EU/Angola Sustainable Investment Facilitation Agreement

2023/0181(NLE) - 22/11/2023 - Legislative proposal

PURPOSE: to conclude the Sustainable Investment Facilitation Agreement between the European Union and the Republic of Angola.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: on 22 June 2021, the EU and Angola launched negotiations on a sustainable investment facilitation agreement. The negotiations between the EU and Angola were concluded on 18 November 2022, after four rounds.

The agreement was signed subject to its conclusion at a later date. It is now necessary to approve the agreement.

CONTENT: the purpose of the draft Council Decision is to approve, on behalf of the Union, the sustainable investment facilitation agreement between the European Union and the Republic of Angola.

The general objective of the agreement is to provide legal certainty, improve the investment climate and facilitate the mobilisation and retention of foreign direct investment between the EU and Angola on the basis of modern and simplified rules and procedures relating to foreign direct investment, to the benefit of foreign and national companies. It promotes sustainable development, economic growth and job creation, and strengthens bilateral investment relations. It is the first investment facilitation agreement ever negotiated by the EU.

The agreement comprises four substantive chapters: (i) transparency and predictability; (ii) streamlining of authorisation procedures; (iii) focal points and involvement of stakeholders; (iv) investment and sustainable development.

A chapter entitled ‘Despite avoidance and settlement’ is based on cooperation between the parties and aims to find a mutually agreed solutions. It also includes the possibility of arbitration between States as a last resort, in addition to mediation rules.

The agreement incorporates a sustainable development dimension into investment relations, including commitments not to weaken labour or environmental standards and laws in order to attract investment.

The agreement:

- includes commitments to effectively implement international labour and environmental agreements, including the Paris Agreement;

- requires the promotion of corporate social responsibility and responsible business practices by investors, and

- strengthens bilateral cooperation on investment-related aspects of climate change and gender equality policies.