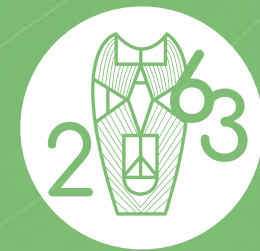




• KENYA



AKADEMIYA



Policy & Investment Priority Areas for Higher Incomes, Reduced Poverty & Undernutrition & Healthy Diets in Kenya

KAMPALA CAADP SERIES

COUNTRY DIAGNOSTICS

Brochure #5

Policy and Investment Priority Areas for Higher Incomes, Reduced Poverty and Undernutrition, and Healthy Diets in Kenya

KAMPALA CAADP SERIES: COUNTRY DIAGNOSTICS

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Suggested Citation: Henning, C., J. Ziesmer, M. Tankari, H. Okodua, M. Pene, M.H. Diallo, P. Guthiga, and J. Collins. 2026. *Policy and Investment Priority Areas for Higher Incomes, Reduced Poverty and Undernutrition, and Healthy Diets in Kenya*. Kampala CAADP Series, Country Diagnostics Brochure #5. Kigali: AKADEMIYA2063. <https://doi.org/10.54067/KCSD/Kenya/No.5>

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 2025¹.

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.

¹CAADP [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 examines Kenya's policy and investment priorities for achieving higher incomes, reducing poverty and undernutrition, and improving dietary outcomes, drawing on findings from the Kampala Goals and Milestones Report for Kenya.



Policy and Investment Priority Areas for Higher Incomes, Reduced Poverty and Undernutrition, and Healthy Diets in Kenya

The potential contribution of growth in key economic sectors, agrifood systems, and individual value chains in Kenya to the Kampala Declaration goals on poverty, nutrition, and inclusivity was examined above. However, for these contributions to materialize, the Kenyan government needs to make the necessary investments to achieve the required economic growth. In other words, money has to be spent to implement conducive economic growth and social transfer policies that will generate the intended changes in income, poverty, nutrition, and inclusivity outcomes.

The relative contributions of increased investments in different categories of public expenditure within agrifood systems and non-agricultural sectors to the above outcomes were therefore examined to guide policy and investment prioritization and targeting in Kenya. As was done earlier in this report, public agrifood expenditure categories are defined along several key policy areas—farm support (FS), market access (MA), natural resource management (NR), and science and technology innovation (STI).

Expenditure categories by policy area are further disaggregated into specific policy interventions for which funds will be required to implement a particular policy priority. Farm support (FS) policies are implemented through farm subsidies (FS sub) and funding for cooperative activities (FS coop. Market access (MA) policies are implemented through funding for physical market infrastructure (MA inf) or digital infrastructure (MA digital). Natural resource management (NR) can be implemented through funding for improved water management (NR water) or sustainable land management (NR land), although our diagnosis of policy and investment priority areas does not examine land investments. Science and technology innovations (STI) involve investment in agricultural research (STI res) and agricultural extension (STI ext).

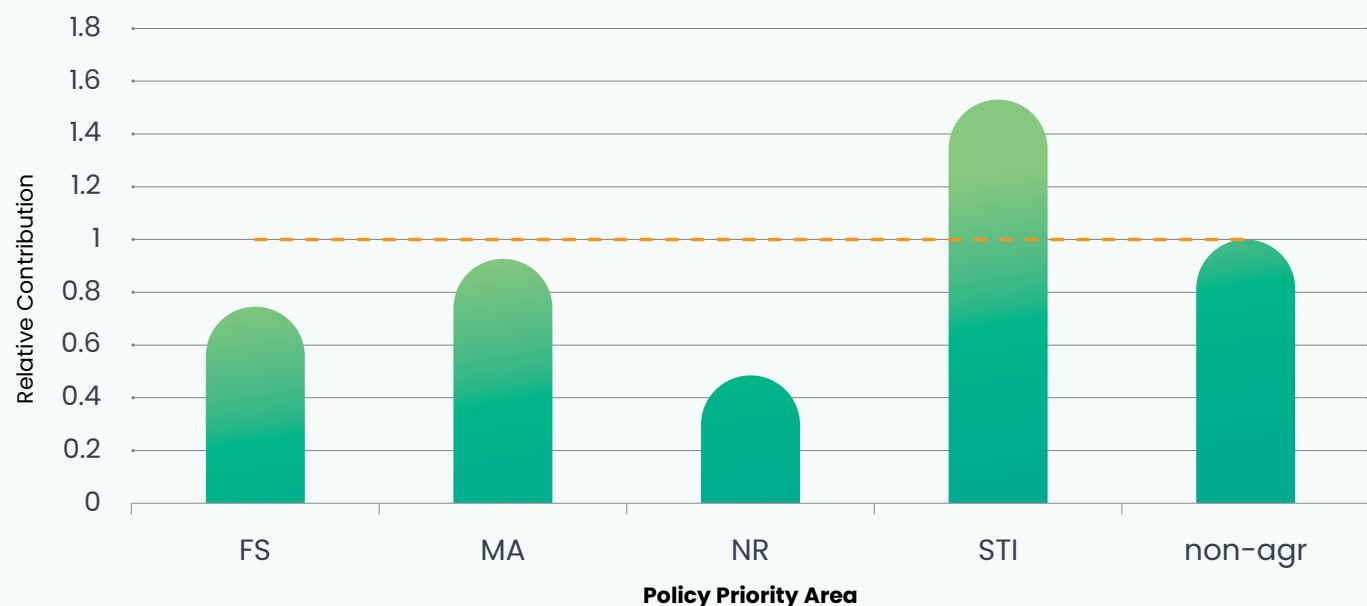
In addition to agrifood system policy priorities, the Kampala Declaration's goals and objectives are affected by public expenditure outside the agrifood sector. Expenditures on rural internet services and rural physical and social infrastructure (Rural-infra), urban infrastructure (Urban-infra), and consumer subsidies (Cons sub) are therefore considered as well.

In line with the public expenditure hierarchy we employ in our analyses, the impact of additional expenditures on income, poverty, and nutrition is first analyzed at the level of individual policy areas and then disaggregated by specific policy intervention areas. In each case, the relative effects of increasing incomes in both rural and urban areas, reducing poverty, lowering the prevalence of undernourishment, and improving Kenyan households' access to a healthy diet are estimated.

For the purpose of comparison and to facilitate prioritization and targeting, the results of the diagnosis are normalized by setting the impact of a specific selected expenditure category as equal to 1 and expressing the impacts of the remaining expenditure categories relative to that benchmark.

Rural household incomes—Figure 1 shows the impact of additional public expenditure to advance key policy areas that will impact rural income levels. The results are shown relative to the impacts of key non-agricultural expenditures (non-agr)—a value of 1 implies equal effectiveness to additional non-agricultural investments, while values above (below) 1 indicate higher (lower) marginal impact relative to non-agricultural expenditures.

Figure 1 Impact on incomes of rural households in Kenya of additional public expenditure, by priority area for public investment



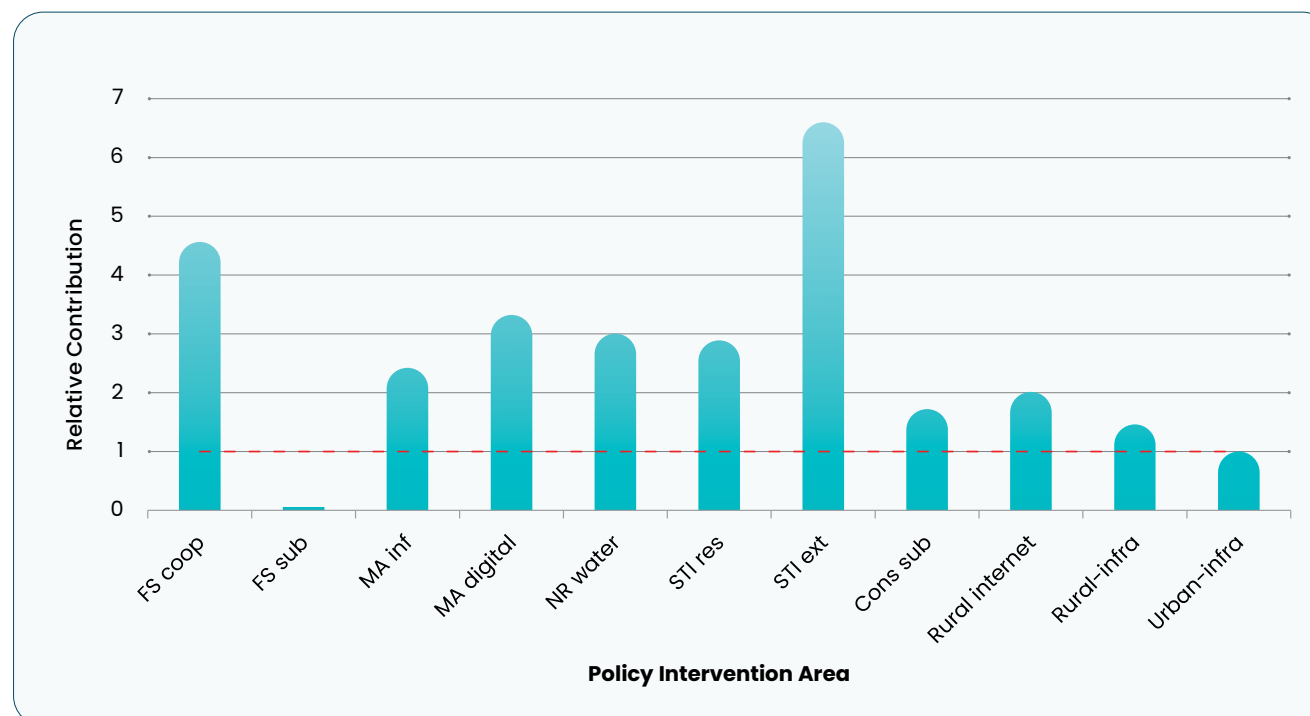
Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on non-agriculture is used as a benchmark and assigned the value of 1. FS = “farm support.” MA = “market access.” NR = “natural resource management.” STI = “science and technology innovation.” non-agr is based on infrastructure investments in rural areas, which is used as a proxy for non-agricultural public expenditure.

Investments in science and technology have by far the highest income-raising effects among rural households in Kenya, equivalent to 1.5 times the effects of investments in non-agrifood priority areas. They are followed by investments in market access, with investments in farm support in third place.

As shown in Figure 2, the bulk of the effects on rural incomes from raising investment in the science and technology policy area is obtained from additional investment in extension services, the contribution of which is more than double that of investment in research.

Figure 2 Impact on incomes of rural households in Kenya of additional public expenditure, by intervention area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on urban infrastructure is used as a benchmark and assigned the value of 1. FS coop = "support to farmers' organizations." FS sub = "support to farmers through subsidies." MA inf = "infrastructure investments for improving market access." MA digital = "digital investments for improving market access." NR water = "investments in water management, particularly irrigation." NR land = "investments in sustainable land improvements." STI res = "investments in research under science and technology innovation." STI ext = "investments in extension services under science and technology innovation." Cons sub = "consumer subsidies."

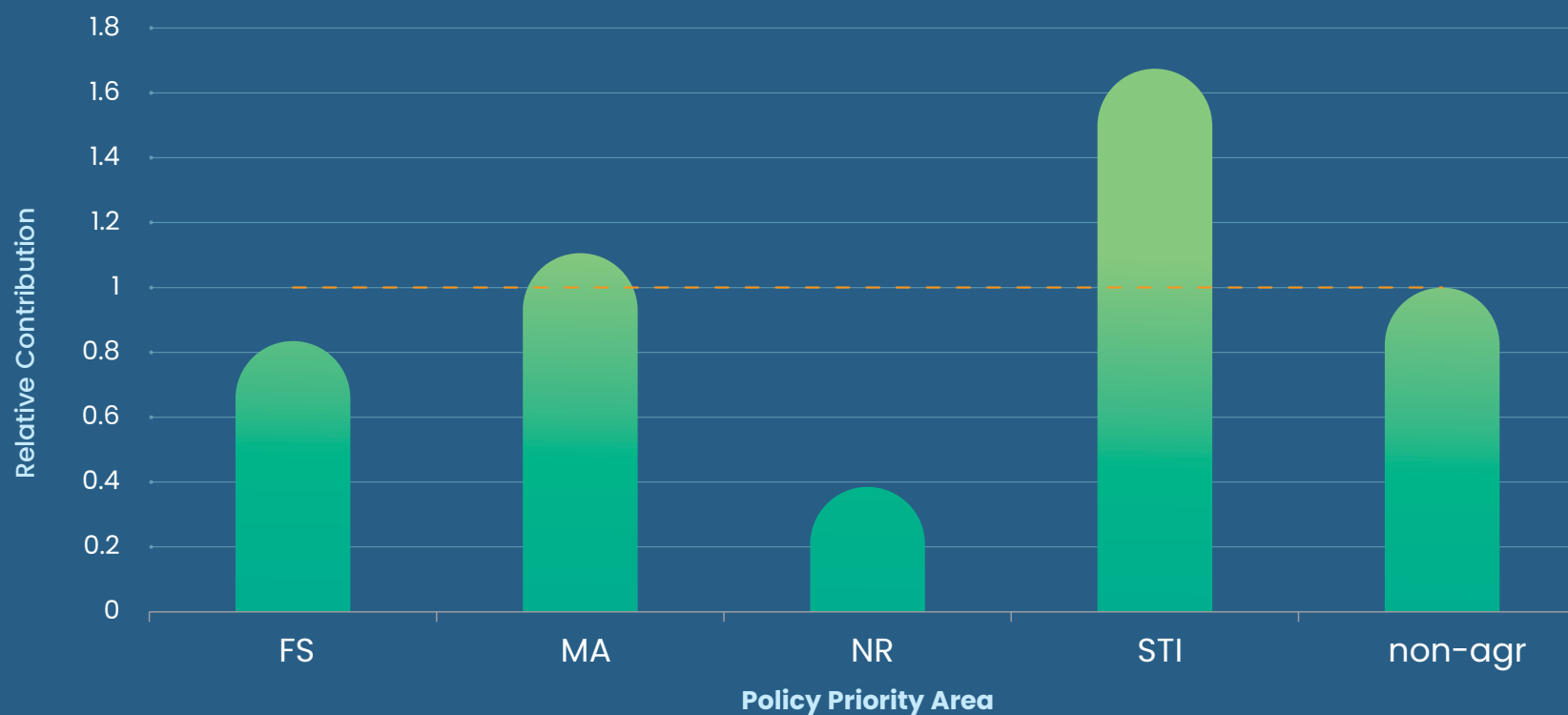
Within the area of farm support, additional expenditure on enhancing the performance of farm cooperatives has the highest effect on rural incomes. For public expenditures to improve market access, investment in digital infrastructure yields the highest returns for rural income generation.

It is noteworthy that additional expenditure on farm subsidies shows the lowest effect on rural incomes compared to expenditure on other agrifood policy interventions. It is also interesting to note that expenditure in all agrifood policy intervention areas, except farm subsidies, shows higher rural income-raising effects than investment in non-agrifood areas, including allocations to rural and urban infrastructure.

Urban household incomes—The effects of additional public agrifood system expenditure on urban incomes in Kenya are depicted in Figure 3 and Figure 4. While the rankings are similar to those observed for rural incomes, the relative effects of increased investment in market access and farm support, compared to the benchmark, are slightly higher for urban incomes. The results show that agrifood system investments have the potential to generate significant income-raising effects for both urban and rural households.



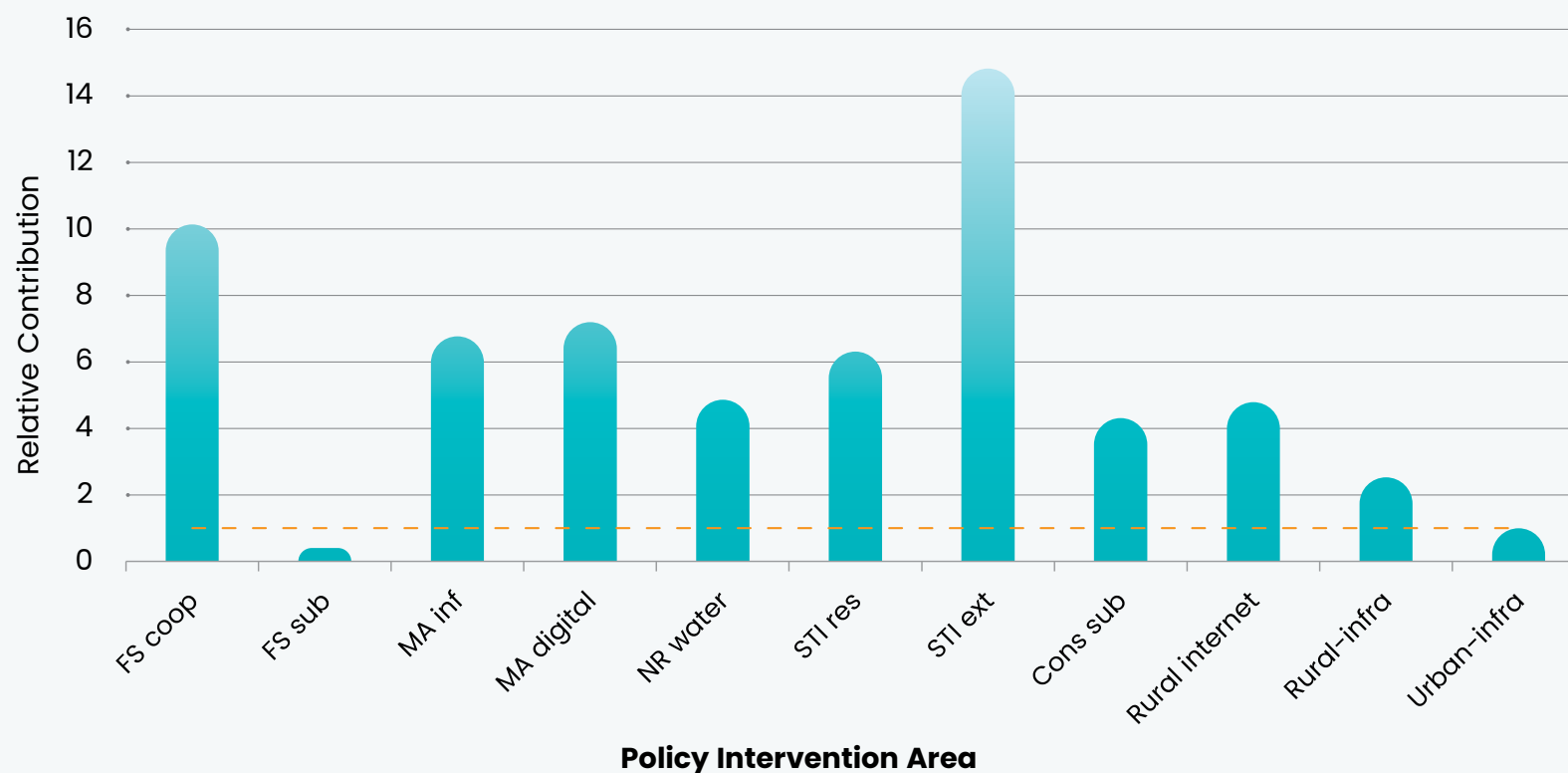
Figure 3 Impact on incomes of urban households in Kenya of additional public expenditure, by priority area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on non-agriculture is used as a benchmark and assigned the value of 1. FS = “farm support”. MA = “market access”. NR = “natural resource management”. STI = “science and technology innovation”. non-agr is based on infrastructure investments in rural areas, which is used as a proxy for non-agricultural public expenditure.

Figure 4 Impact on incomes of urban households in Kenya from additional public expenditure, by intervention area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on urban infrastructure is used as a benchmark and assigned the value of 1. For details on the variable names used in this figure, see the Note to Figure 2 earlier. Cons sub = "consumer subsidies." Rural-infra = "investments in rural infrastructure." Urban-infra = "investments in urban infrastructure."

Reduced poverty, reduced undernutrition, and improved access to a healthy diet—Figure 5, Figure 7, and Figure 9 show the contributions of additional public agricultural expenditure and key non-agricultural expenditures to the goals of reducing poverty, reducing undernourishment, and increasing the share of the population able to afford a healthy diet in Kenya.

Patterns of impact of the types of public expenditure are broadly similar for all the selected goals. For each goal, additional agricultural expenditures on science and technology innovations (STI) have the largest impacts, contributing approximately 1.5 to 2 times as much toward the achievement of the goal as non-agricultural expenditures. For all goals, the next largest impacts derive from spending on market access. For all outcomes, spending on farm support has between half and one times the impact of non-agricultural spending, while spending on natural resource management has around half the impact.

The relative contributions of additional expenditures on specific policy intervention areas are shown in Figure 6, Figure 8, and Figure 10. All results are shown relative to the urban infrastructure category.

Again, the patterns of impact from this expenditure are fairly similar across goals. For all, raising spending on extension services (STI ext) has by far the highest impact—as much as 15 times the impact of urban infrastructure for the goals of reducing undernourishment and increasing the share of the population able to afford a healthy diet.

Spending on farm support for cooperatives (FS coop) makes the next-largest contribution, generally between 7 and 10 times that of urban infrastructure, followed by digital market infrastructure (MA digital), with around 6 or 7 percent of the impact of urban infrastructure. The next four categories of spending are on water management (NR water), agricultural research (STI res), physical market infrastructure (MA inf), and rural internet services, although the order varies somewhat between goals. For all goals, the only expenditure category with lower impacts than urban infrastructure is spending on farm support subsidies (FS sub), which consistently achieves less than half the impact of urban infrastructure.

A clear finding emerging from this analysis for Kenya is that increased agricultural expenditures show greater impacts on achieving the selected goals than non-agricultural expenditures. Among the categories of specific agricultural expenditures, the greatest impact is seen through spending on extension services, support for farmer cooperatives, and digital market infrastructure.



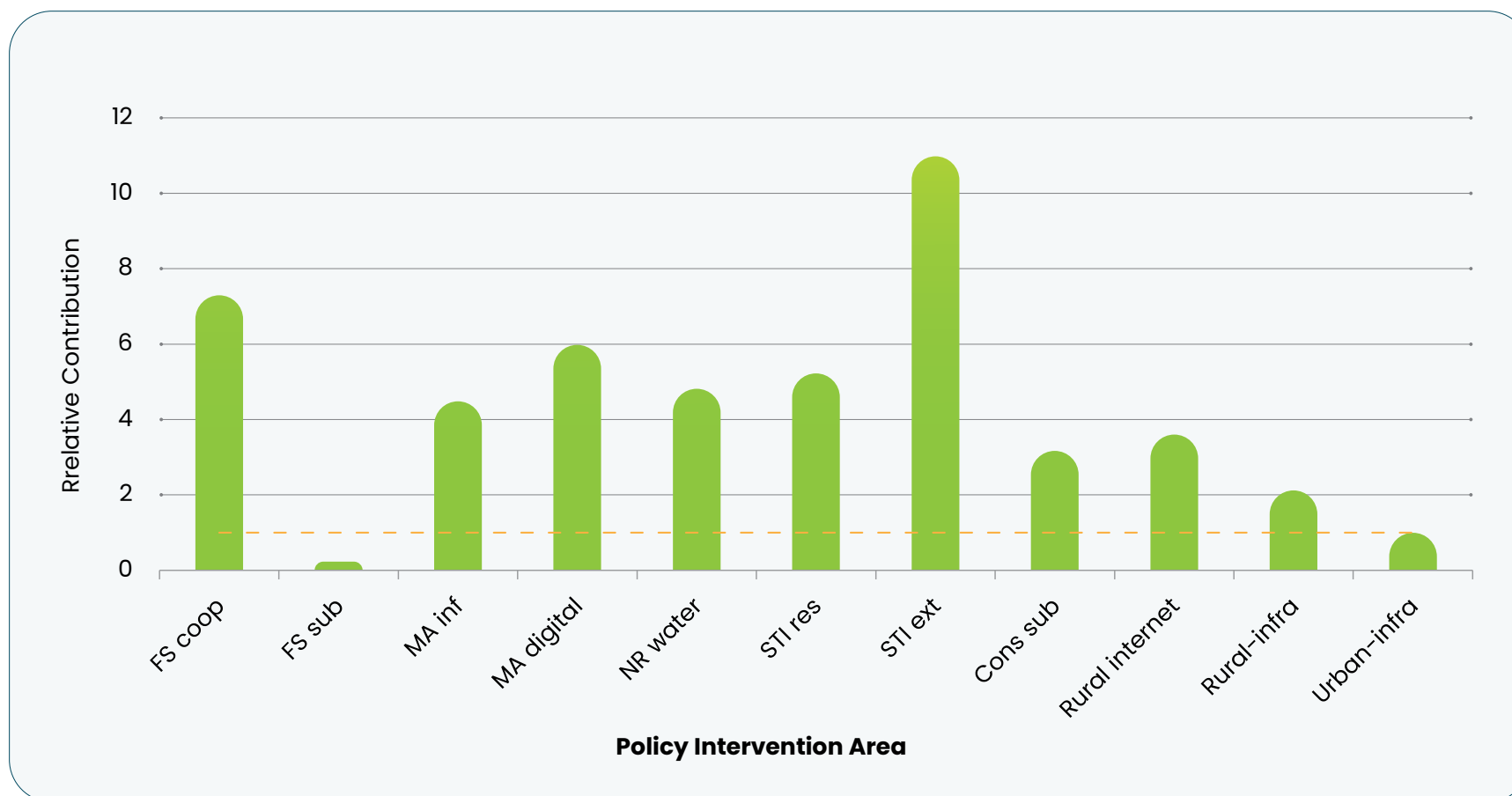
Figure 5 Impact of additional public agrifood expenditure on poverty reduction in Kenya, by priority area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on non-agriculture is used as a benchmark and assigned the value of 1. FS = “farm support.” MA = “market access.” NR = “natural resource management.” STI = “science and technology innovation.” non-agr is based on infrastructure investments in rural areas, which is used as a proxy for non-agricultural public expenditure.

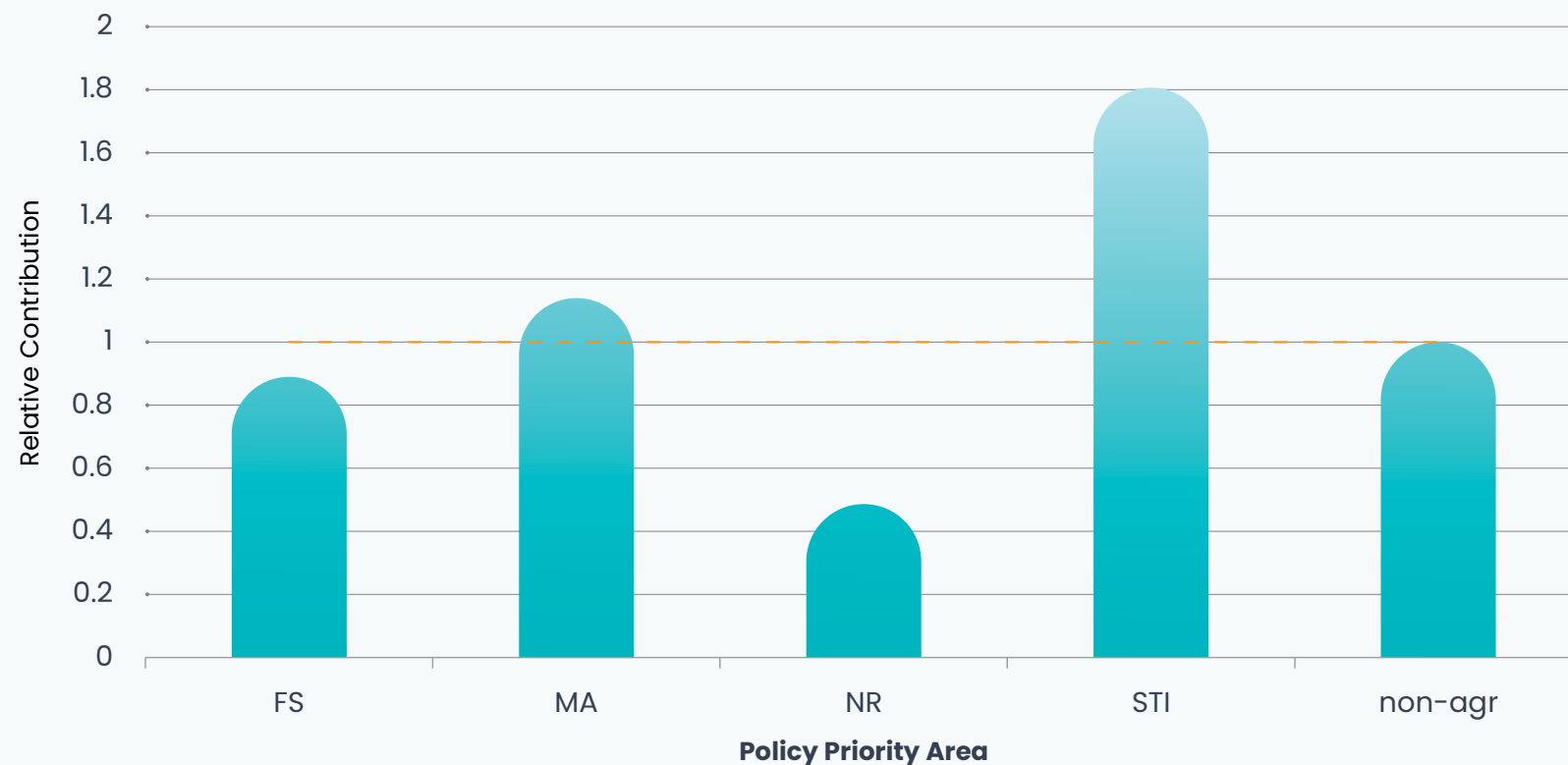
Figure 6 Impact of additional public agrifood expenditure on poverty reduction in Kenya, by intervention area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on urban infrastructure is used as a benchmark and assigned the value of 1. For details on the variable names used in this figure, see the Note to Figure 2 earlier. Cons sub = "consumer subsidies." Rural-infra = "investments in rural infrastructure." Urban-infra = "investments in urban infrastructure."

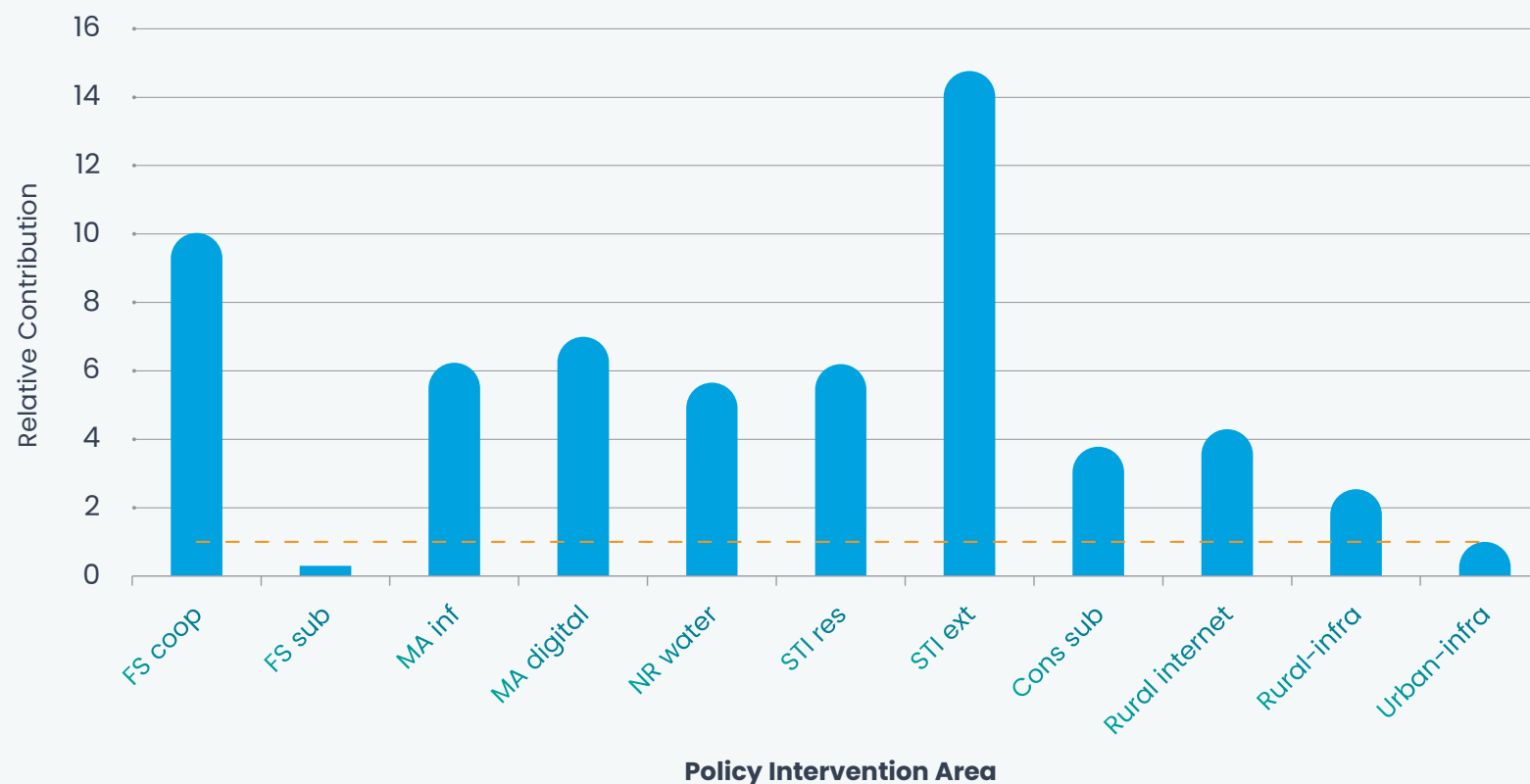
Figure 7 Impact of additional public agrifood expenditure on reduction of undernourishment in Kenya, by priority area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on non-agriculture is used as a benchmark and assigned the value of 1. FS = “farm support.” MA = “market access.” NR = “natural resource management.” STI = “science and technology innovation.” **non-agr** is based on infrastructure investments in rural areas, which is used as a proxy for non-agricultural public expenditure.

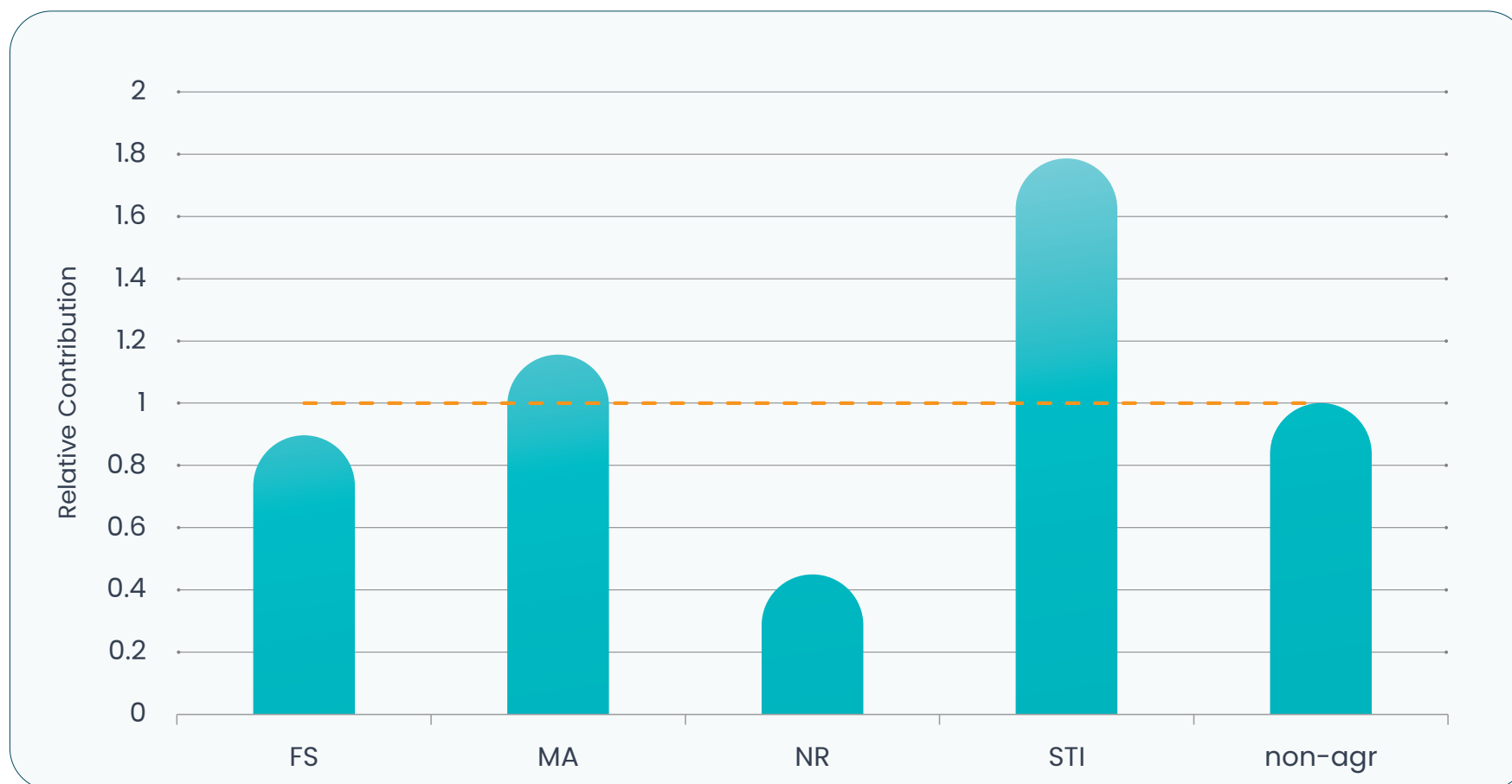
Figure 8 Impact of additional public agrifood expenditure on reduction of undernourishment in Kenya, by intervention area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures in urban infrastructure is used as a benchmark and assigned the value of 1. For details on the variable names used in this figure, see the Note to Figure 2 earlier. Cons sub = "consumer subsidies." Rural-infra = "investments in rural infrastructure." Urban-infra = "investments in urban infrastructure."

Figure 9 Impact of additional public agrifood expenditure on increased access to healthy diets in Kenya, by priority area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on non-agriculture is used as a benchmark and assigned the value of 1. FS = “farm support.” MA = “market access.” NR = “natural resource management.” STI = “science and technology innovation.” non-agr is based on infrastructure investments in rural areas, which is used as a proxy for non-agricultural public expenditure.

Figure 10 Impact of additional public agrifood expenditure on increased access to healthy diets in Kenya, by intervention area for public investment



Source: Analysis by authors.

Note: For purposes of comparison, the contribution of expenditures on urban infrastructure is used as a benchmark and assigned the value of 1. For details on the variable names used in this figure, see the Note to Figure 2 earlier. Cons sub = “consumer subsidies.” Rural-infra = “investments in rural infrastructure.” Urban-infra = “investments in urban infrastructure.”

Conclusion

The analysis highlights that increased public agrifood expenditures generally generate stronger rural income effects than non-agrifood expenditures. Within agrifood systems, investments in extension services, support for farm cooperatives, and digital market infrastructure consistently demonstrate the highest returns in terms of rural income generation, underscoring their central role in driving inclusive growth.

Across expenditure categories, performance varies significantly by policy area. Farm support interventions focused on strengthening cooperatives and market access through digital infrastructure emerge as the most effective drivers of rural incomes, while farm subsidies show comparatively limited impact. Overall, the findings suggest that targeted resource allocation within agrifood systems is critical to maximizing development outcomes in Kenya. The next brochure in the series assesses optimal policy and agrifood expenditure choices for Kenya to deliver on the Kampala Declaration ambitions by 2035.

ACKNOWLEDGMENTS

The Kampala diagnostics work conducted in Kenya was generously supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) through the German Agency for International Cooperation (GIZ). The views expressed in this publication do not necessarily reflect those of the funders.

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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