

**High-level Regional Roundtable on Investment
Facilitation for Development:
How African Economies Will Benefit**

31 May 2022, 13:00-15:30 CET (Geneva time)

Guest Address of DDG Anabel González

Thank you, Stephen

Honourable Ministers,
Excellencies,
Ladies and Gentlemen,

I am very pleased to join you today on behalf of WTO Director-General Dr. Ngozi Okonjo-Iweala. The Director-General regrets that she cannot be with us today due to an urgent commitment. I'm pleased to be here and deliver this address on her behalf.

I want to begin by expressing my warm appreciation to the International Trade Centre, the United Nations Economic Commission for Africa, the German Development Institute, and the World Economic Forum for organizing this High-Level Roundtable.

This discussion is very timely. The parties to the African Continental Free Trade Area are currently negotiating a **Protocol on Investment**. And I understand that **investment facilitation** will be a central part of the protocol.

In parallel, over two-thirds of WTO members are participating in the plurilateral negotiations on an **Agreement on Investment Facilitation for Development**. Negotiations on the draft text are well advanced, with participants aiming to conclude text negotiations by the end of 2022. Several countries in the region, including Mauritius, Morocco, and Nigeria have contributed significantly to shaping that text.

This is very welcome, and encouraging.

Today's high-level roundtable is an opportunity to build on all the good work that has been happening on investment facilitation in Africa, and to look at how we can capture the many **synergies** between the work in your region and the work at the WTO.

Both strands are pulling in the same direction. They both seek to attract, retain and expand investment and both aim to develop **best practices** to leverage investment for sustainable development, economic growth, and job creation. So there is a high degree of complementarity between these efforts.

Today I would like to focus my remarks on three **key messages**.

My **first message** is that revitalizing investment – and FDI in particular – is fundamental to Africa's future prosperity. Whether you are talking about the post-pandemic economic recovery or the digital transformation, infrastructure or climate adaptation... investment is critically important to meet these and many other challenges facing Africa and indeed the world.

The **unparalleled crisis caused by the COVID-19 pandemic** has increased poverty across the globe and provoked the steepest fall in global trade and investment on record. This is particularly worrisome in a context where investment has become a leading source of external finance for many developing countries, notably in Africa.

In 2020, **FDI flows to Africa** dropped by 13%. Despite rebounding strongly in 2021, FDI inflows to Africa make up just under **6%** of global FDI inflows.

All this is happening against a backdrop where **only 10% of Africa's total stock of FDI originates from *within* the region**. This percentage is low compared to other regions such as East Asia and Europe.

We must work to revitalize investment in Africa, both foreign and domestic. **Investment facilitation is a critically important piece in any strategy to do that**. That's because investment facilitation enhances transparency, reduces the time and costs to obtain investment approvals, and promotes cooperation and coordination within and across borders.

Turning to my second message, African countries and African Regional Economic Communities have **spearheaded** innovative, collaborative and far-reaching approaches to international investment law, including provisions on investment cooperation and facilitation. That means that the region is in a very good position to take investment facilitation to the next level.

Domestically, many African countries have established top-notch national information portals, often as part of a new generation of investment laws that focus on investment facilitation.

Regionally, there are far-reaching instruments such as the 2018 ECOWAS Common Investment Code and the 2018 revised COMESA Common Investment Agreement, among several others.

At the **continental level**, there are ongoing negotiations on an AfCFTA Protocol on Investment. I understand that the goal is to have a Protocol with a strong investment facilitation component that promotes Africa as a destination for sustainable investment.

And let's not forget that it is in Africa, at a high-level policy Forum held in Abuja in November 2017, that a group of African countries launched the "**Abuja Statement**". That was a decisive moment, which paved the way for the Buenos Aires 2017 Joint Ministerial Statement on Investment Facilitation for Development and the launch of negotiations in September 2020.

Today, those negotiations bring together over 110 Members, of which **77 are developing countries**, including 20 LDCs, and 22 of the 55 members of the African Union.

That brings me to my **third and final message**, I want to highlight that **special and differential treatment**, including technical assistance and capacity building support, are integral

parts of the future Agreement on Investment Facilitation for Development that is being negotiated at the WTO.

I am very pleased that later today, **Ambassador Francke** from Chile, who has so ably steered the work on investment facilitation in Geneva, will talk about the progress of these negotiations.

I want to take this opportunity to commend Ambassador Francke of Chile for his excellent work as Coordinator over the past year and a half. Ambassador, I know you will be leaving Geneva soon. We will all miss you. You have made a real contribution, which puts us in a very strong position to advance the work on IFD.

Ambassador Francke will also address several substantive issues. Here, let me just highlight one point related to special and differential treatment. The approach to this issue in the future IFD Agreement is modelled after the **Trade Facilitation Agreement**.

And that's great news, because when it comes to special and differential treatment, the Trade Facilitation Agreement pioneered an approach that seeks to **support engagement** rather than confer exemption. An approach that enables rather than exonerates.

Concretely, that means that developing countries and LDCs adhering to a future Agreement on Investment Facilitation for Development will be able to **self-determine** when they will implement each of the individual provisions and what provisions

will require technical assistance and capacity building support to be implemented.

In that same vein, participating members have assigned **high priority to conducting investment facilitation needs assessments**. This will allow developing countries and LDCs, who so request, to identify their implementation gaps and signal their support needs.

Work on an Investment Facilitation Needs Assessment Guide is ongoing and is being coordinated by the WTO Secretariat in cooperation with seven partner international organizations.

Here too, I see many **synergies** between the negotiations on investment facilitation in Geneva and those on the AfCFTA Investment Protocol in Accra.

African countries who decide to adhere to the IFD Agreement will benefit from the technical assistance and capacity-building support built into the Agreement. Regional efforts, including efforts to deepen cooperation between investment promotion agencies, could see **positive spillovers** as a result.

Before I conclude, I want to highlight that **Africa's unique experiences, perspectives and priorities** are extremely valuable, and indeed essential, to reach a development-oriented, forward-looking and meaningful Agreement on Investment Facilitation.

The views emanating from Africa are needed to produce the **high-quality Agreement we all want**, one that serves businesses, communities and countries across Africa and around the world. So, I encourage all African WTO members to make your voices heard and keep contributing to this trailblazing effort. **The time to do so is now.**

Let me end by underscoring that a future **IFD Agreement can deliver a win-win.**

A **win for Africa**, as a global Agreement with best practices on investment facilitation could help anchor your own domestic, regional and continental reforms. An Agreement would also deliver the technical assistance and capacity building support needed to enhance the implementation not just of global provisions, but also continental ones.

An IFD Agreement would also be a **win for the WTO**. Bringing the investment facilitation negotiations at the WTO to successful conclusion would show that the WTO can deliver tangible results that can help economies succeed in the 21st century.

Africa has much to gain from a WTO that can deliver, a WTO that is fit for purpose and a WTO that can harness the full power of trade to make a real difference in the lives of people across this great continent and beyond.

I wish you a very successful High-level Roundtable. Thank you.