Update on the AfCFTA: Investment Negotiations

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Talkmore Chidede
Update on Investment Negotiations

- Protocol on Investment schedule for Phase II negotiations (along with IPRs, competition policy)
- Deadline for the conclusion 31 December 2021
- Preparation for the Zero Draft
- Committee on Investment established
- ToR for the Committee adopted
- Guiding Principles and Modalities for Negotiations developed by the Expert Groups — to be discussed by the Committee on Investment and approved by Council of Ministers
- Continental capacity building meetings
Update on Investment Negotiations (cont.)

- Regional Stakeholder Engagement Consultations on the Development of the Protocol on Investment (Virtual)
  - (Central and Western Region, including Comoros and Djibouti) - 19 July 2021
  - (Eastern and Southern Region, including Cape Verde, Guinea-Bissau and Sao Tome and Principe) - 23 July 2021
  - (Northern Region, including Sudan) - 26 July 2021

**Purpose:** engage stakeholder and identify views of stakeholders on the potential issues for inclusion in the AfCFTA Protocol on Investment
Issues likely going to be covered in AfCFTA Protocol on Investment

• investment promotion, facilitation and protection, investor obligations, investment dispute prevention and resolution, and broader sustainable investment objectives.

• **Investment governance dimensions**: investment promotion, facilitation, protection and regulation
Investment facilitation

• Measures aimed at expediting and reducing timeline for investment approval processes, improving ease of doing business and doing away with non-value adding procedures.

• **Investment promotion vs investment facilitation**

• **Investor-centric vs development oriented**

• **Host state vs home state** – facilitation, regulation and subsidizing development oriented in and outward investment

• **Multiplier effects:** create an enabling environment and encouraging investment from both local and foreign investors
Investment facilitation (cont.)

• African existing investment treaties have paid minimal attention to investment facilitation - preambles and objectives, investment promotion provisions, occasionally in the substantive provisions.
• Investment facilitation has been dealt with under national laws or policies. National measures are important yet inadequate.
• Investment facilitation measures in the AfCFTA framework would enhance and complement what countries are already doing at the national levels.
• It would enhance continental cooperation and coordination among governments and stakeholders with respect to facilitating investments.
• Cooperation measures may be important in improving coherence and coordination between African Union member states. But clear and rules-based commitments are critical in advancing broader investment governance objectives.
• African countries should pay attention to and actively participate in the ongoing investment facilitation negotiations at the WTO. About 20 countries are participating at the moment.
• They need to learn from agreed measures, and ensure that the negotiations complement and strengthen African countries’ domestic and regional initiatives to facilitate investment for sustainable development.
• There is no one-size-fits all approach to investment facilitation. One capable of addressing African needs.
Thank you