



United Nations
Economic Commission for Africa

Annual Investment Meeting 2021

Africa Session

Pre-Launch of the report

**Towards a Common Investment Area in the African
Continental Free Trade Area: Levelling the Playing Field for
Intra-African Investment**

Concept Note

**Wednesday 30th June 10 a.m. to 11 a.m., (Central African time GMT+2), Venue:
Africa Focus Room, Virtual via Events10x Platform**

1. Background

1. The Regional Integration and Trade Division (RITD) of the United Nations Economic Commission for Africa (UNECA) is pre-launching a publication entitled “Towards a Common Investment Area in the African Continental Free Trade Area: Levelling the Playing Field for Intra-African Investment”.

This publication builds on prior research at UNECA in support of the AfCFTA and furthers the Commission’s contribution to the continental dialogue on investment initiated in 2013 by African Ministers of Trade. It draws on interdisciplinary research, including economic, legal, and policy analysis, to provide insights and policy options for building a conducive environment for productive investment that unleashes dynamic effects of improved competitiveness, innovation, and digitalization across the continental market. The study is prepared against the backdrop of Phase II negotiations of the AfCFTA which cover protocols on investment, competition, and intellectual property and Phase III negotiations on an e-commerce protocol.

2. The main objective of the publication is to offer policy recommendations to Member States wishing to take advantage of the economies of scope and scale of the envisioned AfCFTA Investment Protocol to attract productive investment which can be channelled towards higher value-adding activities, such as those in the knowledge economy and in the spheres of technology, innovation and digitalization. As Africa is facing a steep decline in foreign direct investment (FDI) during and in the aftermath of the COVID-19 pandemic, the opportunities presented by a continental common investment area could hardly have arrived at a better time.
3. Global FDI was already slowing before the pandemic. In 2018, worldwide FDI inflows were \$1.3 trillion, lower than for any other year since the 2008 global financial crisis.¹ In Africa, investment inflows peaked in 2008, dropped steeply for three consecutive years following the global financial crisis, and recovered to \$57 billions by 2015.² They then fell to \$41 billion in 2017 before rising to \$46 billion in 2018.³ The 2017 drop likely results from both global factors—

¹ ECA calculations based on UNCTADstat.

² Ibid.

³ Ibid.

decreasing returns on FDI, a shift towards asset-light investments enabled by digitalization, an erosion of investor confidence, and US tax policy changes to encourage capital repatriation—and specific political, macroeconomic and regulatory uncertainties on the continent.

Then COVID-19 struck. Global investment flows fell 42 percent from \$1.5 trillion in 2019 to \$859 billion in 2020—a level 30 percent lower than the post-global financial crisis trough.⁴ In Africa, FDI fell 18 percent from \$46 billion in 2019 to \$38 billion in 2020, a level not seen for at least a decade.⁵ This dip was deeper than that in developing economies (12 percent) but less severe than the fall in developed countries (61 percent).⁶

The direction of the pandemic's immediate effect on FDI is therefore clear: investment inflows into Africa have fallen sharply and could continue to fall in the immediate term. Longer-term prospects, however, depend on the scale and effectiveness of policy responses. This is where continent-wide collective actions become even more important in a world of increased uncertainty and competition for investment. As the worst of COVID-19 passes, the AfCFTA Investment Protocol has the potential to boost FDI by harmonizing rules and creating a level playing field for investors.

2. Objectives of the Session

The pre-launch event is a platform for high-level government officials, national and regional investment promotion agencies (IPAs), the private sector, and other stakeholders to discuss the role that investment policies can play in supporting Africa's economic recovery and its sustainable development.

3. Expected Outcomes

The key expected outcomes of the session will be:

- ✚ Hold a policy discussion on the development potential of the AfCFTA Phase II protocols on investment, competition and intellectual property, jointly with the one on e-commerce.

⁴ UNCTAD, Global Investment Trends Monitor 38.

⁵ Ibid.

⁶ Ibid.

- ✚ Sensitize African Member States as well as investors and private sector representatives on the opportunities that offers the AfCFTA for building forward better by becoming more resilient, bolstering opportunities in investment, competition and intellectual property.

- ✚ Identify actionable policy recommendations on (i) how African countries could continue attract investment either domestic, intra-African and global (ii) how the IPAs and the private sector can support and contribute to leverage the AfCFTA as an engine for increased intra-African investment in support of sustainable development and (iii) how the ongoing reforms of the international investment regime can support Africa attracting more investment and what are the lessons and the implications of the Covid-19 on the architecture of Africa's investment regulatory framework.

4. Panelists

The Panelist comprise member States representatives, regional development agencies and private-sector experts. The Panelist will share their experiences, best practices, and challenges linked to the investment, competition, intellectual property and digitalization in support of sustainable development.

1. H.E. Amb. Mariam Yalwaji Katagum, Minister of State, Federal Ministry of Industry Trade and Investment, The Federal Republic of Nigeria
2. Mr. Stephen Karingi, Director, Regional integration and Trade Division, UNECA
3. Ms. Ahunna Eziakonwa, Assistant Administrator and Director of the Regional Bureau for Africa, United Nations Development Programme (UNDP)
4. Yunus Hoosen (InvestSA head) or Moses Ikiara (KenInvest head)
5. A representative of the Private sector

5. Organizational arrangements

Date and Venue of the Event

The Session will take place on Wednesday 30th June 2021 virtually via Events10x Platform. The event is free and open to the public through registration.

Format of the meeting

The session will begin with a brief presentation by UNECA on the scope, content, and policy recommendations from the publication.

Participants will then exchange views on the best practices and challenges that ought to be considered when negotiating the AfCFTA Phase II protocols on investment, competition, and intellectual property, jointly with one on e-commerce. They will also touch upon ongoing reforms of the international investment regime including investor-state dispute settlement (ISDS), investment facilitation for development, and the lessons from the pandemic and their implications on the architecture of Africa's investment regulatory landscape.

Documentation

Prior the Session, the organizers will endeavor to send the concept note and the report to panelists by electronic mail as soon as the latter have confirmed their participation.

6. Contact

The following staffs can be contacted for further information relating to the Session:

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