

STATEMENT BY KENYA DELEGATION AT THE 68TH EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT BOARD

Item 4 – Economic Development in Africa: Made in Africa – Rules of Origin for Enhanced Intra-African Trade

Mr. President, Ambassador Michael Gaffey

Secretary General of UNCTAD, Dr. Mukhisa Kituyi

Excellences

Distinguished Delegates

The Kenya delegation wishes to sincerely thank you and UNCTAD Secretariat for convening the 68th Executive Session on Trade and Development Board. We also recognize, with gratitude, the invaluable work done by the Division for Africa, Least Developed countries and Special Programs in producing the Report on Economic Development in Africa: Made in Africa-Rules of Origin for Enhanced Intra-African Trade. The Report gives a comprehensive analysis on what mechanisms Africa may consider, in regard to rules of origin, to be able to take full advantage during the implementation of African Continental Free Trade Area (AfCFTA).

Kenya delegation also welcomes the new Regional Group, EAEU.

From the onset, the delegation fully associates itself with the statements made by the Group of 77 and China, and the African Group.

Mr. President

Africa's Agenda 2063 is about the "Africa we Want." Africa leadership has demonstrated the political will and commitment to achieve this long vision through ratification of the AfCFTA. The successful implementation of this agreement will, no doubt, support the continent's economic growth and, ultimately, achievement of the Sustainable Development Goals (SDGs) and Africa Agenda 2063. For this to be realized, coherent and complimentary policies and strategies will need to be put in place.

As clearly articulated in the Report, Rules of Origin for successful implementation of the AfCFTA are a priority, as they will also impact on regional value chains, and regional integration, the bedrock of success. The East African Community has made great strides in the integration process relating to achieving a customs Union, Common Market, Monetary Union and Political Federation and was rated the best performing regional economic bloc by the African Development Bank (ADB) in 2018. This is great news. However, it is important that no sub-region is left behind for AfCFTA to reap full benefits. This means that as the second phase of AfCFTA is negotiated, right policies have to be considered to support the less developed countries in the region as well as the weak and vulnerable members in the region, including women and youth. This will be significant since equity **in productive capacities and competitiveness** between countries will account for the success of implementation of the rules of origin. It is, therefore, imperative that the continent progressively builds the requisite capacities to achieve this goal. UNCTAD's continued support and collaboration in Africa will always be appreciated. In addition, development partners are called upon to partner and share their experiences with Africa in regard to rules of origin, tariffs regime as well as preferences in order to make this Agreement a positive reality.

Further, as the Report correctly noted, making the rules of origin simple, consistent, neutral, transparent and predictable is critical as negotiations are deepened in the second phase. This should, therefore, be the focus of all trade operators, negotiators, experts and the leadership in the continent given the importance of getting it right with the rules of origin from the beginning. In line with implementation of its mandate, UNCTAD's role in enlightening the different players on this issue will remain pertinent.

Mr. President

In conclusion, the Kenya delegation looks forward to rules of origin that will promote trade, attract investment, promote productivity and ultimately, stimulate development of regional value chains in Africa leading to enhanced growth and development and ultimately, full integration into Global Value Chains (GVC). The policy guidelines provided in the Report will go a long way in supporting this course.

I thank you.