KENYA

Kenya’s Economic Performance Before the Kampala Declaration

KAMPALA CAADP SERIES

COUNTRY DIAGNOSTICS

Brochure #2

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This report was produced under AKADEMIYA2063's **Kampala CAADP Series**, an initiative designed to provide a policy deployment package to support the domestication and implementation of the Kampala CAADP Declaration on Building Resilient and Sustainable Agrifood Systems in Africa, adopted by the African Union (AU). This brochure draws on findings from the **Kampala Goals and Milestones Report for Kenya,** part of a series of diagnostic studies conducted in selected countries to support AU Member States and regional economic communities (RECs) in integrating the Declaration into their national and regional agrifood systems investment plans (NASIPs and RASIPs), while promoting best practices in agrifood systems governance.

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Introduction

Recognizing agriculture's vital role in Africa's development, African leaders adopted the Comprehensive Africa Agriculture Development Programme (CAADP) in Maputo, Mozambique, as a continent-wide framework to drive economic growth, reduce poverty, and improve food and nutrition security. In 2014, the Malabo Declaration expanded CAADP, with seven commitments to accelerate agricultural transformation. Over the past two decades, CAADP has elevated the profile of African agriculture, increased political commitment to and investment in the agrifood sector, engaged a broad range of stakeholders, and driven progress in agricultural growth, trade, and poverty reduction. However, the 2023 fourth CAADP Biennial Review found that Africa was not on track to meet all Malabo Declaration goals by 2025.

As the Malabo Declaration expired at the end of 2025, the Department of Agriculture, Rural Development, Blue Economy, and Sustainable Environment of the African Union Commission and the African Union Development Agency–New Partnership for Africa's Development (AUDA-NEPAD) jointly led the process to develop a post-Malabo CAADP agenda. This work included broad, inclusive regional stakeholder consultations and analysis to guide the development of a robust, evidence-based post-Malabo agenda.

These efforts informed the development of the new CAADP Strategy and Action Plan (2026–2035) and the Kampala CAADP Declaration adopted by African Heads of State and Government in January 2025[1].

Building on its longstanding partnership with the African Union Commission, AKADEMIYA2063 is supporting the domestication and implementation of the CAADP Strategy and Action Plan (2026–2035) and the Kampala CAADP Declaration. The Kampala Declaration calls on all Member States and regional economic communities (RECs) across the continent to integrate it into their national and regional agrifood systems investment plans and to adopt best practices in the governance of their agrifood systems. In anticipation of the intensive work required to update, design, and implement evidence-based, country-level national agrifood systems investment plans aligned with the Declaration, AKADEMIYA2063 is conducting a set of three Kampala Declaration diagnostics in selected countries.

[1] CAADP Strategy and Action Plan: 2026-2035 (Building Resilient and Sustainable Agrifood Systems in Africa). Kampala CAADP Declaration on Building Resilient and Sustainable Agrifood Systems in Africa.

These diagnostics will result in three reports for each country:

- A Kampala Declaration Status Assessment and Profile Report
- A Kampala Declaration Goals and Milestones Report
- A Kampala Declaration Policy and Program Opportunities and Good Practice Report

Under the Kampala Declaration Goals and Milestones Report, AKADEMIYA2063 conducts an ex-ante analysis of progress toward intermediate targets necessary for a country to achieve the Kampala Declaration commitments on agrifood system transformation. Different scenarios—including a continuation of current trends and reallocation of public expenditure priorities consistent with the Kampala Declaration—are formulated, and their prospects are examined with regard to achieving the national and continental development goals and milestones under the Kampala Declaration. Such analyses will serve as important input for investment planning and for identifying intermediate milestones that a country must meet and actions it must take to achieve the Kampala Declaration's agrifood systems transformation goals and targets.

This brochure provides an overview of Kenya's economic performance before the Kampala Declaration, drawing on findings from the Kampala Goals and Milestones Report for Kenya.

Kenya's Economy Before the Kampala Declaration

Kenya is a lower-middle-income country and, with a gross domestic product (GDP) estimated at US$110 billion in 2021, has the largest economy among the countries in the East African Community. Kenya's economy is structurally diverse, combining a dynamic services sector, a vital agricultural base, and a growing industrial sector. Services dominate, contributing more than half of GDP, while agriculture remains central to rural livelihoods, food security, and exports. Industry, though smaller, is strategically important for job creation and value addition, particularly through agro-processing and construction.

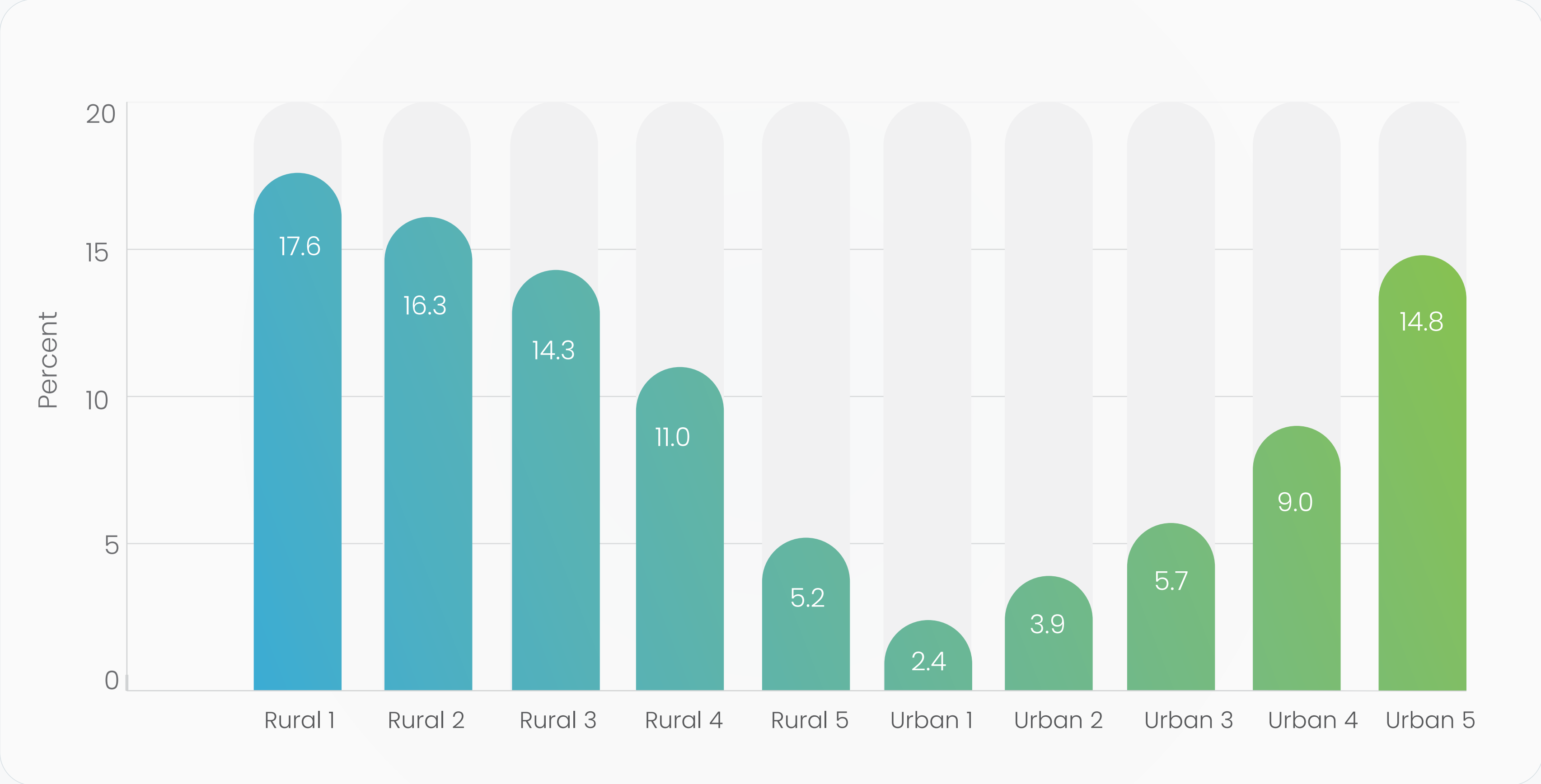
Demographic structure

Demographically, Kenya has a population of about 54 million (2021), with a high annual growth rate of 2.7 percent. Nearly 60 percent of Kenyans are under 25. This demographic profile offers ongoing opportunities for labor force expansion, innovation, and market growth, but also creates challenges in job creation, skills development, and the delivery of social services.

Urbanization is accelerating, with nearly 30 percent of the population now living in cities, creating new demand for infrastructure, housing, and services, while rural areas remain highly dependent on agriculture. Harnessing the youth bulge, strengthening agriculture, deepening industrial transformation, and leveraging services will be critical to achieving inclusive, resilient, and food-secure growth under the domestication of the Kampala Declaration in Kenya.

Figure 1 shows the shares of rural and urban households in Kenya in each of the five income categories. A majority of poor households are rural, while most of the wealthiest households are urban. Rural households in the lowest income group account for 17.6 percent of Kenya's population, while rural households in the highest income group represent only 5.2 percent. Conversely, urban households in the lowest and highest income groups account for 2.4 and 14.8 percent of the population, respectively.

Figure 1 Population shares of rural and urban income classes in Kenya



Source: *2021 Social Accounting Matrix (SAM) for Kenya.*[2]
Note: *Category 1 denotes the lowest income group in each rural or urban area, and 5 the highest.*

[2] Kenya Institute for Public Policy Research and Analysis (KIPPRA); Kenya National Bureau of Statistics (KBS); International Food Policy Research Institute (IFPRI). 2023. 2021 Social Accounting Matrix for Kenya: A Nexus Project SAM. Data Paper. Washington, DC. https://doi.org/10.2499/p15738coll2.136728

Economic structure

Services dominate Kenya's economy, accounting for 43.0 percent of GDP (Table 1). They include wholesale and retail trade, transport, financial services, and other private services. Public services and industry account for 14.9 and 12.8 percent of GDP, respectively. Kenya's industry is driven by manufacturing, construction, and mining.

Table 1 Kenya—Summary of GDP shares by sector and selected subsectors, 2021

Level	Sector / Subsector	GDP Share (%)
Economy-wide	Services	43.0
	Industry (incl. manufacturing, construction, extractives)	12.8
	Agriculture (total)	23.4
	Agro-processing (total)	5.9
	Public services	14.9
Agriculture key subsectors	Food crops (total)	10.2
	Export crops (total)	6.0
	Livestock (total)	4.7
	Fisheries	0.7
	Forestry	1.8

Table 1 Continued

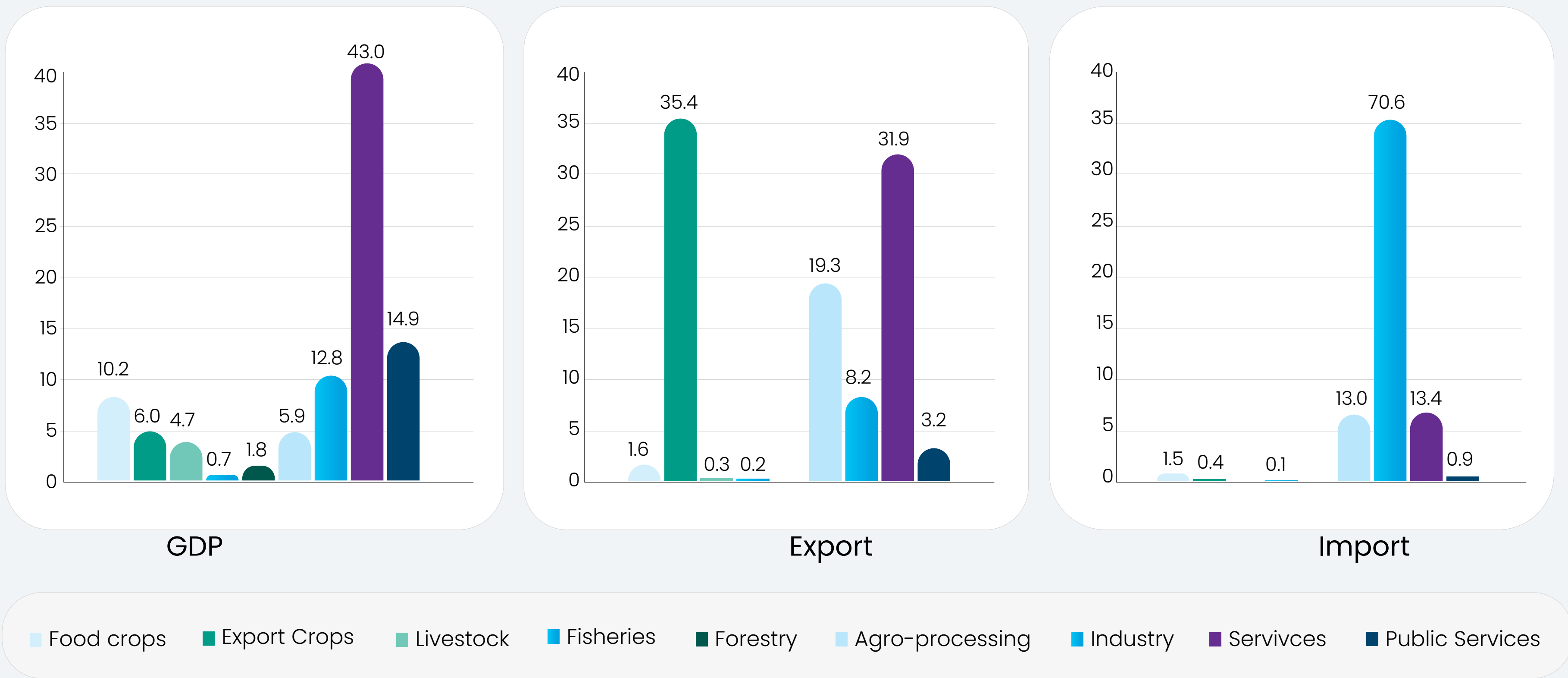
Level	Sector / Subsector	GDP Share (%)
Food crops (selected)	Maize	2.9
	Pulses	1.3
	Vegetables	2.4
	Roots	2.3
Export crops (selected)	Coffee, tea and cocoa	1.8
	Fruits and nuts	2.6
	Other crops (including horticulture)	1.5
Livestock (selected)	Cattle and raw milk	3.2
	Poultry	0.8
	Other livestock	0.7

Source: *2021 Social Accounting Matrix (SAM) for Kenya.*

The agrifood sector of Kenya’s economy, broadly defined to include agriculture (food and export crops, livestock, fisheries, and forestry) and agro-processing, accounts for 29.3 percent of GDP. Agriculture remains the backbone of rural livelihoods, a key source of exports, and an anchor of national food security.

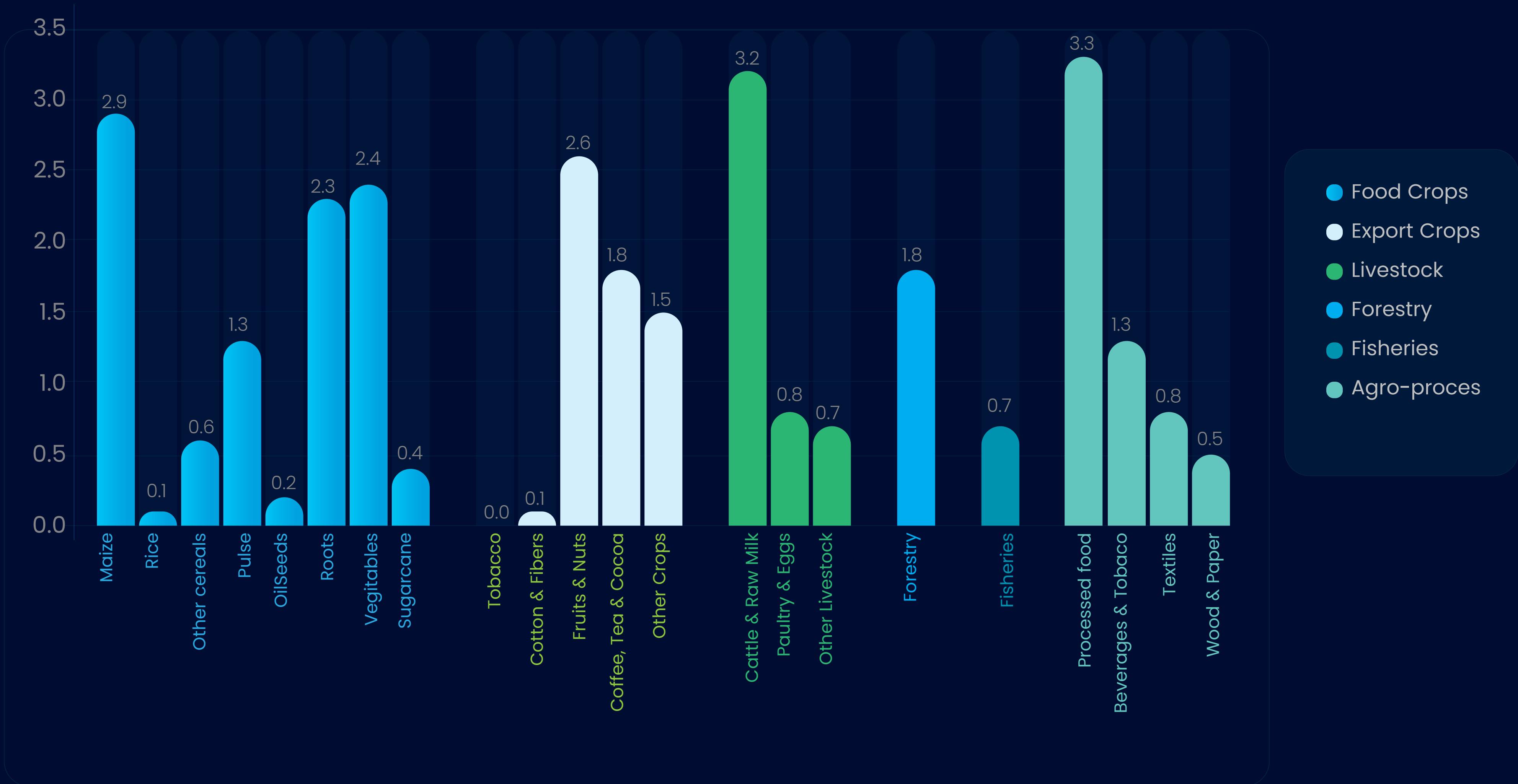
Within the agrifood sector, food crops play a major role, accounting for around 10 percent of Kenya's GDP (Figure 2). Major food crops include maize, vegetables, roots, and pulses (Figure 3). Export crops account for around 6 percent of GDP, with major crops including fruits and nuts; coffee, tea, and cocoa; and other export crops, such as horticultural products. Livestock accounts for slightly under 5 percent of national GDP, while fisheries and forestry represent smaller shares. Cattle and raw milk are the major livestock subsectors, followed by poultry.

Figure 2 Sectoral shares in GDP and trade (percent)



Source: *2021 Social Accounting Matrix (SAM) for Kenya.*

Figure 3 GDP shares of Kenya's key agrifood subsectors

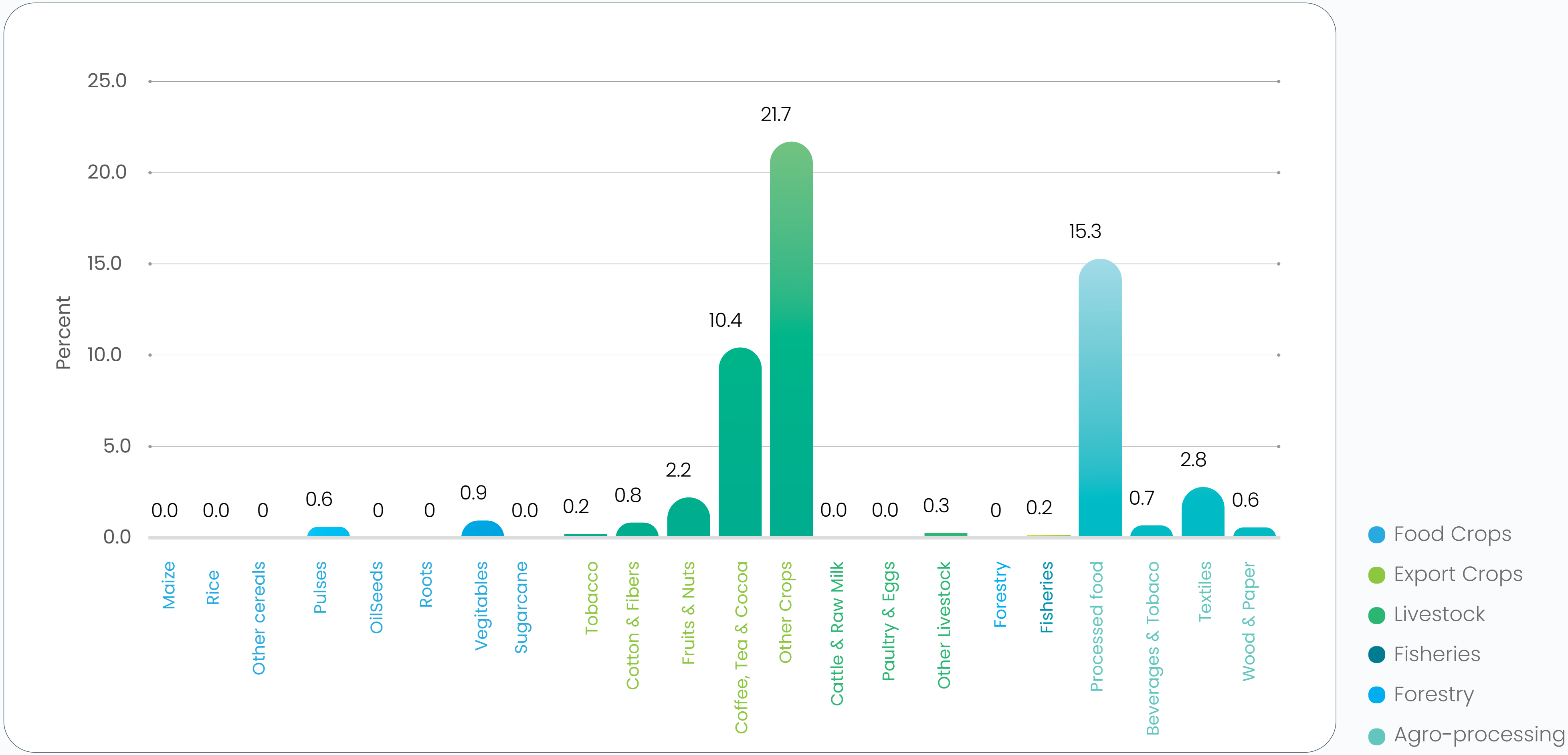


Source: *2021 Social Accounting Matrix (SAM) for Kenya.*

Agro-processing is a promising subsector with significant potential. It now accounts for 5.9 percent of Kenya's GDP. Food processing plays the largest role in agro-processing, followed by beverages and tobacco, textiles (including clothing and footwear), and wood and paper products.

The agrifood sector accounts for the largest share of national exports—over 55 percent of all exports by value (Figure 2). The service sector is the source of around 32 percent of exports. Kenya's agrifood export profile shows a high concentration in a few commodities, mostly export crops or agro-processing products—coffee, tea, and cocoa, with an export share of 10.4 percent; other export crops (e.g., horticulture), with a share of 21.7 percent; processed foods, with a share of 15.3 percent; and textiles, with a share of 2.8 percent (Figure 4). Together, these products account for nearly half of Kenya's exports. This concentration reflects both Kenya's comparative advantage in producing these products for trade and the importance of agriculture and agro-processing to Kenya's export earnings.

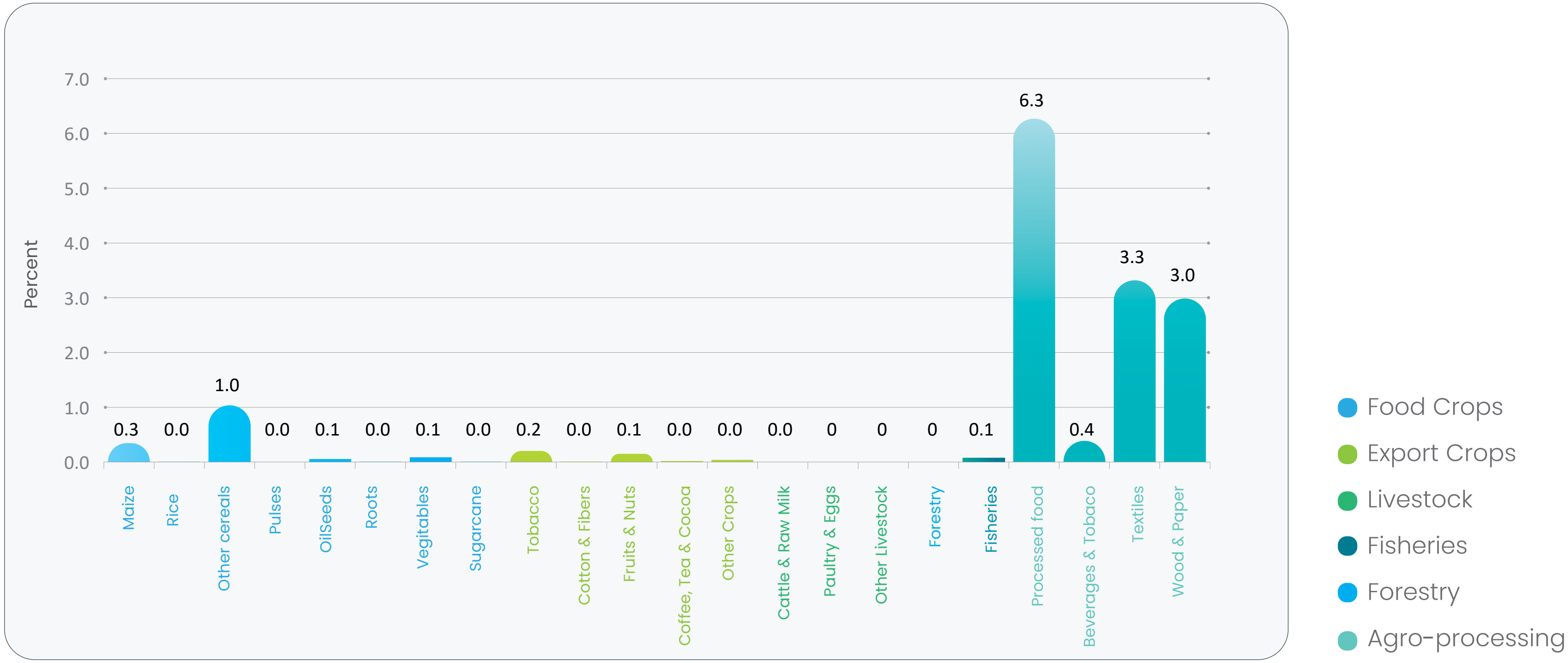
Figure 4 Kenya's agrifood export structure, share of total exports



***Source**: 2021 Social Accounting Matrix (SAM) for Kenya.*

While industrial products make up over 70 percent of imports, Kenya's agrifood imports highlight structural gaps in the nation's agrifood system. In contrast to agrifood exports, where export crops play the largest role, processed agrifood products account for the vast majority of Kenya's agrifood imports (Figure 5). Processed foods account for 6.3 percent of Kenya's total imports; textiles, 3.3 percent; and wood and paper products, 3.0 percent. Outside processed agrifood products, the "other cereals" category (mainly wheat), part of the food crop subsector, accounts for around 1 percent of national imports.

Figure 5 Kenya's agrifood import structure, share of total imports



Source: *2021 Social Accounting Matrix (SAM) for Kenya.*

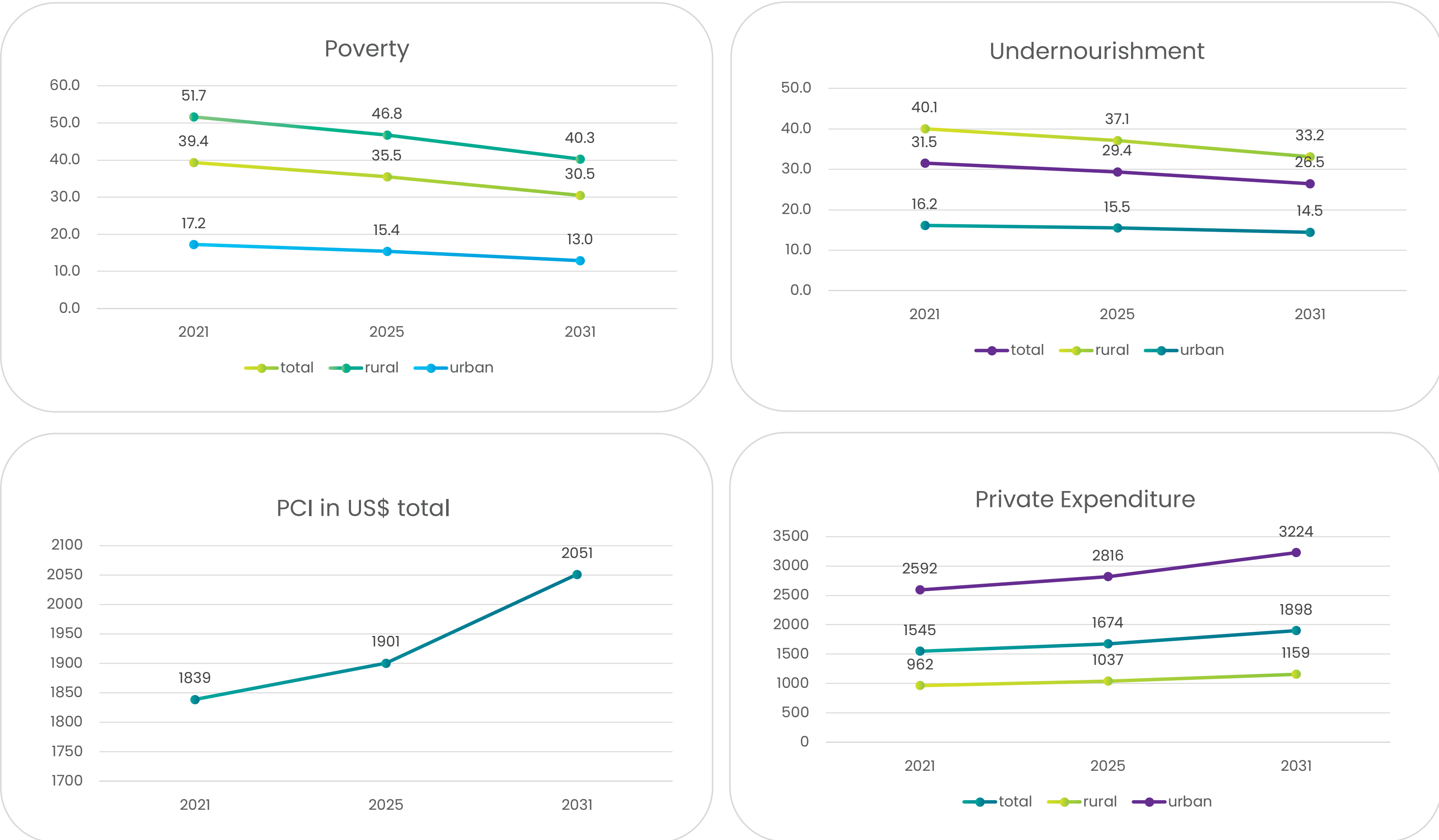
Trends in Achieving the Sustainable Development Goals (SDGs) and CAADP Biennial Review Commitments

As Kenya designs its policy and investment strategies to meet the Kampala CAADP Declaration goals, it is instructive to examine the country's progress and current status vis-à-vis achieving the global SDGs and the commitments under the Malabo CAADP Declaration as measured by the CAADP Biennial Reviews.

Kenya's progress toward achieving the SDGs has been mixed, with slow advancement in some areas and more rapid improvement in others (Figure 6, Table 2):

- **Poverty:** The national poverty headcount remains high, at 39.4 percent of the population in 2021. Poverty is significantly higher in rural areas (51.7 percent) compared to urban areas (16.2 percent).
- **Undernourishment:** In 2021, 31.5 percent of the population was undernourished, with much higher rates in rural areas (40.1 percent) compared to urban areas (16.2 percent).
- **Household income:** Per capita income increased significantly between 2005 and 2021, with an average annual growth rate of more than 2 percent, rising from US$ 1,335 to US$ 1,839. Urban households not only had significantly higher incomes than those in rural areas but also experienced faster income growth—2.6 percent annually for urban households compared to 2.0 percent for rural households.
- **Child nutrition:** Child undernutrition rates have been declining in Kenya in recent years. The prevalence of stunting among children under five years of age fell from 26.2 percent in 2016 to 17.6 percent in 2021. Wasting declined from 6.5 percent in 2016 to 4.5 percent in 2021. The proportion of underweight children decreased by about 4.1 percent per year over the same period.

Figure 6 Trends in Sustainable Development Goal-related indicators for Kenya



Source: *Analysis by authors.*
Note: *PCI = "Per capita income."*

Table 2 Summary of key Sustainable Development Goal-related indicators for Kenya

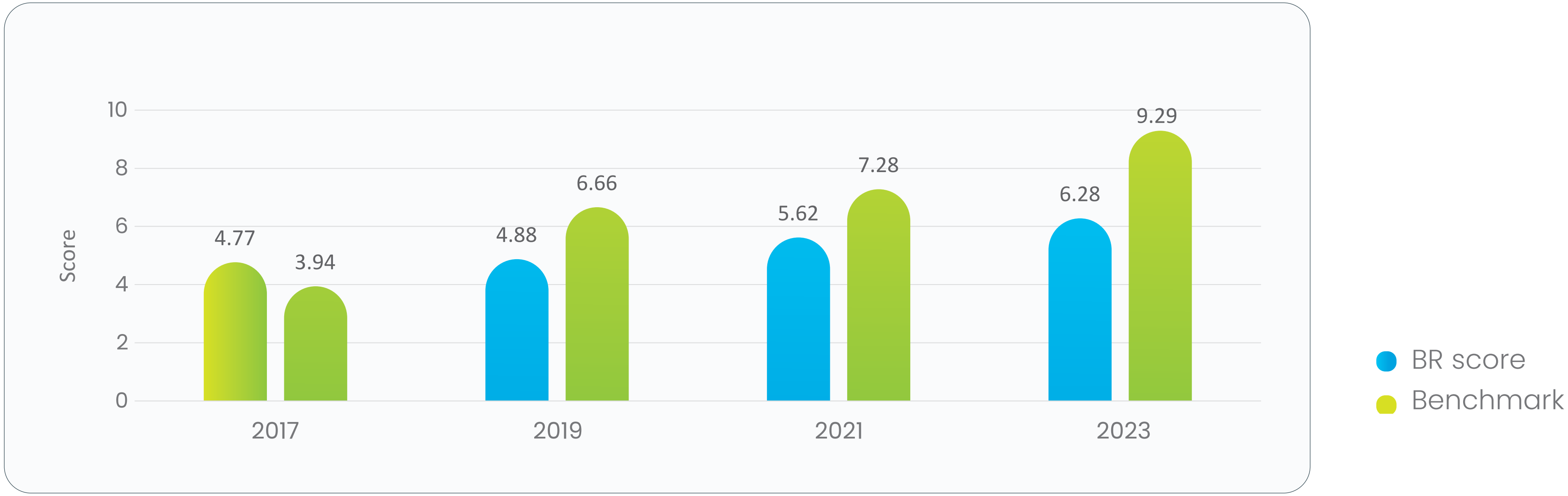
Indicator	Level	Value (2021)	Trend (2005-2021)	Remarks
Poverty rate	National	39.4%	↓ (-1.6% p.a. until 2019; ↑ during COVID)	Higher in rural areas
Poverty rate	Rural	51.7%	Persistent	
Poverty rate	Urban	16.2%	Much lower	
Undernourishment	National	31.5%	Marginal decrease; ↑ during COVID	Rural 2.5x urban
Undernourishment	Rural	40.1%	Persistent	
Undernourishment	Urban	16.2%	Much lower	
Stunting (children)	National	17.6%	↓ from 26.2% (2016)	-6.4% p.a. reduction
Wasting (children)	National	4.5%	↓ from 6.5% (2016)	-5.5% p.a. reduction
Underweight (children)	National	--	↓ steadily	-4.1% p.a. reduction
Per capita income (PCI)	National	1,839 US$	↑ from 1,335 US$	+2% p.a. growth
Household income	National	--	+2.3% p.a. (2021-2025)	Urban ↑ 2.6%; Rural ↑ 1.95%

Source: *Based on the 2021 Social Accounting Matrix (SAM) for Kenya and SDG monitoring data.*
Note: *The COVID-19 pandemic between 2020 and 2023 reversed progress in reducing poverty and undernourishment. Child nutrition indicators show stronger long-term improvement.*

Taken together, these trends suggest that, while Kenya has made important progress in reducing child malnutrition and raising incomes, economic growth has not yet been fully inclusive. Rural households remain disproportionately affected by poverty and undernourishment.

For Kenya's agrifood sector, progress toward the Malabo CAADP Declaration commitments, as measured by CAADP Biennial Review scores, was considered on track only during the first Biennial Review in 2017 (Figure 7). Kenya did not meet the Biennial Review target benchmark score in the 2019, 2021, and 2023 reviews.

Figure 7 CAADP Biennial Review scores for Kenya, by year



Source: *AU Biennial Review reports.*
Note: *BR = "Biennial Review." CAADP = "Comprehensive Africa Agriculture Development Programme." Green bars indicate on-track scores.*

Among the seven Malabo CAADP Commitment areas, Kenya has made the most progress in commitments 3 (ending hunger), 4 (halving poverty), and 6 (enhancing resilience to climate variability). The other four commitment areas generally showed stagnation or uneven growth across the four Biennial Reviews (Figure 8).

Figure 8 CAADP Biennial Review scores for Kenya, by year and commitment area

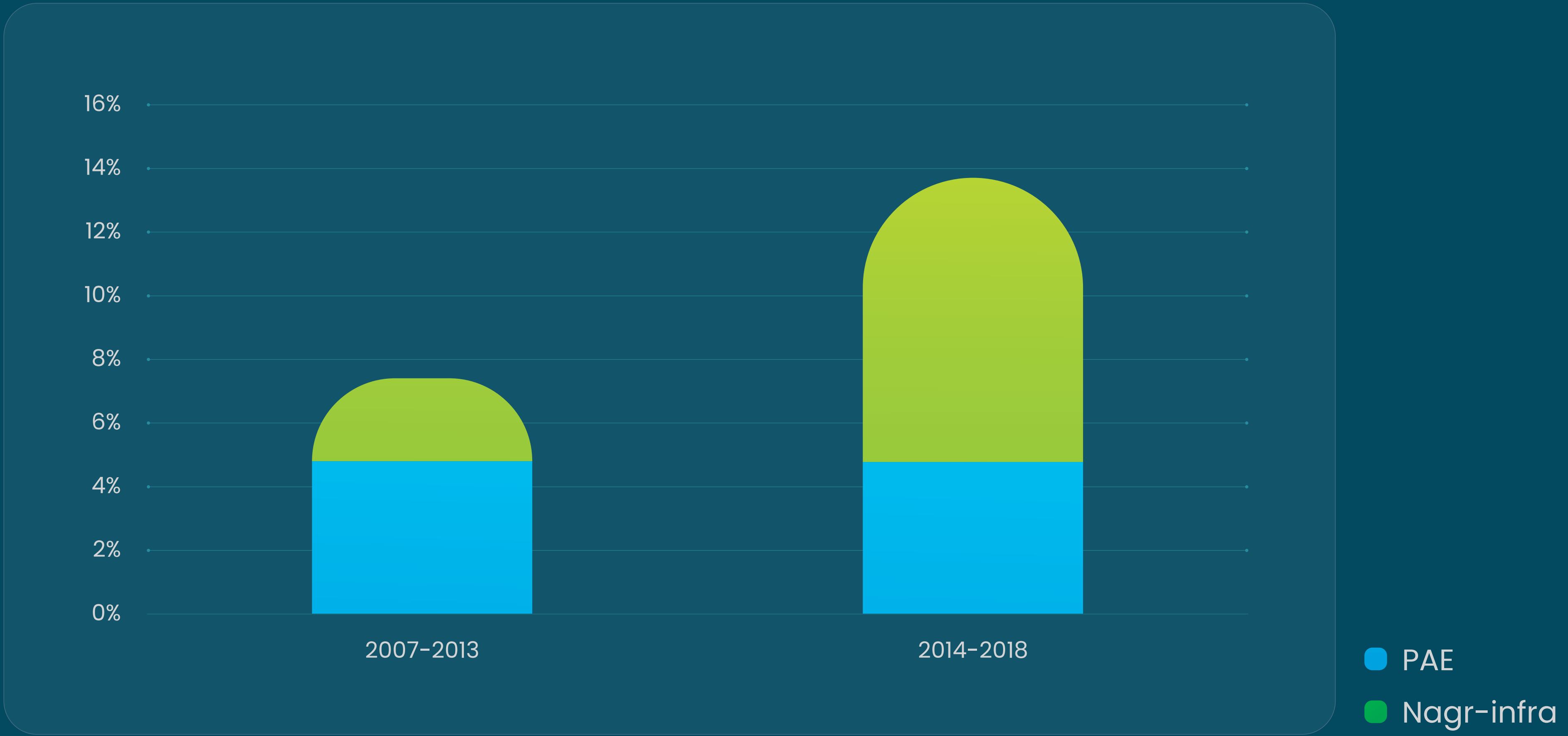
Source: *AU Biennial Review reports.*
Note: *CAADP = "Comprehensive Africa Agriculture Development Programme". The green bars indicate that Kenya met or exceeded the benchmark score for the specific commitment area in the Biennial Review.*

Assessing Kenya's Performance under the Maputo and Malabo CAADP Commitment Periods

Public agricultural expenditure (PAE) is defined to include investments in farm support (FS), natural resource management (NR), market access (MA), science and technology innovation (STI), and the enabling environment (EE—which comprises governance of agrifood system transformation). For the diagnostic assessments here, infrastructure investment in rural areas is used as a proxy for non-agricultural public expenditure (Nagr-Infra) with a direct impact on CAADP outcomes. It includes investment in rural roads, energy, internet, health, and education.

For Kenya, the budget share of PAE remained relatively stable in the years before and after the Malabo Declaration in 2014, at between 4 and 5 percent. However, the share of rural infrastructure investments increased significantly after the Malabo Declaration, rising from less than 4 percent between 2007 and 2013 to nearly 10 percent between 2014 and 2018 (Figure 9).

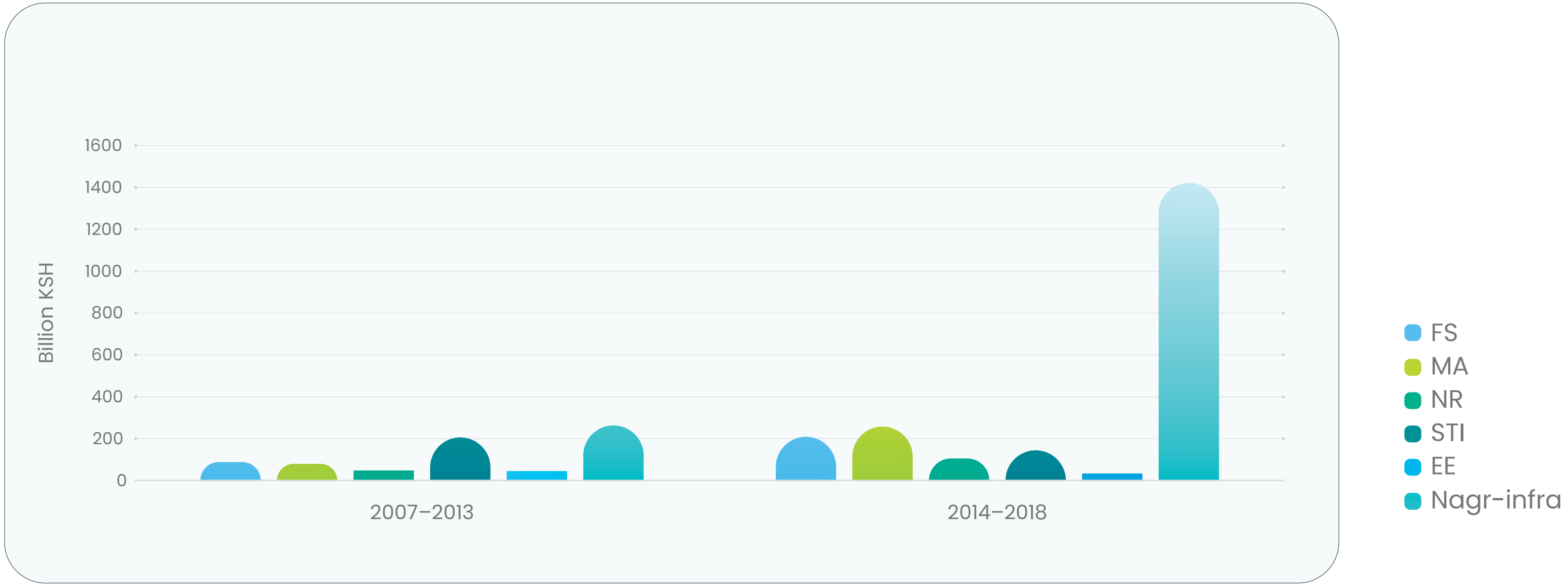
Figure 9 Public agricultural expenditure and public expenditure in rural infrastructure in Kenya as a share of total public expenditure, 2007–13 and 2014–18



Source: *2021 Social Accounting Matrix (SAM) for Kenya.*
Note: *PAE = "Public agricultural expenditure." Nagr-infra refers to infrastructure investment in rural areas and is used as a proxy for non-agricultural public expenditure.*

Within PAE, expenditures on market access, natural resource management, and farm support increased, while spending on science and technology innovation declined (Figure 10). Spending on the enabling environment remained relatively stable, reflecting ongoing support for effective governance of the transformation of Kenya's agrifood system.

Figure 10 Public agriculture expenditure by type and rural infrastructure expenditure trends in Kenya, 2007-2013 and 2014-2018 (annual averages), billion Kenya shillings



Source: *2021 Social Accounting Matrix (SAM) for Kenya.*
Note: *FS = "farm support." MA = "market access". NR = "natural resource management". STI = "science and technology innovation." EE = "enabling environment." Nagr-infra refers to infrastructure investment in rural areas, which is used as a proxy for non-agricultural public expenditure.*

Conclusion

Kenya has made measurable progress in key areas, particularly in reducing child malnutrition, increasing household incomes, and strengthening resilience-related outcomes. Among the seven Malabo CAADP commitment areas, the country recorded the strongest progress in commitments 3 (ending hunger), 4 (halving poverty), and 6 (enhancing resilience to climate variability). The remaining four commitment areas generally experienced stagnation or uneven performance across the four Biennial Review cycles. The findings also point to persistent structural inequalities, with rural populations continuing to face disproportionately high levels of poverty and undernourishment. These trends suggest that economic growth and sectoral progress have not yet translated into sufficiently broad-based and inclusive development outcomes.

The mixed performance across the Malabo CAADP commitment areas further underscores the need for stronger policy coherence, targeted investments, and accelerated implementation to sustain progress under the Kampala Declaration. While gains in resilience and hunger reduction demonstrate the potential of focused interventions, uneven progress across other commitments highlights the importance of strengthening accountability and ensuring that agrifood systems transformation delivers more inclusive outcomes. The next brochure in the series examines whether Kenya's current policy and investment priorities are on track to achieve the goals and targets of the Kampala Declaration.

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ABOUT AKADEMIYA2063

AKADEMIYA2063 is a pan-African non-profit research organization with headquarters in Kigali, Rwanda, and a regional office in Dakar, Senegal. Inspired by the ambitions of Agenda 2063 and grounded in the recognition of the central importance of strong knowledge and evidence systems, the vision of AKADEMIYA2063 is an Africa with the expertise we need for the Africa we want. This expertise must be responsive to the continent's needs for data and analysis to ensure high-quality policy design and execution. Inclusive, evidence-informed policymaking is key to meeting the continent's development aspirations, creating wealth, and changing livelihoods for the better. AKADEMIYA2063's overall mission is to create, across Africa and led from its headquarters in Rwanda, state-of-the-art technical capacities to support the efforts of the Member States of the African Union to achieve the key goals of the African Union's Agenda 2063 – transforming national economies to boost growth and prosperity. Following from its vision and mission, the main goal of AKADEMIYA2063 is to help meet Africa's needs at the continental, regional, and national levels in terms of data, analytics, and mutual learning for the effective implementation of Agenda 2063 and the realization of its outcomes by a critical mass of countries. AKADEMIYA2063 strives to meet its goals through programs organized into five strategic areas—policy intelligence, knowledge systems, data intelligence, and governance—as well as partnerships and communications and outreach activities. For more information, visit www.akademiya2063.org.

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