

## **TITLE IV**

### **INCLUSIVE, SUSTAINABLE ECONOMIC GROWTH AND DEVELOPMENT**

#### *Article 40*

1. The Parties recognise the importance of strengthening their economic relations in their mutual interest and for mutual benefit, with a view to achieving structural economic transformation through inclusive, sustainable economic growth and development in line with the Sustainable Development Goals, taking into account their respective levels of development. They shall pursue integrated strategies that incorporate the economic, social and environmental dimensions of sustainable development. They shall take appropriate measures to generate decent jobs for all and support the transition to low-emission, resource-efficient economies. They shall support the socio-economic empowerment of marginalised groups, women and youth.

2. The Parties shall support private sector development, and shall attract and retain domestic and foreign investment, including investments from their diaspora. They shall bolster trade and cooperate on science, technology, innovation and research, with a view to establishing strong, competitive and diversified economies, deepening regional integration, and to fostering the integration of OACPS Members' economies into regional and global value chains. They shall work towards improved macroeconomic and financial stability to generate increased investment and strengthen sustainable economic growth. They agree to enhance productive and regulatory capacities, strengthen entrepreneurship, and promote manufacturing and industrialisation, focusing on innovation and value addition in the productive and services sectors. The Parties shall cooperate to strengthen capacities to facilitate structural economic transformation and to enhance sustainable trade.

3. The Parties shall promote public-private dialogue focusing on issues that positively impact their efforts on economic transformation and sustainable economic growth, and shall engage with all relevant stakeholders and ensure respect for, and protection of, human rights and core labour standards.

## **Chapter 1**

### **Investment**

#### *Article 41*

#### **Mobilisation of sustainable and responsible investment**

1. The Parties undertake to mobilise sustainable and responsible investment with a view to enhancing inclusive and sustainable economic growth and development. To that end, they shall establish a conducive investment climate, which attracts domestic and foreign investment, including investment from their diaspora, and maintains the right to regulate through transparent, predictable and efficient regulatory, administrative and policy frameworks.

2. The Parties agree to support the necessary economic and institutional reforms and policies that are grounded in a country's overall development strategy and that are coherent and synergistic at the national, regional and international levels, with a view to creating a conducive environment for sustainable investment and facilitating the development of a dynamic, viable and competitive private sector.
3. The Parties shall cooperate to establish sound financial systems to mobilise investment for sustainable projects. They shall take measures to support investment by increasing access to financing through technical assistance, grants, guarantees and innovative financial instruments to mitigate risk, boost investor confidence and leverage private and public sources of finance. In doing so, they shall also take account of the need to address market failures or sub-optimal investment situations while ensuring additionality of investment that would not have taken place without those support measures. They shall pay special attention to the priority sectors laid out in Article 44(6).
4. The Parties agree to improve the regulatory environment as well as the quality, availability and accessibility of financial and non-financial services, to support the development of micro, small and medium-sized enterprises (MSMEs) in the context of domestic investment mobilisation.
5. The Parties understand and recognise the importance of responsible investment by the relevant actors as a means to achieving long-term sustainable economic, social and environmental value. In support of this objective, they shall therefore promote corporate social responsibility (CSR) practices and responsible business conduct (RBC), including internationally recognised implementation guidelines, standards and applicable instruments that provide guidance to investors, governments and other actors on implementation of CSR and RBC as a complement to national laws and other applicable legislation.

#### *Article 42*

#### **Investment facilitation and protection**

1. The Parties agree to facilitate investment through legislation, regulations and policies aimed at reducing regulatory and administrative barriers, enhancing transparency and avoiding harmful competition for investment. They agree that such measures shall be developed in a transparent manner, and made publicly available to encourage public-private dialogue and provide the opportunity for all stakeholders to participate.
2. The Parties shall cooperate to promote the effective utilisation of digital tools to facilitate investment.
3. The Parties, in line with their respective strategies, agree on the importance of providing legal certainty and adequate protection to established investments the treatment of which shall be non-discriminatory in nature and shall include effective dispute prevention and resolution mechanisms. In that regard, they reaffirm the importance of concluding

international investment agreements that fully preserve their sovereign right to regulate investment for legitimate public policy purposes.

4. The Parties shall strengthen the capacity of relevant public and private institutions to effectively promote and facilitate investment, and to prevent and handle investment-related disputes.

## **Chapter 2**

### **Economic growth, diversification and industrialisation**

#### *Article 43*

##### **Inclusive and sustainable growth**

1. The Parties agree on the importance of economic transformation, private sector development and industrial advancement for inclusive and sustainable growth. They shall promote full and productive employment and decent work for all through enhanced competitiveness, diversification, digitalisation, innovation, access to finance, value addition in the manufacturing and services sectors, and linkages among sectors and industries. They shall pay particular attention to local micro, small and medium-sized enterprises and to the formalisation of informal economic activities.
2. The Parties shall promote the transition to a low-emission and resource-efficient economy. They shall support sustainable consumption and production approaches, environmentally sound waste and chemicals management and measures reducing all forms of pollution. The Parties agree that well-managed urbanisation is a critical element in advancing sustainable economic development. They shall therefore cooperate on effectively addressing the challenges and opportunities presented by rapid urbanisation, and shall support urban development and infrastructures and effective rural-urban linkages.
3. The Parties agree to cooperate in the area of employment and social affairs, in particular, to support the economic and social inclusion and empowerment of women, youth and the poorest and most vulnerable. They further agree to ensure respect for labour and social standards enshrined in the conventions and protocols of the International Labour Organization and to ensure access to justice under due process, including appropriate and effective remedies.

#### *Article 44*

##### **Economic transformation and industrialisation**

1. The Parties shall strengthen cooperation in the area of economic transformation, including industrialisation. They shall promote the transition from commodity dependence to diversified economies, and promote natural resources beneficiation, value addition and integration into regional and global value chains. They agree on the important role that the