



# Facts and Figures on Use of Covid-19 Funds in Kenya

September 2021

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In response to the Covid-19 emergency, the Government of Kenya announced and implemented various measures to mitigate the adverse effects of the pandemic on the economy. The main response was the fiscal policy that included allocation of resources towards health service provision, including additional funding for healthcare facilities, quarantine facilities and purchase of medical supplies. Similarly, specific resources were mobilized and set aside for development policy financing aimed at facilitating recovery from the depressed economic activity that followed the Covid-19 emergency. The pandemic was declared during the implementation of the FY 2019/20 budget, necessitating budget realignments and mobilization of resources from different development partners.

The IEA-Kenya summarizes allocations and utilization of the Covid-19 response funds in this brief. The objective of the brief is to track allocations and utilization of the funds and present our interpretation of the data including the normal exchequer releases. The main source of data for the analysis is the Special Audit Report on Utilization of Covid Funds by the Auditor General<sup>1</sup>.

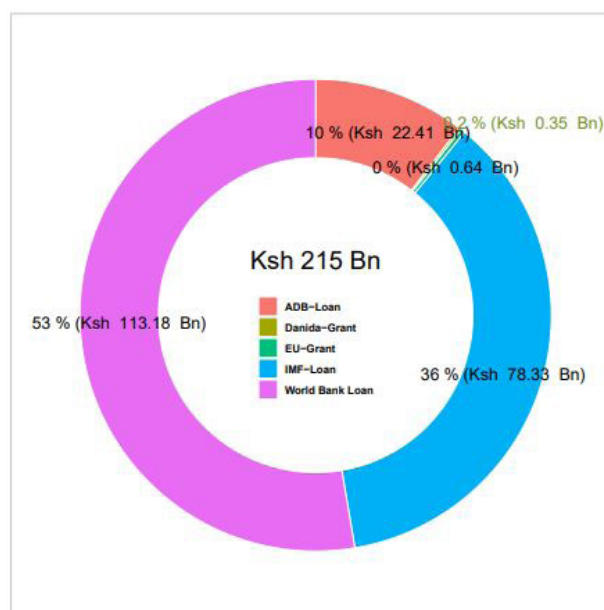
By Jackline Kagume, Leo Kemboi & Noah Wamalwa

## 2.0 Sources of Covid-19 Expenditures

The Government of Kenya, through the National Treasury and Planning, mobilized a total of Kshs.214,908,853,825 from various Development Partners including the World Bank, Danish International Development (DANIDA), African Development Bank, International Monetary Fund and the European Union. Except for the Grant from DANIDA, the other resources are loan facilities.

See chart 1 for breakdown of resources received.

Chart 1: Loans and Grants Received by Govt of Kenya for COVID-19

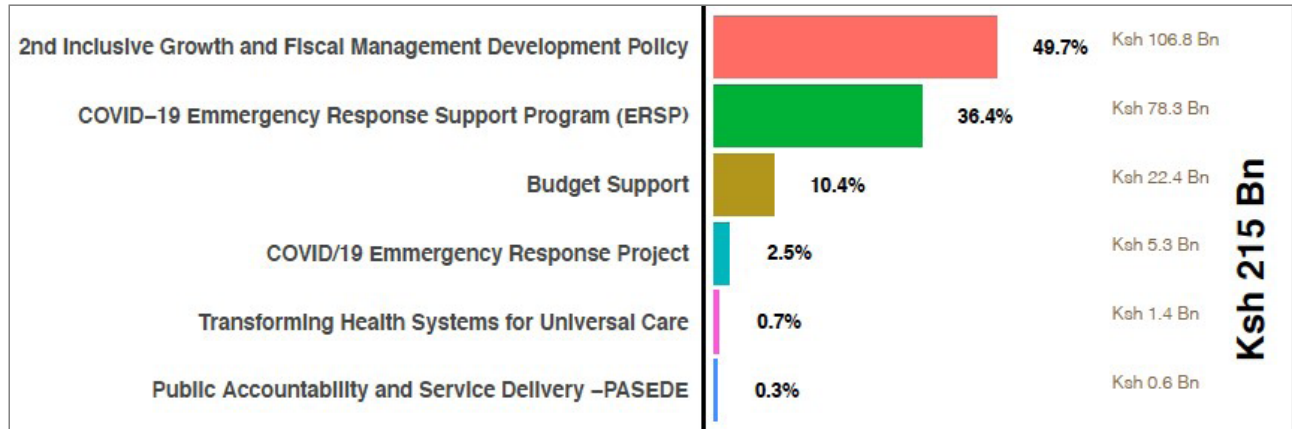


Source: Special Audit on Utilization of Covid-19 Funds by National Government (Page 55-56), OAG report indicated EU contribution was a loan but EU clarified it was a grant

### 3.0 Purpose of Loans and Grants Received

The aim of the Covid-19 funds received is classified under 6 areas which include: Budget Support, the Covid-19 Emergency Response Program (ERSP), Transforming Health Systems for Universal Care, Public Accountability and Service Delivery (PASEDE), Covid-19 Emergency Response Project and the 2nd Inclusive Growth and Fiscal Management Development Policy.

Chart 2: Purpose of Loans and Grants Received by Government of Kenya for Covid-19



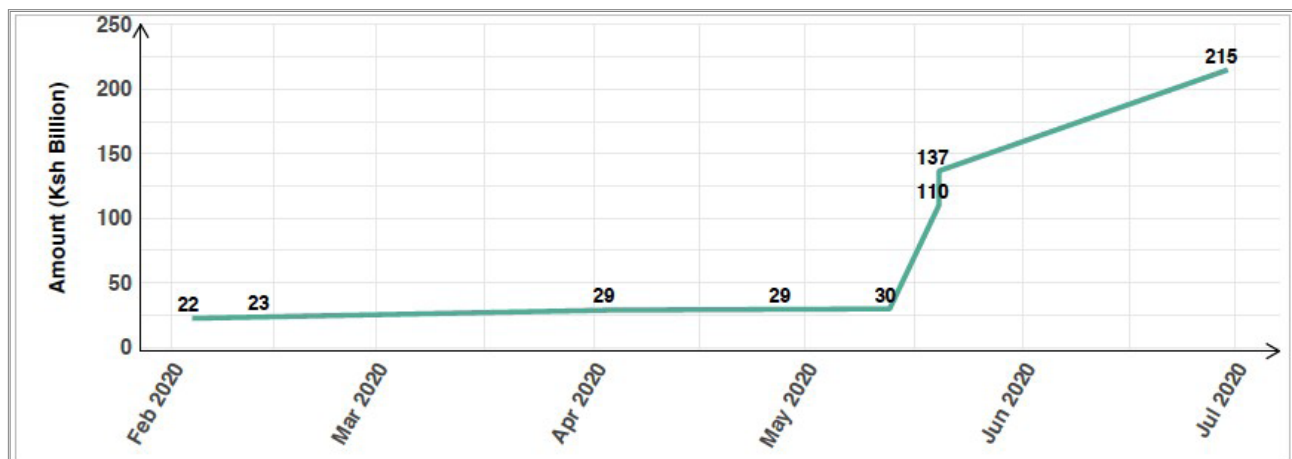
Source: Special Audit on Utilization of Covid-19 funds by National Government (Page 55-56)



### 4.0 Trends in the Receipts of COVID-19 Funds (Cumulatively)

The mobilization of Covid-19 response resources increased with the accelerated spread of the Covid-19 disease. The amount of resources mobilized rose from Ksh 6 billion in February to Ksh 214 billion in July 2020.

Chart 3: Trends in the receipts of Covid-19 funds(Cumulatively)

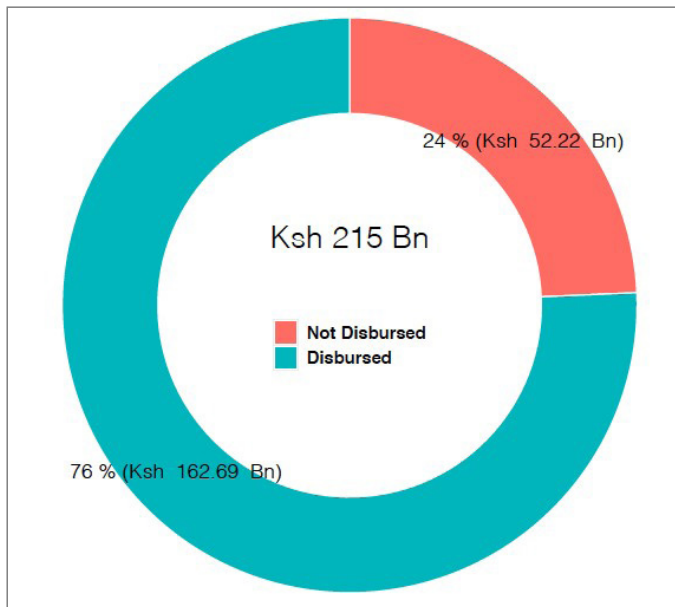


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 5.0 Total amount disbursed, as at 30th June 2020

Out of the resources mobilized Ksh 214,908,853,825, Kshs. 162,685,604,780 had been received as at 31 July, 2020 and transferred to the various Ministries, Departments, Agencies (MDAs) and the Counties. The funds were disbursed for Covid-19 mitigation and as normal Exchequer releases for the period March 2020 to July 2020. The breakdown is as follows:

Chart 4: Total amount disbursed, as at 30th June 2020



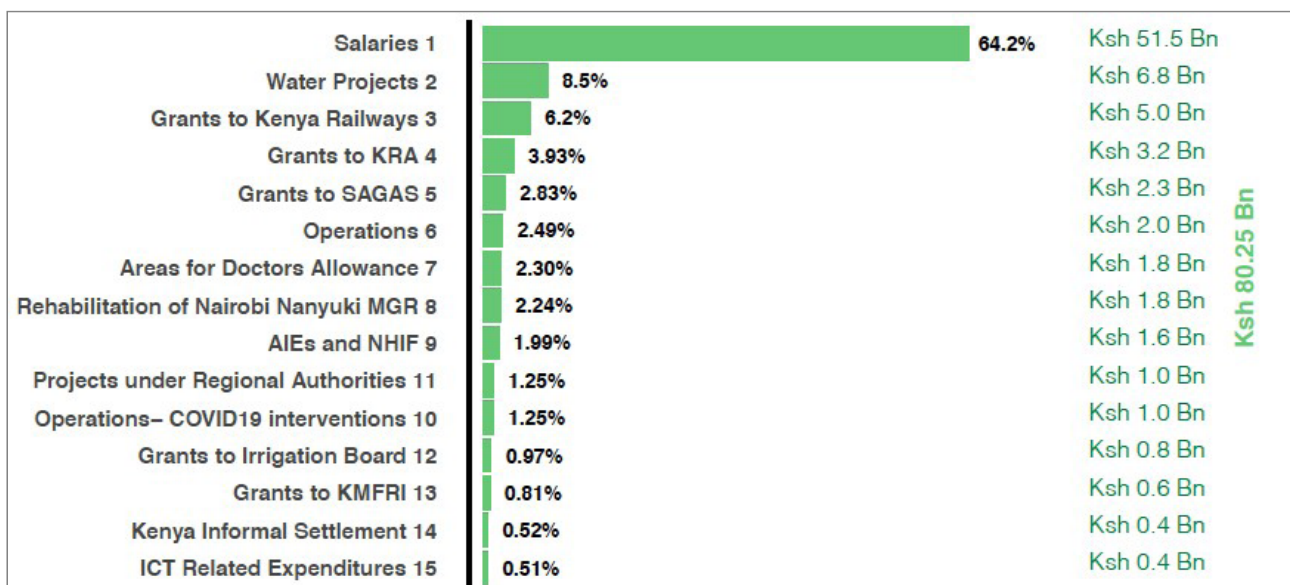
Source: Special Audit on Utilization of Covid-19 funds by National Government



## 6.0 2nd Inclusive Growth and Fiscal Management Development Policy

The 2nd Inclusive Growth and Fiscal Management Development Policy is a World Bank Development Policy Financing Facility that supports inclusive policy agenda. The program's development objectives are to crowd in private investment and financing for affordable housing, enhance farmer incomes and food security, create fiscal space to support the government's inclusive growth agenda and to crowd in private investment and leverage digitization to support the government's inclusive growth agenda<sup>2</sup>.

Chart 5: Expenditure items- 2nd Inclusive Growth and Fiscal Management Development Policy

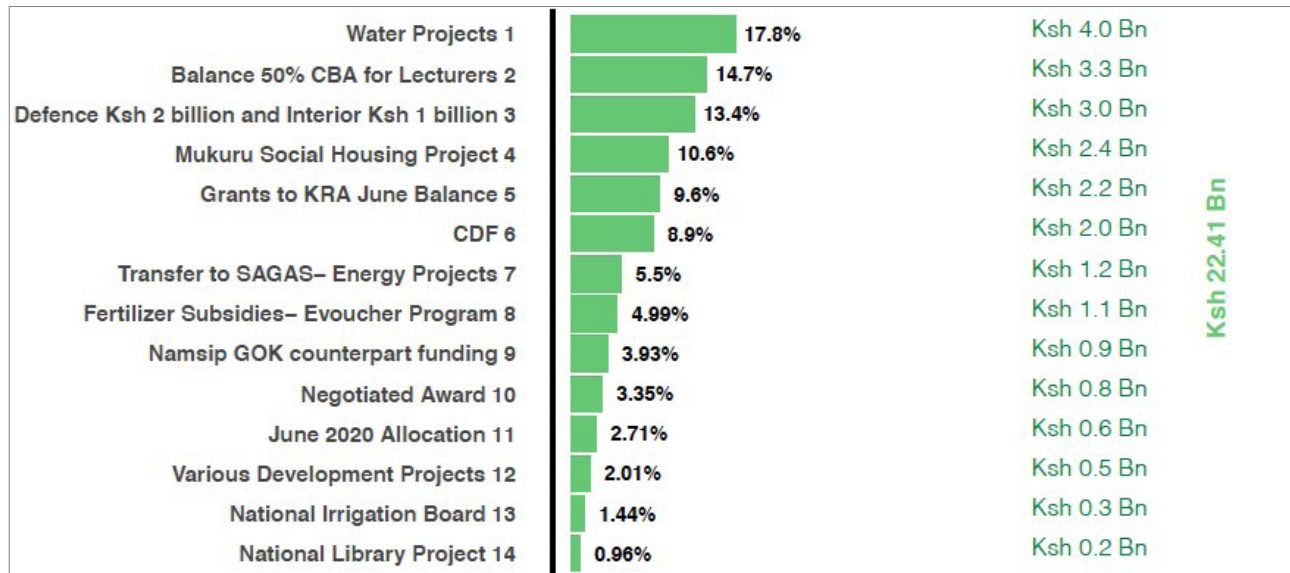


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 7.0 African Development Bank - Loan Budget Support

The ADB Loan Budget support was mobilized as an economic stimulus program to support the budget, following the depressed economic activity that reduced government revenues. The ADB Loan Budget support received amounted to Ksh 22.41 billion which included Ksh 4 billion for water projects, Ksh 3.3 billion for balance of 50% CBA for lecturers, Ksh 3 billion for Defense and interior. The National Irrigation Board and National Library Project received the least amounts within this facility with allocations of Kshs 0.3 billion and 0.2 billion respectively.

Chart 6: ADB Loan Budget Support

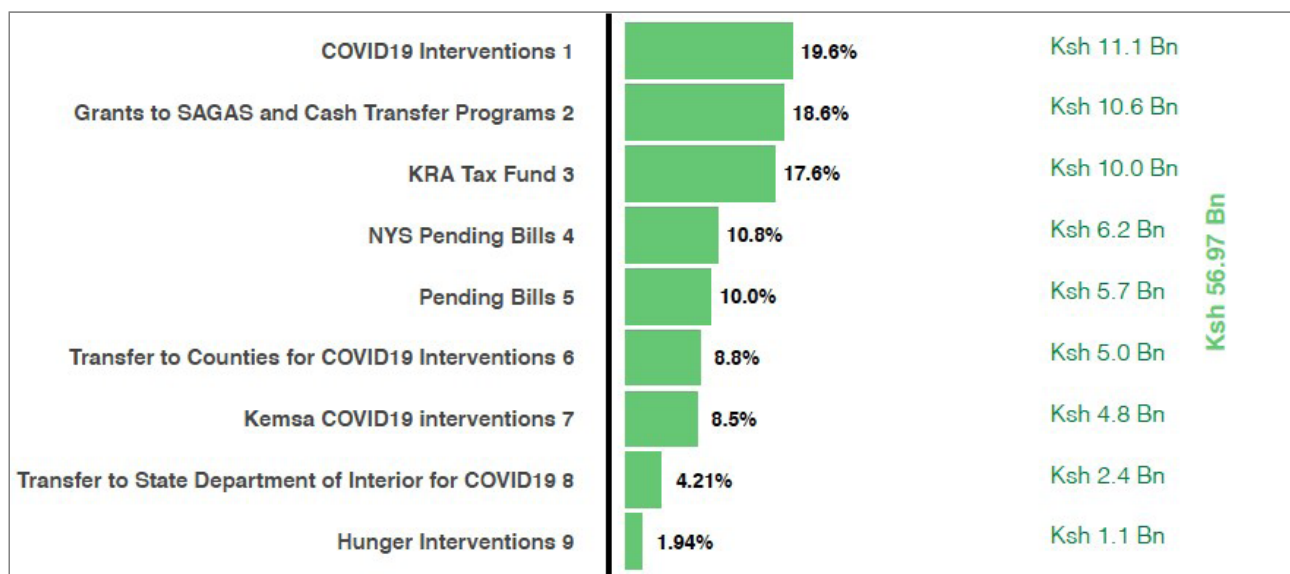


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 8. IMF Loan- COVID19 Emergency Response Support Program (ERSP)

The funds from the IMF Covid-19 Emergency Response program were used for direct Covid19 interventions and other budget support. The breakdown is listed below:

Chart 7: IMF Covid-19 Emergency Response Support Program

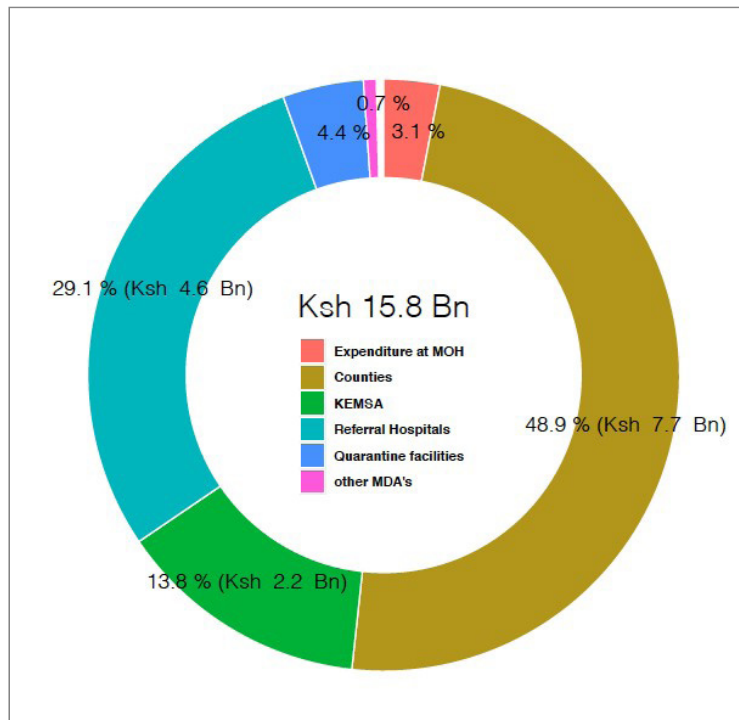


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 9. Expenditure of COVID-19 funds By agency

Covid-19 specific funds were utilized at the Ministry of Health headquarters, the Kenya Medical Supplies Agency (KEMSA), Referral hospitals, counties, quarantine facilities and other MDA's. Ksh 7.7 billion was disbursed to counties, while Ksh 2.2 billion was disbursed to KEMSA. The balance was spent as shown in chart below:

Chart 8: Covid-19 Spending by Agency

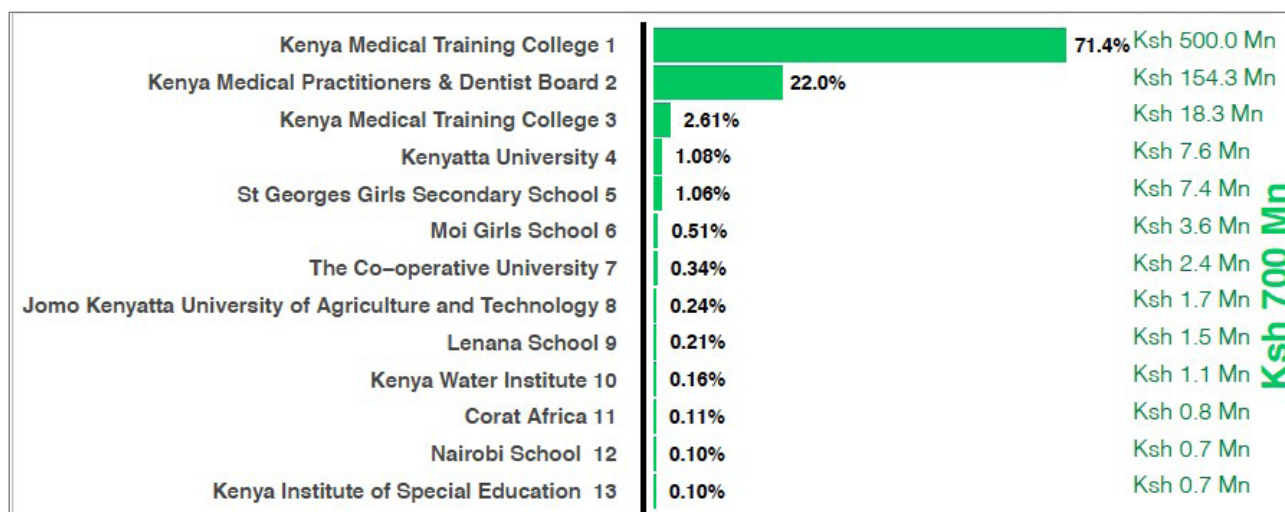


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 10. Ministry of Health's Disbursements to Quarantine facilities

The major disbursements to quarantine facilities include Ksh 500 million to the Kenya Medical Training College and Ksh 154.3 million to Kenya Medical Practitioners and Dentist Board. The facilities with the lowest allocations were Corat Africa, Nairobi School and the Kenya Institute of Special Education with allocations of Kshs 0.8 million and 0.7 million respectively.

Chart 9: Ministry of Health's Disbursement to Quarantine Facilities



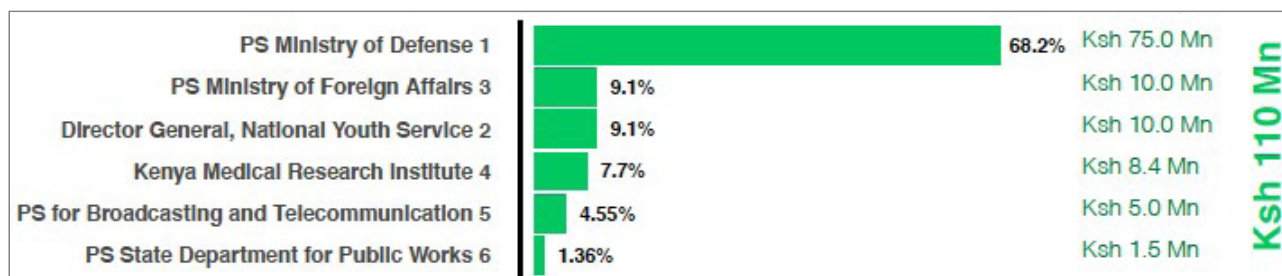
Source: Special Audit on Utilization of Covid-19 funds by National Government



## 11. Ministry of Health Disbursement to other MDA's

The Ministry of Health disbursed Ksh 110 million to various entities for Covid-19 related expenditures. The major disbursements include Ksh 75 million to PS Ministry of Defense, Ksh 10 million to Ministry of Foreign Affairs, Ksh 10 million to Director General, and Ksh 10 million for Director General, National Youth Service. Kenya Medical Research Institute, PS Broadcasting and Telecommunications, and PS State Department for Public works received Ksh 8.4 million, 5 million, and Ksh 1.5 million respectively.

Chart 10: Ministry of Health Disbursements to other MDA's

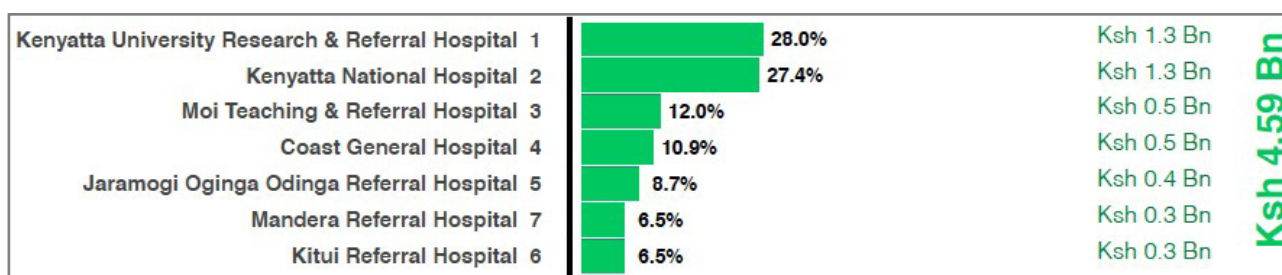


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 12. Disbursement of Funds to Referral Hospitals

The Ministry of Health disbursed Ksh 4.59 billion to Referral hospitals. Kenyatta University Research and Referral Hospital and Kenyatta National Hospital received the highest allocations at Ksh 1.3 billion each. The Moi Teaching and Referral Hospital and Coast General Hospital received Ksh 500 million. Jaramogi Oginga Odinga Referral Hospital, Manderu Referral Hospital and Kitui Referral Hospital received Ksh 0.4 billion, Ksh 0.3 billion, and Ksh 0.3 billion respectively.

Chart 11: Ministry of Health Disbursements to Referral Hospitals

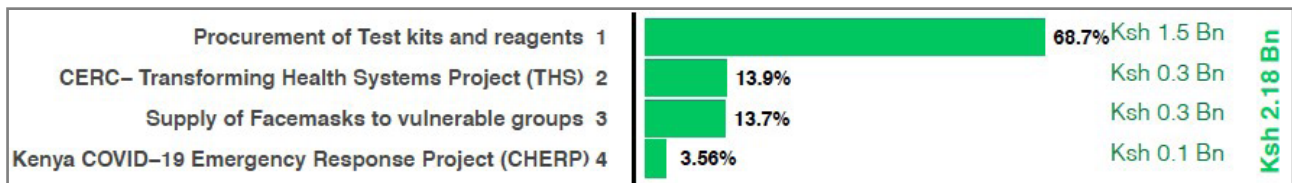


Source: Special Audit on Utilization of Covid-19 funds by National Government

## 13. Disbursement of funds to Kenya Medical Supplies Agency

From the resources mobilized, the Ministry of Health disbursed Ksh 2.18 billion to THE Kenya Medical supplies Agency (KEMSA). Ksh 1.5 billion was spent on procurement of test kits and reagents, Ksh 0.3 billion on the CERC transforming health systems project and Ksh 0.3 billion was spent on supply of facemasks to vulnerable groups. Procurement of test kits and reagents received the highest share of the allocations, representing 68.7 per cent of the total funds disbursed to KEMSA, while the Kenya Covid-19 Emergency Response Project received the lowest share representing 3.56% of the funds.

Chart 12: Funds disbursed by Ministry of Health to KEMSA



Source: Special Audit on Utilization of Covid-19 funds by National Government

## End Notes

<sup>1</sup>Office of the Auditor General. 2021. Special Audit on Utilization of Covid-19 funds by National Government

<sup>2</sup>World Bank. 2020. “Kenya - Inclusive Growth and Fiscal Management Development Policy Operation 2.” World Bank. May 19, 2020. <https://www.worldbank.org/en/news/loans-credits/2020/05/19/kenya-inclusive-growth-and-fiscal-management-development-policy-operation-2>.



# Policy Brief

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