EUROPEAN
COMMISSION

Brussels, 29.7.2025
COM(2025) 427 final

ANNEX

ANNEX

to the

Recommendation for a Council Decision

authorising the opening of negotiations of a Sustainable Investment Facilitation Agreement between the European Union and the Republic of Ecuador

ANNEX

Negotiating directives for the negotiations of a Sustainable Investment Facilitation Agreement between the European Union and the Republic of Ecuador

I. OBJECTIVES, SCOPE, AND KEY PRINCIPLES

1. The aim of a Sustainable Investment Facilitation Agreement (hereinafter "Agreement") with the Republic of Ecuador should be to create a more attractive, transparent, and predictable investment climate in order to facilitate, enhance, and stimulate mutually beneficial sustainable investments.

2. The overall objective of this Agreement should be to improve the mobilisation, attraction, expansion and retention of foreign direct investment between the European Union and the Republic of Ecuador, especially for micro-, small-, and medium-sized enterprises, on the basis of modern and simplified rules, measures and procedures based on principles of impartiality, openness, transparency, and stability.

3. This Agreement should be comprehensive and ambitious, take into account the outcome of the WTO negotiations on the Investment Facilitation for Development Agreement, and the specific development challenges faced by the Republic of Ecuador. This Agreement should, in principle, apply to all economic sectors and encompass the whole life cycle of investments, including activities before, during, and following establishment.

4. This Agreement should aim to ensure the right conditions for foreign direct investment to be conducive to sustainable development, while preserving the ability of the Parties to regulate the activity of investors in their respective territories.

5. This Agreement should focus on foreign direct investment to the exclusion of other forms of investment, such as short-term capital movements or portfolio investments. This Agreement should not create new, or modify existing obligations, on the protection of investments, investor-state dispute settlement or preferential market access conditions, and should not cover procedural requirements for the temporary entry and stay of natural persons for business purposes.

II. PROPOSED CONTENT OF THE RULES AND COMMITMENTS

6. This Agreement should include specific provisions on matters such as:

– Improving the transparency, predictability and coherence of investment-related measures (including, inter alia, electronic publication and availability of measures of general application and the legal framework applicable to investment; opportunity to comment on draft regulatory measures, information on investment incentives);

– Streamlining and speeding up administrative procedures and requirements, as well as ensuring good governance in authorisation procedures (including, inter alia, administrative procedures and documentation requirements; use of applications in electronic format; timeframes and periods for the submission and administration of applications; good governance standards in the processing of applications; transparency on the payment of fees; one-stop shop/single window types of mechanisms for applications for authorisation);

– Enhancing the participation of stakeholders (including, inter alia, focal points to serve as first points of contact for investors' inquiries; relations with stakeholders; dispute prevention and problem-solving mechanisms; impact assessments; domestic inter-agency coordination; linkages between foreign investors and the host economy);

– Contributing to sustainable development and responsible investment (including, inter alia, promotion and enforcement of relevant internationally agreed standards, rules, and commitments on labour, environment, and climate; commitment to relevant internationally recognised instruments on responsible business conduct; dialogue and cooperation on investment-related labour, environmental, and climate issues of mutual interest; implementation of key international conventions and principles to prevent and combat money laundering, terrorism financing, tax fraud and tax evasion);

– Facilitating the sustainability of investments in value chains and sectors of mutual interest;

– Reinforcing bilateral cooperation on ways to facilitate investment and ensure the implementation of this Agreement (including, inter alia, capacity building aimed at improving the investment climate and assisting in the implementation of this Agreement, including the sustainable development provisions; institutional arrangements to oversee implementation and share information and best practices; mediation and State-to-State dispute settlement mechanisms).