

US and Kenya sign strategic trade and investment partnership

By [Virusha Subban](#)

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The United States-Kenya Strategic Trade and Investment Partnership (STIP) was signed on 14 July 2022. The agreement outlines the enhanced engagement and high standard of commitment between the two countries, and focuses on increased investment and sustainable and inclusive growth that will be of benefit to both countries' citizens and businesses. The agreement also includes the intention to support regional economic integration in East Africa.



Image source: Andres Rodriguez – [123RF.com](#)

A year ago, in July 2021, the United States (US) administration announced that it would renew its Prosper Africa initiative, to increase reciprocal trade and investment between the US and African countries. At that time, the US noted that the initiative would focus on improving trade and investment in sectors such as infrastructure, energy and climate solutions, healthcare and technology. Seventeen US government agencies working as part of this initiative were given a mandate to, among other things, empower African businesses, offer deal support and connect investors from the US with those in Africa.

Support for businesswomen

Also noted at the renewed Prosper Africa launch was the intention to focus on trade projects that supported women, and small and medium enterprises in Africa. Under President Biden, US engagement with African countries promised to focus on strengthening these trade relationships in a strategic, co-operative and reciprocal way under the vision of 'shared prosperity' between Africa and the US. The US has also expressed its support for the African Continental Free Trade Area, the Africa-wide free trade zone, stating that it wants to see the growth of Africa's economic power in the world.

Via the US-Kenya STIP, the two countries have identified key areas that they will develop into "an ambitious roadmap for enhanced cooperation" including agriculture, anti-corruption, digital trade, environment and climate change action, good regulatory practices, a focus on micro, small and medium enterprises (MSMEs), promoting workers' rights and protections,

supporting the participation in trade of women, youth and others, increased collaboration on standards and the facilitation of trade and customs procedures. The agreement has a heightened focus on sustainability, innovation and good governance, and highlights the requirement that all measures introduced under the agreement must be advantageous to local communities, consumers and businesses in both countries.



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Encouraging agricultural innovation

With regard to the agricultural sector, the agreement notes that an enabling environment for agricultural innovation will be facilitated to increase food security and farm productivity. It also outlines the role of digital inclusion and accessibility, the need for resilient and secure digital infrastructure and online consumer protection in order to foster trust, address discrimination and promote development in the digital economy. Emerging issues in digital trade will also be monitored and considered.

Environmental protection, climate change adaptation and mitigation and conservation are also high on the agenda. Both countries have highlighted the importance of sustainability when using natural resources as they strengthen their mutual commitments and trade relationship. A commitment to sound regulatory practices, such as adequate time for public consultations on proposed regulations, basing decisions on science and evidence and regularly undertaking risk and regulatory impact assessments is also noted as a key focus area.

The agreement outlines the importance of supporting MSMEs, in particular those owned by women, youth and persons with disabilities, stating that this is essential for sustainable economic growth. Best practice exchanges and roundtables are planned in this regard. Issues such as good pay, high quality jobs and the development of trade policies that facilitate the role of women and children in international trade are key focus areas of this agreement. Workers' rights and protections, in particular compliance with local labour laws and the promotion of dialogues and mutual cooperation in the labour and employer arena, are also regarded as areas of importance.



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Mutually agreed practices

The two countries stated via the agreement that they will engage in detail on their respective trade processes, and prepare, adopt and apply regulations, standards and procedures based on mutually agreed practices. They also acknowledged the pandemic's impact on supply chains and the benefits of introducing streamlined and simplified border procedures, especially in terms of access for new entrants to the market. Also acknowledged in the agreement is the importance of accelerating the implementation of the World Trade Organisation Trade Facilitation Agreement, which provides for the expedited movement and clearance of goods, and outlines trade facilitation and customs compliance cooperation measures for customs authorities.

The STIP agreement also notes that customs practices and enforcement procedures between the two countries will be considered in a mutually cooperative and transparent way. The introduction of trusted trade benefits for low risk importers, particularly for participants in the Authorized Economic Operator program, will also be considered. This will be a significant development that other African customs authorities will surely take note of and aim to emulate in the future.

The agreement aligns with and reinforces the ideals laid out in the US's Prosper Africa initiative and, as such, further reciprocal bilateral and regional trade agreements with Africa countries are expected to be signed in the near future. Such agreements are expected to eventually replace the non-reciprocal African Growth and Opportunity Act (AGOA), which allows duty- and quota-free exports from eligible African countries into the US, and which is due to expire in 2025. The enhanced engagement and commitment outlined in the US-Kenya STIP will provide numerous opportunities for the citizens and businesses of both countries to prosper from increased and sustainable trade and investment.

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