The National Assembly of Kenya approved a motion that ratified the EU-Kenya <u>Economic</u> <u>Partnership Agreement (EPA)</u>

signed by the two parties on 18 December 2023. The ratification by Kenya of the EPA comes at a short distance from the deliberation of the EU Parliament, which during its plenary session of 29 February, gave its consent to the EPA to officially enter into force for the EU. Kenya, on the other hand, had to follow its own ratification process according to its national laws, and specifically, according to

the provisions of the

Treaty making and ratification act No. 45 of 2012

, which foresees that the Cabinet Secretary responsible fo

r matters relating to the Treaty to be ratified must submit it accompanied by a memorandum to the Speaker of the National Assembly for deliberation.

The total trade between the EU and Kenya averaged €3.3 billion in 2022, with exports from the EU to Kenya that are almost double than Kenyan exports to the EU. Deeply different is also the nature of exported products: mainly agricultural products with low value addition for Kenya (such as vegetables, fruits, flowers, coffee and tea) and high-value added products such as mineral and chemical products and machinery for the EU.

The EU negotiated for the first time a regional Economic Partnership Agreement with the East Africa Community (EAC) countries in 2014, which only Kenya and Rwanda signed, both on 6th September 2016. However, in the end, Rwanda abandoned the idea of going ahead with this Agreement, which was never ratified, while Kenya completed its ratification after a few days from the signature, on 20 September 2016. The other EAC members refused to sign and ratify, so the regional EPA never entered into force. After being in a in a sort of limbo for about 7 years, negotiations were resumed bilaterally by the EU and Kenya, which agreed to sign an "interim" (bilateral) EPA with the EU, awaiting the day that the other EAC member states will decide to sign the regional one.

The acceptance of Kenya to sign an interim EPA with the EU came after the EAC Heads of State, at their 21st ordinary summit of February 2021, <u>decided</u> to give the green light to individual EAC members to commence engagements with the EU at bilateral level. However, they did so based on a wrong interpretation of the principle of variable geometry at Article 7.1(e) of the EAC Treaty, which allows for progression in cooperation among groups within the Community for wider integration schemes in various fields and at different speeds. Indeed, this principle applies uniquely to integration within the EAC (to be noted that art. 7.1.e talks about progression in cooperation " among groups within the Community

"), and therefore has not an external relevance, so it does not apply to third countries or territories outside the EAC.

Kenya is the only African country in East Africa that has embarked on a bilateral EPA with the EU. In West Africa, Cote d'Ivoire and Ghana have similar bilateral EPAs in place with the EU, while in Central Africa only Cameroon has concluded one. In Southern Africa, an EPA has been concluded by the EU with a group of six countries from SADC (Botswana, Lesotho, Mozambique, Namibia, South Africa and Eswatini), while another case of a regional EPA is the one concluded with a group of insular countries in Eastern and Southern Africa (ESA): Comoros, Madagascar, Mauritius and Seychelles, plus Zimbabwe (so called ESA-5 group).

The EU-Kenya interim EPA is basically modeled upon the text of the original regional EPA of 2014, with some additional provisions on special safeguards for agriculture, measures on food security and infant industry protection.

Kenya has at its disposal 25 years to open its market to imports from the EU, by following a specific liberalization calendar which entails two main steps: the liberalization of 83.3 percent of tariff lines within 15 years from the moment the EPA enters into application, while the remaining 2.9 percent will be liberalised within the subsequent 10 years.

It is envisaged that a new protocol on rules of origin will be negotiated as soon as possible, which the Parties agreed to have in place at latest within the first five years of the implementation of the EPA. In this regard, a joint statement adopted by the two parties established that the 2014 Protocol will be the basis for negotiation of the new set of rules, with limited adjustments. In the meantime, pending the conclusion of such protocol, each Party shall apply the rules of origin included in

Regulation (EU) 2016/1076 of the European Parliament and of the Council (Market Access Regulation).