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Optimal Policy and Agrifood Expenditure Choices for Kenya to Achieve the Kampala Declaration Ambitions by 2035

KAMPALA CAADP SERIES

COUNTRY DIAGNOSTICS

Brochure #6

Optimal Policy and Agrifood Expenditure Choices for Kenya to Achieve the Kampala Declaration Ambitions by 2035

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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 assesses optimal policy and agrifood expenditure choices for Kenya to achieve the Kampala Declaration ambitions by 2035, drawing on findings from the Kampala Goals and Milestones Report for Kenya.

Optimal Policy and Agrifood Expenditure Choices for Kenya to Achieve the Kampala Declaration Ambitions by 2035

Clear policy and investment scenarios can be defined to allow Kenya to achieve the Kampala Declaration's ambitions. This is done using as building blocks the combined evidence from the earlier analyses, including:

- The sources of household incomes by factors of production.
- The distribution of access to such factors by different rural and urban household income groups.
- The contribution of overall economic and sectoral growth to incomes, poverty, and nutrition among these household groups.
- The additional contribution that can be obtained from social transfers to augment what can be achieved from economic growth alone.

We propose two alternative scenarios that can be employed to identify optimal public expenditure and policy priorities to enable Kenya to accelerate its progress toward achieving the Kampala Declaration goals by 2035:

- **Kampala Declaration Poverty Reduction and Nutrition (KPRN) scenario:** Given that the overall goals of CAADP are poverty reduction and achievement of food and nutrition security through agrifood system transformation, this scenario identifies a set of policy and expenditure options that seek to *maximize a weighted poverty reduction and nutrition improvement index*. This index is based on the poverty and nutrition targets defined under Kampala Declaration commitment areas 3 and 4. The goals and targets contained in these two areas constitute the highest level outcomes to which all other goals and targets are contributing. The KPRN scenario, therefore, focuses on maximizing the overarching poverty and nutrition outcomes. The other goals and targets are not pursued independently. Rather, their level of achievement derives from the realization of outcomes under commitment areas 3 and 4.

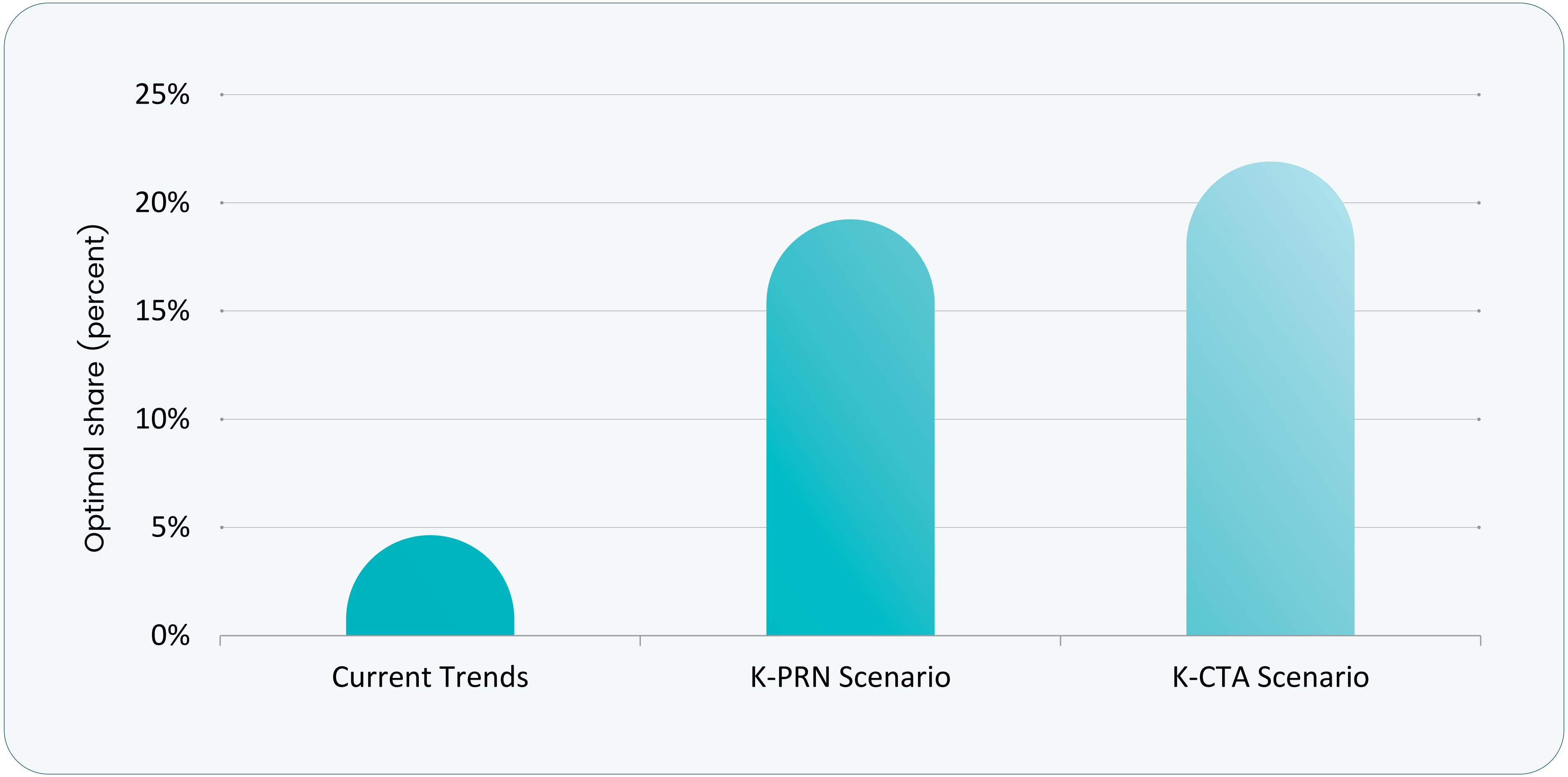
- **Kampala Declaration Country Target Alignment (KCTA) scenario:** From a commitment and mutual accountability perspective, all Member States of the African Union are expected to demonstrate progress toward targets under all five Kampala Declaration commitment areas, not just those under commitment areas 3 and 4. Moreover, the targets contained in the Declaration are meant to be indicative and serve as catalysts to stimulate and guide country action. Different countries will need different constellations of target-focused actions to achieve the overarching growth, poverty, and nutrition ambitions of the Kampala Declaration. The CTA scenario, therefore, proposes optimal policy and expenditure packages that *maximize a weighted index of all target indicators from all five Kampala Declaration commitment areas*, with weights based on their contribution to poverty, nutrition, and rural and urban income goals.

Public Expenditure Priorities for Kenya Under the Two Scenarios

Optimal public expenditure allocations (PAE) are identified in the agrifood sector across the key policy priority areas of farm support (FS), market access (MA), science and technology innovation (STI), and natural resource management (NR). In addition, non-agricultural public expenditure, bundled under rural and urban infrastructure (Rural-Infra and Urban-Infra), is also incorporated into the PAE scenarios.

Optimal expenditure allocations are first specified at the aggregate level, contrasting the PAE shares under the KPRN and KCTA scenarios with the share of total government expenditures accounted for by PAE under current trends in Kenya. As shown in Figure 1, the required optimal public investments in agrifood systems are significantly higher under the two scenarios considered than under current trends. To realize the Kampala Declaration's overall income, poverty, and nutrition ambitions for Kenya, PAE hovers around 20 percent of total government expenditures under the KPRN and KCTA scenarios, compared to 5 percent under current trends. Significant efforts will therefore be required in terms of additional PAE for Kenya to achieve the Kampala Declaration goals.

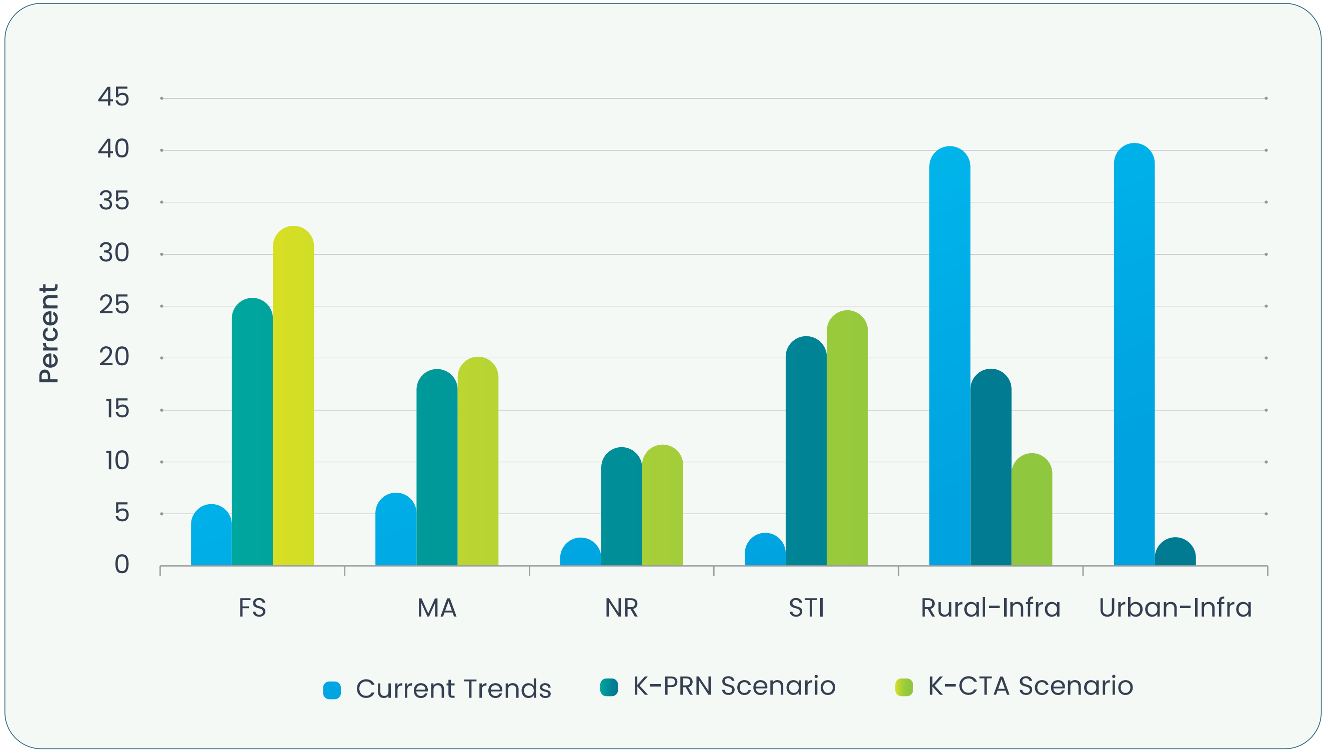
Figure 1 Kenya—Optimal public agriculture expenditure under different policy scenarios to achieve the Kampala Declaration commitments, as a share of total public spending



Source: *Analysis by authors.*
Note: *KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario; KCTA Scenario—Kampala Declaration Country Target Alignment scenario.*

Next, the optimal allocation of public expenditures is broken down into optimal levels for individual agrifood systems policy priority areas, as well as for priority areas outside agriculture (Figure 2). Noticeably, boosting incomes and growth to realize the Kampala Declaration poverty and nutrition goals calls for a rebalancing of expenditure priorities in favor of agrifood systems. Under both the KPRN and KCTA scenarios, non-agricultural expenditure on rural and urban infrastructure falls substantially, while significant increases are seen in expenditure across all key agrifood policy priority areas.

Figure 2 Kenya—Policy priority areas for investment under different policy scenarios to achieve the Kampala Declaration commitments, as a share of total public spending

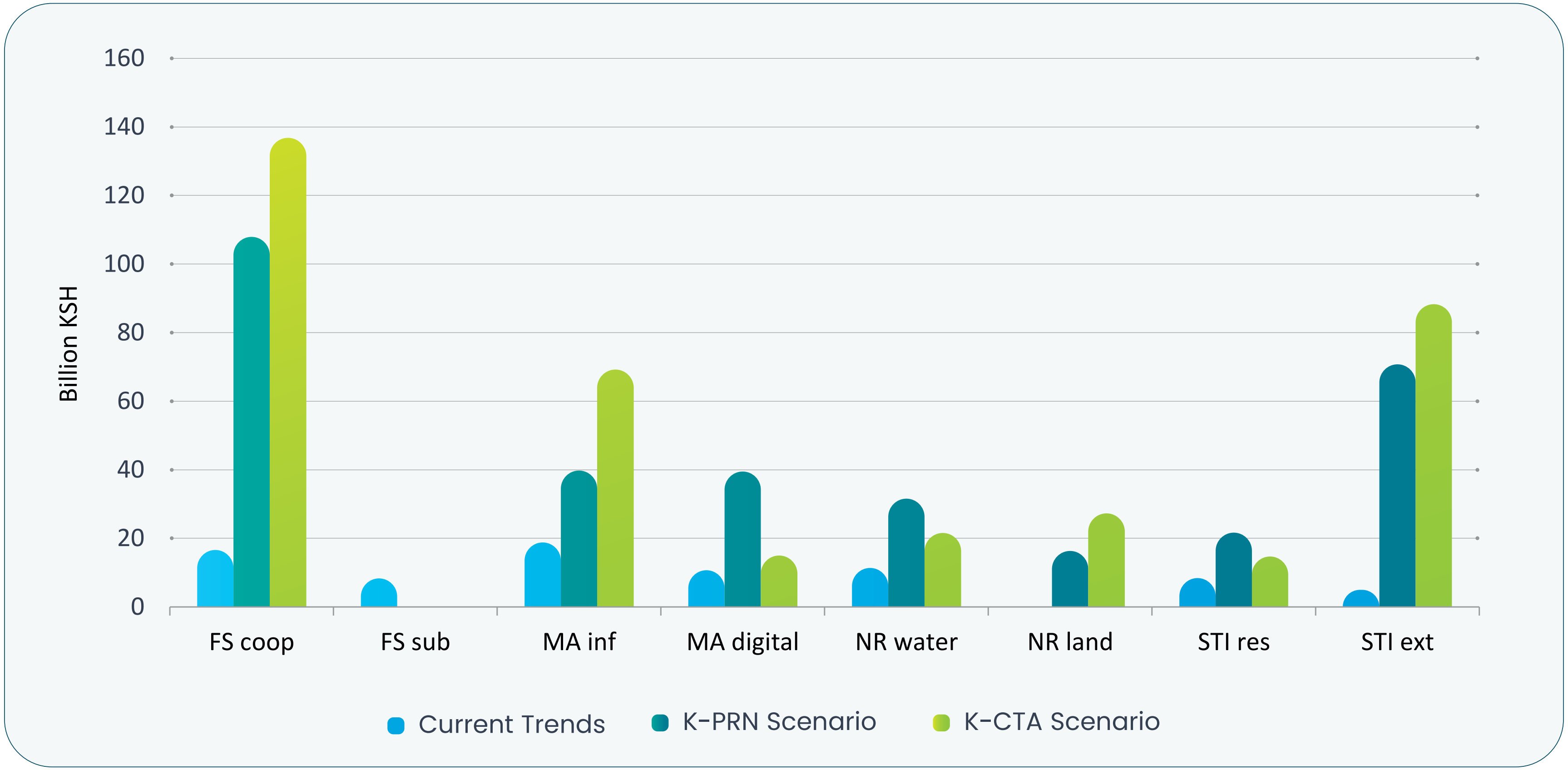


Source: *Analysis by authors.*
Note*: KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario; KCTA Scenario—Kampala Declaration Country Target Alignment scenario. FS = "farm support." MA = "market access." NR = "natural resource management." STI = "science and technology innovation." Rural-Infra = "investments in rural infrastructure." Urban-Infra = "investments in urban infrastructure."*

Under the optimal scenarios, all agrifood policy areas see considerable increases in funding compared to current trends, with levels slightly higher under the KCTA scenario than the KPRN scenario. Among priority areas, the largest share of PAE currently goes to market access, followed by farm support. Under the optimal scenarios, farm support accounts for the highest expenditure share, followed by science and technology innovation. These two priority areas also see the largest increase in public investment.

Figure 3 provides further detail on priority public expenditure by single policy intervention area, in billions of Kenyan Shillings. The significant increase in spending for farm support under the optimal scenarios is directed solely to support for farmer cooperatives. In contrast, the other detailed component of farm support, direct subsidies to farmers, shows a sharp decrease in funding compared to current levels under the two scenarios.

Figure 3 Kenya—Detailed annual expenditure category areas prioritized for investment under different policy scenarios to achieve the Kampala Declaration commitments, billion KShs



Source: *Analysis by authors.*
Note: *KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario; KCTA Scenario—Kampala Declaration Country Target Alignment scenario. 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." EE = "enabling environment."*

Within the science and technology innovation intervention area, more expenditure is allocated to extension than to research under the optimal scenarios, while the reverse is observed currently. The KPRN scenario allocates similar expenditure levels to both sub-categories of market access, digital infrastructure, and physical infrastructure, whereas under the KCTA scenario, more spending goes to physical market infrastructure, as is currently the case.

Under natural resource management, the KPRN scenario allocates relatively more funding to water management, similar to what is observed currently, while the KCTA scenario calls for higher spending on sustainable land management.

More important than the differences in expenditure levels across policy intervention areas between the two optimal scenarios is the fact that optimal spending levels are significantly higher across all intervention areas compared to current trends. Relative to current trends, spending increases in both optimal scenarios are seen for all detailed expenditure categories except for farm support subsidies.

Opportunities for budget realignment and repurposing

Table 1 summarizes differences in expenditure shares between current levels and levels under the two optimal scenarios for Kenya to achieve the Kampala Declaration ambitions. The required changes point to real opportunities and scope for budget realignment and repurposing by the government of Kenya. Relative to the current situation, substantial reallocation occurs under the optimal scenarios away from urban and rural infrastructure toward agriculture-specific priorities. It is important to note that the reallocations described assume the same level of expenditure overall, currently around 425 billion Kenyan Shillings, and are, thus, budget neutral.

Table 1 Kenya—Public expenditure shares (percent) and level (billion KShs), by agrifood intervention area

	Current	KPRN	KCTA
Agrifood expenditure share in total budget (%)			
	5.1	**19.7**	**22.3**
Share of agrifood sector in economic growth expenditure portfolio			
PAE	20.2	78.6	89.3
Rural infra	39.7	18.7	10.7
Urban infra	40.0	2.7	0.0
Share of policy intervention areas in total agrifood expenditure (%)			
MA inf	21.8	11.9	18.2
MA digital	12.4	11.8	4.0

	Current	KPRN	KCTA
Total annual agrifood expenditure levels (billion KShs)			
	86.2	**334.6**	**380.0**
Level of annual agrifood sector expenditure vs other growth sectors			
PAE	86.2	334.6	380.0
Rural infra	169.1	79.4	45.5
Urban infra	170.3	11.6	0.0
Level of annual expenditure by agrifood policy intervention area (billion KShs)			
MA inf	18.8	39.8	69.2
MA digital	10.7	39.5	15.0

Table 1 Continued

	Current	KPRN	KCTA
NR water	13.2	9.4	5.7
NR land	0.0	4.9	7.2
FS coop	19.3	32.3	36.0
FS sub	9.7	0.0	0.0
STI res	9.7	6.5	3.9
STI ext	5.8	21.2	23.2
Expenditure share of growth enabling environment policies			
EE	8.2	2.1	1.9

	Current	KPRN	KCTA
NR water	11.4	31.6	21.6
NR land	0.0	16.3	27.3
FS coop	16.6	107.9	136.9
FS sub	8.3	0.0	0.1
STI res	8.4	21.7	14.7
STI ext	5.0	70.8	88.3
Level of annual expenditure in growth enabling environment policies			
EE	7.0	7.0	7.0

Source: *Analysis by authors.*
Note: *KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario; KCTA Scenario—Kampala Declaration Country Target Alignment scenario. PAE = "Public agricultural expenditure." Rural-infra = "investments in rural infrastructure." Urban-infra = "investments in urban infrastructure." 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." FS coop = "support to farmers' organizations." FS sub = "support to farmers through subsidies." STI res = "investments in research under science and technology." STI ext = "investments in extension services under science and technology." EE = "enabling environment."*

The share that the agrifood sector makes up in total annual budget outlays, which currently amounts to only 5 percent, rises significantly under the KPRN and KCTA scenarios to reach 20 and 22 percent, respectively. In absolute levels, agrifood sector spending increases from less than 100 billion KShs to between 300 and 400 billion KShs, while expenditures for rural and urban infrastructure, which currently amount to a combined total of 170 billion KShs, would drop to 80 and 12 billion KShs, respectively, under the KPRN scenario. Under the KCTA scenario, investment in urban infrastructure falls to negligible levels, while rural infrastructure would attract 45 billion KShs annually.

"....the largest shift in public agriculture expenditure takes place within the STI area."

Within the agrifood sector, the largest shift in public agriculture expenditure takes place within the STI area, which sees a near doubling of its share from around 16 percent to close to 30 percent. This increase is driven primarily by a fourfold increase in the share of expenditures on extension services. The share of expenditures on farm support also increases, albeit more modestly, from around 30 to 36 percent of total agrifood sector expenditures. Notably, expenditures within the farm support priority area shift from farm subsidies, which are phased out, to cooperative support, the share of which nearly doubles.

The combined share of investment in natural resource management remains unchanged at around 12 percent. However, the share of investment in sustainable land management (NR land), currently negligible, jumps between 5 and 7 percent. Market access as a priority area sees a decline of close to 30 percent in expenditure share.

In terms of absolute expenditure levels under the two optimal scenarios, support to cooperatives claims the largest budget among agrifood priority areas, reaching more than 100 billion KShs and as high as 130 billion KShs, followed by investment in science and technology innovation at around 100 billion KShs. Market access and natural resources management receive around 80 and 50 billion KShs, respectively.

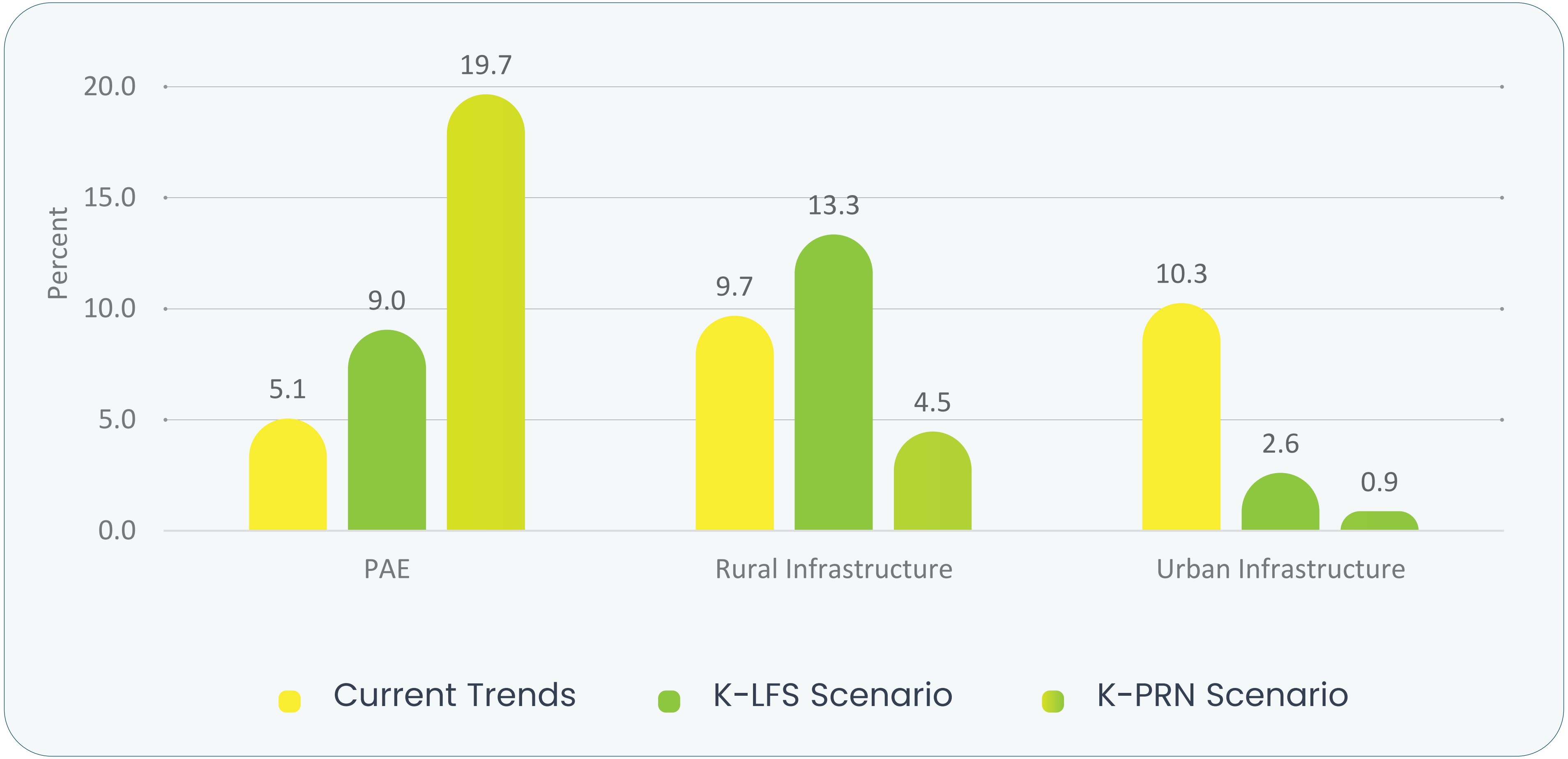
Constraints on Budget Reallocations—the Kampala Declaration Limited Fiscal Space Scenario

However, the extent of possible reallocation and scope for budget repurposing may be more limited than indicated in Table 1. In particular, the significant reduction in rural and urban infrastructure investment may not be fiscally possible or politically desirable. To take into consideration the limited fiscal space for reallocation with the government's budget, a third scenario, the Kampala Declaration Limited Fiscal Space (KLFS) scenario, is added that constrains the scope for budget reallocation from infrastructure investment to at most 20 percent of current levels.

It is important to note that the reallocation keeps the overall budget at current levels and that the rebalancing takes place between total infrastructure spending, on the one hand, and agrifood sector expenditure, on the other, allowing for substitution between rural and urban components within the infrastructure bundle.

The resulting allocations are shown in Figure 4 to Figure 7. With the budget reallocation constraint imposed under the KLFS scenario, the share of total agrifood sector spending still rises nearly twofold from current levels to 9 percent, but less than the fourfold increase under KPRN (Figure 4). The share of urban infrastructure spending, correspondingly, decreases less, to around 3 percent rather than 1 percent. In contrast, the share of rural infrastructure spending rises under the KLFS scenario by over one third, while under KPRN, it declines by over half.

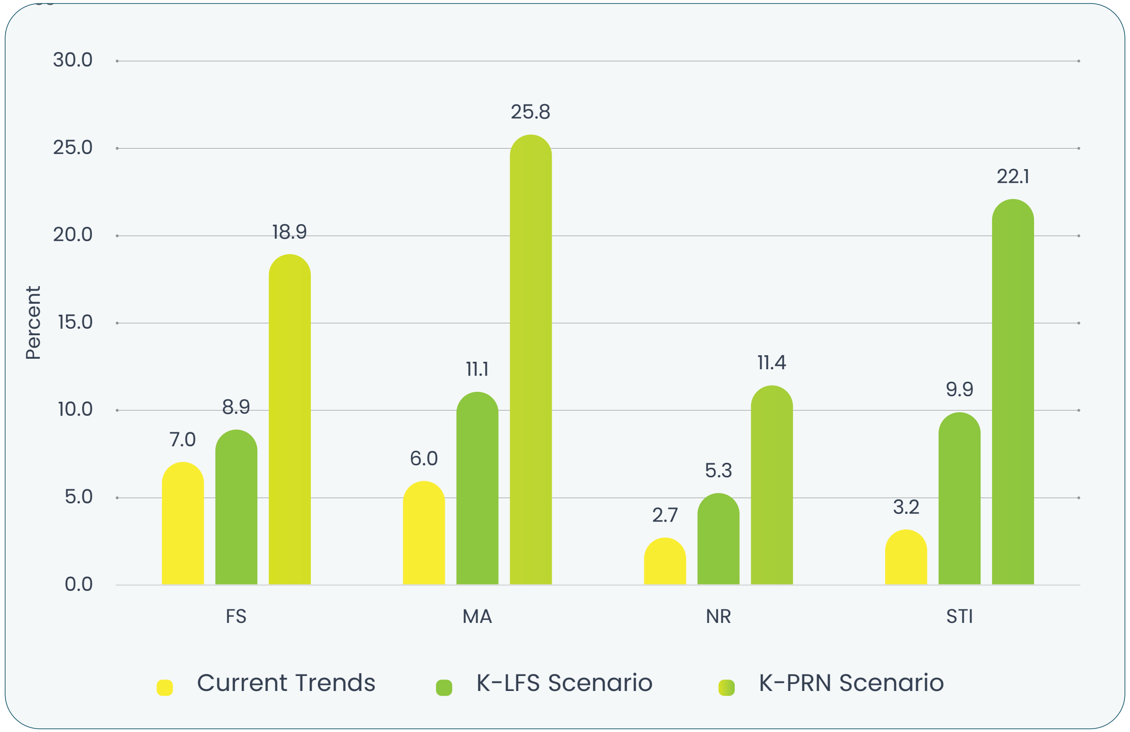
Figure 4 Share of overall public agricultural expenditure in the total budget for Kenya under restricted scenarios



Source: *Analysis by authors.*
Note: *KLFS Scenario—Kampala Declaration Limited Fiscal Space scenario; KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario. PAE = "Public agricultural expenditure."*

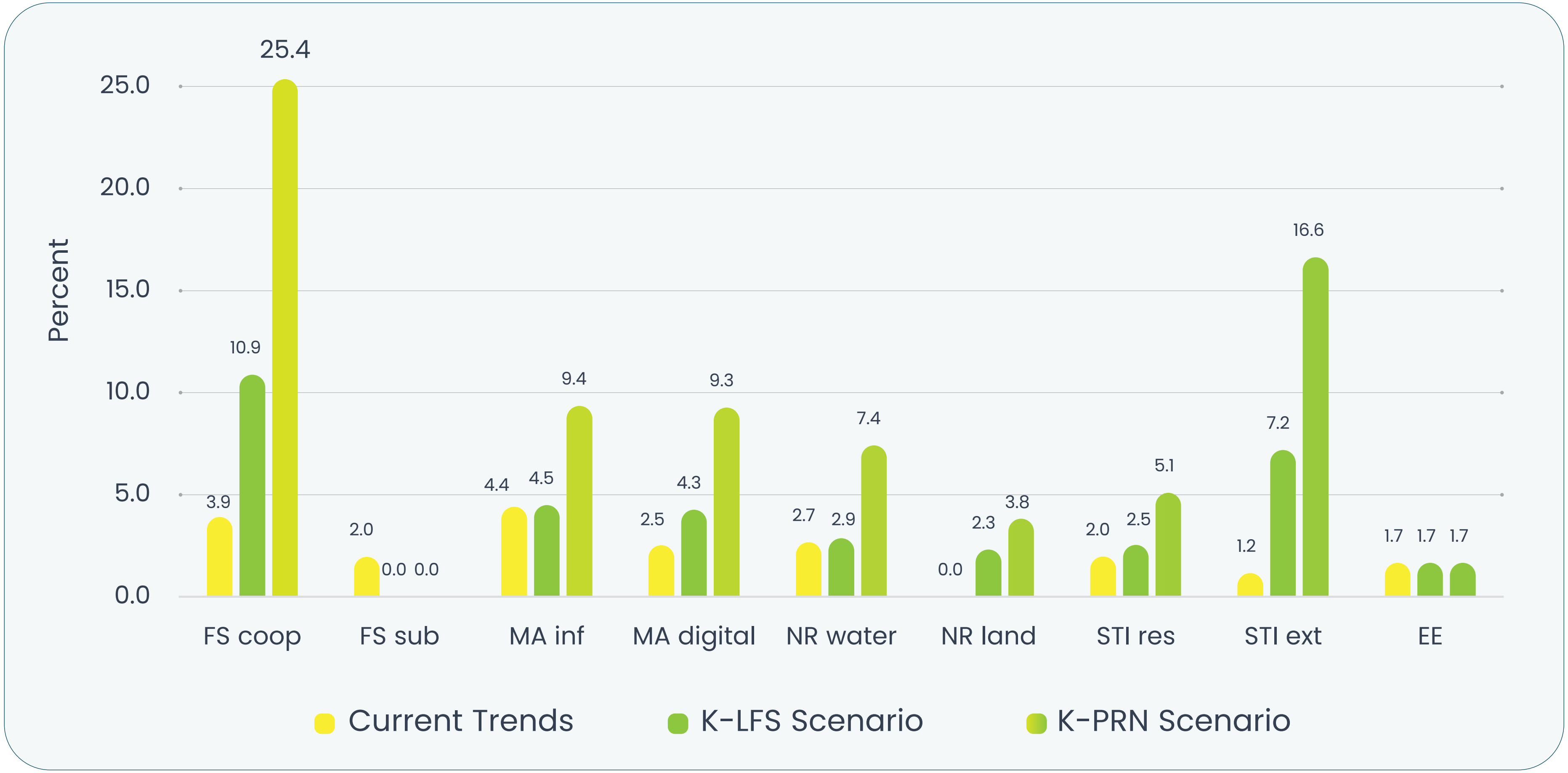
Figure 5 shows the reallocation across agrifood policy priority areas, while Figure 6 shows the reallocation across specific intervention areas within individual priority areas. Values represent shares in total budget expenditures for economic policy programs—i.e., shares in the sum of expenditures for the four agrifood policy priority areas, plus rural and urban infrastructure. As would be expected, expenditure shares for all PAE policy priority areas (Figure 5) are lower under the KLFS scenario compared to the KPRN scenario, by around 50 percent, except for investment in market access, which sees a slightly steeper decline. Among specific intervention areas (Figure 7), expenditures on water management and extension services are constrained the most by the more limited space for budget reallocation.

Figure 5 Kenya—Budget shares of policy priority areas under restricted scenarios (share in total budget expenditures for economic policy programs)



Source: *Analysis by authors.*
Note: *KLFS Scenario—Kampala Declaration Limited Fiscal Space scenario; KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario. Values represent shares in total budget expenditures for economic policy programs. FS = "farm support." MA = "market access." NR = "natural resource management." STI = "science and technology innovation."*

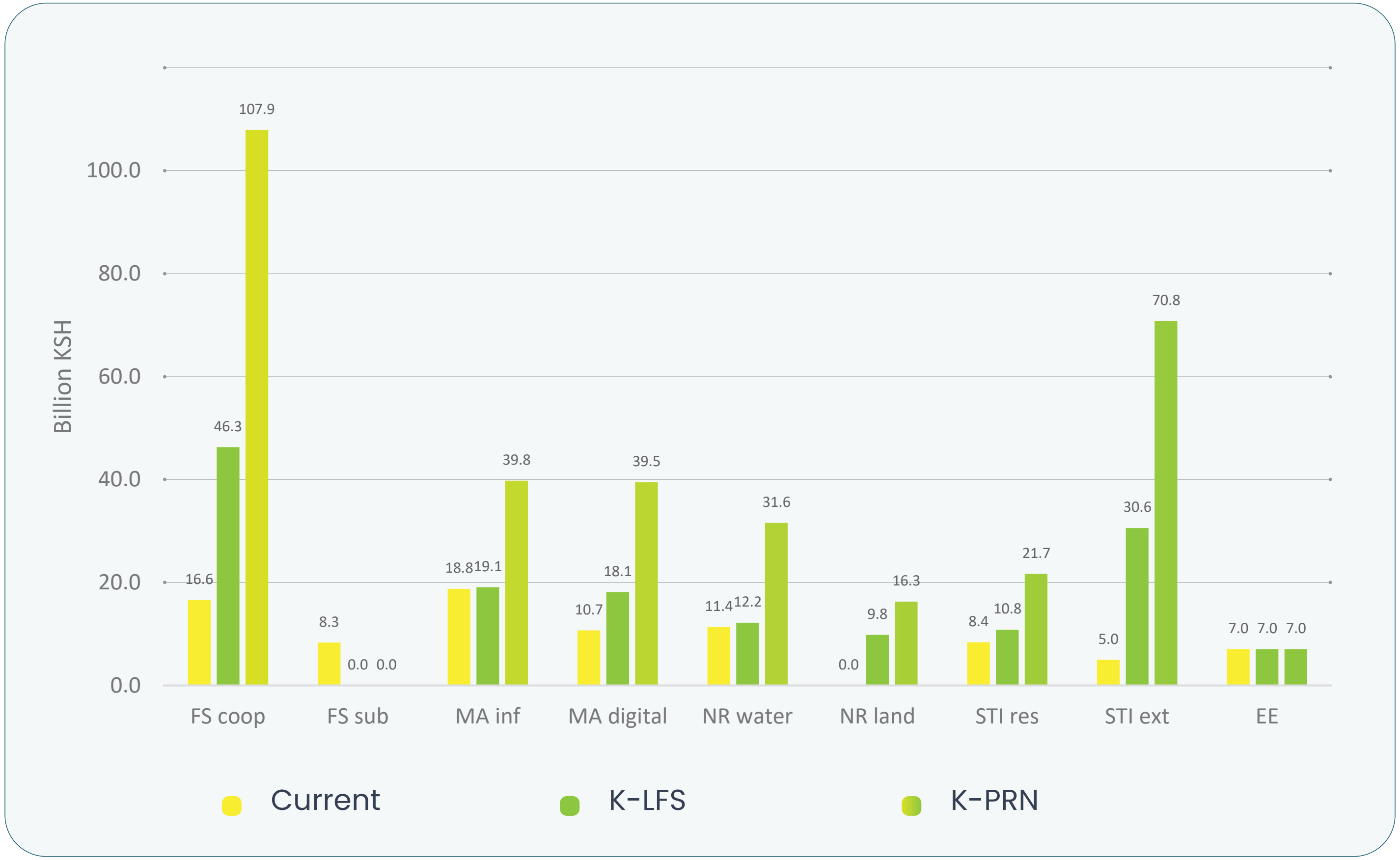
Figure 6 Kenya—Budget shares by agrifood intervention areas under restricted scenarios (share in total budget expenditures for economic policy programs)



Source: *Analysis by authors.*
Note: *KLFS Scenario—Kampala Declaration Limited Fiscal Space scenario; KPRN Scenario—Kampala Declaration Poverty Reduction and Nutrition scenario. Values represent shares in total budget expenditures for economic policy programs. For details on the variable names used in this figure, see the Note to Figure 3 earlier.*

In all these cases, however, the shares of investment in policy priority areas and individual intervention areas in total government budget outlays for economic policy programs remain markedly higher than at current levels. Therefore, there is real scope to repurpose expenditures on urban infrastructure and farm subsidies to boost productive investment in the agrifood sector and advance progress toward the key goals of the Kampala Declaration. The corresponding levels of public investment in billions of Kenyan Shillings are presented in Figure 7.

Figure 7 Kenya—Annual budget levels by agrifood intervention areas under restricted scenarios, billion Kenyan shillings



Source: *Analysis by authors.*
Note: *KLFS—Kampala Declaration Limited Fiscal Space scenario; KPRN—Kampala Declaration Poverty Reduction and Nutrition scenario. For details on the variable names used in this figure, see the Note to Figure 3.*

Conclusion

The analysis highlights significant opportunities for Kenya to accelerate progress toward the Kampala Declaration ambitions through a strategic realignment of public expenditure and policy priorities. Across both the KPRN and KCTA scenarios, the findings point to the need for substantially higher investment in agrifood systems relative to current trends, with particular emphasis on farm support, science and technology innovation, market access, and natural resource management. The results consistently show that support for farmer cooperatives, extension services, and science and technology innovation generate stronger contributions to the Kampala Declaration objectives than current expenditure patterns, while direct farm subsidies emerge as a lower-priority investment area.

The findings further demonstrate that considerable progress can be achieved through budget-neutral expenditure realignment and repurposing. Both optimal scenarios call for a shift in resources toward agriculture-specific priorities and away from current allocations to urban and rural infrastructure, while maintaining overall expenditure levels. Taken together, the findings suggest that targeted investments in agrifood systems, coupled with strategic reallocation of expenditure, can strengthen Kenya's ability to achieve the Kampala Declaration goals and targets. The next brochure in the series examines Kenya's projected 2035 outcomes by Kampala commitment area.

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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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