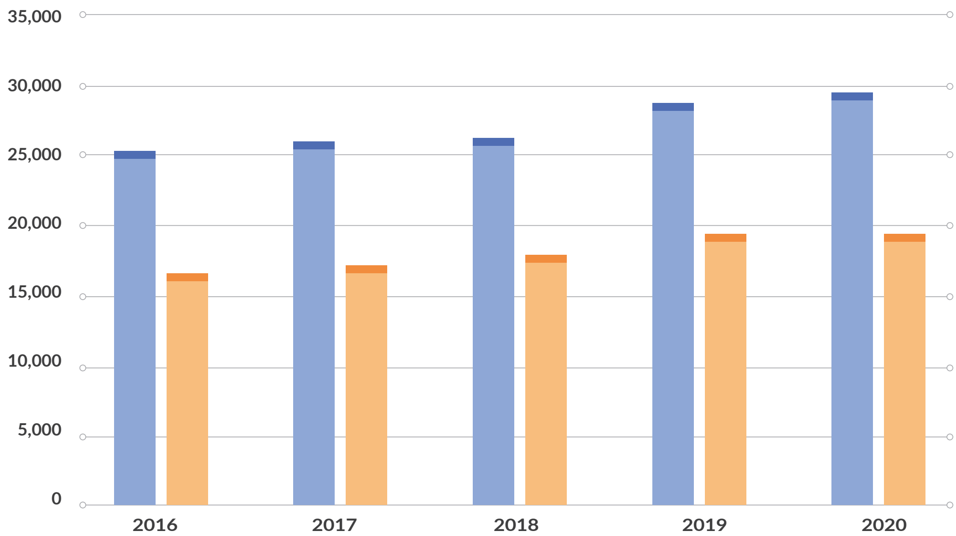
	Support for learning	Attendance in early childhood education centres	Availability of play things	Availability of children's books	Availability of trained teachers
Series 1	63%	36%	45%	3%	0%

Source: Nurturing care to improve early childhood development: Kenya Country Profile, USAID 2020.

The Alternative Provision of Basic Education and Training continues to cover a huge proportion of early learning especially in the informal settlements around large cities. The flooding of unregulated pre-primary education raises questions on standards. There are also refugee children who do not attend early learning due to insecurity, lack of feeding programme, insufficient classrooms and teachers.

At County level, there is no routine data collected on early years indicators that would allow for a comparison over the years.

Figure 5: Pre-primary educational institutions



	2016	2017	2018	2019	2020
Public	25,175	25,381	25,589	28,383	29,148
Private	16,073	16,398	16,728	18,147	18,147

4.5 Water, Sanitation and Hygiene

During the period under review, Water, Sanitation and Hygiene was superintended by the Ministries of Health and of Water, Sanitation and Irrigation, together with the County Governments and Development Partners led by UNICEF. Open Defecation-Free (ODF) remained a major focus for WASH in period 2017-2019 in Kenya seeing the reduction of water and hygiene related diseases among children. There have been notable changes in services such as the rise in rural water supply, promotion of rural and urban sanitation and hygiene, improved school water programs both among the rural and urban poor. These have been made possible through collaborative efforts between the Government and Non-State Actors.

The country continues to witness significant geographic and socio-economic inequalities in access to water, sanitation and hygiene. Rural-urban differentiation in WASH is evident in Kenya and ranked third highest in Sub-Sahara Africa. About 87% of the urban population enjoyed access to at least basic water service, compared to 50% of rural inhabitants in 2017[6]. Some 29% of the rural population have no access to any kind of water system, compared to 7% of the urban population. Access to basic drinking water amongst the richest quintile is 89% compared to 31% in the poorest quintile. Open defecation is largely a rural issue and practiced by 15% of the rural population, compared to 3% in urban areas.

On average, and especially among the Arid and Semi-Arid Lands with limited access to water, household access to improved sanitation facilities has increased by at least 8 percentage points between 2009 and 2019 according to the 2019 census report. The highest increases were seen in Kitui (24.4 pp), Wajir (22 pp) and West Pokot (21.6 pp). The increase is attributed to improved investment by both the Government and the Private Sector.

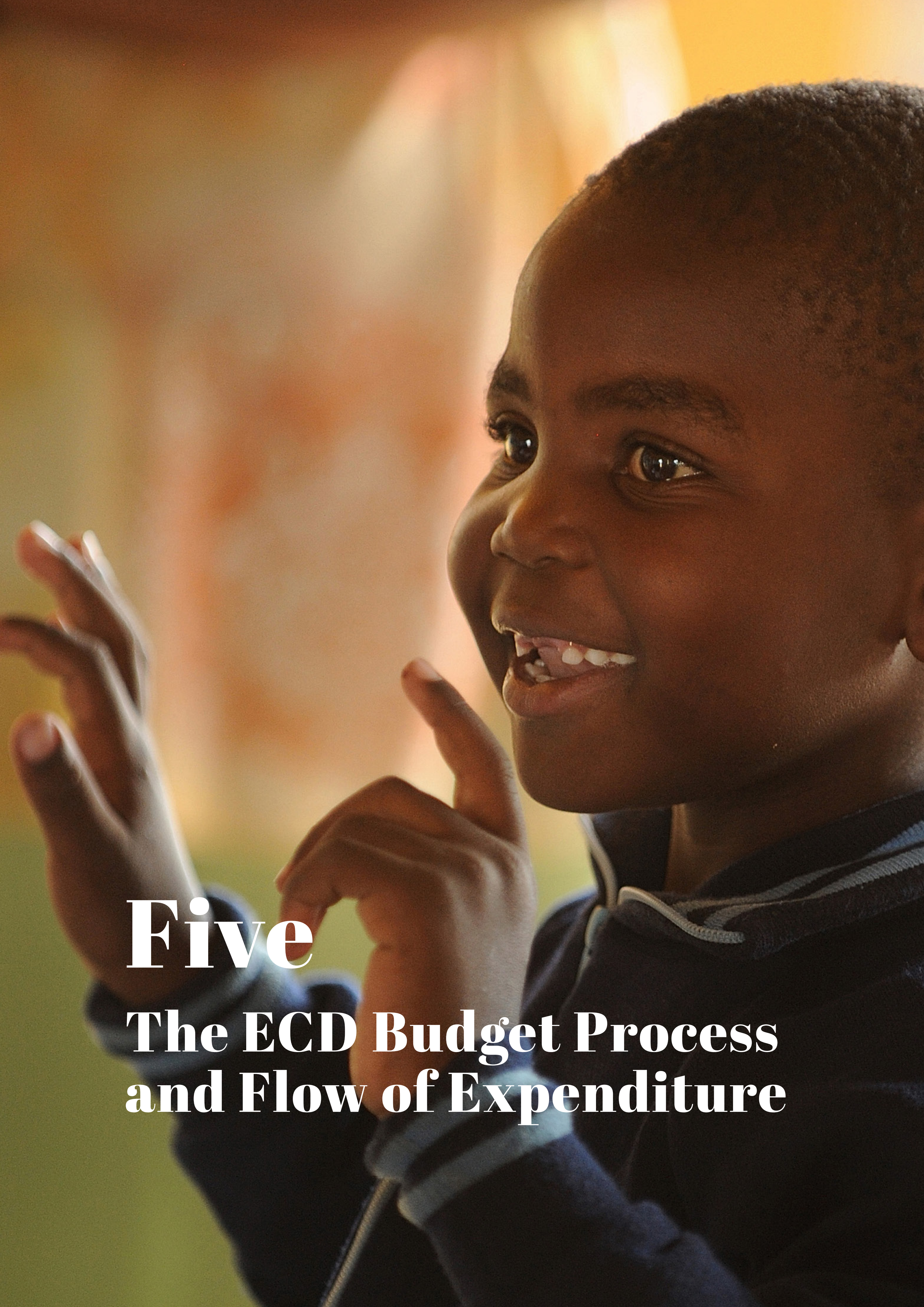
Among key notable challenges in the WASH sector is the lack of policy harmonisation between the National and County Governments. National education plans and policies, the allocation of responsibility for WASH services within schools at the county level remains ambiguous. It is often unclear who is squarely responsible for WASH among the ministries of water and that responsible for public health.

Table 4: General WASH indicators

Water, Sanitation and Hygiene Indicators
Proportion of households with access to safe water
Latrine coverage
Proportion of households with hand washing facilities
Proportion of children accessing handwashing facilities

On average, and especially among the Arid and Semi-Arid Lands with limited access to water, household access to improved sanitation facilities has increased by at least 8 percentage points between 2009 and 2019 according to the 2019 census report.

[6] Impact Report 2022: A Performance Report of Kenya's Water Services Sector – 2020/21



Five

The ECD Budget Process and Flow of Expenditure

Photo Credit: Istock/ Getty

5. The ECD Budget Process and Flow of Expenditure

The first objective of this PETS was to describe how ECD funds flow through the administrative bureaucracy from the county treasury to provider as well as determine the basis of budgetary allocations. To describe the flow of funds, we begin by providing a description of the budgeting and authorization process, including identification of the points, officials, units, legal framework, as well as the flow of expenditure or transfer of funds (release of funds) from centre to the service delivery level.

Existing legal framework on resource flow

To fund the budgets, the Constitution provides for the transfer of at least 15% of revenue collected nationally based on the last audited and approved revenue accounts to counties to meet their expenditure needs, with the rest retained by the national government to do the same. This means that before the start of every financial year, the National Assembly and the Senate debate and approve how much money should be transferred to counties and how much remains at the national level through approval of the Division of Revenue Bill. This is known as Vertical Revenue Sharing. The decision on how much goes to each county is also made through the approval of the County Allocation of Revenue Bill at this point.

In addition to these unconditional inter-governmental transfers, Counties also receive restricted/conditional funds from the National Government and Development Partners. Equally important is that Counties are also allowed to collect their own revenue in line with provisions of the fourth schedule of the Constitution.

Within ECD, specific functions are allocated to different spheres of government. Within this study, the division is as follows:

National	County
Primary Education	ECDE, childcare facilities
Health Policy and National Referral Hospitals	Healthcare from Levels 5 to 1 Nutrition
Social Protection	WASH

Specific additional allocations to county governments

Over and above the amounts allocated to County Governments as equitable share, there are other types of Inter-Governmental fiscal transfers to the counties as follows:

- Unconditional grants from National Government revenue share. The Constitution provides that County Governments may receive, in addition to the equitable share, an unconditional general-purpose transfer from the national government's share of revenue.

- Conditional grants from National Government revenue share. The Constitution allows County Governments to also receive conditional fiscal transfers from the National Government's share of revenue. Such conditional transfers are specific purpose transfers whose primary objective shall be to provide incentives for the County Governments to carry out specific programmes or activities or to support a particular sector, in a bid to achieve particular national policy objectives.

- Inter-governmental transfers from proceeds of loans, grants, and donations to the National Government from Development Partners under Section 47 and 49 of PFMA. The Act provides that the National Government may not enter into any financing agreement with Development Partners for grants and donations in respect of devolved functions without the involvement of County Governments. These include agreements for grants and donations intended for National Government Entities/Agencies that may be transitionally performing devolved functions.

Budget formulation process

The process is a combination of a bottom-up and top-down approach. Prepared and guided by policy frameworks, the two levels of Governments have consistently prepared Programme Based Budgets (PBB) - which have organised budgets around objectives rather than inputs.

This has enabled continued prioritisation, implementation, and oversight of government expenditure through an outcome-oriented lens. The framework for budgeting, allocating, transferring, and managing conditional and unconditional grants are governed by the Constitution of Kenya mainly under Articles 187, 202 (2) and 204 of the Constitution and Section 47 and 49 of the Public Finance Management Act (PFMA). The Cabinet Secretary in charge of the National Treasury similarly, may, pursuant to Section 36 of the PFMA, issue instructions through the budget preparation circular, giving direction to National Government budget sector working groups to ensure there are discussions on the identified policies within the intergovernmental sector groups.

The framework for budgeting, allocating, transferring, and managing conditional and unconditional grants are governed by the Constitution of Kenya mainly under Articles 187, 202 (2) and 204 of the Constitution and Section 47 and 49 of the Public Finance Management Act (PFMA).

National Government

The budget formulation process for the national government in Kenya typically involves the following steps:

- **Pre-Budget Consultations:**

  Before the budget formulation process begins, the National Treasury conducts pre-budget consultations with stakeholders, including the private sector, civil society organisations, and other government agencies, to identify key priorities and concerns.

- **Budget Call Circular:**

  The National Treasury then issues a budget call circular, which outlines the budget process and provides guidance to government agencies on how to prepare their budget proposals.

- **Budget Preparation:**
  Each Government Agency prepares its budget proposal based on the guidelines provided in the budget call circular. The proposals must include a detailed description of the programmes, projects, and activities to be funded, as well as the expected outcomes and outputs.

- **Sector Working Groups:**
  The National Treasury convenes sector working groups composed of representatives from different Government Agencies to review the budget proposals and ensure that they align with national priorities.

- **Budget Review:**
  The National Treasury reviews the budget proposals from the sector working groups and prepares a preliminary budget. The preliminary budget is presented to the Cabinet for approval.

- **Budget Approval:**
  After Cabinet approval, the National Treasury presents the budget to the National Assembly for approval. The National Assembly may make changes to the budget, and the National Treasury may be required to make adjustments.

Conditional grants from the National Government

Conditional and unconditional transfers are required to be included in the national government budget for approval by the Cabinet and the National Assembly in accordance with Section 37(1), 38(1) (b) (iii) and 39 of the PFMA and shall then be included in the Appropriation Act to be passed by the National Assembly. The Appropriation in respect of the conditional and unconditional transfers is reflected under the vote of the national government ministry/department that will account for the grant to Parliament. The process by which conditional and unconditional grants are allocated to County Governments from the National Government in Kenya typically involves the following steps:

- **Identification of Priority Areas:**
  The National Government identifies priority areas in which it seeks to provide support to County Governments. These priority areas could include health, education, agriculture, infrastructure development, or any other sector that requires support.

- **Development of Criteria:**
  The National Government then develops criteria for allocating the grants to County Governments.

- **Allocation of Funds:**
  Based on the criteria developed, the National Government allocates funds to the County Governments through the National Treasury. The funds could be conditional or unconditional, depending on the purpose for which they are intended.

- **Conditional Grants:**

  Conditional grants are allocated to support specific programmes or projects that the National Government has identified as priority areas. These grants are usually channelled through specific ministries or departments responsible for implementing programs in the identified priority areas. The National Government and County Governments sign grant agreements outlining the terms and conditions for accessing the funds.

- **Unconditional Grants:**

  Unconditional grants are typically allocated to support the County Governments in meeting their day-to-day operational expenses. County Governments have greater discretion on how to use unconditional grants, as they are not tied to specific programmes or projects.

- **Disbursement of Funds:**

  The National Treasury disburses the funds to the County Governments based on the grant agreements signed or the allocation formula. The funds are usually released in tranches, and County Governments are required to provide periodic reports on the progress of implementation.

- **Monitoring and Evaluation:**

  The National Government and County Governments conduct joint monitoring and evaluation of the implementation of programmes or projects supported by the conditional grants. This is done to ensure that the funds are used for their intended purpose, and the expected outcomes are achieved. The County Governments also provide reports on how they use unconditional grants.

- **Review of Grant Agreements:**

  The National Government and County Governments review the grant agreements periodically to assess the progress made and to identify areas for improvement. The review may result in the revision of the grant agreements or the reallocation of funds to other priority areas.

County Government Budget Formulation Process

The budget formulation process for County Governments in Kenya typically involves the following steps:

- **Public Participation:**

  The County Government conducts public participation to engage citizens, civil society organisations, and other stakeholders in identifying key development priorities and concerns.

- **Budget Call Circular:**

  The County Treasury then issues a budget call circular, which provides guidelines on the budget process and informs County Government agencies on how to prepare their budget proposals.

- **Budget Preparation:**

  Each County Government department prepares its budget proposal based on the guidelines provided in the budget call circular. The proposal must include a detailed description of the programmes, projects, and activities to be funded, as well as the expected outcomes and outputs.

- **Sector Working Groups:**

  The County Treasury convenes sector working groups composed of representatives from different County Government departments to review the budget proposals and ensure that they align with County development priorities.

- **Budget Review:**

  The County Treasury reviews the budget proposals from the sector working groups and prepares a preliminary budget. The preliminary budget is presented to the County Executive Committee for approval.

- **Budget Approval:**

  After County Executive Committee approval, the County Treasury presents the budget to the County Assembly for approval. The County Assembly may make changes to the budget, and the County Treasury may be required to make adjustments.

- **Budget Implementation:**

  Once the budget is approved, the County Treasury allocates funds to County Government departments based on their budget proposals. County Government departments then implement their programmes, projects, and activities in line with their allocated budgets.

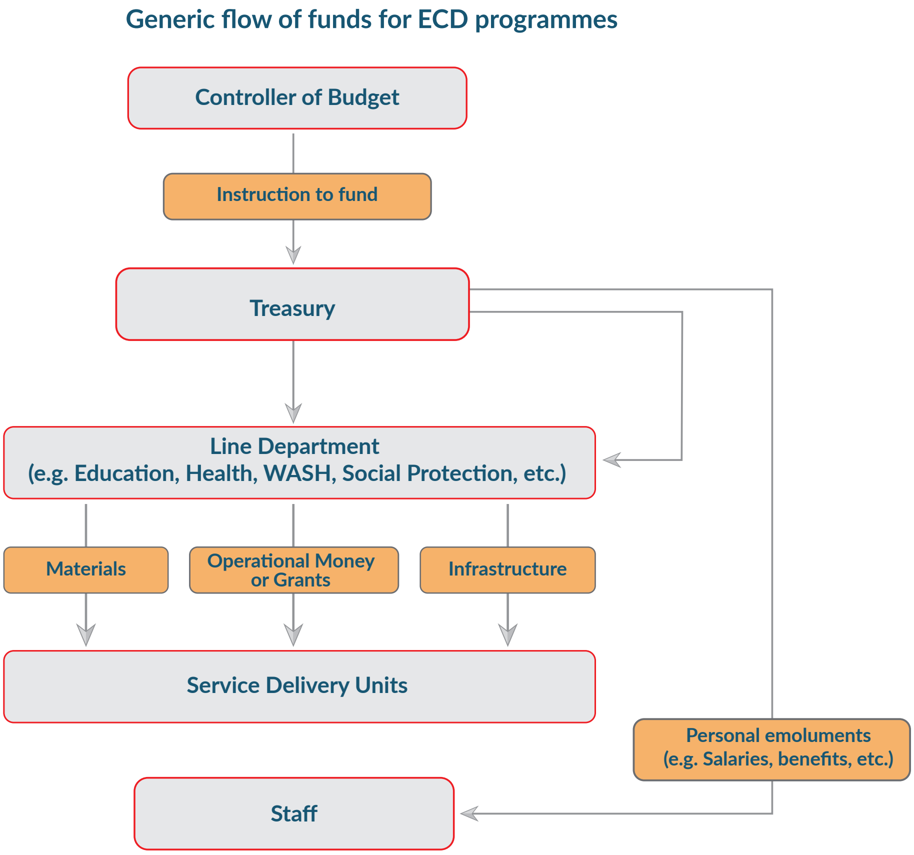
- **Budget Monitoring and Evaluation**

  The County Treasury monitors and evaluates budget implementation to ensure that County Government departments are using funds appropriately and achieving their intended outcomes and outputs. The County Assembly also conducts oversight to ensure that the budget is being implemented effectively.

Figure 6 depicts a schematic overview of the flow of financial (primarily money) and non-financial resources (for instance, in-kind supplies) from the national and county treasury down to the service delivery level. Two separate processes are shown, one for salaries and the other for non-salary expenses. It is shown that for salaries and personnel-related costs, funds flow from the country treasury straight to the bank accounts of individual civil servants.

The flow of non-personnel funds (for instance money, materials, infrastructure, et cetera) is initiated by a funding requisition system by the Line Department. These funds flow from the county treasury to the bank account of Line Departments which are in turn in charge of distributing the financial and material resources to the service delivery units in their respective wards. However, as shown in Figure 6, country treasury also pay the suppliers of goods and services procured by Line Departments directly.

Figure 6: Flow of ECD expenditure



Six

Sectoral Resource Flow Maps

Photo Credit: Istock/ Getty

6. Sectoral Resource Flow Maps

6.1 Resource Requisition process

The Controller of Budget has consistently authorised withdrawals from the County Revenue Funds to County Operational Accounts of the County Governments for both development and recurrent expenditure. To authorise withdrawal, it is a legal requirement that a request to the Controller of Budget by a County Treasury for approval for withdrawal of funds from the County Revenue Fund shall be made in a Requisition Form , accompanied by

(a) an up to date county exchequer account balance and reconciled exchequer ledger;

(b) a record from Central Bank of Kenya of payments awaiting funding;

(c) a statement of revenue receipts into the County Revenue Fund; and

(d) up to date county exchequer account statement.

In addition, where applicable,

(a) a request for approval for withdrawal of funds for development expenditure, is required to be supported by

  i) a schedule of development expenditure in line with the request;

  ii) up to date project implementation status report generated from approved project management government system;

  iii) up to date schedule of pending bills and payment plan;

  iv) bank statements reflecting the settled pending bills;

  v) vote book for development expenditure;

  vi) bank statement of development operational account; and

  vii) an extract of the budget estimates approved by a County Assembly relating to the request.

On Conditional grants, a request for approval for withdrawal is required to be supported by

  i) an agreement or agreements setting out the conditions of the grant;

  ii) a county exchequer statement confirming receipt of the conditional grant;

  iii) a bank statement for the Special Purpose Account;

  iv) an extract of the budget estimates, if any, approved by the County Assembly;

  v) expenditure report on utilisation of the previous release; and

  vi) an extract of approved annual work plan showing how the funds being requested shall be applied.

While counties have previously illustrated that the approval process is cumbersome, due to the legal requirement as a requisite to accessing the funds, all the counties have had no choice but to adhere to the requirements.

In this section we map and describe the flow of actual funds by each target sector.

6.2 Health and Nutrition

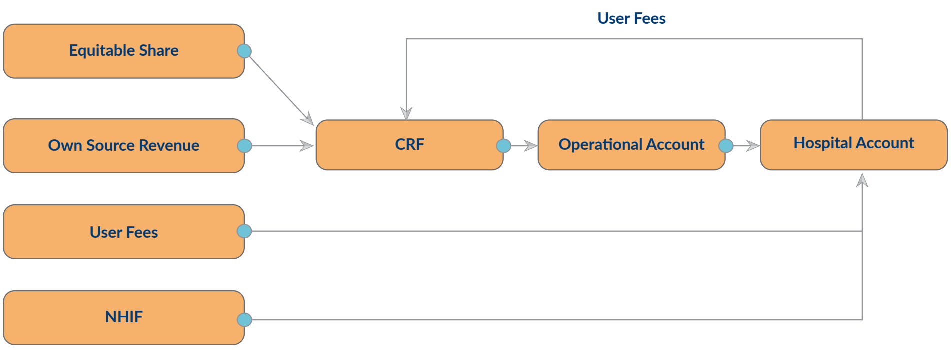
County health facilities and services include county referral hospitals, sub-county health facilities, environmental health services, communicable disease control, nutrition, family planning, maternal and child health plus health education. Nutrition is not a stand alone sector and at the county level it is usually implemented within the health sector, and education sector in the ECDE sub sector through the school feeding programmes. There are six different levels of health care facilities. The first five are managed on the County Level, the sixth level by the National Government. In this system the patients may move from one level to the next by using a referral letter. County levels are assigned as follows:

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Community Health Units	Health Dispensaries	Health Centres	County Hospitals	County Referral Hospitals

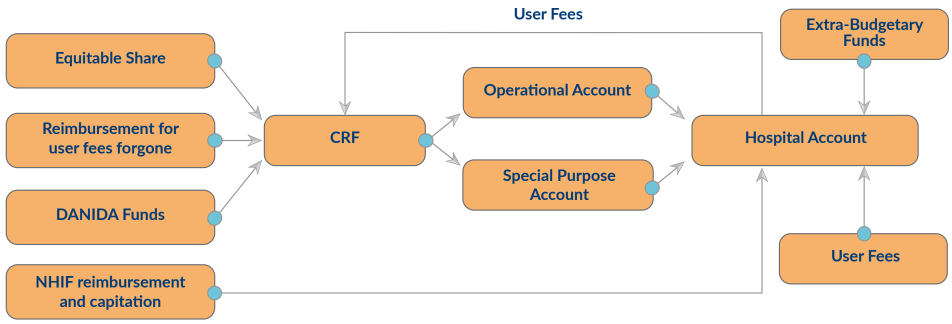
Other than West Pokot which has operationalised a Facility Health Management Legislation which allows the public hospitals to retain all cash revenues received in their hospital bank account and hence have access to all their cash revenues, in other counties, hospitals are required to send all funds to the central County Revenue Fund (CRF) account.

Figure 7: Funds Flow Across Health Care Facilities

Level 1,2,3



Level 4,5



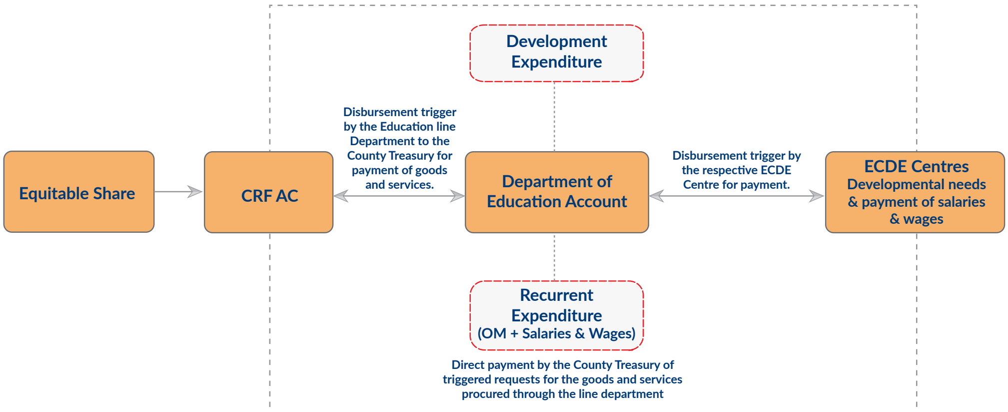
6.3 Education

ECDE schools have been funded by the counties based on the workplans developed by the line education departments that have consistently identified physical facilities as the biggest gap. No school receives direct funding from the County. All developmental needs of the schools are directly carried out through the line department.

Expenditure on ECDE consists of three main items: salaries and related personal emoluments for teachers and other staff, operational grants for education materials for pre-primary and primary schools, and thirdly, construction or upgrading of school infrastructure. These line items are captured in the county plans and budgets.

Salaries and all personal emoluments flow from the County treasury to individual staff accounts. Funds for operations of ECDE and other school accounts are held in the county SPAs and managed by the County Treasury Chief Accountant. Funds are released to service providers and suppliers of goods and services (for example textbooks, play items, other consumables, and so on) on the request of the accounting officer in charge of the line sector on behalf of the ECDE centres and primary schools. Facility staff at ECDE centre or primary schools do not handle any cash. Expenditure and procurement are centralized at the county level, and funds flow to the respective service provider from the centre. Goods and services are then delivered to ECDE centres and schools.

Figure 8: ECDE Funds Flow

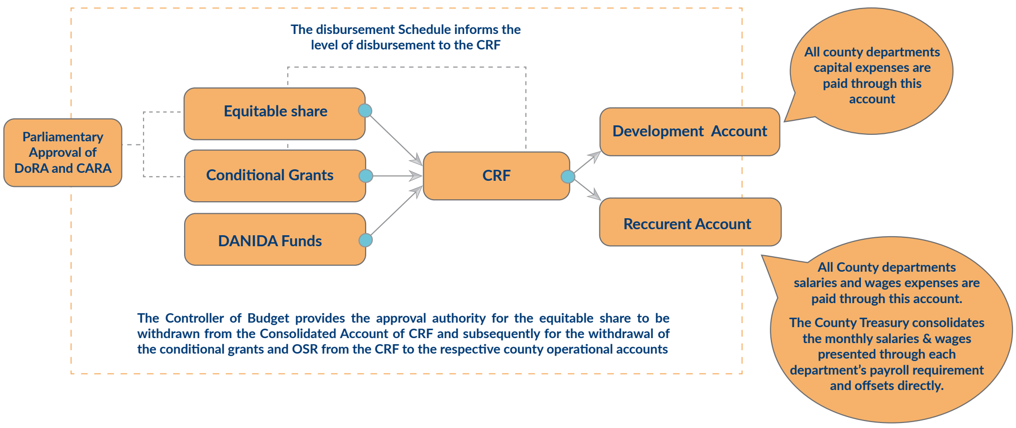


6.4 Social protection and WASH

Allocations to these sectors are made directly at the departmental level within the respective county government in the case of county governments. Each department has its own procurement and accounting officers who undertake the procurement and accounting functions on behalf of the departments. For any procurement and/or payment, the respective county accounting officers are required to prepare the necessary supporting documents and submit to the respective county treasury, which then makes the payments on behalf of the user department. At the national level due to the size of the state department, each state department also implements the respective component.

For WASH, Water Service Providers are not allocated any resources either by the national or county governments. They generate their own revenues courtesy from fees charged from service provision. Boreholes on the other hand are sunk directly by the county governments through the departmental workplans and programmes. Similarly, payments are made directly by the County Governments' Treasury Departments to the service providers.

Figure 9: Funds flow for Social Protection and WASH



For WASH, Water Service Providers are not allocated any resources either by the national or county governments. They generate their own revenues courtesy from fees charged from service provision. Boreholes on the other hand are sunk directly by the county governments through the departmental workplans and programmes.

Issues in resource flow

Desk review of secondary sources and interviews revealed several challenges with the resource flow arrangements that identify bottlenecks in the flow of resources and potential areas of leakage of resources of ECD resources in Kenya. Specially, three issues have emerged virtually across all counties:

(a) Many counties running ECD programmes characterised the budget approval process is cumbersome, due to the lengthy legal requirements as a requisite to accessing the funds. The Controller of Budget has to authorise withdrawals from the County Revenue Funds to County Operational Accounts of the County Governments for both development and recurrent expenditure. To authorise withdrawal, it is a legal requirement that a request to the Controller of Budget by a County Treasury for approval for withdrawal of funds from the County Revenue Fund shall be made in a Requisition Form , accompanied by an up to date county exchequer account balance and reconciled exchequer ledger;

(i) a record from Central Bank of Kenya of payments awaiting funding;
(ii) a statement of revenue receipts into the County Revenue Fund; and
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In addition, where applicable—a request for approval for withdrawal of funds for development expenditure, is required to be supported by

(i) a schedule of development expenditure in line with the request;
(ii) up to date project implementation status report generated from approved project management government system;
(iii) up to date schedule of pending bills and payment plan;
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On Conditional grants, a request for approval for withdrawal is required to be supported by

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(ii) a county exchequer statement confirming receipt of the conditional grant;
(iii) a bank statement for the Special Purpose Account;
(iv) an extract of the budget estimates, if any, approved by the County Assembly;
(v) expenditure report on utilisation of the previous release;
(vi) and an extract of approved annual work plan showing how the funds being requested shall be applied.

(b) There is a considerable degree of confusion about the funding requisition process. What this PETS found is that many stakeholders found the administrative process involved in requisitioning funds from the treasury highly complicated and cumbersome. The requisition process begins at the department level with the preparation of the cash flow plans. Before submission of the required documentation to the Office of the Controller of Budget, a confirmation is first done at the County Budget Coordinator's office - the COB office at the county level. This confirmation step at the county level is an important step to avoid back and forth due to lack of adherence to the legal framework. The process is manual (involving physical submission of documents), making it prone to multiple administrative errors and frequent losses of documentation.

Further, communication about funding disbursement process is subject to controls imposed by both the National and County Treasury. Disbursement of funds from the National Treasury are often delayed because of expenditure controls. The time between when funds get to the CRF and when the Office of the Controller of Budget (OCOB) approves withdrawal from the CRF to the operational accounts is significant. Finally, the county treasury exercises discretion to protect some budget items such as salaries, infrastructure, pensions, et cetera.

(c) There are significant inefficiencies in the approval of budgets and disbursement of funds. Parliament plays a major role in the cash flow process given its mandate to approve key budget documents. These include the annual budget estimates through the Appropriation Bill, The Division of Revenue Bill, and the County Allocation of Revenue Bill. The law has set certain requirements pertaining to timelines within which these documents should be submitted to Parliament and approved by Parliament. However, these timelines are not always met sometimes due to stalemates within Parliament which affects the entire cash flow process. This is felt especially at the county level where planning and budgeting have strict legal timelines that must be met before any expenditure is incurred. Funds flow to public health facilities in the nine targeted counties from prepaid sources (county and national government allocations, and NHIF disbursements), have been characterised by significant delays in disbursements. Poor adherence to the approved disbursement schedule. The delayed approval of revenue sharing legislation results in the delayed disbursements across government in the first quarter of every financial year. The disbursement of funds to counties is required to be done in accordance with a disbursement schedule that is approved each year by the Senate (Section 17(7), PFMA, 2012).

This unpredictability has consistently compromised service delivery and quality of services by disrupting the availability of health commodities and other functions of the county governments. Evidence from primary data collection presented below on budget execution confirm these delays.

(d) The discretion of the county treasury in managing the budget without much transparency in the allocation of funds increases the scope for diversion of the approved ECD budgets to other activities. Despite comprehensive plans and budgets developed by county governments and their respective sector stakeholders, budgetary allocations to ECD programmes fall short of the required resources to effectively implement programmes at scale and reach the targeted beneficiaries. Although the problem of underfunding cuts across all ECD sectors (implementing stakeholders expressed the general view that ECD programmes are significantly underfunded), the problem is more severe in some sectors and counties compared to others.

Seven

Main Findings

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7. Main Findings

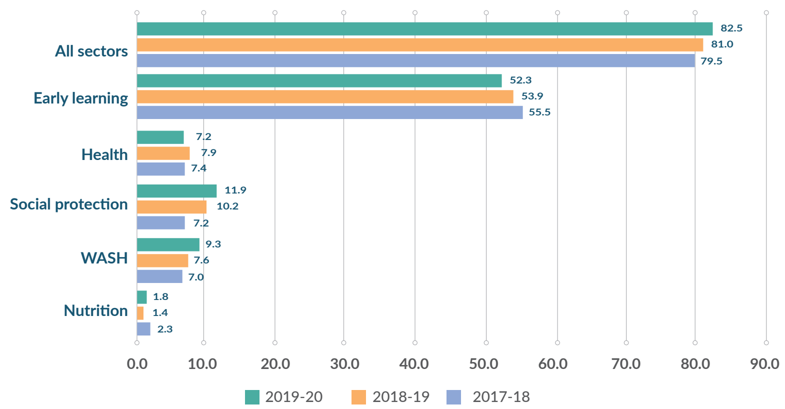
7.1 The Level of ECD Expenditure in Kenya

The second objective of this PETS was to determine the quantity resources (financial and non-financial resources) reach each level of government and service provider and whether these are as intended in the budget. The first element of addressing this question involves estimating the volume of ECD spending at implementation level in Kenya, and subsequently the extent to which all appropriated funds are spent as planned.

ECD spending in Kenya is about USD81 per child, which is modest in comparison with countries of similar level of income and lower than international benchmarks. Figure 10 shows that during the three fiscal years, ECD spending in the nine counties considered in this PETS was between USD79.50 and USD83 per child between 0 and 8 years. This is an estimate of the value of resources that counties spent on ECD programmes and interventions. It is also noteworthy that the level of spending has remained virtually unchanged, demonstrating a marginal increase of 3.3% in the three fiscal years. For each county, these estimates represent spending by both the National Government and County Government on ECD. As described in the methodology, where necessary the spending has been attributed to the population aged below eight years.

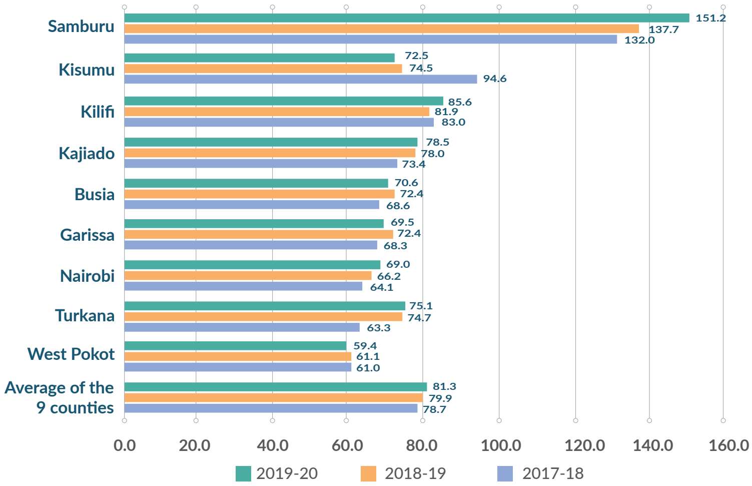
Although Kenya spends more on ECD than most countries in the Sub-Saharan African region, it still spends less than desired. For example, Kenya's ECD spending is well below the ESAR average of USD 138, and well below spending by countries such as Angola, Lesotho, Namibia, Mauritius, Botswana and South Africa[7]These estimates are based on data from the IFMIS from which all ECD-eligible programmes and sub-programmes were carefully identified using the ESARO framework and key informant interviews. There is no international standard on the minimum level of ECD spending. However, qualitative data gathered from ECD stakeholders in all the counties reported in this report indicate that the level of ECD spending in Kenya leaves a considerable resource gap that programme implementers face to achieve their programmatic targets and reach all intended beneficiaries.

Figure 10: ECD spending in Kenya per child 0-8 years, 2017/18-2019/20, in USD



[7] *(UNICEF ESARO, Quantifying Heckman: Are Governments in Eastern and Southern Africa Maximizing Returns on Investments in Early Childhood Development? United Nations Children's Fund (UNICEF), Eastern and Southern Africa Regional Office (ESARO), Kenya, 2021).*

Figure 11: ECD spending at the county level, (in USD)



The level of ECD expenditure varies greatly by county. In the 2019/20 fiscal year, ECD spending per child ranged from a low of USD60 in West Pokot to a high of USD151 in Samburu. This pattern clearly reflects varying degrees of prioritisation across the nine counties. Samburu has shown an increase in ECD expenditure from 2017/18 to 2019/20, whereas in other counties (Kisumu, and to some extent West Pokot), ECD has declined during the period.

ECD spending at the county level, (in USD)

With the exception of Health ECD, the larger share (90%) of ECD spending is from the National Government. On average in the nine counties, county government expenditure on health was 80% of total health ECD expenditure while WASH ECD expenditure represented 10% of total WASH ECD expenditure. This pattern of spending suggests that health is more devolved than other ECD sectors.

There is insufficient transparency of ECD interventions in available expenditure reports and accounting systems, thereby undermining the accuracy of ECD expenditure estimates. Table 6 shows that not all interventions might be included. When moving from the planning documents that articulate ECD interventions such as the ADP, CIDP and the Nurturing Care framework, to the budgets and expenditure documents (PBB and IFMIS), there were difficulties in identifying all ECD interventions. While identification of programmes and sub-programmes under each sector shows that most major ECD-related interventions are included, there are possible omissions which can affect the calculation of ECD spending.

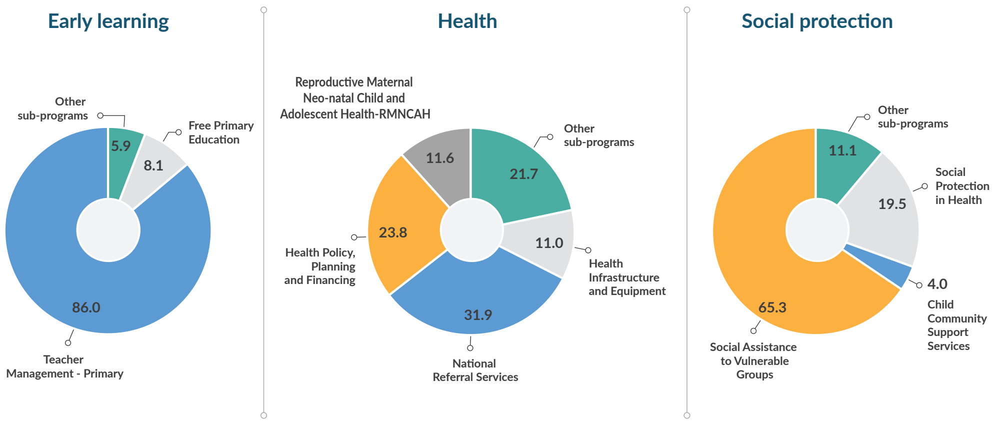
The programme and sub-programmes descriptions in the IFMIS or PBB or budget performance reports are not sufficiently disaggregated to enable transparent deciphering of all interventions. Specifically, many interventions that are contained in the ADP and CIDP are missing from the expenditure reports. For example, we found that notable interventions under all sectors were not visible in the expenditure and budget data.

Furthermore, knowing where a county spends funds and implements those interventions not indicated in the expenditure reports, is difficult due to data discrepancies and lack of data disaggregation. The situation gets more complicated

On average in the nine counties, county government expenditure on health was 80% of total health ECD expenditure while WASH ECD expenditure represented 10% of total WASH ECD expenditure. This pattern of spending suggests that health is more devolved than other ECD sectors.

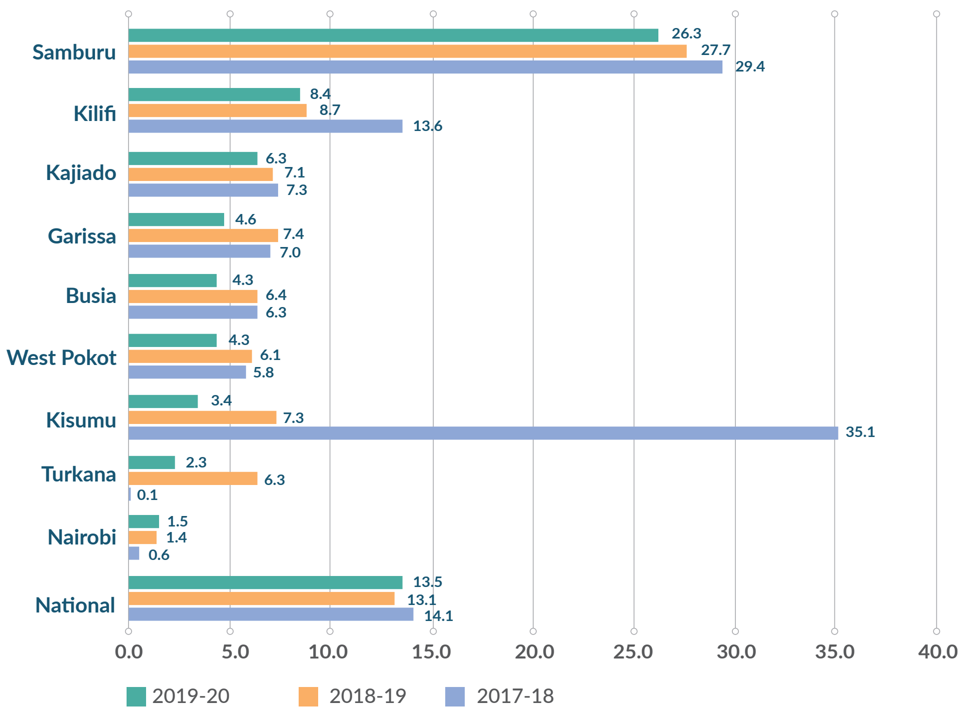
by the inconsistency in the total budgets' amounts contained in the ADP, CIDP on the one hand and the other IFMIS and PBB on the other. It is the case that are some variations in the nomenclature affecting calculation of ECD total spending across counties. The other issue has to do with the extent to which all eligible ECD interventions that are actually being implemented have been included.

Table 6: Key interventions included in ECD expenditure, as share of main sectors (National Government)



ECD spending in Kenya is estimated to be 13.6% of total county government spending. The share of ECD in total government spending varies by sector. Further, the share of ECD spending in total government spending has remained virtually the same over the three fiscal years under consideration (14.1% in 2017/18, 13.1% in 2018/19, and 13.5% in 2019/20). Our estimates show that ECD-related health spending accounts for 12% in 2017/18 to 15.5%, rose to 2018/19 and dropped to 12.5% in 2019/20, of the total spending in health sector.

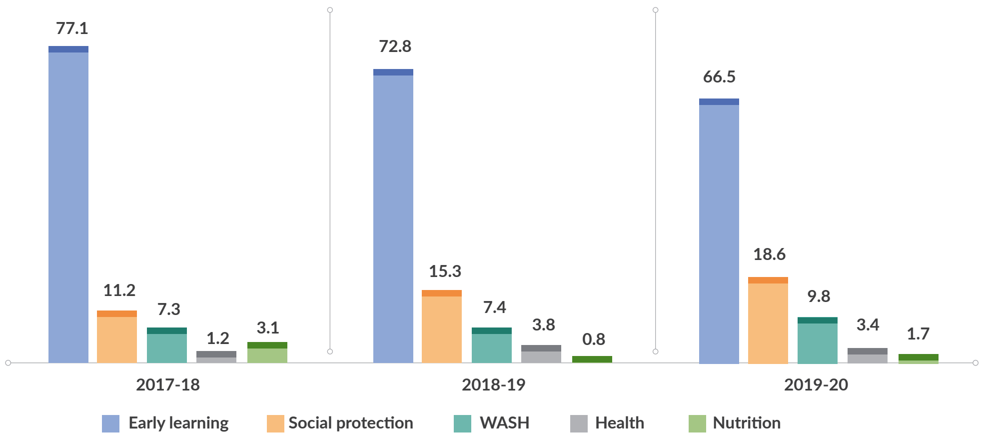
Figure 12: Share of ECD expenditure in total country expenditure, by county (%)



7.2 Composition of ECD Spending

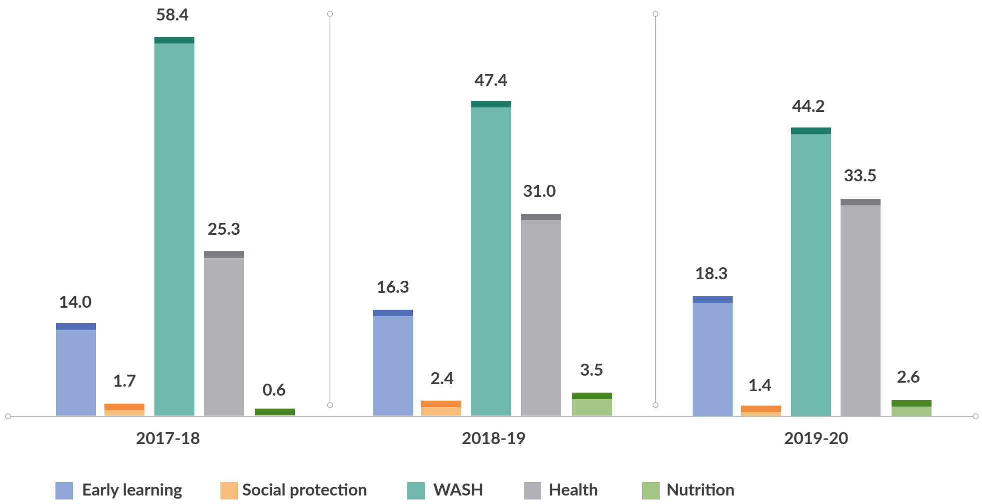
At the national level, the composition of ECD spending is largely driven by early learning spending. Spending on early learning represents the largest share in total spending, accounting for nearly two thirds of total ECD spending. The second largest ECD spending component is social protection, which has seen an increase in the share of total ECD spending from USD7 per child (9% of total ECD spending) in 2017/18 to USD12 (14% of total ECD) in 2019/20. Health spending is third at an average of USS7 per child (about 9.3% of total ECD spending). Comparatively, per child spending on sectors such as nutrition and WASH are spending very low.

Figure13: ECD composition (%) by sector at the national level



At the county level, health, WASH and early learning represent the greatest shares in total ECD spending. Over the three fiscal years, the WASH and early learning share in total ECD county spending has increased significantly, likely reflecting an increased focus on these sectors. Nutrition and social protection spending represent low shares in total county ECD spending – with social protection being a national function.

Figure14: ECD composition (%) by sector at the county level

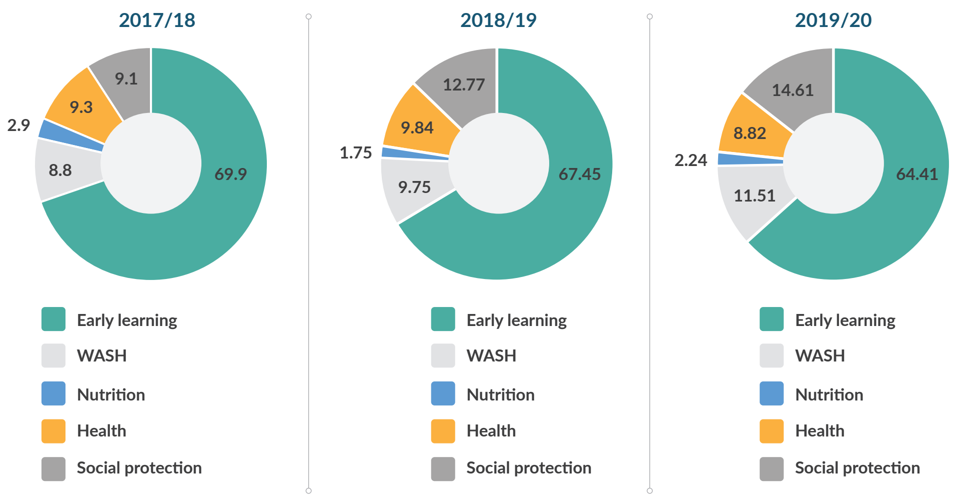


The share of ECD in total county fiscal spending varies greatly across counties. It is further observed that generally there has been a slight decline in the share of county spending that is dedicated to ECD over the three years under study. This finding implies that county budgets have increased, the share allocated to ECD spending has fallen. This picture is largely driven by the decline in Kisumu and Kilifi counties. It is also noteworthy that the share of the total county budget that is devoted to ECD for children 0-8 years in Nairobi City County is the lowest in the country, at less than 2%. This finding reflects the degree of prioritisation of ECD in county spending.

Combined county and national shares

When ECD expenditure from both national and county spending is combined, the proportion shows that early learning (64-70%) and health (9-10%) and WASH (9-11%) were the largest shares during the three years under consideration.

Figure 15: Composition of ECD spending, combined National and County



7.3 Sources of ECD Spending in Kenya

One objective of this PETS was to identify the main sources of ECD spending, including external sources. It is important to mention that the data represent only external funds that are captured into the Kenyan IFMIS. Any financial and maternal support that is delivered directly to counties and/or SDUs are not included here due to lack of information provided on the same.

Over the period 2017-2020, the data shows that ECD programmes in Kenya receive most of their resources from domestic resources. At the national level, the data shows that ECD expenditure has increased over the period by over 2 percentage points. Overall on average over the period, domestic resources account for 93% of spending, external loans account for 5% of spending and external grants account for 2% of spending.

Figure 16: Sources of ECD funding at national level

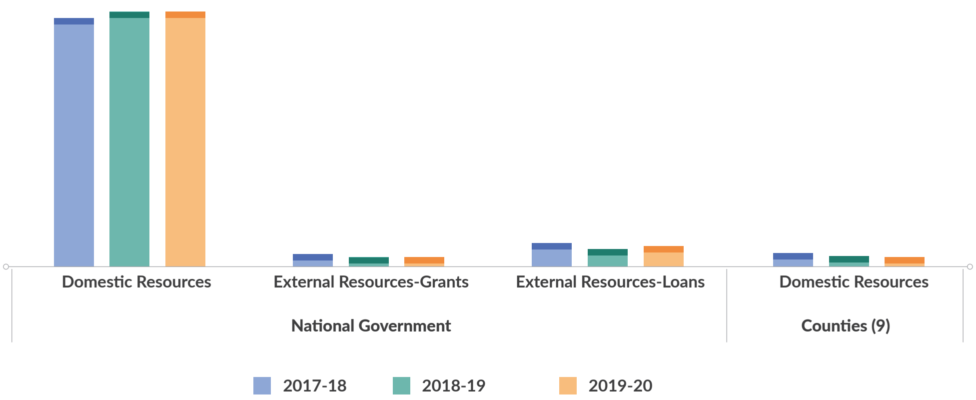
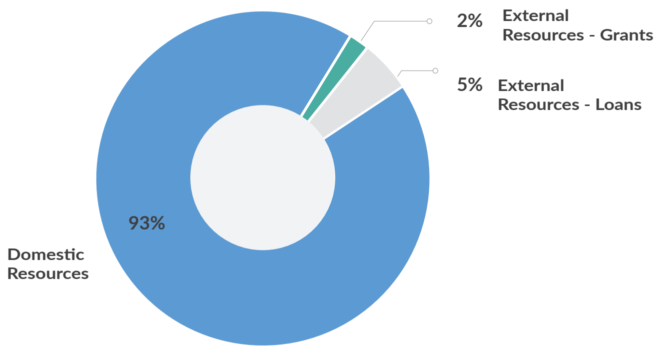


Figure 17: Source of funds 2017-2020



Off-budget resources for ECD at Service Delivery Unit level

The third set of objectives of this PETS was to identify, and is possible estimate the level of, off-budget ECD resources available at the SDU in the sampled counties. Managers of SDUs in the sampled facilities were asked to identify if they received off-budget funding or non-financial resources. While the question on sources of funds was reasonably well reported by SDUs, the actual value of resources received was not reported. This is probably because SDUs do not keep good financial records. Part of the reasons for poor records may be the inadequate SDU capacity to prepare financial reports. Inadequate Public Finance Management (PFM) capacity regarding preparation of expenditure reports and linkage to activities and outputs was also highlighted at the county level.

Respondents at the county level noted that off budget support was critical in supporting the operations of various sectors' programmes. The level of off budget support did not affect the county's decisions regarding on-budget allocation.

"Although off-budget is usually aligned to the programmes that are there, they are independent programmes with their own objectives and thus do not affect the county allocations to sectors and programmes." Respondent in Kisumu County.

7.4 Tracking ECD Expenditures

Although this PETS was designed to track ECD expenditures that reached service delivery facilities, the exercise faced challenges due to non-availability of approved budgets and financial records at service delivery level. Estimation of resource leakages is hampered by the absence of data on ECD expenditure at the service delivery unit level. Tracking resources from source to service delivery unit requires a comparison of data on funds transferred and funds received across the bureaucracy, from the national treasury to the country treasury and then down to the SDUs, or for devolved functions, from the county treasury to the service delivery unit.

However, tracking funds is not feasible for two reasons, (a) SDU do not know their approved budgets, and (b) financial flows did not go to individual SDUs, and neither are SDUs availed records of in-kinds inputs financed from their part of the consolidated county Department budgets. There was no direct information on disbursement to the sample of SDUs included in this PETS. This means that even a full quality of service delivery survey (QSDS) would not be feasible to facilitate rigorous resource tracking. Therefore, tracking expenditures of SDUs was not feasible as SDUs lacked information regarding funding allocated to them.

County governments reported that most spending takes place at the country level, no records on ECD expenditure are shared with the SDUs. In addition, most SDUs did not know about budget implementation rules. They are uninformed about decisions taken at the county level concerning their budgets and the procurement of their goods and services. A lack of an approved budget for non-wage inputs for individual SDUs hinders a quantitative analysis of funds A lack of an approved budget for non-wage inputs for individual health facilities hinders a quantitative analysis of fund that did not reach health facilities that did not reach SDUs. Ultimately, the implication is that accountability of ECD public resources in Kenya is limited as the available budget, expenditure and financial information at SDU is rather limited. Nonetheless, alternative, albeit imperfect, methods of examining the extent to which approved ECD resources reach service delivery are explored in the rest of this section below.

Most transfers of resources to the service delivery unit are in-kind, implying that a full quantitative assessment of the flow of resources could not be done without a full QSDS. By and large, SDUs received in-kind inputs (medicine, school materials, food items, and so on).

Furthermore, SDUs accountants and administrative staff were not able to provide consolidated comprehensive data on receipts of goods and services against budgets. Hence, this PETS was unable to determine whether all goods and services requisitioned on behalf of sampled facilities were delivered in the right quantities and quality.

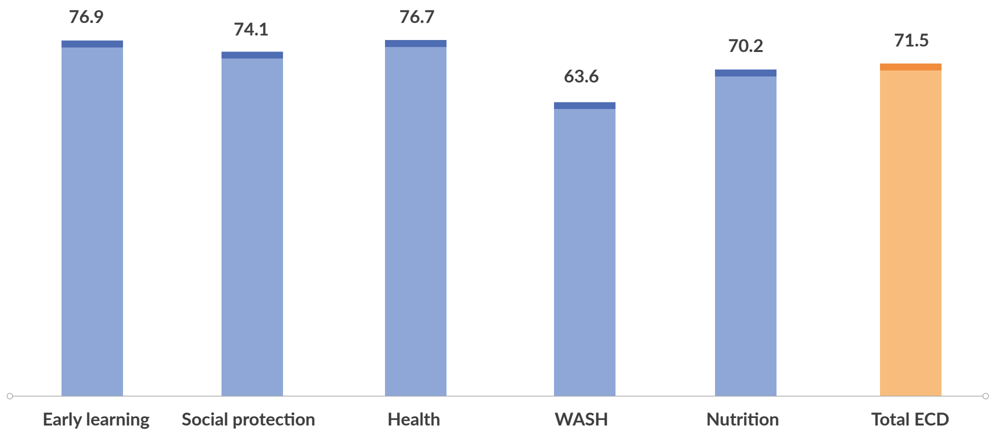
Budget absorption rate at the county level is modest at 70%, implying that significant ECD resources are not actually received (and spent on ECD programmes) at service delivery level. There is variability in budget absorption rates across counties and programmes. Low budget execution implies that counties are not spending appropriated ECD allocations to implement programmes and activities.

On average, about 30% of appropriated ECD resources are not actually spent. Importantly, this absorption rate provides a minimum level of resources that do not reach service delivery level. ECD resources that were approved for spending were not spent, and therefore did not reach their intended beneficiaries. This is one form of resource leakage, albeit an indirect one.

There are several reasons for low budget absorption. First, poor procurement planning and execution is a major problem in many counties due to limited procurement and PFM capacity. As a result delays and bottlenecks. Second, many Counties have experienced significant challenges with revenue mobilisation to fund their budgets, leading to under-funding of social programmes including ECD. Third, arbitrary changes to funding priorities in the face of revenue underperformance has resulted in resources being devoted to other programmes at the expense of ECD activities. Finally, there is some evidence that re-programming of the budget (specifically, applying significant discretion in allocating resources at the execution stage to various sectors) at county level is commonplace.

In terms of understanding what happens to appropriated ECD resources, an absorption rate of only 70 percent implies a significant loss of ECD resources to the service delivery level. In other words, under-execution of the ECD budget implies that approved funds failed to reach service delivery units because of being reallocated to other sectors, and consequently a loss of services to the intended beneficiaries.

Figure 18: Absorption rate of ECD funds at county level



There was significant variation in terms of absorption rates across sectors and also across counties. The picture in terms of absorption rates at the national level is somewhat different, though still chequered. As shown in Table 7, WASH and early childhood learning seem to have poor levels of absorption of both domestic and external resources. Nutrition spending is generally closer to approved budgets.

On average,

about 30%

of appropriated ECD resources are not actually spent. Importantly, this absorption rate provides a minimum level of resources that do not reach service delivery level. ECD resources that were approved for spending were not spent, and therefore did not reach their intended beneficiaries. This is one form of resource leakage, albeit an indirect one.

Table 7: Fund absorption rates

Sector	Source of funds	2017-18	2018-19	2019-20
	Domestic Resources	94.9	98.4	95.7
All sectors	External Resources - Grants	63.7	61.3	90.6
	External Resources - Loans	54.3	66.3	79.8
	Combined resources	90.0	95.2	94.6
	Domestic Resources	99.6	99.8	97.7
Early Learning	External Resources - Grants	89.0	56.4	49.3
	External Resources - Loans	0.0	0.0	0.0
	Combined resources	99.4	99.3	97.6
	Domestic Resources	37.2	98.6	111.7
Health	External Resources - Grants	-	69.9	-
	External Resources - Loans	-	-	-
	Combined resources	37.2	79.6	111.7
	Domestic Resources	90.2	91.3	72.5
Nutrition	External Resources - Grants	84.7	-	-
	Combined resources	86.7	91.3	72.5
	Domestic Resources	84.2	94.0	96.3
Social protection	External Resources - Loans	-	-	4.2
	External Resources - Grants	48.2	99.7	102.3
	Combined resources	83.4	94.0	94.9
	Domestic Resources	70.1	93.9	76.7
WASH	External Resources - Grants	42.6	42.2	59.9
	External Resources - Loans	54.1	70.0	84.0
	Combined resources	57.7	78.0	78.6

Evidence based on the experience of ECD local managers, staff and stakeholders showed that resources are inadequate at the service delivery unit. To augment the critical gaps on the quantitative analysis, this PETS included qualitative questions about the amount of resources that reached the SDUs by using interviews with local managers and implementing partners. Since as mentioned earlier most SDUs did not have budgets, the interviewee at the facility was asked to provide an assessment of how much resources they received from County and National Government. This information provides an expectation of the amount of resources to be disbursed to service delivery units.

Respondents were asked: *Did your organisation receive all the funds that were allocated in the budget the fiscal years 2017/18, 2018/19 and 2019/20?*

The results show that nearly half (48%, n=18) did not receive all the allocated funds. This finding should be interpreted with caution as many SDUs also stated that they did not know their approved budget.

Virtually all participants at focus group discussions in all counties when were asked about the adequacy of resources received to conduct activities, were categorical in stating that resources were inadequate:

- *"No, because there insufficient services from the county office mostly people have to travel from far to access the office and also some area chiefs don't report the cases to the authority. This makes them travel far to report their case." West Pokot FGD*
- *"No, there are not enough class rooms, playing materials, writing materials, desks teaching/learning aids." Samburu FGD.*
- *"The Parents and Community representatives feel that the resources are very scarce. County government is confident that their plan will work out but they need help from other stakeholders." Kajiado FGD.*
- *"No - The Community Health Volunteers are not funded properly for efficient process. The human resource not up to expectation and lack of support from the county government." Busia FGD.*
- *"Inadequate resources in terms of human resource need to carter for the fast-growing communities. Inadequate funds in the health facilities that basic drugs like painkillers aren't available. Consistency in disbursement of fund from different partner as the fund fluctuate for time to time." Turkana FGD*
- *"There are not enough ECDE centres within the community due to the large population. There are not enough staff as well due to the limited funds." Kilifi FGD*

These findings are supported by the perception of the inadequacy of available funds at SDU level. For example, only 38% of the stakeholders in ECDE and 50% in health indicated that allocations to their sectors were in line with the cost of delivering services. About 70% and 60% of implementing stakeholders at the service delivery level agreed that allocations were adequate to meet the costs of implementing planned activities. Overall, inadequate allocations to ECD programmes have a negative effect on service output, coverage, and impact. However, it is necessary to highlight the one obvious caveat with this qualitative approach not based on documentation as it is potentially subject to bias and inaccuracies. Notwithstanding these limitations, the data present interesting findings.

Table 8: Adequacy of funds allocated to SDUs (%)

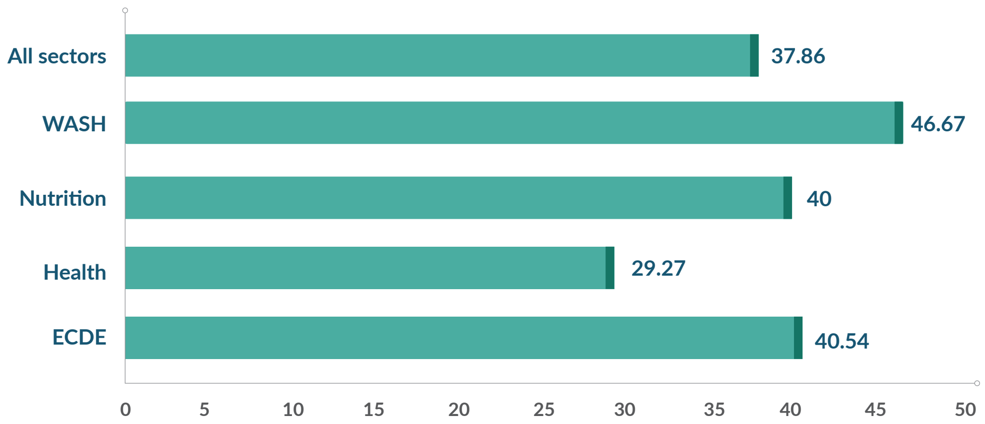
	Does the budget allocation reflect the actual cost of service delivery?				
Sector	Completely agree	Completely disagree	Somewhat agree	Unknown	Number of respondents
ECDE	14.7	48.0	22.7	13.3	75
Health	25.0	40.0	25.0	10.0	40
Nutrition	20.0	30.0	50.0	0.0	10
WASH	13.3	33.3	46.7	6.7	15

7.5 Budget Management

Under Kenya's devolved governance system, execution of ECD budget is mostly carried out through the County treasury and the county departments. The county treasury is responsible for disbursement of funds to SDUs or to suppliers of materials used at SDUs. The management of ECD expenditure is the responsibility of County Departments. For example, the County Department of Education is responsible for requesting expenditure disbursement from the country treasury. They are responsible for supervising and overseeing the resources disbursed to SDUs in the county.

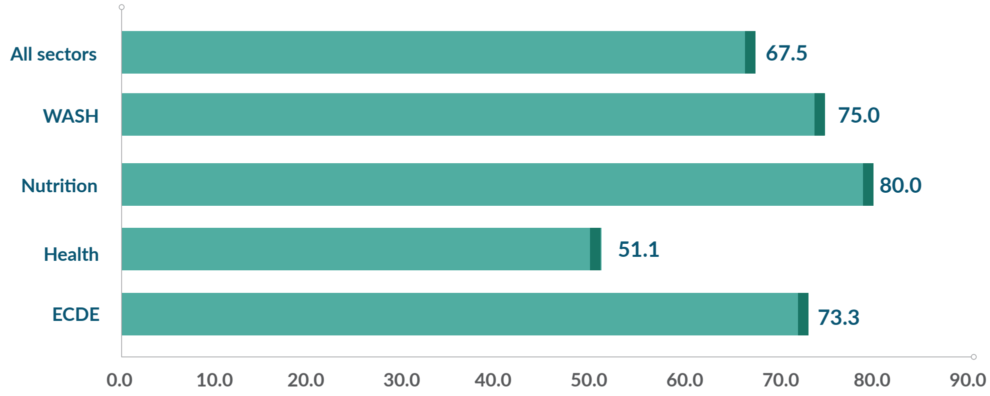
A significant number of SDUs operating without a functional annual work plan. Implementing a programme requires local managers and implementers to follow an annual workplan. As part of the budgeting process, annual work plans are developed which serve as input into the budget preparation. The work plan outlines the programmes and priority activities planned for the year, implementation timelines, and estimates of required resources for each of the activities. Figure 19 shows that almost 40% of SDUs either did not have or were not aware if there was an approved annual work plan. The lack of work plans or knowledge of it makes it difficult for SDU managers to ensure their prioritised activities are captured in the county budgets.

Figure 19: Proportion of SDUs without or unaware of their own organisation's work plan



The majority of ECD SDUs do not keep financial records about approved and executed budgets, and sources of funds, undermining financial management and ECD programme execution. The survey findings show that respondents at the majority of SDUs did not have official budget information indicating (except Level 4 and 5 hospitals) on how much was approved and how much was spent. This means that the managers of ECD programmes and their local stakeholders have no say in the allocation of appropriated resources and were unable to claim the resources that they are entitled to. Discretion is applied at the county level to decide what each area or facility gets during each fiscal year. At the SDU level, providers and managers of ECD programmes could not plan their spending because the unreliability of the budget was undermining their ability to plan their activities.

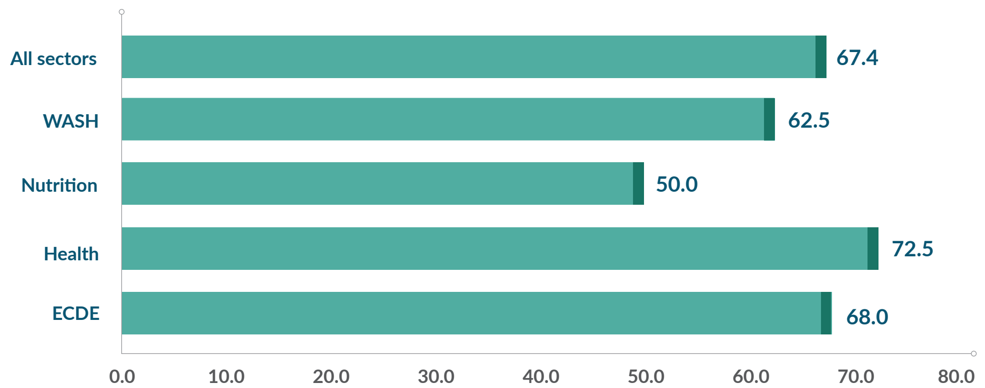
Figure 20: Proportions of SDUs not aware of allocated amount (%)



ECD programme implementation is adversely affected by significant delays in release of operational funds. Delayed disbursement of funds requisitioned by ECD programmes for service delivery poses a major obstacle to the flow of funds to front line service delivery units. As virtually all SDUs experienced a delay in receipt of funds and materials they did not receive the entire amount of allocated funds. Concerns about delays in the release of funds were expressed in all seven counties. The National Government does not send money to the counties on time this results in counties failing to pay salaries on time and settle pending bills and these become a source of major audit issues. Further, the delays in the release of funds result in service providers not being paid on time, which constrains the execution of ECD expenditures in line with approved budgets.

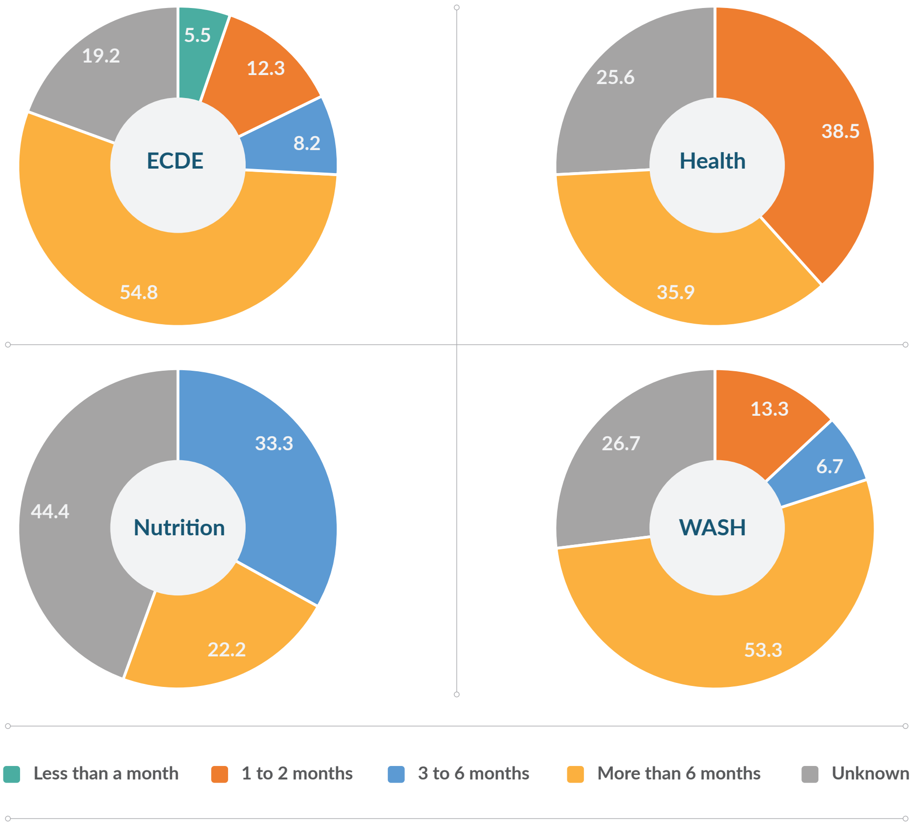
At the SDU level, about two-thirds of ECD programmes experienced delays in the receipt of operational funds from the county treasury to facilitate the implementation of programme activities. The length of the delay of the release of funds from the county government to the SDUs was significant in all sectors. Overall, about half of the SDUs received their funding six or more months late. The late release of operational funds affects the delivery of materials, resources for operations, et cetera, which adversely affects budget execution, implementation of activities, and quality of services. The causes of delayed disbursement of funds are multifaceted. As stated earlier, both national and county-level revenues are systematically overestimated leading to failure by both the National and County Governments to disburse appropriated budgetary allocations to spending and implementing units. Further, weaknesses in financial management capacities also affect the late disbursement of funding. However, there are also public finance management weaknesses.

Figure 21: Proportion of SDUs experiencing delays in the receipt of operational funds (%)



The length of the delay of the release of funds from the county government to the SDUs was significant in all sectors. Overall, about half of the SDUs received their funding six or more months late. The late release of operational funds affects the delivery of materials, resources for operations, et cetera which adversely affects budget execution, implementation of activities, and quality of services. The causes of delayed disbursement of funds are multifaceted. As stated earlier, both national and county-level revenues are systematically overestimated leading to failure by both the national and county governments to disburse appropriated budgetary allocations to spending and implementing units. Further, weaknesses in financial management capacities also affect the late disbursement of funding. However, there are also public finance management weaknesses.

Figure 22: Length of delays in receipt of funds



Disbursement of funds not according to the approved schedule

The majority of SDUs indicated that disbursements are not in line with cashflow schedules which affects budget execution. The people who plan and execute ECD activities need a predictable flow of resources to implement activities. Despite having a schedule of cash flow, the disbursement is out of sync with the timelines of planned activities. The majority of SDUs indicated that disbursements are not in line with cashflow schedules which affects budget execution. The people who plan and execute ECD activities need a predictable flow of resources to implement activities.

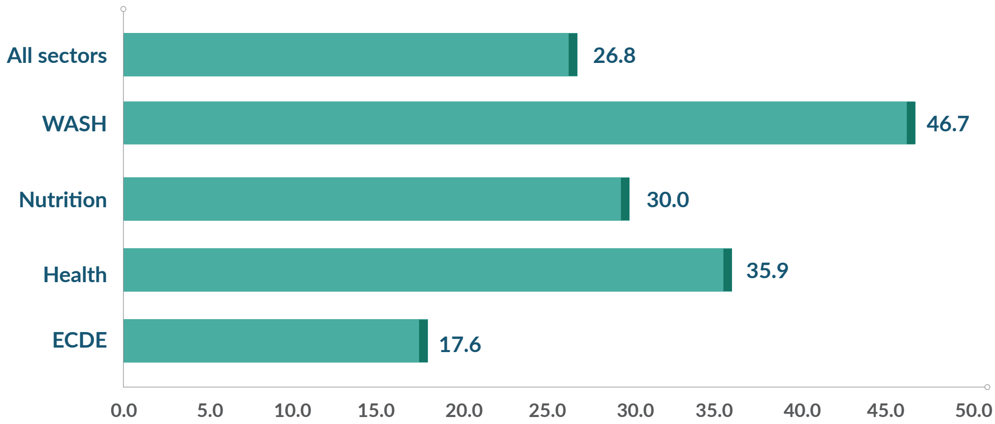
Table 9: Disbursement of funds in line with approved schedule

	Are disbursements of funds in line with the approved cash flow schedules?			
Sector	Unknown	No	Yes	Number of respondents
ECDE	12.2	66.2	21.6	74
Health	23.7	44.7	31.6	38
Nutrition	10.0	80.0	10.0	10
WASH	26.7	60.0	13.3	15
All sectors	16.8	60.6	22.6	137

Most SDUs do not receive timely information on approved budgetary allocation to their respective units. Across the ECD sectors, the percentage of SDU respondents who confirmed receiving timely information on the budget allocation to their unit was very low (27%). In ECDE only about 18% received timely information while health had about 36%. The significance of this finding cannot be overstated.

First, it implies that the majority of managers and stakeholders running SDUs do not have readily available financial information to support their planning and decision-making. Second, without accurate and timely information about their budget, SDU managers or stakeholders cannot claim the resources they are entitled to. Further, tracking of ECD resources becomes more challenging.

Figure 23: Proportion of SDUs receiving timely information on budget allocations (%)



Across the ECD sectors, the percentage of SDU respondents who confirmed receiving timely information on the budget allocation to their unit was very low (27%).

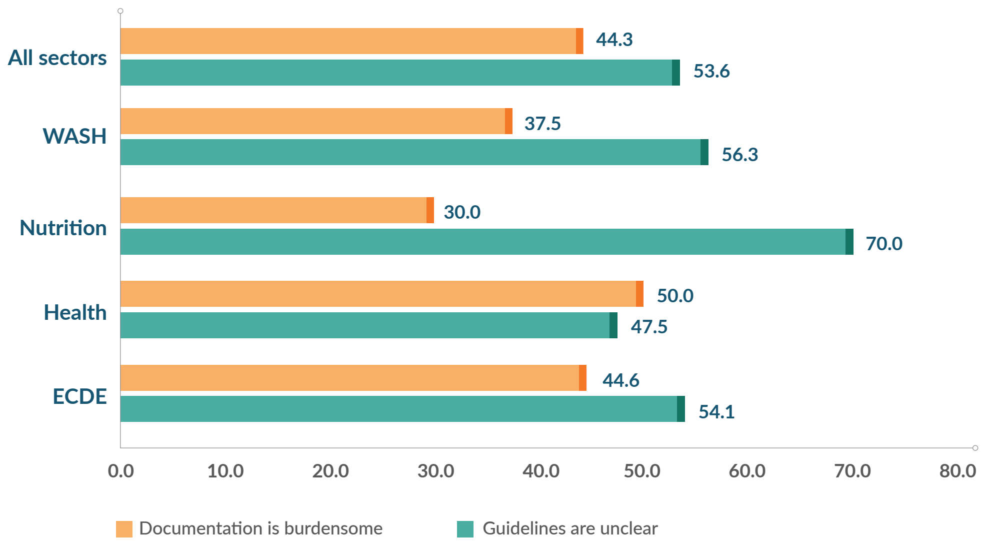
In ECDE only about 18% received timely information while health had about 36%. The significance of this finding cannot be overstated.

The County Controller of Budget has considerable discretion in allocating resource at the execution stage to various sectors. It was reported that County Government often have to deal with unanticipated eventualities such as droughts. The County Government also decided on the use of scarce resources in the face of revenue underperformance. At the execution stage, the county treasury authorised transfer of funds to budget executors in the various ECD sectors as well as to other sectors and often across line items. The County Controller of Budget has discretion in allocating funds.

Execution of approved ECD budgets at the SDU level is undermined by a lack of clarity on guidelines for requesting funds from the county treasury. While funds are held at the county treasury, ECD programmes are executed by SDUs at the Sub-County and Ward levels. Implementing officers are required to submit requests for funds through their sector departments for example, health to the County Government. However, bottlenecks along the chain of funds flow are commonplace. In particular, PFM regulations in Kenya require spending units, in this case the SDUs, to follow laid down guidelines for requesting funds. According to findings from this PETS, many implementing managers expressed concern about the lack of clarity on the guidelines. This creates some administrative bottlenecks which in turn cause delays and low programme implementation.

About half of the stakeholders indicated that guidelines are unclear with the extreme case being the Nutrition sector where 70% of the stakeholders stated that the guidelines were unclear. Furthermore, more than 40% of programme implementers and stakeholders indicated that the documentation required to request for funds was burdensome. This problem contributes to the low absorption of allocated budgets to ECD programmes. While funds are held at the county treasury, ECD programmes are executed by SDUs at the Sub-County and Ward levels. Implementing officers are required to submit requests for funds through their sector departments for example, health to the County Government.

Figure 24: Clarity of guidelines and documentation burdensomeness



There are some variations in terms of expenditure execution across counties whereby some counties procure ECD materials and distribute to all facilities whereas in some counties higher level facilities administer some of their own expenditure.

Counties reported that procurement of goods and services is done at the county level on behalf of all SDUs. The programme manager requests procurement on behalf of SDUs in their respective programmes (for example, health or ECDE). Once approved, procurement is executed by the country treasury department by paying the suppliers directly. The goods and services are then delivered to the respective areas or wards. Many SDUs receive in-kinds inputs (for example, drugs, dressing materials, and food) from the suppliers procured by the County

Government. For Level 2 and 3 health facilities, the county procures drugs and pays salaries on behalf of the facilities.

"*Drugs are purchased by county pharmacists through the Director of Medical Services and Distributed to Facilities*". Kisumu county.

Similarly, expenditure for utilities or services (gas, electricity, water, and sewage) is paid directly to suppliers. Level 4 and 5 hospitals, however, have their own accounts and typically spend through Authority to Incur Expenditure (AIEs) from the county treasury.

"*Health is different because they spend at source and have authority to expend. For level 4 and 5 hospitals, money is sent directly to facility accounts and spent as per budget*" West Pokot County.

ECD programmes encounter various challenges in executing expenditure under this procurement arrangement. For example, the lengthy procurement process was highlighted at the county level as a factor affecting service delivery. The delays in procurements are caused by both the procurement bureaucracy and laxity from the people in charge. Further, coordination challenges between the SDUs and the county treasury are commonplace.

"*When the money arrives at the county it is controlled by the head of treasury. To spend this money, they need to do a requisition to seek approval for the expenditure. The department responsible generates the Terms of Reference (TOR) and the requisition which are then sent for approval before a voucher is generated. From there it goes to the next level of chief finance officer. In summary, Government financial controls are high.*" Kisumu county.

Further, there is a lack of transparency about the execution of procurement that creates challenges of tracking ECD expenditure and creates room for leakages. At the service delivery, the delays in release of funds and procurement processes result in service providers not being paid on time, which constrains the execution of ECD expenditures in line with approved budgets.

7.6 Assessment of Financial Management Capacity

Effective and efficient utilisation ECD resources, and prevent loss of resources, would require availability of adequate financial management capacity at all levels. Thus, one of the objectives of this PETS was to determine the level of public financial management capacity, including staff qualified in PFM. Below, several challenges are highlighted.

Overall, there is low capacity in critical aspects of financial management in the counties. Table 10 shows the distribution of counties according to the capacity ranking on various aspects of public finance management. Most counties reported strong budget preparation capacity highlighting that the budgets were often prepared in a timely manner using specific guidelines for budget preparation and in accordance with the public financial management requirements. High ranking counties on this score highlighted the presence of well trained and qualified staff who understand Programme Based Budget (PBB) and are IT literate, for example, Kilifi County has a team of 5 economists, 3 fiscal analysts, and 3 accountants. Two Counties (Kisumu and West Pokot) reported moderate budget preparation capacity highlighting issues of lack of capacity for sectoral officers to create realistic budgets and the limited involvement of county planners in the prioritisation of activities.

Similarly, most counties reported a strong capacity to prepare financial statements on account of good leadership at the county level which ensured statements were done in a professional and inclusive manner and qualified staff for example most staff in Turkana County are Certified Public Accountants (CPAs) and a good number are Bachelor of Communication (BComm) degree holders. However, county leadership called for the need for further improvement noting that PFM is a continuous reform that required more and continuous training for financial preparation.

Table 10: Service delivery level capacity in financial management

	Yes	No	n
Does the organisation have an accounting information system for capturing all programme financial transactions (expenditure and incomes) and generating reports?	54%	46%	134
Does the organisation prepare financial reports that compare budgeted or programmed expenditure and actual expenditure?	61%	39%	133
Are documentation required for requesting for funds from the county treasury burdensome?	50%	50%	125
Are guidelines clear for requesting for funds from the county treasury?	40%	60%	125
Does the organisation produce annual activity reports?	77%	23%	119
Are financial reporting format easily matched to programme budgets?	50%	50%	116
Are the organisation’s revenues and expenditures subjected to an annual independent audit?	60%	40%	120
Does your organisation keep a complete record of all disbursements from the county treasury? n=142			
Yes	44%		
None at all	26%		
Partial	13%		
Unknown	16%		

There are major gaps in financial management in the various facilities that are delivering ECD programmes in the counties. Table 11 above shows the capacity in several dimensions of financial management. Facility managers were asked to indicate capacity in various elements of administration that facilitate financial and programmatic management. For example, only about half of SDUs were operating a system that would capture all financial transactions and produce financial records and statements. As stated earlier, the lack of financial records is a consequence of this situation. To be fair, there are positive findings on financial management. For example, financial audits are more routinely performed, while 70% of SDUs also reported that they produce annual activity reports.

Table 11: County-level PFM capacity

	PFM capacity		
	Weak	**Moderate**	**Strong**
PFM aspects			
Budget preparation	0	2	5
Preparation of financial statements	0	1	6
Cash management	0	3	4
Availability of qualified PFM staff	0	1	5
Use of acceptable accounting systems	0	0	7
Procurement	0	0	7
Preparation of expenditure reports and linkage to activities and outputs	0	6	1
Regular submission of program reports	0	2	3

Capacity regarding cash management is mixed. Four of the nine Counties have strong capacity while high- capacity counties on this aspect, notes that:

"All approvals are provided before payment and there is no payment done outside of IFMIS, as such money is used for its rightful purpose. Further, the community also corroborates to ensure that the project has good value for the community" - Nairobi.

The moderate capacity in some counties point out several issues; Kilifi County cites poor utilisation of funds for what was initially allocated for and a lack of adherence to professional practice in cash management. While Busia highlighted underperformance in terms of project completion rates and absorption.

All counties have acceptable accounting systems and strong procurement capacity. Other than having human resources that are well-versed and capable of using IFMIS, suppliers are also trained to use IFMIS. In terms of procurement capacity, Samburu County reports that procurement procedures have a lot of bureaucracy. Nevertheless, most procurement process are being done through e-procurement which is more efficient. What most counties seemed to be lacking is the capacity to prepare expenditure reports and systems for classifying and linking expenditure reports to activities. Only Turkana County reported strong capacity although even there the issue of unknown amounts spent on particular programmes was

All counties have acceptable accounting systems and strong procurement capacity. Other than having human resources that are well-versed and capable of using IFMIS, suppliers are also trained to use IFMIS. In terms of procurement capacity, Samburu County reports that procurement procedures have a lot of bureaucracy.

highlighted. Although most counties have a dedicated team in the counties there is no accounting system that links expenditure and child outcomes.

The counties rely on outcome indicators to justify expenditure. The capacity to regularly submit programme reports is also not strong in some counties. In Busia County, programme reports for Health use the Health Management Information Systems (HMIS) while education, social protection, and WASH have ad hoc reporting at the department level. Kilifi and West Pokot Counties reported inadequate staff responsible for the preparation of reports, especially for social protection.

Low levels of PFM staff were also echoed at SDUs, the number of qualified PFM staff is severely inadequate with majority of SDUs having no single qualified personnel serving in their finance departments. Only a quarter of institutions had between one and five qualified staff and only 13% had five or more qualified employees in the finance department delivering ECD services. The caveat with this approach is that it is potentially biased to the extent that the perceptions of these stakeholders are not representative of all the beneficiaries. In order to examine the level and quality of delivery of ECD goods and services.

Table 12: Staff qualified in financial management at Service delivery units (%)

Sector	No staff	1 to 5 staff	More than 5 staff	Number of respondents
ECDE	58.1	22.1	19.8	86
Health	68.9	22.2	8.9	45
Nutrition	80.0	20.0	0.0	10
WASH	81.3	18.8	0.0	16
All sectors	65.0	21.7	13.4	157

Most SDUs do not have skills in basic bookkeeping and financial reporting. Despite being at the frontline, they are passive recipients of funds and goods and services. Such conditions create fertile grounds for diversion of resources, and lack of accountability for results. This situation also implies that monitoring of financial flows is impossible.

7.7 ECD Programmatic Performance and Quality of Service Delivery

Level and quality of ECD Services in the counties: Perceptions from county officials, project officers, and local stakeholders

In this section, provides an assessment of the level and quality of ECD services delivered to the population based on the perceptions of local ECD stakeholders. As mentioned in the inception report, this assessment did not include quantitative survey data (for instance, this PETS did not include household survey or Quality

Service Delivery Survey (QSDS) components). However, qualitative methods including key informants at the County Level and focus group discussions were conducted in all the nine Counties. The participants in the interviews and focus group discussions were selected based on their involvement in the planning and delivery of ECD services in the counties. The participants were expressed their perceptions based on the experience working with the County Government and Communities in Counties.

About 10% of the SDUs had received funds from donors. The level of donor support is varied across the sectors with health having the highest number (28%) while ECDE and nutrition sectors were the least support with about 1% as stipulated in the terms of reference, the analysis below provide evidence regarding the following:

1. Awareness of availability of services at facility level,
2. Constraints in delivery of services, and,
3. Satisfaction with delivery of ECD services at the local level.

Working with local stakeholders can reveal insights about how well the various ECD programmes are implemented and the challenges faced.

Awareness of the availability of services at the facility level

Evidence gathered from qualitative interviews and Focus Group Discussions (FGDs) show that awareness about the availability of ECD services and programmes in the communities is generally not a major problem for target beneficiaries. Most households know where to go to seek the various types of ECD services within their respective communities.

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What seems to be the bigger problem though is not awareness per se, as much as, the quality of services and the cost associated with access to ECD services. Many ECD facilities lack adequate resources and human resources to provide quality services, for example households must incur out of pocket payments to reach health facilities. A number of facilities in many counties complained about inadequate staff which undermines the quality of ECD services provided.

"*They know and they are sure on how to access them but due to some constraints they can't afford*" FGD participant from Busia County.

"Inadequate staff, as the numbers continues to grow the staff have remained the same and which wasn't enough at first". FGD participant from Busia County.

Constraints in delivery of services

In this section, the focus of the survey was to identify the factors that constraint the quality of ECD service delivery in the counties. We document the key constraints that were identified by stakeholders during interviews and focus group discussions.

"They know and they are much sure on how to access them but due to some constraints they can't afford" FGD participant from Busia County.

"Inadequate staff, as the numbers continues to grow the staff have remained the same and which wasn't enough at first" FGD participant from Busia County.

ECD Programmatic performance indicators

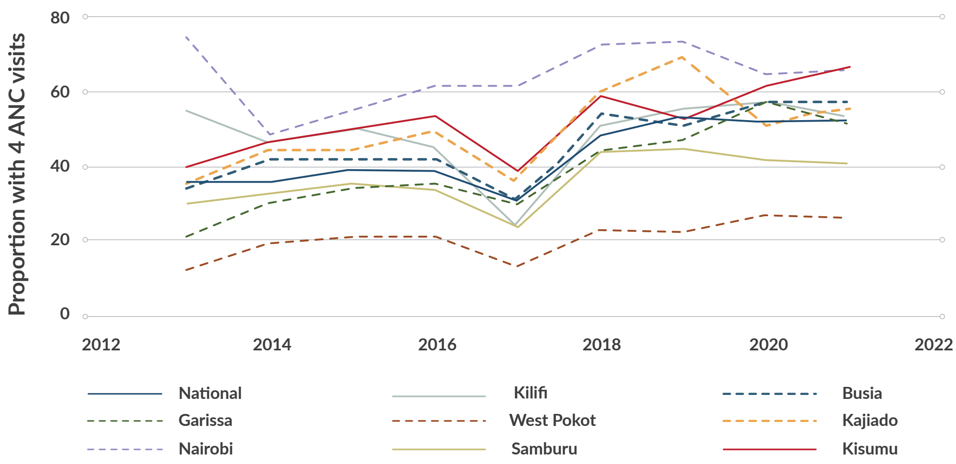
The extent to which ECD resources reach not just service delivery units but also beneficiaries in the communities is reflected in intervention coverage. Conversely, any leakage or diversion of resources and bottlenecks in budget execution would be reflected in undermined coverage. Thus, in this section presents data in graphs on selected ECD indicators (driven by data availability) that demonstrate how the various ECD programmes have fared in terms of coverage of the beneficiary populations. The data presented in this section should be interpreted in the light of the evidence shown in other sections of this report, namely the expenditure tracking and public finance management and beneficiary chapters. A presumption in the PETS is that is resources are well planned, efficiently and effectively deployed to programmatic activities and managed, ultimately the results are seen in increased coverage of interventions. Conversely, if resources though well planned and allocated do not yield the expected programmatic outputs, then conclusions can be drawn about how well those resources were deployed and managed.

Health ECD Performance indicators

Proportion of pregnant women attending ANC

According to the UNCEF ECD framework for identify and estimating ECD spending, Antenatal care (ANC) care is a core ECD programme because the health of a child in early days and months is influenced significantly by the health of the mother (United Nations Children's Fund (UNICEF), Eastern and Southern Africa Regional Office (ESARO), 2022: How to analyse public budgets to estimate government spending on early childhood development). ANC is delivered by primary health facilities in Kenya. Full ANC coverage requires that a women attends at least four times during pregnancy. From the supply-side, the level of ANC coverage is dependent not only on how much resources are allocated to delivering adequate ANC services but also how well the allocated resources are efficiently and effectively utilized. In many counties, ANC4 coverage is well below the optimal of 100%, or even a programme target of 80%. In West Pokot, only 30% of women attend ANC at least four times during pregnancy. The upshot of this analysis is that more resources and better spending on improving ANC4 coverage is urgently needed in most counties.

Figure 25: Proportion of pregnant women attending 4 ANC visits according to Focused ANC schedule



Proportion of pregnant women receiving iron-folate supplements during pregnancy

Coverage of nutritional supplementation among women is generally low and shows many fluctuations in the period 2016-2021. With a few exceptions (for example, Nairobi), many counties have recorded a decline in coverage of iron/folate supplementation between 2018 and 2021. The national coverage is about 80%. Nairobi County seems to have improved although its coverage is still below most counties.

Figure 26: Proportion of women receiving iron and folate supplementation during pregnancy

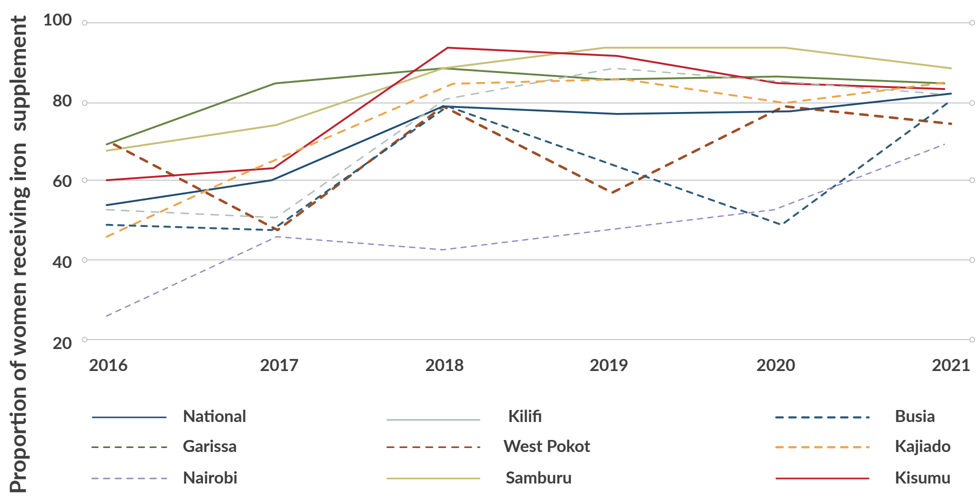


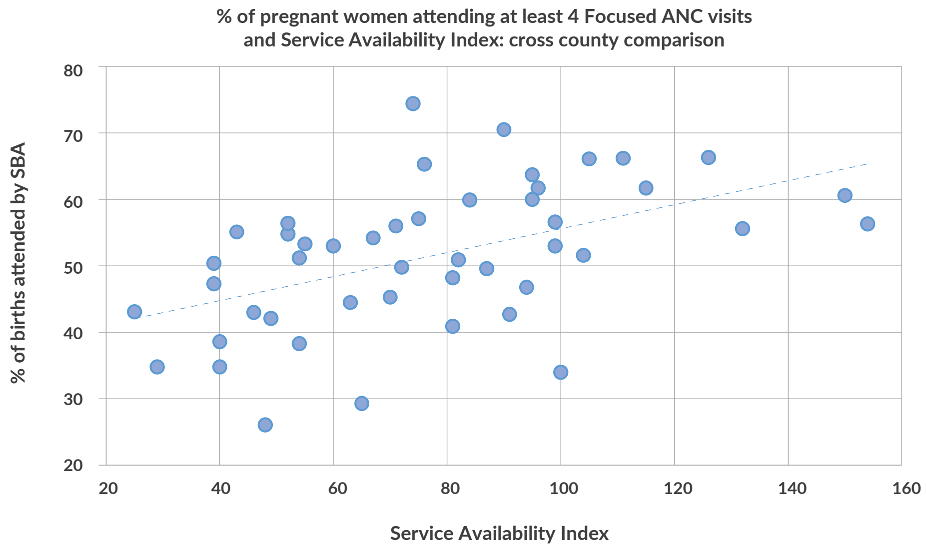
Figure 27 shows a scatterplot that compares the proportion of women attending ANC according to the focused ANC schedule and county-level health service delivery index in Kenya's 47 Counties.

It is clear from the positive association between the two indicators on the graph that counties that have invested more in improving health service availability (including

Coverage of nutritional supplementation among women is generally low and shows many fluctuations in the period 2016-2021. With a few exceptions (for example, Nairobi), many counties have recorded a decline in coverage of iron/folate supplementation between 2018 and 2021. The national coverage is about 80%.

staff, infrastructure, supplies, service delivery systems, data systems for decision making, and so on) tend to record better outcomes. The association portrayed is not a perfect linear fit because ANC visits are influenced by several other factors on both the demand-side and supply-side other than those captured in the service availability index. Nonetheless, it confirms that when resources are effectively and efficiently deployed to improving health service delivery, coverage improves.

Figure 27: Proportion of pregnant women attending ANC4 and county health service availability index



Child immunisation coverage

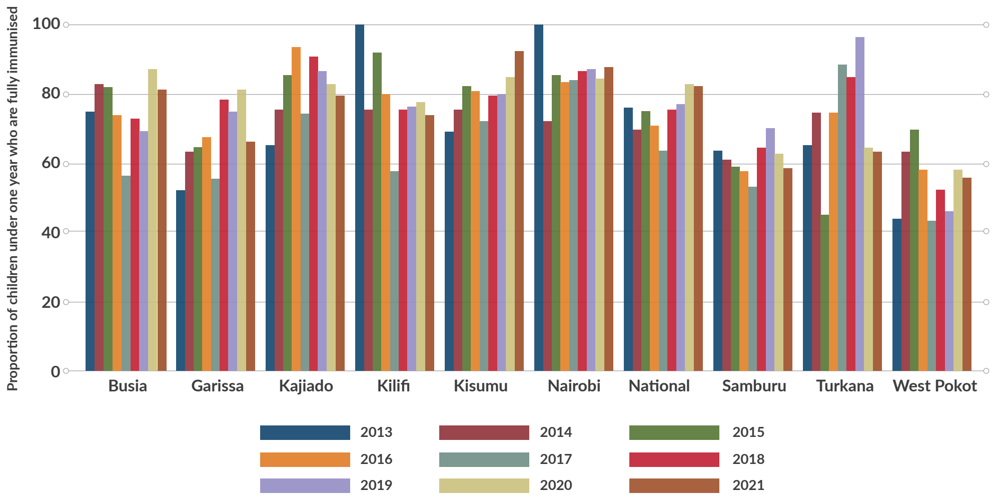
Under health, immunisation is recognised as one of the core ECD programmes in low-and-middle-income (LMIC) countries. Immunisation being a priority public health intervention and a key output of the Kenyan health system, the findings from the immunisation output data could be used as a proxy of child-oriented primary health care more broadly. Generally, immunisation coverage has not performed well in the period 2017-2021.

With a few counties (For instance, Nairobi) demonstrating good performance in increasing access to full immunisation among children, most counties have lagged behind. For example, Kisumu, Samburu, Kajiado and Turkana have shown a significant decline in the proportion of children under age five who are fully immunised, that is, have received all the nationally recommended doses and antigens. In Samburu, full immunisation was 70% in 2019 but declined to 58% in 2021. Similarly, Turkana county showed a decline in full immunisation among children from a high of 97% in 2019 to just 64% in 2021.

Despite some increase after 2019, full immunisation coverage remains worryingly low in West Pokot where nearly half (45%) of children under age five were fully immunised in 2021. Samburu County also shows declines in the period 2017-2021.

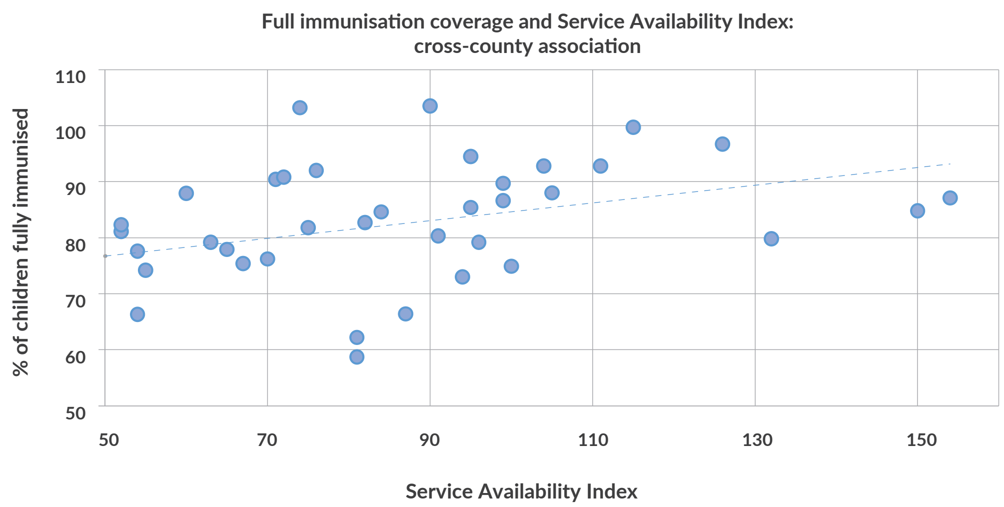
These short term fluctuations are most likely to reflect inadequate allocations and spending on child immunisation which then create a shortage of resources for local health authorities and communities to mount community-oriented immunisation campaigns. When counties do not receive the operational funds in a timely manner, activities such as immunisation outreach tend to suffer. This hypothesis is consistent with the views expressed in the qualitative interviews and focus group discussions at the county level.

Figure 28: Trends in Full immunisation coverage



As was shown with ANC4 coverage and service availability index, there is a clear positive association between service availability and the proportion of children aged below five years who are reached with full immunisation doses. Generally, a positive association is demonstrated between service availability (a functional of effective allocation of budgets and accountable spending) and full immunisation coverage. This graph also suggests that if more resources are effectively and efficiently translated into service availability at the service delivery unit, the County Government would register an increase in the proportion of beneficiaries reached.

Figure 29: Association between full immunisation coverage and service availability index

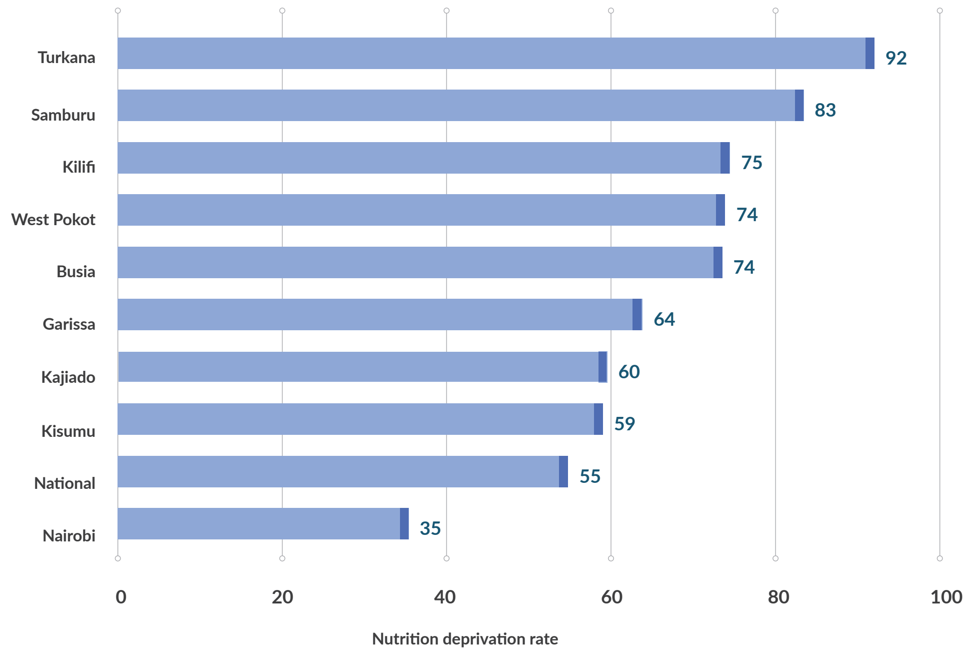


Nutrition

Nutrition situation analysis in Kenya

Nutrition-deprivation among children aged 0-8 years is a major problem in Kenya, with more than half of children assessed to be nutritionally-deprived. The picture looks starkly worse in some counties relative to others. Turkana, Samburu, Kilifi, West Pokot and Busia have at least three in four children considered to be deprived nutritional terms. Nairobi County has the lowest but still significant problem of children living in nutritional poverty. This situation has severe consequences for developmental prospects for populations in those counties. This picture means that increasing access to effective interventions to address nutritional deprivation in Kenya remains a top priority.

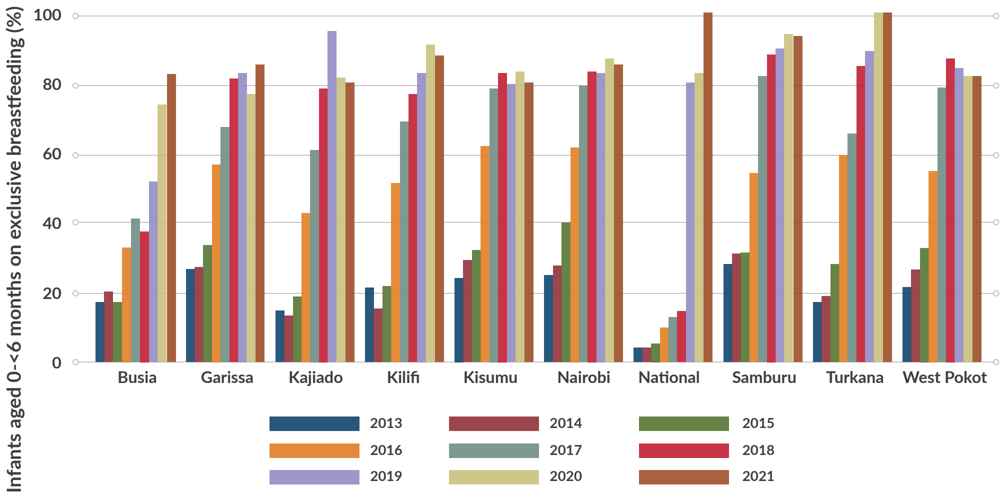
Figure 30: Nutrition Deprivation rate



Coverage of exclusive breastfeeding

The data shows that at the national level, the proportion of children that are exclusively breastfed in Kenya has increased significantly since 2013. From a low of less than 10%, national coverage of exclusive breastfeeding has increased to near universal coverage, according to the data. However, there are significant variations in performance across counties. For example, in the period of focus of 2017-2021 for this PETS, Kajiado and West Pokot have recorded a decline in exclusive breastfeeding. If can be seen that Busia and Turkana had recorded a consistent improvement over this period. Kisumu, Garissa and Kilifi show vulnerability to short term downward trends. From a PETS perspective, the trend in this indicator taken alone suggests that the ECD resources deployed to nutrition are yielding results. In other words, the funds invested into nutrition have contributed to the increase in the proportion of children who are exclusively breastfed. The benefits of nutrition for children's development is well documented. Further, more needs to be done in terms of reaching the targets in strategic plans of reaching all children.

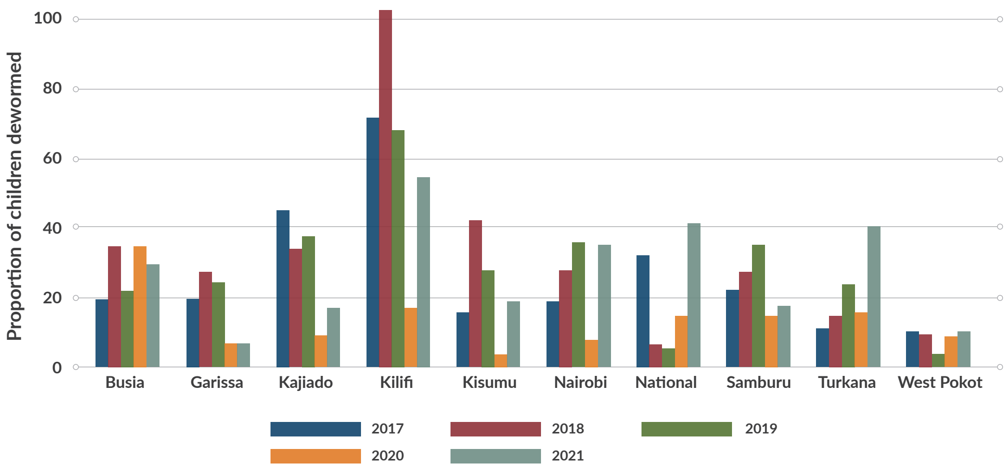
Figure 31: Proportion of infants aged 0-<6 months on exclusive breastfeeding



Deworming

Despite the plans virtually all counties are lagging on deworming young children. Most counties reach less than one in three children with deworming. Further, performance has fluctuated over the period 2013-2021. Some of the challenges relate to having children who are no longer under direct care of their mothers to go to health centres where deworming is given.

Figure 32: Percentage of School going Children dewormed



Early Childhood Development Education

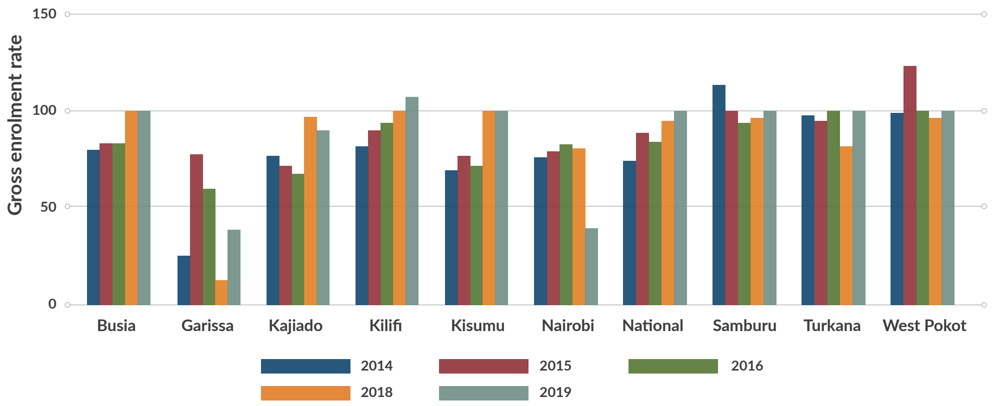
As with other ECD programmes, enrolment though only an intermediate outcome is an end-product of the service delivery chain in early childhood education that begins with planning and allocation of funds, to activities and processes such as teachers, distribution of textbooks, playthings, teachers, and accountability in the management of funds. Gross enrolment rates vary greatly across counties. Garissa county has the lowest rate of children attending pre-primary education. Busia, Kisumu and Kilifi have an increase in the population of children attending pre-primary schools during the period 2014-2021. Gross enrolment rates are

Gross enrolment rates vary greatly across counties. Garissa county has the lowest rate of children attending pre-primary education. Busia, Kisumu and Kilifi have an increase in the population of children attending pre-primary schools during the period 2014-2021.

nearly 100% in these counties. Garissa has the lowest gross enrolment at the pre-primary level.

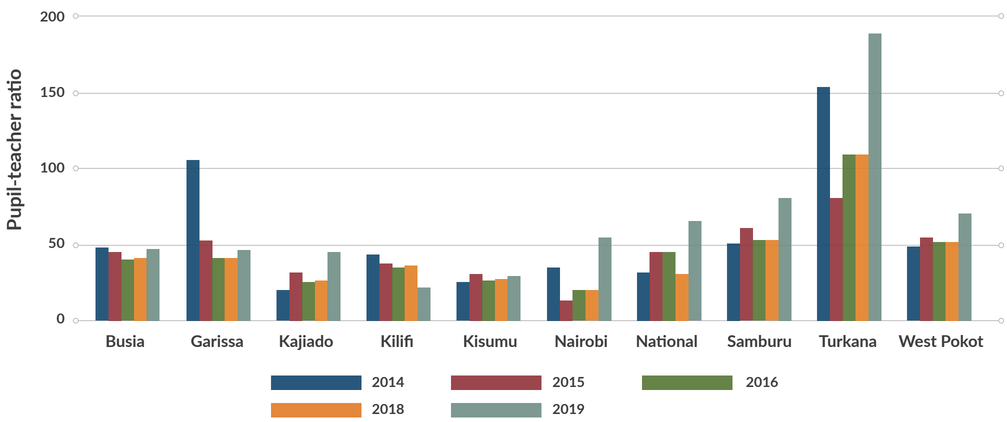
Significant fluctuations can be seen in Nairobi, and Nairobi is performing worse than other counties. National gross enrolment rates are well below 100%. Counties have to increase the capacity of pre-primary education in order to absorb more children. Overall, as a result of the counties' efforts to improve pre-primary education through the expansion of ECDE centres and expenditure, and hiring of pre-school teachers, some service indicators have improved over the period 2013-2021.

Figure 33: Gross enrolment rate-2017 missing data



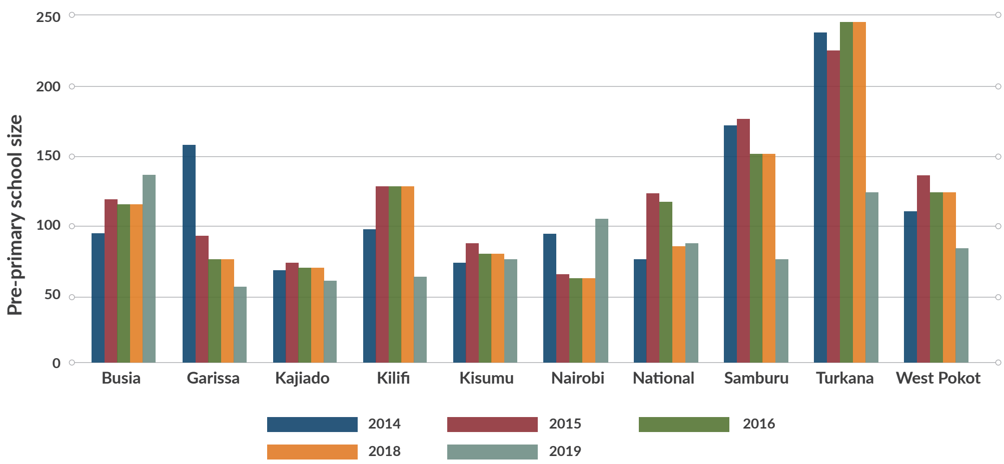
Overall, there are major issues of low access to early learning in Kenya as shown in low enrolment rates. There are considerable differences across counties in pre-primary educational access and coverage indicators, and these differences probably demonstrate the different challenges that each county faces. It could be limited ECDE infrastructure and few teachers in counties such as Nairobi or long distance to schools in more rural counties such as Garissa. This finding is corroborated by findings from the focus group discussions and key informant interviews.

Figure 34: Pupil Teacher ratio in pre-primary schools



The national pupil-teacher ratio was about 60 overall in 2019, a significant number by any standard. This is rather high by international standards, and has significant potential consequences for quality. However, the ratio is higher for Samburu (over 75), West Pokot (over 70) and Turkana (over 150). Notably, Turkana County has three times the national average pupil-teacher ratio. The over-crowding in classrooms surely does not constitute an ideal environment for learning. Worrisomely, the trend has worsened over the period 2017-2019. This may be at least partly because the supply of inputs such as ECDE centres and teachers has not kept up with the expansion of pre-primary enrolment in those counties. Kilifi seems to perform better over the years, the pupil-teacher ratio haven fallen steadily over the period 2014-2019. The sudden jump in the pupil-teacher ratio portrayed for Nairobi, Samburu and West Pokot in 2019 is difficult to interpret.

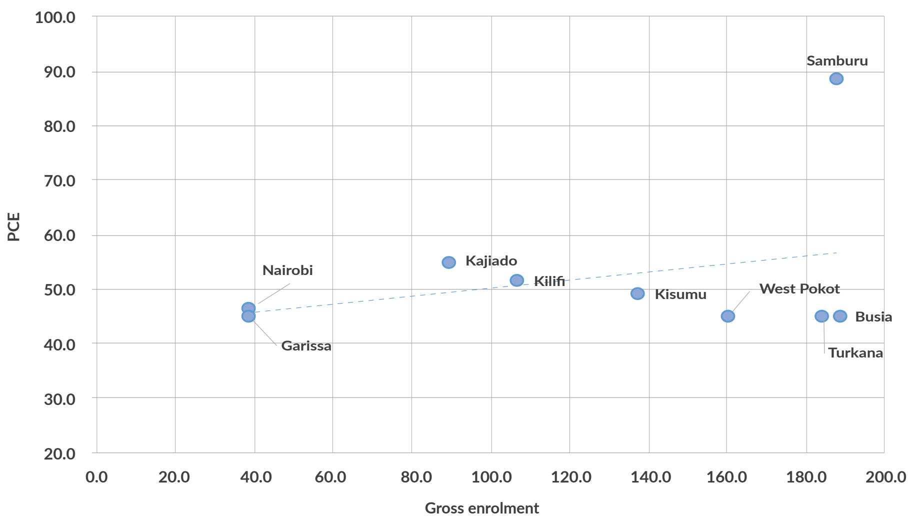
Figure 35: Pre-Primary School Size



Efficiency of ECD Spending: A Case of Early Learning

In expenditure tracking, there is an interest in demonstrating the association between level of funding and programme outcomes or indicators. In Figure 36, we show, for the case of early learning if the level of funding is associated with improved the proportion of children attending early learning centres. The scatter across the nine counties shows a slight positive slope demonstrating that more spending is correlated with higher coverage. The data on other indicators does not necessarily demonstrate similar pattern.

Figure 36: Efficiency of ECD Spending



Eight

Summary and Recommendations

Photo Credit: Istock/ Getty

8. Summary and Recommendations

8.1 Summary

- Kenya's level of ECD spending is low compared with countries of similar level of income in Sub-Saharan Africa.
- Variations across counties show that some counties are spending much less than others.
- The share of ECD in total county spending is low, demonstrating a relatively low prioritization given to ECD.
- The majority of ECD funding is from the government of Kenya. Only 10% of SDUs reported having received financial or non-financial support directly from donors.
- Low budget absorption shows a significant portion of appropriated budgets are not reaching the intended service delivery level.
- The main source of ECD expenditure remains disbursements from the national government.
- Low capacity to effectively manage resources is a major challenge.
- Besides budgetary resources, the ECD SDUs received support, mostly in-kind contributions, directly from donors. However, it is hard to track such resources due to poor documentation.
- This PETS could not verify how much non-wage inputs reached front line service delivery units. A lack of an approved budget for non-wage inputs for individual SDUs hindered a quantitative analysis of resources that did not reach SDUs. Poor record keeping impedes efforts to track resources from source to SDU level and facilitate estimation of leakage.
- Procurement bottlenecks present obstacles that delay the transfer of resources to SDUs.
- Most counties expressed considerable concerns about the inefficiency of the procurement system. The insistence of the county treasury to pay directly the suppliers seems unpopular. There is no data system that shows that all procured goods and services were fully delivered to the appropriate SDU. Tracking leakage of goods or quality of goods was not feasible.

8.2 Recommendations

The draft recommendations below are addressed to the National and County Governments in Kenya and other ECD stakeholders with a view to improving resource mobilisation, resources management and programmatic performance:

1. Counties and the National Governments should increase the level of ECD budgetary allocations in all sectors in order to improve the resources available for ECD programmes. The current level of ECD spending is insufficient to improve service coverage.

2. Low level of absorption is largely driven by insufficient and delayed disbursement of approved budgets.
3. Increase the share of county budgets towards ECD services; there is still only marginal increase in total ECD spending in the counties.
4. Improve financial reporting to facilitate tracking of ECD expenditure. Hence, counties should improve dissemination of budget, disbursement and procurement information to include the breakdown not only by line economic and functional classification but also by individual SDUs. Such information will also help SDUs in the planning of service delivery activities. Given that the government is planning to gradually implement capitation funding models in early learning, transparency about budget disbursement will be necessary to improve transparency and accountability.
5. Although some capacity in financial management exists at county level, more capacity building through staff training in basic financial management and accounting at county and SDU levels is required. Ongoing efforts in financial management training should continue.
6. County Line Departments should routinely share information and data on funding to SDUs.
7. Improve efficiency and transparency of the procurement system to ensure that resources flow more quickly to service delivery level.
8. Simplify funding requisition procedures related to resource flows in order to increase operational efficiency and budget absorption.
9. Increase transparency and accountability at all levels.
10. Encourage regular monitoring at all levels.

Annex 1: List of Interviewees

Table 13: Summary of the Focus Group Discussions Per County

County	Number of Focus Group Discussions Done
Nairobi	3
Busia	3
Kajiado	4
Turkana	3
Samburu	3
Kilifi	5
Garissa	1

Table 14: Summary of Key Informant Interviews showing the various respondents' designations per County per Ward

County	Ward	Respondents' Designation	Name of Institution
Busia	Burumba	Director of Gender and Social Services	Directorate of Gender and Culture
	Burumba	Accountant	Busia County Health Department
	Burumba	Health Administrator	Busia County Refferal Hospital
	Burumba	County Chief Officer Education and Vocational Training.	Department af Education and Vocational Training Busia County
	Burumba	Chief Accountant Officer of Education and Vocational Training	Busia County Education and Vocational Training
	Burumba	Director of Health and Sanitation.	County Department of Health and Sanitation.
Kajiado	Ildamat	Wash Coordinator	Water Services
	Ildamat	Director ECDE Kajiado	Department of Education
	Ildamat	Nurse	Kajiado Referral Hospital
Nairobi	Central Ward	Deputy Director Family and Children Services	Office of Deputy Director Family and Children Services.
	Central	County Deputy Director Education	Nairobi City County Government(NCCG)
	Central	County Deputy Director Health	Nairobi Metropolotan Services(Nms)
	Central	Deputy County Director Water	Nairobi City County Government
Garissa	Township	ECDE Director	ECDE
	Iftin	Gender and Social Service, Director	Gender and Social Service
	Iftin	Assistant Director, Children Service	Children Service

County	Ward	Respondents' Designation	Name of Institution
West Pokot	Kapenguria	Sub-County Children Officer	Department of Children Services
	Kapenguria Ward	Director-Early Learning (ECD)	Department of Education - West Pokot County Government.
	Kapenguria Ward.	Medical Supretentant (Med Sup)- Kapenguria Referral Hospital	Kapenguria County Refferal Hospital
Turkana	Kanamkemer	Director Medical Services	Medical Services
	Lodwar Township	Social Welfare Officer	Department of Social Protection -Lodwar Rescue Center
Samburu	Maralal Ward	County Director of Health - Preventive and Promotive Health Services	Maralal County Referral Hospital
	Maralal	Director of Education	County Education Office
	Maralal	Sub County Children Officer	Directory of Children Services Samburu
	Maralal Ward	Clinical Officer and Nursing Officer	Maralal Refferal Hospital
	Maralal Ward	Deputy Director Accounting Services	County Treasury
Kisumu	Ahero	Health Records and Information Officer	Ahero County Hospital
Kilifi	Marafa	Teacher	Waresa ECDE Center
		Director Pre- Primary	County ECD Office
		Director Social Services Kilifi County	Gender, Culture Social Service and Sports
		Nurse	Kilifi Referral Hospital
	Marafa	ECDE Director/Head of The School	Kabiboni

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