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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Delegations will find attached document COM(2025) 192 final.

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COM(2025) 192 final

Recommendation for a

COUNCIL DECISION

**authorising the opening of negotiations of a Sustainable Investment Facilitation
Agreement between the European Union and the Republic of Côte d'Ivoire**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The Competitiveness Compass of 29 January 2025 mentioned the need for the EU to “[seek] new ways of deepening partnerships and [create] benefits for our businesses”, including through Sustainable Investment Facilitation Agreements (hereinafter, “SIFAs”).¹

In its Communication on a Trade Policy Review of 18 February 2021² the Commission announced its intention to “step up its engagement with African partners to unlock their economic potential, foster economic diversification and inclusive growth” and to “propose a new sustainable investment initiative to partners or regions in Africa and the Southern Neighbourhood interested in doing so [...] in the form of stand-alone investment agreements or as part of the modernisation of existing trade agreements.”

The European Commission concluded negotiations of a SIFA with Angola on 18 November 2022.³ The SIFA entered into force on 1 September 2024,⁴ and is the first EU agreement of its kind. The Commission is also exploring the possibility of negotiating SIFAs with other interested partner countries, including with the Republic of Côte d'Ivoire (hereinafter, “Côte d'Ivoire”).

In 2023, the stock of EU foreign direct investment in Côte d'Ivoire amounted to EUR 4.3 billion, up from EUR 4.1 billion in 2022. The EU has concluded an interim Economic Partnership Agreement (hereinafter, “EPA”) with Côte d'Ivoire, which however does not contain provisions on investment facilitation.

In light of the opportunity for the EU to deepen its investment relationship with Côte d'Ivoire, the possibility to engage in the negotiations of a SIFA was discussed in the context of the 6th Côte d'Ivoire-EU EPA Committee, which took place in Abidjan on 12-13 October 2023.⁵

As a follow up, technical exploratory discussions were held with Côte d'Ivoire on the scope, content, and parameters of the SIFA. Following these discussions, on 6 March 2025, the two sides agreed to start their respective internal procedures to open formal negotiations for a SIFA.

This Agreement would seek to improve the attraction, expansion and retention of foreign direct investment between the EU and Côte d'Ivoire, notably through investment facilitation measures, such as increasing the transparency and predictability of investment-related measures, streamlining investment authorisation procedures, and improving public-private dialogue through investor focal points and stakeholder involvement. The ultimate objective is

¹ Communication from the Commission on a Competitiveness Compass for the EU, COM(2025) 30 final.

² Communication from the Commission on a Trade Policy Review - An Open, Sustainable and Assertive Trade Policy, COM(2021) 66 final.

³ https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/southern-african-development-community-sadc/eu-angola-negotiations_en

⁴ See Council Decision (EU) 2024/829 of 4 March 2024 on the conclusion, on behalf of the Union, of the Sustainable Investment Facilitation Agreement between the European Union and the Republic of Angola, OJ L, 2024/829, 8.3.2024.

⁵ Relevé des conclusions du comité conjoint des 12-13 octobre 2023, APE Côte d'Ivoire - Union européenne <https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/5714c6b1-a7b9-42c7-a73a-f5e5e5fa159a/details>

to foster a more transparent, efficient and predictable investment climate, and therefore encourage higher levels of foreign direct investment to Côte d'Ivoire. In doing so, this Agreement will promote sustainable development, economic growth, and job creation, as well as strengthen the bilateral investment relationship between the EU and Côte d'Ivoire. This Agreement will also provide a solid platform for contributing to the economic diversification of Côte d'Ivoire, as well as its integration into the global economy.

- **Consistency with existing policy provisions in the policy area**

The objectives of this Agreement are consistent with the Treaty on European Union (TEU), which provides that the EU should “*encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade.*”⁶

Its objectives are also aligned with the Partnership Agreement between the European Union and its Member States, of the one part, and the Members of the Organisation of the African, Caribbean and Pacific States (ACP), of the other part, signed in Samoa on 15 November 2023, and in particular Articles 41 and 42 thereof.⁷

This Agreement advances the objectives of the Competitiveness Compass of 29 January 2025, which mentioned the need for the EU to ‘[seek] new ways of deepening partnerships and [create] benefits for our businesses’, including through SIFAs.⁸ It also follows-up on the above-mentioned Trade Policy Review Communication and the Trade and Sustainable Development review Communication of 2022.⁹

The Agreement is part of the EU’s comprehensive strategy with Africa,¹⁰ which “*proposed that the EU develops more ambitious arrangements to facilitate, attract and support investment in Africa.*” In addition, it is in line with the EU-African Union (AU) “Joint Vision for 2030”,¹¹ adopted at the 6th EU-AU Summit, which underlined the joint commitment to “*promote accountable, transparent, inclusive and responsive governance, in conformity with the relevant international instruments, to boost efforts towards improving investment and the business climate as well as towards unlocking and increasing responsible and sustainable African and European investments.*” Its objectives are also consistent with the EU’s Global Gateway strategy launched in November 2021 and its first deliverable, the Africa-Europe Investment Package, agreed at the 6th EU-AU Summit, which aims to leverage EUR 150 billion in investments in Africa by 2027 in eleven priority areas, including economic integration, investment, and private sector development. The Global Gateway Africa-Europe Investment Package is the EU’s guiding framework to foster investment attractiveness in Africa, ensure that the regulatory environment is conducive to private sector engagement, and that investments bring all the potential benefits towards sustainable growth.

The envisaged SIFA is fully consistent with, and complementary to the future Investment Facilitation for Development Agreement which has been negotiated within the World Trade

⁶ Article 21(2)(e) TEU.

⁷ <https://data.consilium.europa.eu/doc/document/ST-8372-2023-REV-1/en/pdf>

⁸ Communication from the Commission on a Competitiveness Compass for the EU, COM(2025) 30 final.

⁹ Communication from the Commission to the European Parliament, the Council and the Economic and Social Committee: “The power of trade partnerships: together for green and just economic growth”, COM(2022) 409 final.

¹⁰ 2020 Joint Communication Towards a comprehensive Strategy with Africa https://ec.europa.eu/international-partnerships/system/files/communication-eu-africa-strategy-join-2020-4-final_en.pdf

¹¹ https://www.consilium.europa.eu/media/54412/final_declaration-en.pdf

Organization.¹²

Lastly, the negotiating directives in the Annex are consistent with Council Decision (EU) 2020/13 of 19 December 2019 amending the negotiating directives for the negotiation of EPAs with the ACP countries and regions.¹³

- **Consistency with other Union policies**

The objectives are consistent with other EU policies, notably the EU's development policy.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for this act is the first subparagraph of Article 207(4), in conjunction with the second and third subparagraphs of Article 207(3) and Article 218(4) of the Treaty on the Functioning of the European Union (TFEU).

- **Subsidiarity (for non-exclusive competence)**

The subject matter of the envisaged negotiations relate to the common commercial policy. According to Article 5(3) of the TEU, the subsidiarity principle does not apply in areas of exclusive EU competence. The common commercial policy is listed among the areas of exclusive competence of the Union in Article 3 of the TFEU. This policy includes the negotiation of trade agreements pursuant to, inter alia, Article 207 TFEU.

- **Proportionality**

The recommendation of the Commission is in line with the principle of proportionality, as the conclusion of an international agreement is the main instrument for assuming reciprocal rights and obligations with a subject of international law, such as a foreign country.

- **Choice of the instrument**

Decision of the Council of the European Union.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

¹² https://www.wto.org/english/tratop_e/invfac_public_e/invfac_e.htm

¹³ Council Decision (EU) 2020/13 of 19 December 2019 amending the negotiating directives for the negotiation of Economic Partnership Agreements with the African, Caribbean and Pacific countries and regions, to the extent that they fall within the competence of the Union (OJ L 6, 10.1.2020, p. 101). In particular, section 6.2, first paragraph of the 2019 negotiating directives, states as follows: “*Investment. In accordance with the objective of "reducing and eventually eradicating poverty consistent with the objective of sustainable development" (and with regard to articles 1, 29, 75 to 78, and to Annex II to the Cotonou Agreement and the relevant provisions of its successor agreement, once applicable) the parties agree to establish a framework which shall facilitate, enhance and stimulate mutually beneficial sustainable investment between them, taking into account multilateral initiatives on investment facilitation. This framework will be based on principles of non-discrimination, openness, transparency and stability. The parties will foster the development of attractive and stable investment environments by supporting stable and transparent rules for investors, and seek to improve financial inclusion and access to finance.*”

- **Stakeholder consultations**

From June to November 2020, the Commission carried out a public consultation¹⁴ seeking input from the European Parliament, Member States, stakeholders, and civil society on the review of the European Union's trade policy, including on ways to strengthen the EU's trade and investment relationships with the neighbouring countries and Africa.

The Commission regularly consults stakeholders *inter alia* in the Expert Group on Trade Agreements¹⁵ and the Civil Society Dialogue.¹⁶

- **Collection and use of expertise**

This proposal relies on external expertise gathered in the context of a project carried out by the World Bank and commissioned by the European Commission. The report notably identified that investors¹⁷ put forward, as critical factors affecting their investment decisions in developing countries, the lack of transparency and predictability in dealing with public agencies, the sudden change in the laws and regulations, and the delays in obtaining government permits and approvals. Those are the areas that would be covered by the proposed SIFA.

- **Impact assessment**

Investment facilitation commitments in the SIFA focus on the application of good governance principles and good regulatory practices, including transparency, predictability, and administrative efficiency, in a partner country's investment framework (investment laws, regulations, and procedures). The impact of these investment facilitation measures relates largely to the implementation of the Agreement by a partner country and the long-term improvement in its investment environment. The overall impact is also affected by individual investments that such an improved investment framework may attract. The SIFA codifies practices that are already well-established within the EU.

- **Regulatory fitness and simplification**

This proposal seeks to recommend the adoption by the Council of a decision authorising the opening of negotiations of a SIFA with Côte d'Ivoire. The proposal does not entail exchange of data, automation of processes, use of digital systems or the provision of public services. Consequently, the 'digital by default' principle does not apply, as it does not introduce specific digital requirements.

- **Fundamental rights**

The initiative fully respects the Charter of Fundamental Rights of the European Union.

4. BUDGETARY IMPLICATIONS

The initiative does not have budgetary implications.

¹⁴ https://policy.trade.ec.europa.eu/consultations/consultation-trade-policy-review_en

¹⁵ <http://ec.europa.eu/trade/trade-policy-and-you/expert-groups/>

¹⁶ <http://trade.ec.europa.eu/civilsoc/meetdetails.cfm?meet=11531>

¹⁷ See World Bank, *Retention and Expansion of Foreign Direct Investment, Political Risk and Policy Responses*, <http://documents1.worldbank.org/curated/en/387801576142339003/pdf/Political-Risk-and-Policy-Responses.pdf>

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The negotiations of the SIFA are expected to be concluded in 2026.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

The provisions aim to recommend the adoption by the Council of a decision authorising the opening of negotiations and nominating the Union negotiator. The Council may address directives to the negotiator.

Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations of a Sustainable Investment Facilitation Agreement between the European Union and the Republic of Côte d'Ivoire

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4), in conjunction with the second and third subparagraphs of Article 207(3) and Article 218(4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

Negotiations should be opened with a view to concluding a Sustainable Investment Facilitation Agreement with the Republic of Côte d'Ivoire,

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to negotiate, on behalf of the Union, a Sustainable Investment Facilitation Agreement with the Republic of Côte d'Ivoire.

Article 2

The negotiating directives are set out in the Annex to this Decision.

Article 3

The negotiations shall be conducted in consultation with [name of the special committee to be inserted by the Council].

Article 4

This Decision and its Annex will be made public immediately after their adoption.

Article 5

This Decision is addressed to the Commission.

Done at Brussels,

For the Council
The President