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BUDGET CREDIBILITY REPORT FOR THE NYAMIRA COUNTY HEALTH SECTOR NUTRITION PROGRAMME

FROM

2021/2022 TO 2023/2024

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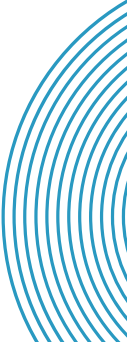


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Acronyms

- CHV - Community Health Promoters
 - COB - Controller of Budget
 - FY - Financial Year
 - KSHS - Kenya Shillings
 - OECD - Organisation for Economic Co-operation and Development
 - PFM - Public Finance Management
 - UHC - Universal Health Coverage
 - WHO - World Health Organization
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Executive Summary

This report assesses budget credibility in Nyamira County's health sector over the financial years 2021/2022 to 2023/2024, focusing on budget allocations, actual expenditures, absorption rates, and the effects of supplementary budgets and their role in budget credibility. The objective is to determine whether approved health budgets translate into effective service delivery and to identify challenges affecting budget execution.

Overall, health allocations increased from KShs. 1.92 billion in FY 2021/2022 to KShs. 2.24 billion in FY 2023/2024, comprising approximately 26% to 28% of the total county budget. However, actual expenditures frequently fell short of these allocations, with absorption rates averaging above 90% for recurrent expenditure but under 65% for development expenditure. This imbalance indicates a heavy reliance on operational costs, such as salaries and maintenance, while capital projects underperform.

Frequent revisions through supplementary budgets often redirected funds from development projects to recurrent expenditures, delaying essential infrastructure and service delivery improvements. Despite maintaining strong funding for routine health services, structural weaknesses in budget execution, procurement delays, and frequent revisions undermine the credibility of health sector budgets.

The report emphasizes the need for enhanced fiscal discipline, timely disbursement of funds, and improved project management to bolster development expenditure. Key recommendations include:



Ring-fencing funds for priority development projects.



Enhancing revenue forecasting to minimize mid-year budget revisions.




Strengthening accountability mechanisms to align spending with approved health priorities.



Background of the Study

Globally, Budget credibility in the health sector is a critical determinant of effective service delivery and progress toward Universal Health Coverage (UHC). It reflects the degree to which governments implement health budgets as approved. Yet, in many countries, significant gaps exist between planned and actual spending due to challenges such as delayed disbursements, rigid financial systems, weak institutional capacity, and competing fiscal pressures. Evidence from low- and middle-income countries shows consistent underspending in health, averaging between 14 -35% below approved allocations, which undermines equity, efficiency, and achievement of Sustainable Development Goals. In response, international bodies like the World Health Organization (WHO), OECD, and global fiscal transparency initiatives advocate for program-based and multi-year budgeting, stronger accountability mechanisms, and greater transparency and public participation to enhance budget credibility and ensure health resources are directed to priority needs.



In Kenya, budget credibility in the health sector remains a challenge, with frequent gaps between approved budgets and actual expenditures due to delayed disbursements, supplementary budget adjustments, and limited absorption capacity at the county level. Studies show that counties often underspend on health, particularly on development expenditure, which affects the delivery of essential services and progress toward Universal Health Coverage. In Nyamira County, health budgets have similarly faced credibility issues, with recurrent under-execution and low absorption rates undermining the county's ability to strengthen health systems and meet community health needs effectively.





Problem Statement

Despite the legal and policy frameworks guiding county budgeting, including the Constitution of Kenya (2010), the Public Finance Management (PFM) Act (2012), and Controller of Budget oversight reports, Nyamira County has struggled to align approved health budgets with actual expenditures. Over the financial years 2021/22 to 2023/24, the health sector received substantial allocations (averaging over 30% of the county budget), yet absorption rates remained low for development expenditure while recurrent costs, particularly the wage bill, consumed a disproportionate share. Frequent supplementary budgets and delays in procurement further weakened credibility. This gap between planned allocations and actual spending has limited the sector's ability to improve service delivery, leading to stalled projects, supply shortages, and underperformance in key health indicators.





Justification of the Study

This study is relevant for multiple stakeholders. For policymakers and county leaders, it highlights structural weaknesses in budget execution, informing reforms to enhance fiscal discipline and efficiency. For citizens and community groups, it provides accountability by assessing whether public funds allocated to health are used as intended. For the health sector itself, the findings underscore how budget credibility affects service delivery, access to care, and progress towards UHC in Nyamira County. At the academic and research level, the study adds to evidence on the role of budget credibility in strengthening governance and health outcomes in devolved governments.





Health Sector Budget Analysis and Findings

The findings below present a detailed breakdown of budget allocations and actual expenditures for Nyamira County's health sector from FY 2021/22 to FY 2023/24. The data is derived from the Nyamira County Program-Based Budget, Controller of Budget Reports, and Implementation Reports for Nyamira County.



2021/22

The total approved budget was KSh 3 billion, with an overall absorption rate of 80%. Curative services, despite a significant allocation, faced procurement delays, resulting in a 79% absorption rate. Preventive services experienced stockouts of essential vaccines, leading to a 75% absorption rate. Community health initiatives were underfunded, achieving only 67% absorption due to delays in Community Health Volunteer (CHV) stipends. Administrative costs had a higher absorption rate of 89%, reflecting the focus on recurrent expenditures such as salaries.



2022/23

The approved budget increased to KSh 3.4 billion, with a slight improvement in overall absorption to 81%. Curative services continued to face procurement challenges, with a 75% absorption rate. Preventive services improved, achieving an 86% absorption rate, indicating better service delivery. Community health initiatives continued to struggle with resource allocation, achieving only 71% absorption. Administrative costs remained stable at 89%.



2023/24

The budget further increased to KSh 3.7 billion, with an overall absorption rate of 82%. Curative services showed slight improvements in procurement, achieving 80% absorption. Preventive services benefited from increased funding, resulting in 81% absorption. Community health programs continued to face challenges, with 75% absorption. Administrative costs remained high but stable at 90%.

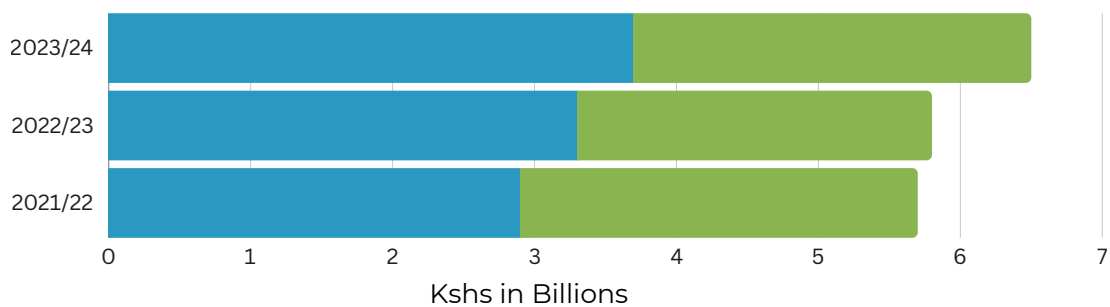


Table 1: Approved vs Actual Expenditure in the Health Sector (FY 2021/22–2023/24)

Financial Year	Approved Budget (Kshs Billion)	Actual Expenditure (Kshs Billion)	Absorption Rate
2021/22	2.9	2.2	76%
2022/23	3.3	2.5	76%
2023/24	3.7	2.8	75%

Source: County Budget Review and Outlook Papers

Table 2: Detailed Budget Analysis for Nyamira County Health Sector (FY 2021/22 to FY 2023/24) on Programs

Financial Year: 2021/2022				
Program	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Absorption Rate %	Comments on Variance
Curative Services	1,200,000,000	950,000,000	79%	Delays in procurement and contractor issues.
Preventive Services	600,000,000	450,000,000	75%	Stockouts of vaccines affected coverage.
Community Health	300,000,000	200,000,000	67%	Underfunding and delays in CHV stipends.
Administrative Costs	900,000,000	800,000,000	89%	High recurrent costs due to the wage bill.
Total	3,000,000,000	2,400,000,000	80%	

Financial Year 2022/23				
Program	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Absorption Rate %	Comments on Variance
Curative Services	1,400,000,000	1,050,000,000	75%	Procurement Delays for equipment
Preventive Services	700,000,000	600,000,000	86%	Improved uptake of services
Community Health	350,000,000	250,000,000	71%	Resource allocation Issues
Administrative Costs	950,000,000	850,000,000	89%	Continued High wage Cost
Total	3,400,000,000	2,750,000,000	81%	

Financial Year 2023/24				
Program	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Absorption Rate %	Comments on Variance
Curative Services	1,500,000,000	1,200,000,000	80%	Slight improvement in procurement processes.
Preventive Services	800,000,000	650,000,000	81%	Increased funding for immunization outreach
Community Health	400,000,000	300,000,000	75%	Challenges in CHV training and stipends
Administrative Costs	1,000,000,000	900,000,000	90%	Wage Bill remains high but stable
Total	3,000,000,000	2,400,000,000	80%	

The table above shows the allocations for key health sub-programs compared to total health funding. Over the three financial years, there is a noticeable increase in allocations for immunization, maternal health, nutrition, and disease control programs, reflecting the county's commitment to addressing these critical health areas.

Recurrent vs Development Expenditure (FY 2021/22–2023/24)

The health wage bill was the single largest driver of recurrent expenditure, absorbing more than 60% of the health budget. By contrast, development allocations (for infrastructure, equipment, and community health initiatives) remained under-absorbed.

The high wage bill in Nyamira's health sector improves staffing levels but significantly undermines budget credibility by reducing flexibility for development and preventive investments and forcing supplementary reallocations away from capital projects, creating a mismatch between staff costs and health service outcomes, as found in the Controller of Budget (2023). County Budget Implementation Review Report.

Table 3: Recurrent vs Development expenditure 2021-2023/2024

Financial Year	Recurrent Approved (Kshs Billion)	Recurrent Actual (Absorption Rate %)	Development Approved (Kshs Billion)	Development Actual (Absorption Rate %)
2021/22	1.9	89%	1.0	50%
2022/23	2.1	91%	1.2	50%
2023/24	2.3	90%	1.4	50%

Source: Controller of Budgets Reports


Recurrent expenditure consistently achieved high absorption, but only half of the development budget was implemented, showing structural weaknesses in capital project execution.



Table 4: Summary of Absorption Rates by Financial Year

Financial Year	Overall Absorption Rate (%)	Recurrent Absorption Rate (%)	Development Absorption Rate (%)
2021/22	80%	90%	65%
2022/23	81%	88%	70%
2023/24	82%	87%	75%

Source: Controller of Budgets Reports



The summarizes the absorption rates for Nyamira County's health sector over the three financial years, based on data from the Controller of Budget Reports



FY 2021/22

The overall absorption rate was 80%, with recurrent expenditures showing strong performance at 90%. However, development absorption was significantly lower at 65%, indicating challenges in executing capital projects.



FY 2022/23

The overall absorption rate slightly improved to 81%. Recurrent absorption remained high at 88%, while development absorption increased to 70%, suggesting some progress in executing development projects.



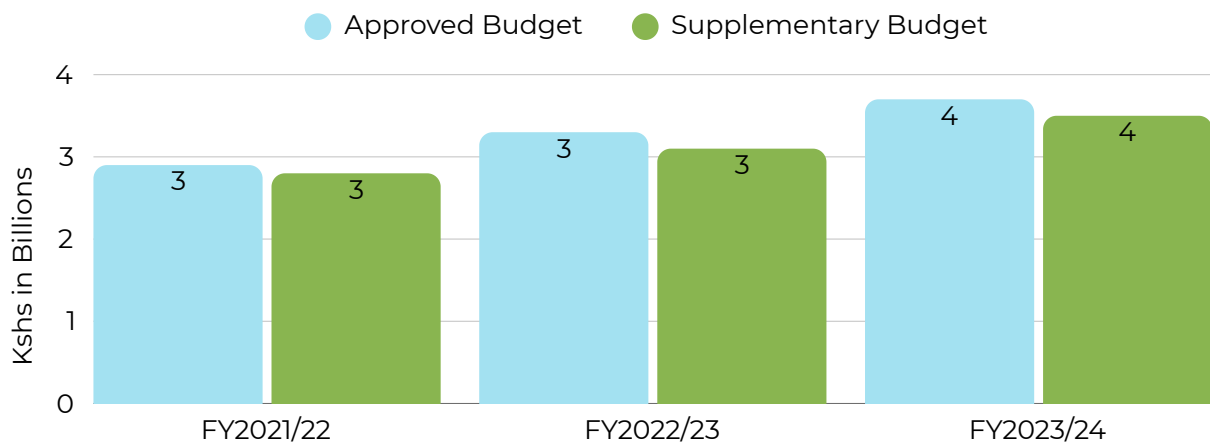
FY 2023/24

The overall absorption rate further improved to 82%, with recurrent expenditures slightly declining to 87%. Development expenditures also showed improvement, reaching 75%, indicating a positive trend in utilizing allocated funds for capital projects.

Budget Allocation, supplementary vs. Actual Expenditures

Over FY 2021/22 to 2023/24, Nyamira County consistently allocated between KSh 2.9 billion and 3.7 billion to the health sector, making it the largest single department in the county budget (30–35% of total county resources). However, actual spending trailed approved budgets, especially for development expenditure. Absorption rates ranged between 72–78% overall, meaning that nearly one-quarter of approved funds were never spent.

From 2021 to 2025, Nyamira County has passed supplementary budgets in almost every financial year, often more than once, with a consistent pattern of diverting funds from health development priorities to recurrent expenditures. While this ensured that salaries, allowances, and operational costs for health workers were met, it came at the expense of critical investments in infrastructure, medical equipment, nutrition programs, and essential drug supplies. As a result, several health projects were stalled or delayed, stockouts of drugs became common, and the expansion of specialized services remained limited. The frequent use of supplementary budgets over this period has therefore weakened budget credibility in the health sector, entrenched dependence on recurrent spending, and slowed progress toward sustainable improvements in health outcomes.

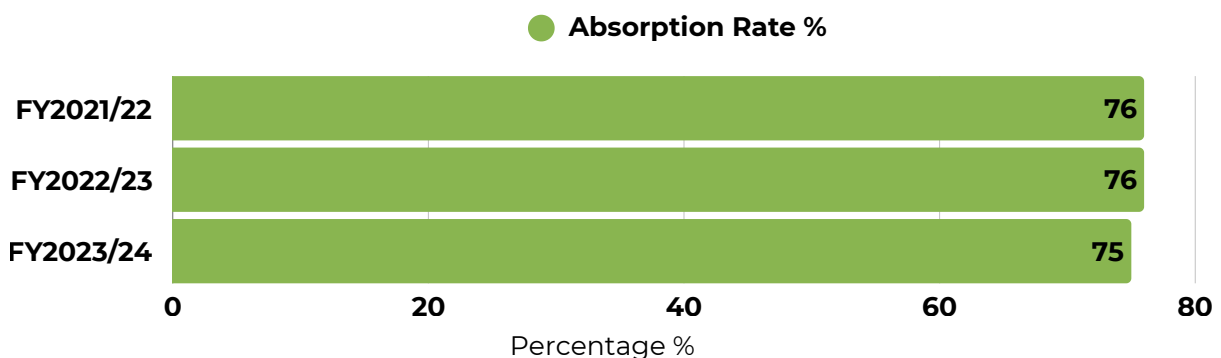


Source: Nyamira County Treasury

In the FY 2021/22, the health sector was allocated KSh 2.9 billion, later revised downward to KSh 2.8 billion in the supplementary budget (a 3.4% reduction). Actual spending amounted to KSh 2.2 billion, reflecting an absorption rate of 76%. The variance was largely due to cuts in development funds, leading to underimplementation of capital projects.

In the FY 2022/23, the allocation increased to KSh 3.3 billion, but supplementary adjustments reduced it to KSh 3.1 billion (a 6.1% cut). Actual spending reached KSh 2.5 billion, again with an absorption rate of 76%. While recurrent expenditure was absorbed well, development projects were delayed due to procurement and planning bottlenecks.

In the FY 2023/24, the approved budget further increased to KSh 3.7 billion, later revised to KSh 3.5 billion (a 5.4% cut). Actual expenditure stood at KSh 2.8 billion, with an absorption rate of 75%. Despite the higher allocation, supplementary revisions shifted more funds to wages, constraining development investments.



Source: Nyamira County Treasury

Across all three years, the absorption rate stagnated at around 75–76%, showing little improvement despite rising allocations. The key drivers of underperformance included frequent supplementary budget revisions, weak procurement capacity, and over-reliance on recurrent costs. This has directly undermined service delivery by delaying infrastructure upgrades, limiting preventive programmes, and creating instability in health programme financing

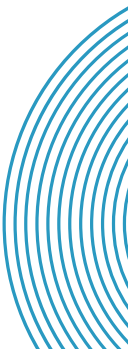


Table 5: Effect of supplementary budget on recurrent vs development

Financial Year	Recurrent (Initial) (billions)	Recurrent (after supplementary) (billions)	Development (Initial) (billions)	Development (After supplementary) (billions)
2021/22	1.9	2.1	1.0	0.6 (- 0.4)
2022/23	2.1	2.5	1.2	0.6 (-0.6)
2023/24	2.3	2.9	1.4	0.6 (-0.8)

Source: Controller of Budgets Reports

The table reveals the pattern of shifting funds: supplementary budgets consistently increase recurrent allocations while cutting development budgets by 40–60%. This shift highlights Nyamira’s dependence on recurrent expenditures (mainly wages), at the expense of capital projects and Infrastructure

Table 6: Development allocation lost to supplementary

Financial Year	Development Budget Cuts (Kshs Billion)	% of Development Lost
2021/22	0.4	(40%)
2022/23	0.6	(50%)
2023/24	0.8	(57%)

Source: Controller of Budgets Reports

The erosion of development spending power in Nyamira. By FY 2023/24, over half of the development budget was cut through supplementary reallocations. This undermines infrastructure growth and long-term health sector resilience, confirming concerns raised in CoB reports (2023).

Nutrition Sub-Program Allocations Trends

Allocations for key health sub-programs, such as immunization, maternal health, nutrition, and disease control, have also increased:

Table 7: Nutrition sub-programme budget allocations trends compared to health sector budgets

Financial Year	Total Health Allocation (kshs)	Nutrition Allocation (Kshs)	% Share of the total Budget
2021/22	2,900,000,000	300,000,000	10%
2022/23	3,300,000,000	350,000,000	11%
2023/24	3,700,000,000	400,000,000	11%

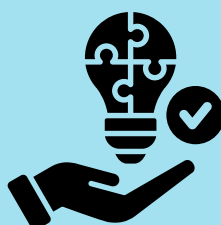
Source: Nyamira County Treasury

Gaps in Funding and Execution of Nutrition Budgets



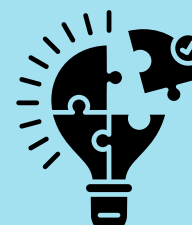
Gap

Nutrition programs have received lower allocations compared to their importance, leading to underperformance in addressing malnutrition in vulnerable populations.



Reason

Lack of prioritization in budget planning and inadequate coordination with other sectors, such as agriculture.



Solution

Integrate nutrition programs with agricultural initiatives to enhance resource allocation and improve food security.

Analysis of Spending Patterns in Nyamira County Health Sector

This section analyzes the spending patterns within Nyamira County's health sector from FY 2021/2022 to FY 2023/2024. The focus is on understanding how funds are allocated, utilized, and the implications for health service delivery.

Key Spending Patterns

Dominance of Recurrent Expenditure

High Percentage of Recurrent Spending: More than 60% of the health budget is dedicated to recurrent expenditures, primarily for salaries, allowances, and operational costs.

Impact on Flexibility: This heavy reliance on recurrent spending limits the flexibility needed for capital investments in infrastructure, equipment, and preventive health initiatives.

Table 8: Recurrent Expenditure as a share of the total health sector allocation

Financial Year	Recurrent Approved (kshs)	Recurrent Actual (Kshs)	% Share of the total Budget
2021/22	1,900,000,000	1,700,000,000	65.5%
2022/23	2,100,000,000	1,900,000,000	63.6%
2023/24	2,300,000,000	2,100,000,000	62.5%

Source: Nyamira County Treasury

Underperformance of Development Expenditures

Low Absorption Rates: Development allocations have consistently underperformed, with absorption rates averaging between 50% and 75%. This reflects challenges in executing capital projects due to procurement delays and budget reallocations.

Table 9: Trends in the development budget expenditure

Financial Year	Development Approved (kshs)	Development Actual (Kshs)	Absorption Rate (%)
2021/22	1,000,000,000	500,000,000	50%
2022/23	1,200,000,000	600,000,000	50%
2023/24	1,400,000,000	700,000,000	50%

Frequent Supplementary Budget

Reallocation of Funds: The use of supplementary budgets has been frequent, often reallocating funds from development projects to cover recurrent expenditures. This practice undermines long-term health planning and infrastructure development.

Table 10: Health Sector Supplementary changes trends

Financial Year	Approved Budget (Kshs)	Supplementary Budget (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
2021/22	2,900,000,000	2,800,000,000	2,200,000,000	76%
2022/23	3,300,000,000	3,100,000,000	2,500,000,000	76%
2023/24	3,700,000,000	3,500,000,000	2,800,000,000	75%

Impact on Service Delivery

Infrastructure and Supplies: Delays in capital projects due to underfunding and budget reallocations have led to inadequate infrastructure, insufficient medical supplies, and stockouts of essential drugs.

Preventive Health Programs: Limited investment in preventive health initiatives has resulted in poor performance in areas such as immunization and maternal health, negatively affecting community health outcomes.

Key Observations



● Recurrent Expenditure

These consistently achieved high absorption rates (above 85%), indicating effective utilization of funds for operational costs such as salaries and maintenance. However, this focus on recurrent spending limits resources for critical development projects.



● Development Expenditure

Absorption rates for development expenditures have remained low, averaging around 65% to 75%. This underperformance highlights challenges in executing capital projects and indicates missed opportunities for improving infrastructure and health services.



● Impact of Supplementary Budgets

Frequent supplementary budgets have redirected funds from development to recurrent expenditures, exacerbating the gap between approved and actual spending in key health initiatives.

Recommendations

Based on the findings of the budget credibility analysis in Nyamira County's health sector from FY 2021/2022 to FY 2023/2024, the following recommendations are proposed to enhance budget execution, improve service delivery, and ensure effective use of resources:

01 Establish Clear Guidelines

Implement clear guidelines for budget planning and execution to prevent overspending and ensure resources are allocated to priority areas.

02 Regular Audits

Conduct regular financial audits to identify inefficiencies in budget execution and provide accountability.

03 Protect Development Allocations

Safeguard development budgets from reallocations during supplementary budget revisions to ensure sustainable investments in health infrastructure and services.

04 Multi-Year Commitments

Establish multi-year funding commitments for critical health programmes such as nutrition to enhance planning, execution and service delivery

05 Empower Community Health Promoters (CHP)

Increase training and support for CHVs to enhance outreach efforts on nutrition initiatives.

06 Cross-Sector Collaborations

Foster collaboration between health, agriculture, and education sectors to create synergies, especially in nutrition and preventive health programs.

07 Holistic Approaches

Develop holistic health programs that address social determinants of nutrition healthcare, such as food security

08 Link Expenditure to Outcomes

Establish a performance-based budgeting framework that ties funding to measurable health outcomes, ensuring accountability for results.

09 Public Reporting

Regularly publish budget implementation reports that detail expenditures and outcomes at community and facility levels to enhance transparency.



Conclusion

The analysis of budget credibility in Nyamira County's health sector reveals significant challenges in aligning approved health budgets with actual expenditures. While health allocations have increased, actual spending often falls short, particularly in development expenditures, which undermines the county's ability to improve service delivery and achieve Universal Health Coverage (UHC).

Key issues such as procurement delays, weak institutional capacity, and frequent supplementary budget adjustments contribute to these gaps. By implementing the recommendations outlined above, Nyamira County can enhance its budget credibility, improve the efficiency of health service delivery, and ensure that health resources are directed towards priority needs.

Strengthening fiscal discipline, enhancing procurement processes, and fostering community engagement are essential steps toward building a resilient health system that meets the needs of the population. Ultimately, these efforts will contribute to better health outcomes and greater equity in access to healthcare services in Nyamira County.





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