

AFRICAN UNION
الاتحاد الأفريقي



UNION AFRICAINE
UNIÃO AFRICANA

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone: +251 11-551 7700 Fax: +251 11-5517844
Website: www.au.int

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**PROMOTION AND PROTECTION OF AFRICAN INVESTMENTS TO
SUSTAIN INVESTMENT IN YOUTH**
(Item proposed by the State of Libya)

PROMOTION AND PROTECTION OF AFRICAN INVESTMENTS TO SUSTAIN INVESTMENT IN YOUTH

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INTRODUCTION

1. Conducive environment and institutional framework as well as political, legislative and economic stability are among the factors that attract investment. Creating the right climate also increases investment among African States as a major source of financing in the economic sectors. It boosts productivity and service with meagre domestic resources and has direct impact on reducing the rates of unemployment and poverty and raises living standards of the population of our continent whilst increasing local production through the diversification of the production base in places of imports and expanding of the volume of exports with a view to creating surplus in the overall economies of the African countries. This leads to an increase in the growth rate throughout the continent. But that can only happen if greater attention is paid to intra-African investments, within the context of cooperation and integration, with mutual benefits for both the investing and host countries.

OVERALL OBJECTIVES

2. Emphasis should be placed on the importance of providing a steady and sustainable African capital by encouraging AU Member States to mutually pump investments into each other's economy in the spirit of solidarity between them as well as support the economies of the investing and host countries. They should also encourage intra-African trade which can lead to more growth and promotion of job opportunities, youth employment, and eradication of unemployment. This is one of the short and long term objectives of Agenda 2063 and its Ten Year Implementation Plan. Investment by the investing countries going through political transition, faces the risks of nationalization and numerous claims in the host countries and this has a negative impact on investments as it can reduce level of production.

SPECIFIC OBJECTIVE

3. The specific objective is to ensure ownership of investments, properties, debts and assets by these countries that are passing through political transition by urging the host countries to respect the bilateral agreements concluded with them. In particular, investment should be safeguarded and encouraged within an African legal framework for the protection and encouragement of investments on the continent. That way they will contribute to sustainable mutual benefits between States and will ensure that no States take advantage of the peculiar circumstances that some investments of States going through transition do not run the risk of their investments being withheld. Countries where monies, holding assets and investments of the investing countries should acknowledge that.

INVESTMENTS, DEVELOPMENT AND CONTINENTAL INTEGRATION

4. Investment on the African continent will provide additional funds, help open up the labour market, build capacity in the African countries and ensure sustainable development in all walks of life as envisaged in Article 3 of the Constitutive Act which states thus: c) accelerate the political and socio-economic integration of the continent; j) promote sustainable development at the economic, social and cultural levels as well as the integration of African economies; k) promote cooperation in all fields of human activity to raise the living standards of the African peoples.

5. The continent is endowed with huge natural resources which need to be used judiciously so that the dividends of production could trickle down to the peoples of the continent. However, this objective can only be realised through African investments which will prevent capital flight from the continent.

INVESTMENT AND MAINTENANCE OF PEACE AND STABILITY ON THE CONTINENT

6. Taking into account the devastating effects of draught, floods and other vagaries of climate change like El-Nino and their impact on growth, social life and the economic situation, the spirit of African solidarity and giving help to the affected countries should always be there so as to mitigate the effects of these phenomena. Solutions to these problems must be found and they should be tackled effectively and efficiently. There is no doubt that the flow of investments will help countries affected by these factors to overcome the challenges they are faced with through lending support to their economies.

ROLE OF INVESTMENTS IN IMPLEMENTING AGENDA 2063

7. The Heads of State and Government had through what was stated in the Solemn Declaration on the 50 Anniversary of the OAU/AU undertook to accelerate development of infrastructure in Africa and to establish a link between the African peoples and economies as well as to help consolidate the socio-economic and cultural development processes. They also set for themselves strategic objectives in the fields of transport, information and communication technologies, energy and social infrastructure. National, regional and continental resources should be put aside for this purpose. There is no doubt that investments will play a major role in harnessing resources for the implementation of this landmark Agenda which requires encouragement, sustainability and support at all levels.

INVESTMENTS AND THE THEME OF 2017 SUMMIT “HARNESSING THE DEMOGRAPHIC DIVIDENDS THROUGH INVESTMENT IN THE YOUTH”

8. Like the rest of the resources, investments play an effective role in yielding demographic dividends in the fields of education, health, social welfare and reproduction, which could be achieved through investment in the youth and creation of job opportunities for them as the segment that represents a large percentage of the population of the continent. Herein lies the nexus between demographic investment and

economic investment which takes the form of job creation and realisation of sustainable development; a task that requires huge funds from within Africa.

CONCLUSION

9. Legal protection for the investing country is one of the factors that can motivate investors to put their investments where they wish in Africa. The idea is to give the investing country guarantees against any risks that could affect its investment projects in the host country. The concept of legal protection relates to guarantee against non-commercial risks such as wars, nationalisation, illegal confiscation and being subjected to unjust legal provisions as well as prevention from transfer of the dividends of investments to the investing African country. These risks do not often relate to commercial transactions, which should be the point protection should focus on.

10. In this regard, the State of Libya has the honour to make this proposal strongly convinced that protection of investments will play a decisive role in increasing economic cooperation between African countries. It will also help in financing the implementation of Agenda 2063 of the African Union as well as eradicating poverty and unemployment through creation of job opportunities for the youth thereby contributing immensely to raising their level of socio-economic, health and educational performance as the benchmark of development, progress and prosperity.

11. This is what should form part of the outcomes of the January 2017 Summit whose theme is “Harnessing Demographic Dividends through Investment in the Youth”.

FINANCIAL IMPLICATIONS

12. This proposal does not have any financial implications.

Draft Resolution: Attached.

DRAFT
DECISION ON PROMOTION AND PROTECTION OF AFRICAN
INVESTMENTS TO SUSTAIN INVESTMENT IN THE YOUTH
Doc. Assembly/AU/....(XXVIII)Add.2

The Assembly,

1. **WELCOMES AND TAKES NOTE** of the proposal of the State of Libya on the promotion and protection of Africa Investments to sustain investment in the Youth;
2. **URGES** Member States to cooperate at the national, regional and continental levels in establishing an African Mechanism for encouraging Africa-Africa Investments as an important means of resource mobilization for the implementation of Agenda 2063 of the African Union;
3. **CALLS FOR** cooperation and unity in supporting the economies of all Member States and redoubling efforts to consolidate an appropriate structure that encourages and attracts investments;
4. **REITERATES** its support for the initiatives and strategies put in place at the continental, regional and national levels designed to support efforts for the implementation of Agenda 2063 of the African Union and its Ten Year Implementation Plan as well as the Sustainable Development Agenda. As investments provide the financial and economic resources needed for the implementation processes, **STRESSES** the importance of supporting , encouraging and protecting Africa-Africa investments as well as African investments outside the continent;
5. **EMPHASIZES** the importance of respect for bilateral agreements concluded between the investing and host countries and encouragement and protection of investments
6. **REAFFIRMS** the right to fair compensation in accordance with International Agreements regarding investments subjected to nationalization, especially assets of the countries that are going through political transition that prevents them from following up on their investments;
7. **REAFFIRMS ALSO** the need to ensure national and continental cohesion in the field of investments and **ENCOURAGES** Member States to settle their disputes concerning the interpretation of bilateral investment agreements amicably through consultation, negotiations and mediation before taking decisions on confiscation, nationalization or dispossession;
8. **CALLS UPON** the authorities of host countries to refrain from interference in the investment operations and activities, particularly when it comes to the

administrative and financial aspects. **URGES** them to respect the laws and legislations enacted in accordance with regulations of the country housing the Headquarters of the companies sponsoring investments, including the commercial records of these companies and refrain from seizure of the assets, properties and bank accounts of these companies except within the context of the legislations and laws as well judicial provisions in this regard;

9. **CALLS UPON** host countries to grant the investing countries freedom in the management of their finances and assets and in sharing profits without any restrictions on how their monies are transferred in accordance with the objective of operating such investment companies;
10. **CALLS FOR** the consideration of what needs to be done for the establishment of an African Arbitrary Court assigned the task of looking into disputes that may arise with regards to investments. In this context, **CALLS FOR** possible establishment of a Single Legal System for AU Member States regarding the promotion, protection and facilitation of revenues among themselves .

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