



CONCEPT NOTE

Mashariki Research and Policy Centre

Round Table on Kenya - European Union EPA and Agricultural Sector Opportunities

10th December 2024

Background

On 1st July 2024, The Kenya - European Union Economic Partnership Agreement (EPA) came into effect. This EPA offers Kenyan exporters duty free and quota free access to the EU Market of 27 member states. This agreement remains open for other member states of the East African Community (EAC) to join, in line with the shared vision of the EU and Kenya to promote regional integration in Africa at both regional and continental levels. This provision allows EAC countries including Burundi, Rwanda, South Sudan, Tanzania, Uganda, Somalia and the Democratic Republic of the Congo the opportunity to benefit from the agreement's provisions in the future. The EU is Kenya's second-largest trading partner, and therefore provides a significant export market. Total trade for instance between the EU and Kenya reached €3 billion in 2023, with an increase of 16% compared to 2018.¹ The Kenya-EU EPA therefore provides a pivotal opportunity particularly in the agricultural sector.

This roundtable is convened with several objectives. One, is to sensitize on the opportunities the EPA creates for Kenya's agricultural sector. Two, is to explore the policy and regulatory environment and related interventions that would enhance Kenya's agricultural exports to the EU Market. Third, is to situate the role of the private sector in leveraging the opportunities afforded by the EPA. This agreement presents potential to boost agricultural

¹https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/east-african-community-eac/eu-kenya-agreement/agreement-explained_en#architecture



CONCEPT NOTE

development, and in turn foster job creation and economic growth including the youth demographic.

There exist several potentials for Kenyan farmers in the Kenya – EU agreement. This EPA opens opportunities to expand Kenya's foot print largely in the horticultural sector. This will be enhanced through duty free and quota free access to the EU market which is provided for in the agreement. For Kenya, her traditional exports to the EU have been vegetables, fruits, and cut flowers.

For the food products, the EU through its development assistance is keen to engage in a series of capacity interventions for farmers.² This includes compliance with EU standards including sanitary and phytosanitary standards (SPS). SPS are World Health Organization (WHO) health regulations that are meant to contain negative effects resulting from harmful additives, contaminants, including disease carrying organisms.

For Kenyan farmers to leverage these potentials they need to navigate several hurdles. These include inadequate financing and navigating the raft of processes to be export ready. In terms of the export process, farmers have to be in compliance with the EU standards and regulations including the phytosanitary certificate and packaging and labeling. It would be prudent to enhance value chain process especially for small scale farmers. Interventions would include, collectively organizing across cooperatives and producer groups to enhance efficiency. The value chain requires several stakeholders, and indeed investments such as cold chains and refrigerated trucks for perishable products. These investments need financing especially for individual and small scale farmers. Harnessing their synergies would help close financing gaps, but also enhance the compliance standards for the EU

²<https://www.standardmedia.co.ke/business/opinion/article/2001500582/kenya-to-benefit-from-economic-partnership-agreement-with-eu>

³<https://www.kephis.go.ke/>



CONCEPT NOTE

market. By organizing around groups, small scale farmers would have easy access to credit and grants, market information and enhanced policy and regulatory compliances. In terms of regulatory compliance, being organized stimulates better coordination with key government agencies such as the Kenya Plant Health Inspectorate Service (KEPHIS), which among other functions is responsible for seed certification, and phytosanitary certification.³ Furthermore, these groups would co-share research and technology adoption costs to scale their reach and effectiveness in the EU market. Additionally, research institutes and academia occupy a vital role in influencing public policy by conducting research and offering policy alternatives in the agricultural domain.

To leverage on these opportunities, the Ministry of Trade, Investments and Industry, and the Ministry of Agriculture, Livestock Development, should engage in sensitization forums as well as policy interventions to expedite adaption and compliance with the EPA in the private sector. These interventions would be critical in scaling the participation of small and large-scale farmers in the evolving trade opportunities crucial for mutual economic development.

This roundtable is convened with policy makers, business associations, and host of stakeholders with interests in the agricultural sector. It engages with the following key questions:

- i) What incentives can the government provide to farmers, investors and exporters to leverage on the EU market access?
- ii) How can technology, policy and regulatory frameworks in the agricultural sector be enhanced to expanding the opportunities availed by the EPA?
- iii) What are some of the immediate and mid-term capacity development initiatives that would enhance access to the EU market for Kenyan farmers?



CONCEPT NOTE

- iv) What role can the private sector play in incentivizing entrepreneurs to access the EU market?
- v) What contributions can the think tanks and academia offer in the research and policy discourse around EPA?
- vi) How can the government and private sector incentivize youth involvement in the agricultural sector?

Roundtable Outcomes

The roundtable is convened with the following actionable outcomes:

- i) A series of proposals and policy recommendations to enhance farmers and investors access to the EU market?
- ii) Robust recommendations on immediate and mid-term capacity development interventions for farmers access to the EU markets.
- iii) Concrete proposals from private sector actors on a variety of incentives to entrepreneurs' keen to tap into the EU market.
- iv) Prioritization of research agendas in the policy space around EPA.

Roundtable Outputs

The following are the envisaged outputs from the roundtable:

- i) A roundtable report.
- ii) Policy brief highlighting appropriate policy proposals.
- iii) An action plan detailing follow-up activities post-roundtable.



CONCEPT NOTE

Roundtable Format

The round table will feature several keynote addresses followed by sector perspectives and plenary discussions. Thereafter participants are invited to a networking dinner.

Contact Information

For clarifications and inquiries, please contact the Roundtable Secretariat at info@masharikirpc.org and on telephone at +254 734 088 233/0114 088 233.



Address: P O Box 650 - 00621, Nairobi
Phone: +254 734 088 233 | 0114 088 233
Email: info@masharikirpc.org
www.masharikirpc.org