

# Arbitral reform in Africa: growing investment in Nigeria, Kenya, Rwanda and South Africa and addressing the need for world-class arbitration

Modupeoreoluwa Sanwo-olu and Teni Akeju, ALP

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African countries have experienced an increase in foreign and domestic investment in recent times. Although the 2019 novel coronavirus disease (COVID-19) pandemic has curtailed foreign direct investment (FDI) inflows worldwide over the past year, the total value of FDI in African countries has increased ([https://unctad.org/en/PublicationsLibrary/wir2020\\_en.pdf](https://unctad.org/en/PublicationsLibrary/wir2020_en.pdf)). For example, the total value of FDI in Nigeria was estimated to be USD98.6 billion in 2019, up from USD95.318 billion in 2018.

The imminent implementation of the African Continental Free Trade Area Agreement (AfCFTA) is also advantageous for post-pandemic investment. The steady flow of foreign investment in the continent has led to an upsurge in the number of disputes and investors who are reluctant to settle their disputes in African courts resort to arbitration for resolution.

In a clear response to the increase in demand for arbitration services, an increase in arbitration awareness and the growing pro-arbitration culture of some African nations, legal reforms such as the International Arbitration Act 2017 of South Africa have been introduced and over 70 African arbitration institutions have been established in Africa in recent times ([http://www.arbitration-icca.org/media/7/14403606533411/list\\_of\\_arbitration\\_institutions\\_in\\_africa\\_-\\_emilia.pdf](http://www.arbitration-icca.org/media/7/14403606533411/list_of_arbitration_institutions_in_africa_-_emilia.pdf)).

These reforms, as well as the increase in the number of investment treaties signed by African states and the commendable steps taken by African countries to improve the process of doing business have proved to be crucial to the increase in investor confidence and investment in the continent.

## **NIGERIA**

The commercial arbitration culture in Nigeria has grown exponentially since the introduction of the Arbitration and Conciliation Act 1988 (Laws of the Federation of Nigeria 2010 Cap A18) (ACA), which governs both domestic and international arbitration. Nigeria has witnessed a transformation of its arbitration framework to enable and encourage investors to resolve arbitral disputes with the:

- Introduction of state laws such as the Lagos State Arbitration Law (Cap A11, Vol 2, Laws of Lagos State, 2015) (LSAL), which incorporates the 2006 amendments of the UNCITRAL Model Law on International Commercial Arbitration 1985 (UNCITRAL Model Arbitration Law).
- Development of institutions such as the:
  - International Dispute Resolution Institute, Abuja;
  - Janada International Centre for Arbitration and Mediation, Abuja;
  - Lagos Court of Arbitration;

- Chartered Institute of Arbitrators (UK) Nigeria Branch;
- Regional Centre for International Commercial Arbitration Lagos (Laws of the Federation of Nigeria 2010, Cap R5) (at which, by a collaboration agreement with the International Centre for Settlement of Investment Disputes (ICSID), ICSID arbitrations within the Asian-African region can take place in Lagos, Nigeria);
- International Chamber of Commerce (Nigeria branch).

Since the introduction of these mechanisms, arbitration has arguably grown to be the preferred option for dispute resolution, and the presence of this framework has encouraged an increase in investment, particularly in the mining, energy, telecommunications and infrastructure sectors by international and domestic players, who now readily insert arbitration agreements into their contracts.

## **Current commercial arbitration structure**

The arbitration process in Nigeria usually begins either when parties seek to enforce an arbitration clause in their agreement, which is governed by the rules agreed between the parties or (rarely) where parties to a contract subsequently agree to have a dispute which has arisen between them settled by arbitration. The procedural stages of arbitration proceedings in Nigeria typically include the following:

- Commencement of arbitral proceedings, usually by issuing a notice of arbitration.
- Appointment of arbitrator(s).
- Challenge to an arbitrator.
- Submission of pleadings, documents or other evidence.
- Hearing and written proceedings.
- Appointment of expert(s) by the tribunal.
- Compelling attendance of a witness/witnesses by the court.
- Settlement of dispute during arbitration.

Arbitration in Nigeria in accordance with the ACA is generally used for the resolution of commercial disputes. Subject to limited exceptions, disputes arising from non-commercial relationships and criminal matters are not capable of being referred to arbitration. The yardstick for determining the arbitrability of a dispute is whether or not the dispute can be settled by way of accord and satisfaction. Parties have autonomy to select their arbitrators and can agree to vest their power of selection of a presiding arbitrator in an institution. Where the parties fail to appoint an arbitrator or a third arbitrator, the arbitration institution (or a High Court) will make the appointment on the application of any party to the arbitration agreement (*section 7(2), ACA*).

## Court intervention

Nigerian courts are generally restricted from interfering in arbitral proceedings (section 34, ACA) and have a duty to encourage parties to honour their arbitration agreement by granting an order of a stay of proceedings at the request of a party where a court action is brought in respect of a matter that is subject to an arbitration agreement (section 5, ACA; section 6, LSAL).

Courts can grant preliminary or interim relief in arbitration proceedings where the property that is the subject matter of the dispute, or that is sought to be protected, is in the custody of a third party who is not a party to the arbitration agreement. In such a case, where the arbitral tribunal would not have jurisdiction over the third party, the court will act to prevent such interference.

Nigerian courts consider arbitration agreements to be binding on the parties and have therefore been consistent in holding parties to their arbitration agreements. In *M.V Lupex v NOC & S Ltd ((2003) 15 NWLR (Pt 844) 469)*, the Supreme Court, in enforcing an arbitration agreement, held that the fact that a dispute is suitable for trial in a court is not a sufficient ground for refusing to give effect to what the parties have expressly agreed by contract. In the opinion of the court, as long as an arbitration clause is in a valid contract and the dispute is within the contemplation of the clause, the court ought to give due regard to the voluntary contract of the parties by enforcing the arbitration clause to which they have agreed.

## Evidence

Ideally, the rules of evidence governing the arbitral proceedings are agreed by the parties. Evidence in arbitration in Nigeria is generally based on the common law rules of evidence. These include the relevance and admissibility of evidence, proof of evidence, admissibility of oral and/or documentary evidence and so on. The most common approach, however, is for the tribunal to direct parties to submit evidence, including witness statements, in conjunction with pleadings. Where necessary, additional or supplementary evidence can be submitted, provided the consent of the other party has been sought and obtained before the submission of additional evidence.

## The award

In Nigeria, an arbitral award must be:

- In writing.
- Signed by the arbitrator(s).
- State the reasons on which it is based (unless parties have agreed otherwise, or it is an award on agreed settlement terms), and the date it was made and where it was made.

If these elements are present, the award is final and binding. The successful party is entitled to recover interest (which is added to the award sum) and legal costs in addition to the award, which may include rectifications and injunctions. Domestic arbitral awards are typically recognised as binding and are enforced on application to the High Court in writing.

## Enforcement of foreign arbitral awards

Nigeria became a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) in 1970, adopted its reciprocal and commercial reservations and has implemented this in the ACA. Therefore, a foreign arbitral award, irrespective of the country where it was made, is recognised as binding unless a successful request is made to the court to refuse recognition or enforcement of the award.

## Notable improvements

Nigeria has sought to improve investor confidence by encouraging and strengthening the arbitration culture to facilitate the use of this type of resolution for investors. Most recently, the Nigerian courts have taken a position to strengthen the arbitration culture in Nigeria, as evidenced in the following decisions:

- *Mutual Life and General Insurance Ltd v Kodi Iheme ((2013) 2 CLRN 68)*. The Appeal Court disallowed a request to set aside

the arbitral award on grounds of misconduct and error on the face of the award. This is significant because it demonstrates that the Nigerian courts are more willing to enforce awards where the parties freely agreed to resolve their dispute by arbitration. Further, it indicates that courts will decline merit reviews of final awards.

- *Statoil (Nigeria) Ltd & Anor v Federal Inland Revenue Service & Anor ((2014) LPELR-23144 (CA))*. A dispute arose among parties to a production sharing contract and in the course of arbitral proceedings; one of the parties obtained an injunction at the Federal High Court to prevent the arbitration from continuing. It argued that the subject matter of the claims in the arbitration involved taxation, such that only a tax tribunal could hear the matter.
- The Appeal Court held that the lower court was wrong to grant an injunction to a party that sought to prevent the continuation of the arbitration proceedings irrespective of the fact that that party had agreed to resolve all disputes by arbitration. The Appeal Court held that there was no provision in the ACA which enabled a court to halt arbitral proceedings by an injunction. The ACA provides for judicial assistance through several means, including the setting aside of the award, but it does not provide for the court to restrain arbitration by injunction, therefore the court lacked the jurisdiction to do so.
- *Lagos State Government v Power Holding Company of Nigeria & 2 Others ((2012) 7 CLRN 134)*. Here, the High Court held that the court is the appropriate forum for a non-party to an arbitration agreement to be restrained by an interim order, despite the existence of ongoing arbitral proceedings in the matter. The judge, in applying of Article 26 of the Arbitration Rules of the ACA, stated that the request for interim measures addressed by any party to the court must not be deemed incompatible with the agreement to arbitrate or as a waiver to that agreement, in consideration of the fact that the ACA does not intend the application of the provisions of the Act to apply to the arbitral tribunal. This means that the courts are empowered to grant interim orders or relief while the arbitral proceedings are ongoing.

**Chief Justice of Nigeria's guidance on arbitration in Nigeria.** To reinforce the nature of arbitration as final and binding on parties and to improve investor confidence in the enforcement of arbitral awards, in 2017, the Chief Justice of the Supreme Court of Nigeria (CJN) issued the following guidance - No court should entertain an action to enforce a contract, or claim damages arising from a breach of one, in which the parties have, by consent, included an arbitration clause and without first ensuring that the clause is invoked and enforced (*Bridget Chiedu Onochie, Abuja, CJN asks judges to invoke arbitration clause to attract foreign investment, 29 June 2017 Guardian Newspapers viewed at: <https://guardian.ng/features/cjn-asks-judges-to-invoke-arbitration-clause-to-attract-foreign-investment>*). He urged courts to insist on enforcement of the arbitration clause by declining jurisdiction and awarding substantial costs against parties engaged in the practice. This type of advice, although not made formally in court, provides practical guidance to judges of courts of first instance in their dealings with cases involving arbitration clauses.

**International commercial arbitration.** Nigeria reportedly was a party to 2.8% and 4.4% of the cases in the London Court of International Arbitration (LCIA) in 2018 and 2019 respectively (*LCIA Reports, <http://www.lcia.org/LCIA/reports.aspx>*).

**Investment arbitration.** Nigeria is a contracting state party to the Convention on the Settlement of Investment Disputes between States and National of other States (ICSID Convention), which is implemented by the International Centre For Settlement of Investment Disputes (Enforcement of Awards) Act (ICSID Act) (Laws of the Federation of Nigeria 2010, Cap I20) has entered into bilateral investment treaties (BIT) with 30 countries (the most recent being the Nigeria-Morocco BIT: Reciprocal Investment Promotion and

Protection Agreement between the Government of the Kingdom of Morocco and the Government of the Federal Republic of Nigeria), and a number of multilateral treaties. To date, it has been a party to three cases at the ICSID, two of which have been concluded.

In addition, Nigerian courts have demonstrated a pro-enforcement bias in commercial arbitration (*Onward Enterprises v M.V Matrix (2010) 2 NWLR, pt.1179, 530*), as well as in investment arbitration, where ICSID awards will be regarded as judgments of Nigeria's apex court (*section 1, ICSID Act*).

Accurate figures on the numbers of arbitration cases in Nigeria are unavailable due to the confidential nature of arbitral proceedings. Despite this, it is suggested that the pro-arbitration attitude of Nigerian courts and the improved legal framework has significantly increased investor confidence and investment in Nigeria.

To encourage the country to positively benefit from the growth in investments and the growing arbitration culture, a Bill to repeal and re-enact the ACA has been presented to the National Assembly of Nigeria, and has been passed by the Senate of the National Assembly, with the aim of building further investor confidence and establishing Nigeria as a preferred seat of arbitration which will ultimately boost the Nigerian economy. There are ongoing engagements with the House of Representatives, the second arm of Nigeria's bicameral National Assembly, to ensure a concurrent passage of the Bill.

## KENYA

Kenya's modern arbitration practice is based on the Arbitration Act, No. 4 of 1995 (AA) (as amended in 2009 and 2010, incorporating the Model Arbitration Law) and the Nairobi Centre for International Arbitration Act of 2013. The AA applies to domestic and international arbitration, governing proceedings and enforcement of the awards.

As a signatory to the New York Convention, the enforcement of international arbitral awards in Kenya is governed by the Convention, which is fully incorporated into the AA.

In Kenya, parties to the arbitration agreement are free to choose the conduct of the arbitration process, and the choice of arbitrator(s), under Article V(1)(d) of the New York Convention. The procedure for commencement of arbitral proceedings largely depends on the terms of the arbitration agreement. Arbitration commences on the date the respondent receives a request for the dispute to be referred to arbitration, unless the parties agree otherwise (*section 22, AA*).

The arbitration proceedings and the admissibility of evidence are agreed by the parties and where the parties fail to decide on a procedure, the arbitrator(s) can determine one. In compliance with the spirit of Article V of the New York Convention, court interference is largely limited to matters that are not arbitrable and to instances, among others, where interim measures may be required by the parties before the tribunal is set up (*section 7, AA*).

As in Nigeria, the arbitral award must be in made in writing, signed by the arbitrator(s), state the reasons on which it is based, state the date of the award and the seat of arbitration (*section 32A, AA*). Domestic arbitral awards are typically recognised as binding and are enforced on an application in writing to the High Court. Kenya recognises and enforces foreign arbitral awards from other signatory countries to the New York Convention or any other convention to which Kenya is signatory and relating to arbitral awards (*section 36(2), AA*). Under the AA, Kenya provides that the arbitrator can also order costs of the arbitral proceedings (legal and other expenses of the parties, fees and expenses of the arbitration, and legal and other expenses of the tribunal) subject to the parties' agreement on costs allocation (*section 32B, AA*).

As a signatory to the ICSID Convention, Kenya is reportedly a party to 19 bilateral investment treaties, and, like Nigeria, is subject to arbitration under ICSID Rules and has been a party to three cases filed at the ICSID, two of which are currently pending (<https://icsid.worldbank.org/en/Pages/cases/searchcases.aspx>).

It is believed that the improvements to the arbitration framework and other government initiatives to attract investment are a contributing factor in the increase in commercial arbitration, and to the rise in GDP from USD35.9 billion in 2008 to USD74.94 billion in 2017 (<https://tradingeconomics.com/kenya/gdp>).

Many international companies doing business within Kenya tend to favour well-established international dispute resolution centres. The ICSID seems to be the preferred institution for international investors. In addition, the Nairobi Centre for International Arbitration (NCIA), and the Strathmore Dispute Resolution Centre are popular centres for the resolution of investment disputes in the region.

The pro-arbitration regime in Kenya has had positive effects on investor confidence in the country evidenced, for example, by the following:

- In 2019, Kenya's economic growth averaged 5.7%, placing Kenya as one of the fastest growing economies in sub-Saharan Africa
- ([https://www.worldbank.org/en/country/kenya/overview#:~:text=In%202019%2C%20Kenya's%20economic%20growth,economies%20in%20Sub%2DSaharan%20Africa.&text=Real%20gross%20domestic%20product%20\(GDP,\)%20to%201.5%25%20in%202020](https://www.worldbank.org/en/country/kenya/overview#:~:text=In%202019%2C%20Kenya's%20economic%20growth,economies%20in%20Sub%2DSaharan%20Africa.&text=Real%20gross%20domestic%20product%20(GDP,)%20to%201.5%25%20in%202020)).
- The International Finance Corporation's (IFC) committed investment portfolio in Kenya stands at USD884 million as of 30 June 2020 and Kenya is the IFC's fourth largest country portfolio in sub-Saharan Africa.
- Kenya ranks second in Africa on the FDI Intelligence Greenfield FDI Performance Index 2019 (<https://www.fdiintelligence.com/article/75351>).
- The World Bank projects positive growth in real GDP in Kenya on average above 5.5% from 2015 - 2020 (*January 2018 Global Economic Prospects Report*,
- <http://pubdocs.worldbank.org/en/575011512062621151/Global-Economic-Prospects-Jan-2018-Sub-Saharan-Africa-analysis.pdf>).

## RWANDA

Rwanda has quickly become a pro-arbitration hub with dynamic pro-arbitration reforms such as:

- Signing the New York Convention in 2008.
- Passing the Arbitration and Conciliation Act of 2008 (ACA 2008).
- Establishing the Kigali International Arbitration Centre (KIAC).
- Launching the KIAC Arbitration Rules in 2012 (KIAC Rules).

The framework of the ACA 2008 incorporates the Model Arbitration Law and the New York Convention, and therefore parties have the freedom to choose their arbitral proceedings or can agree in their arbitration agreement to subject their arbitration proceedings to the rules of the KIAC.

Where the parties agree to submit their dispute to the KIAC, they become de facto bound by its rules and procedure. According to the KIAC Rules, the parties can decide on the number of arbitrators, but if they fail to agree, the KIAC will appoint at least one arbitrator at the request of the parties. The arbitrators are authorised, with the agreement of the parties, to decide the most appropriate and efficient procedures for the case, the relevance, materiality and admissibility of all evidence used and the order of proceedings to be adopted (*Article 28, KIAC Rules*). As in Nigeria and Kenya, the award must be in made in writing, signed by the arbitrator(s), state the reasons on which it is based, the date of the award and the seat of arbitration, and the arbitrators can apportion costs as applicable (*Article 38, KIAC Rules and Article 43, ACA 2008*).

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The intervention of Rwandan courts is limited, and the judiciary follows a pro-arbitration policy, which includes, for instance, prioritising arbitration-related matters and handling them in a timely manner.

KIAC is empowered to render domestic and foreign arbitral awards which are binding on and enforceable against the parties (*Article 39, KIAC Rules*). An arbitral award, irrespective of the country in which it was made, will be recognised as binding within Rwanda, wherever they are. However, this will not apply if the country in which the award was issued does not respect cases decided in Rwanda (*Article 50, ACA 2008*).

The KIAC provides additional services, such as issuing legal opinions during the drafting of international commercial and investment contracts, and arbitration and mediation skills development programmes leading to accreditation by internationally recognised institutions, including the Chartered Institute of Arbitrators-UK (CI Arb) - though their Nigeria branch.

Between 2012 and 2017, 66 cases were filed at the KIAC, with 53 filed under KIAC Rules ([http://www.kiac.org.rw/IMG/pdf/annual\\_report\\_2016-2017\\_final.pdf](http://www.kiac.org.rw/IMG/pdf/annual_report_2016-2017_final.pdf)).

**Investment arbitration.** Rwanda is a party to the ICSID Convention and therefore arbitral proceedings arising under its bilateral investment treaties are governed by the ICSID Rules. Like Kenya and Nigeria, it also enforces foreign judgments in line with the New York Convention. Rwanda has had only two cases filed at the ICSID, one of which is currently pending (<https://icsid.worldbank.org/en/Pages/cases/AdvancedSearch.aspx>).

Since its inception, all investment arbitrations have been held at the KIAC, whose caseload has increased dramatically ([http://www.kiac.org.rw/IMG/pdf/annual\\_report\\_2016-2017\\_final.pdf](http://www.kiac.org.rw/IMG/pdf/annual_report_2016-2017_final.pdf)) as a result of the increase in investment into Rwanda.

Rwanda demonstrates the positive correlation between an increase in investment and commercial activity and a strong pro-arbitration legislative framework, with GDP estimated to grow from 7.2% in 2018 to 7.5% in 2019. The favourable legal and other socio-economic reforms have helped Rwanda to become the second-best country in Africa for ease of doing business, according to the 2017 World Bank Doing Business Rankings).

Between July 2019 and June 2020, the KIAC received 33 cases for arbitration.

## **SOUTH AFRICA**

Domestic Arbitration in South Africa is governed by the Arbitration Act No. 42 of 1965 (SAAA) while international arbitration is governed by the International Arbitration Act of 2017 (IAA).

Arbitration proceedings are based on arbitral agreements and their proceedings are determined by the parties.

In domestic arbitration, most matters are arbitrable, with the exclusion of matters such as those relating to legal standing or capacity and matrimonial matters. As in Nigeria and Kenya, the arbitration agreement is regarded as separable and will usually not be terminated without the consent of all parties to the agreement (*section 3, SAAA*).

Like Nigeria, Rwanda and Kenya, parties in South Africa are free to decide the procedure, rules of evidence and arbitrators.

South African law provides that courts are empowered to stay proceedings where necessary on the application of the requesting party (*section 6, SAAA*). The rules of natural justice and the general laws of evidence typically guide arbitral proceedings, where the parties agree.

As in Nigeria, Rwanda and Kenya, the arbitral award is binding where it is in writing, signed and states the reasons for which it was

made. The SAAA enables arbitrators to award costs incurred in the arbitration, subject to the principle of fairness (*section 35, SAAA*).

**Investment arbitration.** Unlike Nigeria, Kenya and Rwanda, South Africa is not a signatory to the ICSID Convention and its international arbitration regime is governed by the IAA, which incorporates the UNCITRAL Model Arbitration Law and provides that all international commercial arbitration disputes will be subject to arbitration as specified in the arbitration agreements. This Act introduces provisions for recognising and enforcing arbitration agreements and foreign arbitral awards (*sections 16 to 18, IAA*) and establishes a pro-arbitration mechanism, with which South Africa hopes to increase foreign investor confidence as its arbitration practitioners gain greater competence in international arbitration.

In a further effort to encourage greater foreign investment, South Africa and China recently established the China-Africa Joint Arbitration Centre Johannesburg (CAJAC), the result of a mutual signing of the June 2015 Beijing Consensus and the August 2015 Johannesburg Consensus by the Shanghai International Arbitration Centre in China and the Arbitration Foundation of Southern Africa (AFSA).

The CAJAC was established as a direct response to the swift and significant growth in the trade and investment relationship between China and South Africa, to provide arbitration services to China-Africa parties in accordance with international standards. The CAJAC is supported by the China Law Society and the Beijing Consensus signatories and will be the authorised China-Africa Arbitration and Mediation Institute.

These changes, along with other socio-economic changes, seem to be increasing investor confidence in South Africa, which recorded growth in GDP from 2.3% to 3.1% between the last quarter of 2017 and the first quarter of 2018 following the entry into force of the IAA.

## **PAST AND PRESENT: HOW ARBITRATION IN AFRICA IS RESPONDING**

### **Infrastructure challenges and successes**

Previously, due to insufficiently developed ADR frameworks in African states and their inability to ensure adequate and expeditious resolution of complicated arbitral disputes, investors historically preferred to use centres such as the London Court of International Arbitration (LCIA) and the International Court of Commercial Arbitration (ICC) to settle international investment disputes in African states.

Misperceptions about African courts and the fact that there were few Africans representing parties in major international arbitration matters substantially stunted the early growth of arbitration in Africa. This situation, however, appears to be changing, resulting from the overhaul being conducted on arbitration regimes in African states.

The fears of foreign investors that the legal framework of African nations could not support commercial and foreign investment arbitration are gradually proving unsupportable. Given the rising investment in Africa, more African states are acceding to more international and bilateral treaties, for example, the number of African states that signed the New York Convention rose from 27 in 2001 to 35 in 2018.

African nations are quickly institutionalising pro-arbitration cultures through legislative reform and the establishment of African Arbitration Centres such as Rwanda's KIAC and the Lagos Court of Arbitration in Nigeria.

Legislative reform has been effected, as mentioned above, in Kenya, with amendments of their Arbitration Act of 1995 and South Africa, with the enactment of the IAA in 2017.

The former difficulties, which seemed to make Africa unsuitable for African-seated arbitral proceedings are now being overcome, through legislative reform and the development of arbitral

institutions, to develop the necessary arbitration framework to encourage increased investment within its borders.

### **Developing arbitration expertise in Africa**

To address the knowledge deficit in the area of arbitration, African countries have been establishing arbitration courses for both judges and/or lawyers such as the:

- Chartered Institute of Arbitrators branches in Nigeria and Kenya.
- Nigerian Institute of Chartered Arbitrators.
- Arbitration Foundation of Southern Africa.
- KIAC.

In addition, there are numerous conferences held throughout the year in various African countries to raise awareness of, and provide information on, the latest developments in arbitration.

In June 2018, the African Arbitration Association (AfAA) (<http://www.africanarbitrationassociation.org/>), a not-for-profit organisation seeking to promote arbitration in Africa, was launched at the African Development Bank Headquarters in the Ivory Coast. This private sector-led association, which is co-located in the Kigali International Arbitration Centre, aims to promote and encourage the use of international arbitration in Africa and to position Africa as an encouraging environment for investment and development.

The AfAA aims to create international awareness of African expertise in arbitration, act as a repository for knowledge and a training centre for prospective and current arbitration practitioners, and generally to build capacity among African lawyers.

In addition, the Association of Young Arbitrators (AYA) was established due to the rising demand for improved expertise and training of arbitration practitioners in Africa and to expose young arbitration practitioners to current trends and developments in international commercial and investment arbitration. The AYA held the inaugural edition of its flagship Africa Arbitration Academy in London in June 2019. In the wake of the COVID-19 pandemic, the Africa Arbitration Academy launched the Protocol on Virtual Hearings which has received favourable reviews and recently won the African Arbitration Association award for Innovation in Arbitration.

These developments should help to further increase both intra and inter African investment, by meeting the increasing demand for cost-effective, African-seated international arbitration, in response to Africa's fast-growing economies, by specifically providing the requisite training for prospective African international arbitrators who have an intimate understanding of the laws regulating investments in African countries.

### **CONCLUSION**

There has been exponential growth in commercial disputes in Africa. Given the current economic realities and the need for foreign and domestic investors to mitigate costs and preserve business relationships, African-seated arbitral proceedings are slowly becoming a necessity and a plausible reality for private investors.

In view of the efforts so far expended by the African nations, there appears to be a positive correlation between stable, pro-arbitration legal systems, and increases in GDP and in foreign investments. African nations are actively working to dispel outdated prejudices and to become a leading hub for arbitration in the world.

## **Practical Law Contributor profiles**

### **Modupeoreoluwa Sanwo-olu, Associate**

ALP

**T** +23417002570

**E** alp@alp.company

**W** <https://www.alp.company/>

### **Teni Akeju, Associate**

ALP

**T** +23417002570

**E** takeju@alp.company

**W** <https://www.alp.company/>

**Professional qualifications.** Nigeria, Barrister and Solicitor 2014.

**Areas of practice.** Dispute resolution; corporate and commercial; intellectual property; litigation; arbitration and dispute resolution; risk management and business advisory.

**Non-professional qualifications.** LLB, University of Hull, 2015, LLM University of Bristol, 2019.

**Professional associations/memberships.** Nigerian Bar Association.

**Professional qualifications.** Nigeria, Barrister and Solicitor 2017.

**Areas of practice.** Dispute resolution; corporate and commercial; intellectual property; litigation; arbitration and dispute resolution; risk management and business advisory.

**Non-professional qualifications.** LLB, University of Lagos, 2016.

**Professional associations/memberships.** Nigerian Bar Association