



AGRICULTURE, RURAL AND URBAN DEVELOPMENT (ARUD) SECTOR Medium-Term Expenditure Framework for 2024/25-2026/27

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ARUD SECTOR CHAIRPERSON



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Presentation Outline

1. Introduction;
2. Sector Performance Review for the period 2020/21 - 2022/23;
3. Medium-Term Priorities and Financial Plan for the MTEF Period 2024/25 - 2026/27;
4. Emerging Issues, Challenges; and
5. Conclusion and Recommendations.



INTRODUCTION

Sector Composition:

The Agriculture Rural and Urban Development (ARUD) Sector comprises five (5) sub-sectors as follows:

1. State Department for Lands and Physical Planning (SDLPP);
2. State Department for Livestock Development (SDLD);
3. State Department for the Blue Economy and Fisheries (SDBEF);
4. State Department for Agriculture (SDA); and
5. National Land Commission (NLC).



Sector Composition ...Cont'd



The Sector has:

- 1. Seven (7) Autonomous Government Agencies;**
- 2. Forty seven (47) Semi-Autonomous Government Agencies including;**
fourteen (14) Training Institutions,
three (3) Professional Bodies and
one (1) Appeals Board.



Sector Vision and Mission

Vision

- A food secure, healthy and wealthy nation for sustainable socio-economic development.

Mission

- To improve the livelihoods of Kenyans through sustainable management of crop and livestock resources and utilization of the blue economy and land management.

Overall Goal

- The overall goal of the sector is to attain national food and nutrition security, sustainable fisheries and land management and utilization of the blue economy.



Sector Strategic Objectives

The Sector objectives are to:

- 1. Ensure national food and nutrition security;**
- 2. Create an enabling environment for sector development;**
- 3. Increase agricultural productivity and outputs;**
- 4. Enhance investment in blue economy;**
- 5. Promote value addition, manufacturing, market access and trade;**
- 6. Increase youth, women and vulnerable groups' participation in agricultural value chains;**
- 7. Promote, regulate and facilitate agricultural research;**
- 8. Ensure accessibility, equity and sustainable management of land resource for social-economic development and environmental sustainability; and**
- 9. Strengthen institutional capacity for efficient and effective service delivery.**



Contribution of Sector to the Economy



The sector plays a key role in the implementation of the Kenya Vision 2030 and Bottom Up Economic Transformation Agenda (BETA) pillars as follows:

- 1. Agriculture Pillar:** It is a key driver on dairy, leather, meat, tea, edible oils, textile and apparels; rice and blue economy value chains development programmes and provides raw materials for agro-industries;
- 2. Housing and settlement Pillar:** Documentation and regularization of informal settlements; survey of sectional property units and registration of long-term leases to facilitate smooth acquisition of land and ownership of housing units as well as planning land designated for housing projects; and
- 3. Digital Superhighway and digital economy:** Rolling out of the National Land Information Management System (NLIMS) dubbed 'Ardhisasa' enhance access to land-based information and protect public lands.



Contribution of Sector to the Economy Cont'd



□ The sector also:

- Plays a key role in economic and social development of the country through employment and wealth creation; foreign exchange earnings; security of land tenure and sustainable management and administration of land.
- Contributes to the realization of food and nutrition security, and enhancing manufacturing. Thereby contributing to global and regional commitments including Sustainable Development Goals (SDGs), East African Community (EAC) Vision 2050 and African Union (AU) Agenda 2063.



Programmes Under the Sector:



- **The sector is currently implementing twelve (12) programmes namely:**
 - 1. Land Policy and Planning;**
 - 2. Land Information Management;**
 - 3. Livestock Resources Management and Development;**
 - 4. Fisheries Development and Management;**
 - 5. Development and Coordination of the Blue Economy;**
 - 6. Crop Development and Management;**
 - 7. Agribusiness and Information Management;**
 - 8. Agricultural Research and Development;**
 - 9. Land Administration and Management;**
 - 10. General Administration, Planning and Support Services (SDBEF);**
 - 11. General Administration, Planning and Support Services (SDA); and**
 - 12. General Administration, Planning and Support Services (SDLPP).**



Key Sector Achievements: 2020/21 – 2022/23:

The Sector implemented twelve (12) Programmes and achieved the following:

1. Registration and issuance of 1,233,706 land title deeds;
2. Settled 24,112 landless households;
3. Geo-referencing of 144,951 land parcels;
4. Developed of a National Land Value Index in 25 counties;
5. Graduated 2,632 students from livestock industry training institutions and engaged 2,638 animal health interns in addition to training 2,293 actors in dairy, beef and apiculture value chains;



Key Sector Achievements: 2020/21 – 2022/23....Cont'd



6. Produced 3.4 million straws of semen at Livestock Genetics Centre Agricultural Development Corporation (ADC-Sabwani and KAGRC;
7. Developed a model feedlot at Chemongoch in Baringo County and supported 12 feedlot operators;
8. Produced 85.7 million doses of assorted vaccines for livestock and suppressed tsetse and trypanosomiasis in 5 belts;
9. Provided crop insurance payout compensation to 15,718 farmers amounting to Kshs. 79.4 million, and supported 1,368,935 beneficiaries with fertilizers, seeds, chemicals, agricultural lime and storage bags;
10. Reviewed and developed 8 key sub-sector policies for enhanced productivity;



Key Sector Achievements: 2020/21 – 2022/23...Cont'd



11. Increased the area under irrigation by rehabilitating 1,987.6 Ha of irrigation infrastructure and developing 1,206 Ha of new irrigation schemes;
12. Trained and incubated 934 youths on agriculture and agribusiness skills;
13. Coordinated surveillance and control of key trans-boundary pests (Desert Locust, African army worms and quelea quelea) through provision of 227,189 litres of pesticides and 4,000 personal protective equipment;
14. Supported 19,395 groups for alternative livelihoods in the Coastal Counties with a grant of 1.5 billion shillings to ease pressure on in-shore marine fisheries;
15. Supported 11,489 level 1 fish farmers with environmentally friendly and climate smart production materials;



Key Sector Achievements: 2020/21 – 2022/23....Cont'd



16. Trained 875 fishing crew to support deep-sea fishing;
17. Completed 7 fish landing sites: 3 along Lake Victoria and 4 along the Coast;
18. Facilitated compulsory land acquisition for 60 infrastructural development public projects for the National and County governments;
19. Formalized and issued 6,023 letters of allotments in urban areas;
20. Admitted 1,700 disputes for resolution through Alternative Dispute Resolutions (ADR) and Alternative Dispute Resolutions (TDR) mechanisms and resolved 97 land litigation cases; and
21. Undertook monitoring and oversight over land use planning and issued advisories to the relevant planning agencies.



Sector Expenditure Analysis



	Approved Budget (Ksh. Millions)			Expenditure (Ksh. Millions)		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Recurrent	32,989	25,567	25,413	30,169	24,756	26,564
Development	35,811	43,332	45,786	30,966	35,055	40,217
Total	68,800	68,899	71,199	61,135	59,811	66,781

1. Total sector allocation was Ksh. 68.80 billion in the FY 2020/21, Ksh. 68.89 billion in the FY 2021/22 and Ksh. 71.19 billion in the FY 2022/23;
2. Expenditures were KSh.61.13billion in FY 2020/21, Ksh.59.81 billion in FY 2021/22 and Ksh.66.78 billion in the FY 2022/23; and
3. The overall sector absorption rate was 88.9% in the FY 2020/21 compared to 86.8% in the FY 2021/22 and 93.8% in the FY 2022/23.



Trends in Sub-Sectors Allocations and Actual Expenditure, 2020/21 – 2022/23 (KSh. Millions)



VOTE	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Ministry of Lands and Physical Planning	6,128	5,461	4,292	6,026	5,193	4,230
State Department for Livestock	4,477	6,476	8,777	4,397	5,565	7,559
State Department for Fisheries, Aquaculture and the Blue Economy	5,332	8,232	7,229	4,565	7,043	6,583
State Department for Crop Development and Agricultural Research	50,041	45,076	49,419	43,370	38,359	46,928
National Lands Commission	1,138	1,726	1,482	1,109	1,712	1,481
State Department for Co-operatives	1,684	1,928	-	1,668	1,938	-
Total for the Sector	68,800	68,899	71,199	61,135	59,810	66,781





PRIORITIES AND FINANCIAL PLAN FOR FY 2024/25 AND THE MEDIUM TERM



Key priority areas:

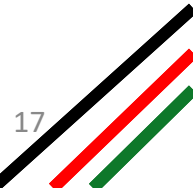
- 1. Registration and issuance of 1,270,000 title deeds countrywide;**
- 2. Digitization of land records in 45 land offices;**
- 3. Preparation and issuance of 22,425 allotment letters for public institutions, new allocations/grants, renewal of leases, and recovered public institutional land allotment letters and transfer of land forms on recovered public institutional land;**
- 4. Facilitation of compulsory land acquisition for 70 infrastructural development projects as outlined in Vision 2030 and BETA;**



Key priority areas Cont'd



5. Address 4,500 land disputes through Alternative Dispute Resolution (ADR); and make 1,075 recommendations of appropriate redress for Historical Land Injustice cases;
6. Train 1,000 fishing crew annually to create adequate technical capacity for exploitation of Kenya's Exclusive Economic Zone;
7. Develop four (4) and rehabilitate one (1) fishing ports at Shimoni, Mokowe, Malindi & Takaungu and Liwatoni respectively to boost food and nutrition security, agro-processing and revenue generation;
8. Construct 77 Fish Landing sites, 20 along the Indian Ocean and 57 in Lake Victoria (including other inland lakes and dams) to promote fish value chain development





Key priority areas Cont'd



9. Support 6,400 smallholder fish farmers engaged in aquaculture farming with fish production technological packages;
10. Award grants to 22,000 members of common interest groups for improved livelihood under the Aquaculture Business Development Programme and Kenya Marine Fisheries Socio-Economic Development (KEMFSED) Project respectively; and
11. Support 4,166,282 farmers with 1,583,835 MT of subsidized fertilizers and 9,102 MT of agricultural lime through the e-voucher input subsidy system;



Key priority areas Cont'd



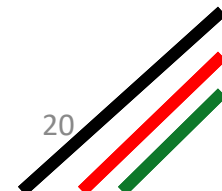
- 12. Provision of 1,585 MT of assorted oil crop seeds; 800 MT of Bt Cotton seeds to farmers; 16.4 MT of basic seed of cotton and 93.6 million of assorted clean crop planting materials; 41,500 MT of seed maize, 13,700 MT of seed potato and 900 MT of rice seed;**
- 13. Produce and distribute 10.5 million doses of semen and 45,000 improved breed embryos;**
- 14. Distribute 640 milk coolers in all the counties; and**
- 15. Complete Kenya Leather industrial park at Kenanie.**



Total Resource Requirement Vs Allocation by Sub-Sector (KSh. Million)



Sub -Sector	Baseline 2023/24	FY 2024/25		Projected Allocation	
		Requirements	Allocation	2025/26	2026/27
State Department for Lands and Physical Planning	8,866	11,749	9,207	11,643	12,321
State Department for Livestock Development	18,801	24,001	15,567	17,570	16,082
State Department for the Blue Economy and Fisheries	11,854	25,894	13,066	13,453	11,457
State Department for Agriculture	46,670	107,409	47,643	51,060	55,114
National Land Commission	1,749	5,275	1,815	1,875	2,045
Total	87,940	174,328	87,298	95,601	97,019

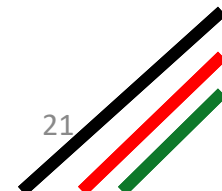




Recurrent Resource Requirement Vs Allocation by Sub-Sector (KSh. Million)



Sub -Sector	Baseline 2023/24	FY 2024/25		Projected Allocation	
		Requirements	Allocation	2025/26	2026/27
State Department for Lands and Physical Planning	3,889	4,278	4,113	4,228	4,353
State Department for Livestock Development	9,240	6,061	4,529	4,763	4,977
State Department for the Blue Economy and Fisheries	2,848	5,329	2,763	2,975	3,198
State Department for Agriculture	15,349	28,195	16,436	17,326	18,223
National Land Commission	1,643	4,705	1,668	1,718	1,870
Total	32,969	48,568	29,509	31,010	32,621





Development Resource Requirement Vs Allocation by Sub-Sector (KSh. Million)



Sub -Sector	Baseline 2023/24	FY 2024/25		Projected Allocation	
		Requirements	Allocation	2025/26	2026/27
State Department for Lands and Physical Planning	4,977	7,471	5,094	7,415	7,968
State Department for Livestock Development	9,561	17,940	11,038	12,807	11,105
State Department for the Blue Economy and Fisheries	9,006	20,565	10,303	10,478	8,259
State Department for Agriculture	31,321	79,214	31,207	33,734	36,891
National Land Commission	106	570	147	157	175
Total	54,971	125,760	57,789	64,591	64,398

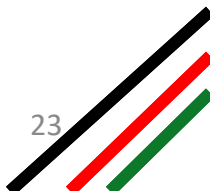




Programmes Allocation for FY 2024/25–2026/27 (KSh. Million)



S/No	Programme	Baseline	Allocations		
		2023/24	2024/25	2025/26	2026/27
1	Land Policy and Planning	6,653	7,036	8,637	9,259
2	Land Information Management	942	919	1,694	1,705
3	General Administration, Planning and Support Services – Land & Physical Planning	1,271	1,252	1,312	1,356
4	Livestock Resources Management and Development	18,801	15,567	17,570	16,082
5	General Administration, Planning and Support Services – Blue Economy and Fisheries	255	244	251	259
6	Fisheries Development and Management	9,101	10,714	11,085	7,078
7	Development and Coordination of the Blue Economy	2,498	2,108	2,117	4,121
8	General, Administration, Planning and Support Services – Agriculture	7,592	9,686	9,290	9,819
9	Crop Development and Management	31,761	31,260	35,457	38,893
10	Agribusiness and Information Management	1,603	937	159	163
11	Agricultural Research and Development	5,714	5,760	6,154	6,239
12	Land Administration and Management Services	1,749	1,815	1,875	2,045
	Total for the Sector	87,940	87,298	95,601	97,019





FY 2024/25 AND THE MEDIUM TERM: BETA PRIORITY PROJECTS



Project Description	Allocation for FY 2024/25		Allocation for 2025/26		Allocation for 2026/27	
	GoK	Foreign	GoK	Foreign	GoK	Foreign
1112 State Department for Lands and Physical Planning						
Processing and Registration of Title deeds	1,200.00	-	1,300.00	-	1,323	-
Digitization of land Offices	605	-	1,000	-	1,000	-
Development of the National Land Value Index	186	-	250	-	250	-
National Physical Planning	90	-	230	-	280	-
Geo-referencing of land parcels country wide	200	-	450	-	400	-
Settlement of the landless	2,500	-	2,595	-	2,600	-





FY 2024/25 AND THE MEDIUM TERM: BETA PRIORITY PROJECTS



1162 State Department for Livestock						
De-Risking, Inclusion & Value Enhancement of Pastoral Economies	50	4,965	110	3,696	80	1,879
Leather Value Chain Promotion Programme	80	0	320	0	300	0
Livestock Value Chain Support Programme - Phase II	80	4,300	445	2,100	100	0
Establishment of Liquid Nitrogen Plants- KAGRC	25	0	99.25	0	0	0
Kenya Livestock Commercialization Programme (KELCOP)	150	1,100	210	1085	178.5	1081
Towards Ending Drought Emergencies in Kenya	149	439	85	169	0	0
Establishment of Embryo Transfer - KAGR	275	0	62.75	0	0	0
Establishment of Tannery Leather Factory-Narok	50	0	100	0	150	0
Development of Leather Industrial Park- Kenanie	300	0	987.3	0	680	0
Disease Free Zones Program (DFZ)- Bachuma	50	0	168.9	0	180	0





FY 2024/25 AND THE MEDIUM TERM: BETA PRIORITY PROJECTS



1166 State Department for the Blue Economy and Fisheries						
Aquaculture Business Development Project (ABDP)	669	3457.2	567	2,608	500	1,547
Kenya Marine Fisheries & Socio-Economic Development Project.	473	4296	501	2,006	-	-
Development of Blue Economy Initiatives-	251	-	1,001	-	2,299	-
Exploitation of Living Resources under the Blue Economy	1391	-	990	-	1338	-
Liwatoni Ultra-Modern Fish Hub	500	-	500	-	651	-

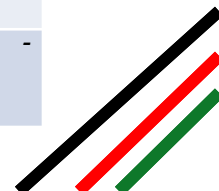




FY 2024/25 AND THE MEDIUM TERM: BETA PRIORITY PROJECTS



1169: State Department for Agriculture						
Cotton Revitalization Programme	150	-	200	-	250	-
Fertilizer subsidy	7,500	-	7,000	-	7,024	-
National value chain support programme (NVCSP)	535	-	635	-	900	-
Equipping of Tea Research and Development Plant	101	-	-	-	-	-
Coconut Industry Revitalization Project	90	-	100	-	100	-
National Agricultural Value Chain Development Project	100	6,806	539	8,314	495	8,663
Soil Health Management	150	-	250	-	250	-
National Edible Oil Promotion Programme	184	-	300	-	400	-
Quelea quelea Management	90	-	110	-	250	-





County Consultative Priority Issue



1. Quality of commercial feeds for Poultry, dairy and pigs;

To be addressed through Animal Feeds Regulations of 2023 which will provide for regulation, registration and licensing of persons manufacturing, distribution and sale of livestock feeds. This will streamline the animal feeds business and ensure farmers access quality and safe feeds for their animals.

2. Quality of Livestock medicine (Drugs and Vaccines) from agro-vets;

The State Department for Livestock is strengthening the Veterinary Medicine Directorate (VMD), which is state corporation, to enhance their capacity to conduct regular inspections of all remises that deal veterinary drugs and vaccines in the country. This will enhance compliance with set standards minimize malpractices involving veterinary drugs and vaccines in the market.

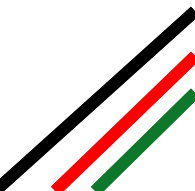




County Consultative Priority Issue



- 3. Capacity building on blue economy and fisheries-deepsea training of fishing crew.**
- 4. Low fishing capacities: lack of modern fishing boats; inadequate fish processing plants and uncoordinated fish marketing-support with fishing vessels to artisanal fishers, developing modern landing sites that include processing and auction centres.**
- 5. Poor quality and costly fish feeds and fingerlings- enhancing aquaculture production through; subsidized aquaculture inputs-ABDP; establishing Aquaculture centres of excellencies.**
- 6. Inadequate access to affordable inputs(fertilizers, seeds, chemicals)-avail subsidized agro-inputs.**

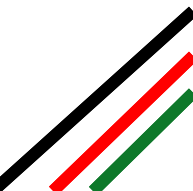




County Consultative Priority Issue



7. Capacity building on value addition, market access and management of post-harvest losses-Provide cold storage facilities/ driers for farm produce.
8. Develop a pests and disease management programme.
9. Land degradation and diminishing lands reservation for agricultural production.
10. Lack of Land ownership documents to squatters on Public Land.
11. Settlement of the land less-resettlement and issue of title deeds for targeted beneficiaries.
12. Land tenure and ownership-allocate resources and provide title deeds.
13. Lengthy land registration processes and double allocation of plots-allocate more resources to digitization of land services.





EMERGING ISSUES AND CHALLENGES



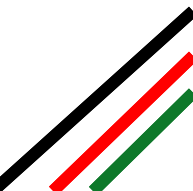
Emerging Issues:

1. Rapid Technological Advancement

Global pace of technological change has necessitated frequent human capacity building and system updates to maintain effective land information management, adoption of new bio-technologies, investment in aquaculture and management of Genetically Modified Organisms (GMO).

2. Climate Change

Climate change manifests through extreme and unpredictable weather patterns, rising sea levels, and the resulting challenges, including frequent and prolonged droughts, frost, floods, and the emergence of new pests and diseases, which pose substantial threats to food security, livelihoods, and land ownership.





EMERGING ISSUES AND CHALLENGES



Emerging Issues Continued:

3. Cyber Security

Cybercrime threatens the integrity of data management systems, financial transaction processes and communication networks of the sector. This compromises the sector's efficiency, resilience and integrity.

4. Global Inflation and geopolitical tensions:

Global inflation and geopolitical tension pose a challenge to the sector by increasing input costs, disrupting international trade and creating economic uncertainties thereby affecting the sector's ability to contribute to food security.

5. Invasive and Noxious Plants

There are emerging species of plants which are increasing at an alarming rate; and often they reduce the productivity and biodiversity of the affected areas.

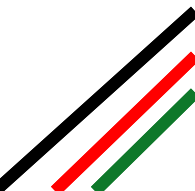


Challenges



The sector faces challenges among them:

1. Inadequate digitization of records.
2. High demand for land leading to land fragmentation and urban sprawl into prime agricultural areas;
3. Prevalence of diseases and conditions reduces productivity;
4. Inadequate information and limited technological infrastructure;
5. Limited markets access infrastructure and information;
6. Shortage of skilled manpower; and
7. Weak domestication and implementation of policies and strategies for agricultural transformation.



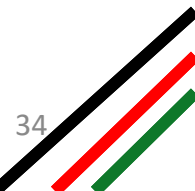


CONCLUSION AND RECOMMENDATIONS



Conclusion:

- The ARUD Sector continues to play an important role on the social and economic growth of the nation; through food and nutrition security; wealth and job creation; foreign exchange earning; security of land tenure, and land management.
- The resources allocated to the sector have however, not been sufficient in comparison with the sector's needs and requirements and the role it plays as an enabler across other sectors.





Conclusion...Cont'd

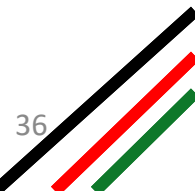
- Therefore, there is a need to explore other innovative and sustainable funding models like the Public Private Partnerships (PPP) to supplement government development partner funding.
- Finally, to support the country's overall economic growth target and transform the Sector, there is need for greater integration of efforts across all government sectors, prioritization of resources and fast-track intervention to develop localized skills.



Recommendations

In view of the challenges and emerging issues highlighted, the Sector recommends the following:

- 1. Funding for the sector:** The sector to explore other innovating sustainable funding models such as PPP;
- 2. Strengthen domestication and implementation of policies and strategies for agricultural transformation;**
- 3. Legislation:** Strengthen legal, regulatory and institutional frameworks in the sector;

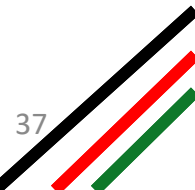




Recommendations.... Cont'd



- 4. ICT integration and Digitization:** Embrace digitization strategy towards enhancing the use of ICT in delivery of services such as, e-subsidies, e-extension, e-commerce, digital food balance sheets, and early warning systems;
- 5. Climate smart technologies:** The sector to upscale climate smart technologies in mitigating impacts of climate change; and
- 6. Research and Innovation:** Enhance funding for economic development-oriented research, technology development and transfers.





Thank You

