



Right to Food Coalition Memorandum on the Supplementary Budget 1, 2024, in Response to the Call for Public Participation by the National Assembly. Submitted July 22, 2024

Constitutional and Legal Context

The Constitution of Kenya (2010) and the Public Finance Management (PFM) Act 2012 underscore the importance of public participation in the budget-making process. According to Article 201(a) of the Constitution, there shall be openness and accountability, including public participation in financial matters. Additionally, Article 221(5) mandates that Parliament must consider the views of the public when debating budget estimates. The PFM Act (2012), Section 35, further elaborates that the public must be involved in the preparation and approval processes of budget estimates.

Introduction

This memorandum is submitted in response to the National Assembly's call for public participation on the Supplementary Budget 1, 2024. The rejection of the Finance Bill 2024 by the citizens of Kenya and the President declining to sign it into law has led to an inability to achieve national revenue targets, rendering the Appropriation Act 2024 inadequate. Consequently, austerity measures have been introduced, resulting in significant budget cuts across critical sectors that are human rights-centered and affecting the most vulnerable in society thus undermining the Constitution and public finance management principles.

Key observations

1. Significant budget cuts in the ARUD sector

The Agriculture Rural and Urban Development (ARUD) sector budget has been revised downwards from **KSh.82.08 billion** to **KSh.71.61 billion**, a reduction of **KSh.10.47 billion**, representing a **5%** cut from the initial budget estimates. The only state department under the ARUD sector to receive an increment is the State Department of Cooperatives, with **KSh.1.6 billion** allocated for coffee farming debt settlement.

ARUD sector revisions have been adjusted as seen in the following table.

VOTE	Recurrent budget changes (%)	Development budget changes (%)	Total changes (%)
1112 State Department for Lands and Physical Planning	-1	-85	-50
1162 State Department for Livestock Development	-1.8	-10.78	-6.89
1166 State Department for the Blue Economy and Fisheries	-1.3	-27.24	-22.14
1169 State Department for Agriculture	-0.1	-5.62	-3.73
1173 State Department for Cooperatives	34.5	-14.78	20.16
2021 National Land Commission	-5	-100	-12

Source: Authors compilation, retrieved from the draft supplementary budget 1 2024, National Treasury website

Moreover, the agricultural sector has faced substantial budget reductions. For instance, the State Department of Agriculture budget has been cut from KSh.45.7 billion to KSh.44.0 billion, a reduction of KSh.1.7 billion. This cut suggests a delay in implementing vital programs and projects for FY 2024/25 without clear justifications or timelines for completion.

Key sub-programs that have been completely defunded for FY 2024/25 include:

- Youth & women empowerment in modern agriculture
- Public participation projects
- Food Security & Crop Diversification project
- Coconut, cotton, cashew nut revitalization projects
- Soil health management for land productivity & access to renewable energy
- Nutrition-sensitive agriculture program
- MSMEs agricultural credit - AFC

2. Development budget vs. Recurrent budget

The development budget has been significantly reduced compared to the recurrent budget, indicating that the hefty national wage bill is being prioritized over service delivery. This imbalance could severely impact the quality and reach of agricultural services.

3. Equity concerns in budget allocations

There is a lack of justifications for proceeding with agricultural development projects in certain counties while halting similar projects in others. This approach undermines the principle of equity enshrined in the Constitution and requires clear explanations for such decisions.

4. Impact on cross-cutting sectors

Critical sectors such as health, education (including school feeding programs), social protection, senior citizens affairs, climate change, gender, water, and sanitation have all suffered significant budget cuts. These sectors are essential for the public, especially vulnerable groups, as stipulated in the Constitution of Kenya (2010).

5. Undermining National and International commitments

The inadequate budgetary allocations undermine Kenya's national and international commitments to food security, such as the Malabo Commitment to allocate at least 10% of national budgets to agriculture and the Fourth Medium Term Plans (2023-27): The Bottom-Up Economic Transformation Agenda (BETA) Plan with priorities to increase delivery of subsidized inputs (seeds and fertilizers) to 1 million farmers, expansion of acreage under irrigation, crop diversification, and the National Food Systems Transformation Pathways which include empowering women and youth to participate in agriculture.

6. Zero funding for public participation in ARUD projects

Public participation for the state departments has been slashed to zero, suggesting that public participation will not be conducted. This undermines the constitutional requirement for public involvement in budgetary processes.

Ramifications of the proposed austerity measures

The budget cuts in these critical sectors threaten to undermine the country's progress towards achieving food security, equitable development, and adherence to both national and international commitments. The ramifications include **increased food insecurity, inequitable resource distribution**, and **compromised social services that support vulnerable populations**.

Budget cuts to the State Department for Lands and Physical Planning will affect the function of the National Land Commission to facilitate the acquisition of land titles for vulnerable groups such as widows, youth, and persons with disability.

Budget cuts to public participation projects such as livestock restocking and other projects **claw back the gains made in public participation and raise questions on the objectives of public participation**, is it not to address the needs and priorities of citizens?

Questions on the Budget Cuts

a. Justification for Reductions

What were the primary considerations and criteria used in determining the budget cuts across various sectors, especially those that are human rights-centered and fundamental to national development?

b. Impact Assessment

Was there an impact assessment conducted to evaluate the potential consequences of these budget cuts on food security, health, education, and social protection? If so, can the findings be made public?

c. Public Participation:

Given that public participation funds have been reduced to zero, how does the government plan to uphold the constitutional mandate of involving the public in budgetary processes?

d. Equity and Fairness

How does the government justify the apparent inequity in budget allocations where certain counties benefit from continued development projects while others face cuts? What measures are in place to ensure fair and equitable resource distribution?

e. Alignment with National and International Commitments

How will the government ensure that the reduced budget allocations do not derail the country's progress toward fulfilling national and international commitments, such as the BETA Plan for Inclusive Growth and the Malabo Declaration?

f. Transparency in Decision-Making

Can the government provide a detailed explanation of the decision-making process that led to the specific cuts in critical sub-programs such as youth and women empowerment in modern agriculture, public participation projects, and the food security and crop diversification project (BETA)?

g. Duplication of National and County Functions

Why is the National government budgeting for services and programs that are devolved to be performed by County governments such as fertilizer subsidies?

Suggestions/Recommendations

1. **Reprioritize budget allocations:** Reassess the budget cuts to ensure that critical agricultural programs and projects receive adequate funding. Prioritize sectors that are fundamental to the realization of human right to food and national commitments.
2. **Fully devolve agriculture sector functions and resources** and have clear roles and accountabilities between national and county functions.
3. Better collaboration between the state departments and civil society to articulate the priorities in the sector. For example, we need **better representation of civil society in sector working groups during budget making.**
4. **Budgets should include social accountability** for government programs and services.
5. **Prioritize meaningful public participation** through the budget-making process and incorporate feedback from citizens and stakeholders to reflect their priorities and needs accurately.
6. **Provide clear justifications for budget cuts** where there are significant disparities in development projects across counties.

Conclusion

The Right to Food Coalition urges the National Assembly to reconsider the proposed budget cuts and to ensure that the principles of public participation, equity, and transparency are upheld in the budget-making process. Adequate funding for critical sectors is essential to meet the country's human rights obligations and development goals.

Additionally, adequate financing for the Agriculture, Rural, and Urban Development (ARUD) sector is paramount for fostering sustainable development and addressing pressing food challenges in Kenya. This sector serves as the backbone of the economy, driving food security, rural livelihoods, and urban resilience. With sufficient funding, the ARUD sector can enhance agricultural productivity, promote inclusive growth in rural areas, and support the development of vibrant urban centers. Moreover, robust investment in this sector enables the implementation of crucial programs to mitigate climate change impacts, improve infrastructure, and strengthen disaster preparedness. Adequately financing the ARUD sector is not only an investment in the present but also a strategic commitment to building a prosperous and resilient future for all Kenyans.

About the Right to Food Coalition

Founded in 2021, the Right to Food Coalition Kenya is a diverse and inclusive alliance of 50 civil society organizations and individuals dedicated to ensuring that every individual has access to sufficient nutritious, and culturally appropriate food. Our purpose is to see the eradication of hunger and food insecurity through a rights-based approach by advocating for legislation and policies, supporting grassroots initiatives, and fostering collaboration among stakeholders. Our members come from diverse constituencies including smallholder producers, grassroots organizations, NGOs, iNGOs, researchers, academia, media, vulnerable and marginalized groups such as rural and urban poor, people living in arid and semi-arid lands, people living with disability, women, and youth.

This memorandum represents the collective voice of citizens concerned about the implications of the proposed budget cuts and calls for a more equitable and transparent approach to public finance management.

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