

Three EIC Delegated Authorities

Description

By Dagnachew Tesfaye, Partner at Dagnachew & Mahlet Law Firm Limited Liability Partnership(LLP)

The Investment Proclamation No 1180/2020 on Article 4 delegates part of the power of the Ethiopian Investment Commission(EIC) to issue investment permits to three different authorities. These delegated authorities are assigned to administer foreign investment in those areas representing EIC. The objective to delegate part of the power emanates from the fact that these sectors require specific technical knowledge to filter investors and regulate the investment. The three EIC delegated authorities are the Ethiopian Civil Aviation Authority, the Ethiopian Energy Authority and the Ethiopian Communication Authority. A look at each of the delegated powers to these authorities shall be the focus of this brief article.

The Ethiopian Civil Aviation Authority

The Ethiopian Civil Aviation Authority (ECAA) is re-established by Civil Aviation Proclamation No 616/2008 as an autonomous government organ having its own legal personality. One of the powers of the ECAA is to license and regulate the operations of air services and general aviation services. The issuance, renewal, amendment, substitution, replacement and cancellation of investment permits, and the issuance of investment expansion or upgrading permits for air transport services requested by foreign investors shall be done by the ECAA.

The Ethiopian Energy Authority

The issuance, renewal, amendment, substitution, replacement and cancellation of investment permits, and the issuance of investment expansion or upgrading permits for the generation and transmission or distribution of electric power requested by foreign investors shall be carried out by the Ethiopian Energy Authority (EEA) representing EIC. The Energy Proclamation No 810/2013 envisions the establishment of the Ethiopian Energy Authority by regulation to be issued by the Council of Ministers. Energy related licensing procedures are listed in detail under Council of Ministers Energy Regulation No 447/2019. In addition to the powers entrusted to EEA from its own regulation, EEA received delegated powers from EIC to administer and issue investment permits for foreign investors interested in engaging in the electric power generation sector.

The Ethiopian Communication Authority

The Ethiopian Communication Authority is established under Article 3 of the Communication Service Proclamation No 1148/2019. The ECA is empowered under its establishment proclamation to issue licences and supervise operators of communication services and amend, renew, suspend or revoke licences. Similarly ECA received a delegated power from EIC to issue, renew, substitute, replace and cancel investment permits, and the issuance of investment expansion or upgrading permits for provision of communication services for foreign investors.

Reporting and Coordination

The ECAA, the EEA, and the ECA shall submit to the EIC a quarterly report regarding services rendered through their Delegated Powers. The three authorities shall also coordinate with EIC to undertake studies identifying sectoral potentials, and sector specific investment development strategies, and engage in investment promotion works.

To conclude the EIC has delegated part of its power to administer foreign investment in Ethiopia to other three organs of the government. The three organs of the government that represent EIC in issuing investment permits and regulation of the same are the Ethiopian Civil Aviation Authority on air transport services, the Ethiopian Energy Authority on generation and transmission or distribution of electric power and the Ethiopian Communication Authority on communication services. These organs of the government shall report to EIC quarterly regarding services rendered.

For further information or for any inquires you may contact us at info@dmethiolawyers.com

Category

1. Latest Posts

Date Created

June 26, 2022

Author

dmethiol_admin

Dagnachew & Mahlet Law Firm LLP