

Update on the AfCFTA: Investment Negotiations

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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

