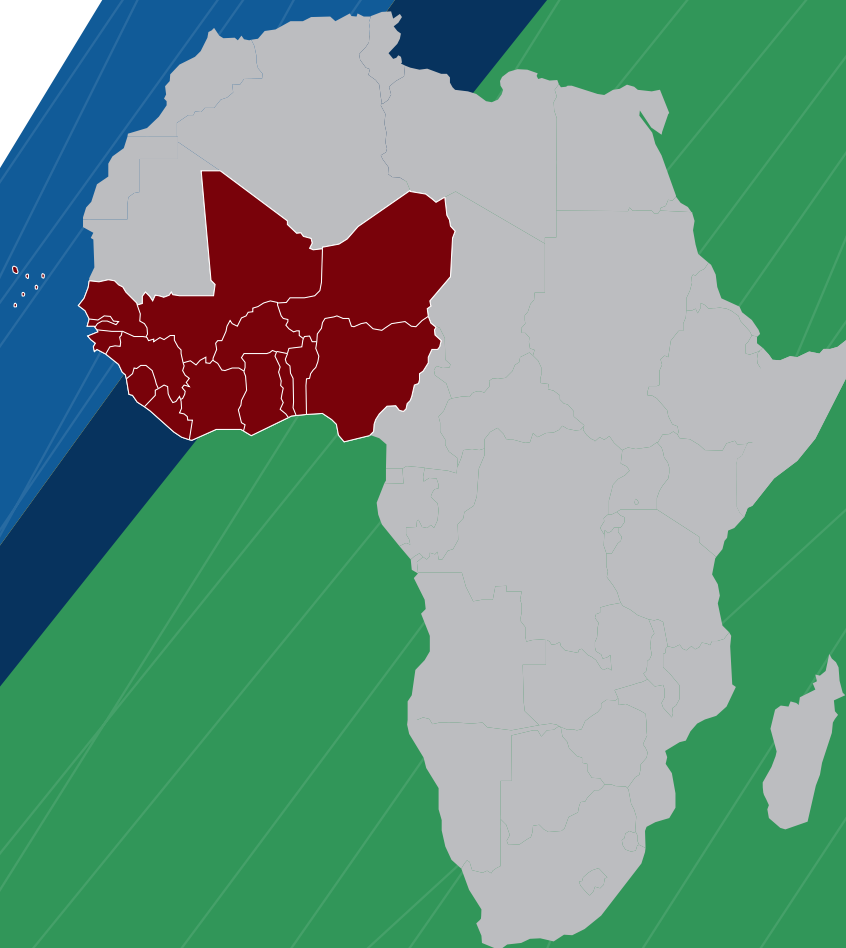


ECOWAS AT 40

AN ASSESSMENT OF PROGRESS TOWARDS
REGIONAL INTEGRATION IN WEST AFRICA



United Nations
Economic Commission for Africa



Economic Community of West African States

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ACRONYMS AND ABBREVIATIONS

ACMAD	African Centre of Meteorological Applications for Development	EBID	ECOWAS Bank for Investment and Development
AEC	African Economic Community (Communauté économique africaine)	ECA	Economic Commission for Africa
AfriPANet	Africa Investment Promotion Agency Network	ECOMOF	ECOWAS Mining and Petroleum Forum
AIS	Africa Innovation Summit	ECONEC	ECOWAS Network of Electoral Commissions
ANAD	Non-Aggression and Defence Assistance Agreement	ECOWAP	ECOWAS Agricultural Policy
APO	Abnormal Practices Observatory	ECOWAS	Economic Community of West African States
ARIA	Assessing Regional Integration in Africa	ECOWIC	ECOWAS Investment Code
AU	African Union	ECOWIP	ECOWAS Investment Policy
AUC	African Union Commission	ECPF	ECOWAS Conflict Prevention Framework
BRVM	<i>Bourse régionale des Valeurs mobilières</i> (Regional Stock Exchange)	ECREEE	ECOWAS Centre for Renewable Energy and Energy Efficiency
CAADP	Comprehensive Africa Agriculture Development Programme	EDF	Energy Development Fund
CAP	Common Agricultural Policy	EEC	European Economic Community
CCDS	ECOWAS Committee of Chiefs of Defence Staff	EERT	ECOWAS Emergency Response Team
CDP	Community Development Programme	EFA	Education for All
CEAO	<i>Communauté Economique de l'Afrique de l'Ouest</i> (Economic Community of West Africa)	EGDC	ECOWAS Gender Development Centre
CEP	Common Energy Policy	EIMS	ECOWAS Integrated Maritime Strategy
CET	Common External Tariff	EMDP	ECOWAS Mineral Development Policy
CILSS	Permanent Interstates Committee for Drought Control in the Sahel	EPA	Economic Partnership Agreement
CIMA	Inter-African Conference on Insurance Markets	EPADP	EPA Development Programme
CIS	Commonwealth of Independent States	ERDF	ECOWAS Regional Development Fund
COMESA	Common Market for Eastern and Southern Africa	ERERA	ECOWAS Regional Electricity Regulatory Authority
CSL	Community Solidarity Levy	ESF	ECOWAS Standby Force
CSO	Civil Society Organisation	EU	European Union
DRR	Disaster Risk Reduction	EYSDC	ECOWAS Youth and Sports Development Centre
DSSR	Defence and Security Sector Reform (Programme)	FDI	Foreign Direct Investment
YD	Yamoussoukro Decision	FTA	Free Trade Area
EAC	East African Community	GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
		GSE	Ghana Stock Exchange
		IAT	Import Adjustment Tax
		ICTs	Information and Communication Technologies
		IGOs	Inter-Governmental Organisations
		ISRT	Inter-State Road Transit

LGA	Liptako-Gourma Authority	SADC	Southern African Development Community
MC	Ministerial Conference		
MDGs	Millennium Development Goals	SIRC	<i>Société informatique régionale de la CEDEAO</i>
MIP	Minimum Integration Programme		
MRU	Mano River Union	SO	Strategic objective
NBA	Niger Basin Authority	SPT	Supplementary Protection Tax
NEPAD	New Partnership for Africa's Development	TB	Tariff Barriers
		TLS	Trade Liberalization Scheme
NOPSWECO	Network on Peace and Security for Women in the ECOWAS Region	UAR	United Arab Republic
NSE	Nigerian Stock Exchange	UDAO	<i>Union Douanière de l'Afrique de l'Ouest</i> (West African Customs Union)
OMVG	<i>Organisation pour la Mise en Valeur du fleuve Gambie</i> (Gambia River Basin Organisation)	UDEAO	Customs Union of West African States
		UNCTAD	United Nations Conference on Trade and Development
OMVS	<i>Organisation pour la mise en valeur du fleuve Sénégal</i> (Senegal River Basin Organisation)	UPE	Universal Primary Education
		VAT	Value Added Tax
OSCAF	<i>Réseau des Organisations de la Société Civile de l'Afrique Francophone</i>	WABA	West African Bar Association
		WACH	West African Clearing House
OSP	Opérations de Soutien à la Paix	WACIP	West African Common Industrial Policy
PAC	Politique Agricole Commune	WACMIC	West African Capital Markets Integration Council
PARCI	Regional Support Programme for Regulation of Informal Trade	WACREN	West and Central African Research and Education Network
PARMAO	<i>Programme Régional d'Appui à la Régulation des Marchés</i>	WACSOF	West African Civil Society Forum
		UEMOA	West African Economic and Monetary Union (UEMOA)
POSCAO-AC	<i>Plateforme des Organisations de la Société Civile de l'Afrique de l'Ouest sur l'Accord de Cotonou</i>	WAGP	West African Gas Pipeline Project
		WAHO	West African Health Organisation
PREAO	Regional Water Policy	WAI	West Africa Institute
PSO	Peace Support Operations	WAITAD	West African Institute for Trade and Development
R & D	Research and Development		
RAAF	Regional Agency for Agriculture and Food	WAMA	West African Monetary Agency
		WAMI	West African Monetary Institute
RCO	Regional Copyright Observatory	WAMZ	West African Monetary Zone
REC	Regional Economic Community	WAPP	West African Power Pool
REPAD	<i>Réseau de Recherches Pour l'Appui au Développement en Afrique</i>		
		WAWA	West African Women Association
REPAOC	<i>Réseau des Plateformes d'ONG d'Afrique de l'Ouest et du Centre</i>	WTO	World Trade Organisation
RFSR	Regional Food Security Reserve	WATH	West Africa Trade Hub
RJAO	<i>Réseau des journalistes de l'Afrique de l'Ouest</i> (Network of West African Journalists)	WATRA	West Africa Telecommunication Regulators Assembly
ROPPA	<i>Réseau des Organisations Paysannes et de Producteurs d'Afrique de l'Ouest</i>	WRCU	Water Resources Coordination Unit
RRA	Regional Regulatory Authority		

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FOREWORD

As the main Regional Economic Community (REC) in West Africa, ECOWAS is the undisputed pillar on which the continental integration process, as advocated by the African Union, is based. It is composed of 15 countries and aims to promote cooperation and integration in the economic, social and cultural domains. This integration is expected to be reached after a process leading ultimately to an economic and monetary union, through the full integration of the national economies of its Member States, raising the standard of living and strengthening economic stability. The process is in the implementation phase of the Customs Union, with the entry into force of the Common External Tariff in January 2015.

The pursuit of the goal of integration in West Africa can be seen as a process that is at once legitimate and natural. It is abundantly justified by reasons that are both theoretical and practical. West Africa is indeed composed of regional ethnolinguistic settlements that political borders from colonization have divided up in an entirely artificial manner. In fact, West African peoples have been historically integrated and it is the States born out of colonization that have set up barriers to this integration. Moreover, in a context of increased globalization, integration also remains a powerful means for economic and social development, especially for low-income countries.

On the eve of the celebration of the 40th anniversary of the ECOWAS Commission, the SRO-WA of the ECA, in conjunction with the ECOWAS Commission, sought to conduct a critical study on the state of regional integration, in a bid to help improve and speed up the process of regional integration in the sub-region. More specifically, this study seeks, among others, to make an inventory of the integration efforts made since the establishment of ECOWAS in 1975; promote a better

understanding of the regional integration process in the ECOWAS sub-region; identify problems and challenges which countries and stakeholders are facing in their march towards sub-regional integration; and propose possible solutions to overcome identified problems so as to accelerate the sub-regional integration process. In addition, it briefly presents a methodology currently being developed within the ECA for measuring regional integration efforts across the continent by means of a regional integration index.

An analysis of the institutional organisation and the sectoral policies of ECOWAS Commission indicates that this Community is, in general, an advanced model of integration in the broader context of the African Union, along with its sister the Southern African Development Community (SADC). In 40 years, it has been able to build a solid *institutional architecture* that makes it a globally recognized organisation. It has also strived to adopt protocols and develop policies and programmes to cover almost all areas of integration that were identified in the initial treaty as well as in the revised treaty. In terms of actual impacts, *the performance of ECOWAS, since its establishment, may be deemed to be generally satisfactory up to this stage*. Today, ECOWAS must take another step, by developing its operational capabilities and generating tangible impacts on Member States and ECOWAS citizens. Therefore, it can fully achieve objectives set out in the Constitutive Treaty and celebrate its 50th anniversary in 2025, by becoming a successful REC model in Africa. To this end, several recommendations were made in this report.

We believe that the contents of this report will contribute to improving and accelerating the regional integration process in the sub-region as well as the march towards continental integration as advocated by the African Union.

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Table 1: The Economic Community of West African States (ECOWAS) at a Glance

Headquarters	Abuja (Nigeria)
Date of establishment	28 May 1975 (Lagos, Nigeria)
Member countries	Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo. (Mauritania left ECOWAS in 2000)
Surface area	5 113 000 km ²
Population	308 million inhabitants in 2012
Mission	To promote cooperation and integration of Member States with the aim of establishing a West African economic and monetary union.
Institutions	The Authority of Heads of State and Government The Council of Ministers The Commission The Parliament of the Community The Economic and Social Council The Community Court of Justice ECOWAS Bank for Investment and Development
Specialised Agencies	The West African Health Organisation (WAHO) The West African Monetary Agency (WAMA) The West African Monetary Institute (WAMI) The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) The Water Resources Coordination Unit (WRCU) The ECOWAS Gender Development Centre (EGDC) The Brown Card The ECOWAS Youth and Sports Development Centre (EYSDC) The West African Power Pool (WAPP) The ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)
Main Programmes	The free movement of goods and people The Trade Liberalization Scheme The ECOWAS regional agricultural policy The Community Development Programme (CDP) ... etc.
Country Representations	National ECOWAS Units Special Representatives of the Commission President (in 2014: Côte d'Ivoire, Mali, Burkina Faso, Guinea, Guinea Bissau)
Financing	Community levy Partner funds



EXECUTIVE SUMMARY

ECOWAS is the main regional body in West Africa for advancing the continental integration process, as advocated by the African Union. Comprising all 15 countries of the sub-region, ECOWAS has as its objective to promote economic, social and cultural cooperation and integration, with the ultimate aim of economic and monetary union through the full economic integration of Member States, leading to enhanced living standards and greater economic stability. ECOWAS is currently a free trade zone and, on the strength of its trade liberalization scheme, is expected in due course to become a customs union.

To mark the 40th anniversary of ECOWAS in 2015, the Sub-Regional Office for West Africa of the Economic Commission for Africa, undertook a critical study of the status of regional integration within the sub-region. The study aimed to produce relevant recommendations for greater efficiency in the march towards regional integration, thereby contributing to the continental integration advocated by the African Union (AU).

There are theoretical and practical reasons to pursue integration in West Africa as a legitimate and natural process. West Africa is a historically integrated region, composed of ethno-settlement areas that were disrupted by the political borders arbitrarily imposed during colonization. In a context of increased globalization, integration remains a powerful means for economic and social development, especially for low-income countries.

Several historical attempts were made to integrate the countries of the sub-region, particularly in the period around independence in 1960. To crown it all, an Economic Community of West African States (ECOWAS) was established, on 28 May 1975, by the Lagos Treaty, which brought together all the countries of West Africa.

The objectives assigned to the Community by this initial treaty were, at the beginning, essentially economic: to promote cooperation and development in all fields of economic activity, accelerated and sustained economic development of Member States through effective economic cooperation, and progressive integration of economies. Several initiatives undertaken after the establishment of ECOWAS have helped to strengthen its institutional architecture and to deepen its common policies, thereby generating significant achievements in the sub-regional integration process. A revised Treaty signed in Cotonou in July 1993 goes well beyond economic matters to establish cooperation in the political and security domains, and to grant the Community powers to sanction, indicating a desire to make ECOWAS an active player in international law in Africa and worldwide.

To achieve these ambitious goals and enable ECOWAS to assume its full responsibilities, the institutional arrangements of the Community have evolved significantly from one treaty to the other. Thus, in addition to the Authority of Heads of State and Government, the Council of Ministers, the Executive Secretariat and Specialised Technical Commissions established in the 1975 treaty, four new institutions were added in the 1993 treaty: the Community Parliament; the Economic and Social Council (still to be set up); the Community Court of Justice, which replaces the Community Tribunal in the initial treaty; and the Fund for Co-operation, Compensation and Development, which was established by the initial Treaty but has been raised to the status of a Community Institution.

In 2007, building on the Community's 32 years in existence, the Authority of Heads of State and Government decided to transform the Executive Secretariat into a **Commission**, with larger prerogatives for a more active role in the integration process. In accordance with this

structural change, the Commission, headed by a President and assisted by a Vice-President, also comprises seven Commissioners who head the seven Departments that correspond to the activity sectors of the Community. In 2013, the Commission was restructured and the number of Commissioners increased from nine to 15, with one Commissioner for each Member State.

From a legal point of view, progress will be considerable as Community law becomes directly applicable in the territory of Member States, by means of Supplementary Acts, which are passed by the Authority of Heads of State and Government; and Regulations, Directives, Decisions and Recommendations, which are passed by the Council of Ministers.

Today, ECOWAS is one of the most important international sub-regional organisations, among the most prominent in Africa. In addition to its 15-member Commission, it has eight Specialised Agencies. From its origins as an organisation for purely economic cooperation, ECOWAS has transformed itself into a real integration organisation, with the attendant legal implications, notably the partial abandonment of sovereignty.

The various member countries of ECOWAS, through acts and decisions passed during **Conferences of Heads of State and Government** and at **ministerial meetings**, have continually reaffirmed their attachment to deepening regional integration and their total ownership of the regional integration project in West Africa.

However, this political will, albeit evident, should be strengthened with a view to enhancing the effectiveness of the measures implemented. Several examples can be cited in this regard: delays in the ratification and implementation of Community instruments; and Member States' partial compliance with the rules established in the Protocol on the Community levy related to the estimation, the collection and payment of proceeds from the levy, resulting in the accumulation of arrears by Member States vis-à-vis ECOWAS.

ECOWAS activities are monitored in countries through National Coordinating Committees and National Units, and sometimes by special representatives (appointed to countries in conflict and post-conflict situations; ECOWAS has chosen not to have permanent delegations in Member States). All these structures contribute to strengthening the sense of community in member countries. These units, which play a crucial role in building a sense of community, within ECOWAS, often face difficulties as observed during visits to countries.

ECOWAS will also gain by **improving its website** and enriching its content by posting extensive information on instruments, community budgets, policies and initiatives.

Implementation levels vary widely from one domain of integration to another, but generally can be categorized into **three classes**. **The first class includes domains in which regional integration is particularly advanced**. This is notably the case with the **free movement of persons** and right of residence, which works relatively well. Others in this group include **peace and security**, although the operational and rapid response capacities of ECOWAS forces need strengthening; and supervision of **electoral processes**, for which the credibility of ECOWAS is now beyond doubt.

The second class includes domains in which real progress has been made toward integration of Member State policies, but where huge constraints remain on the ground as a result of practical realities, sometimes related to lack of capacity or the behaviour of government employees. This class includes the **free movement of goods, services and capital; monetary union**, which, despite some progress in institutional reforms, is still struggling to win the full support of member countries, which are unable to meet the convergence criteria considered as prerequisites for monetary unification; and governance, where ECOWAS has no genuine mechanism for monitoring the conduct of its members.

The third class includes integration domains in which ECOWAS performs only marginally, mainly because of a lack of funding for ECOWAS programmes (as in the **Common Industrial Policy**) or of insufficient political will shown on the part of Member States (as in the **Mining Policy**).

In its revised treaty of 1993, ECOWAS set out to achieve the status of an **Economic Union** within a maximum period of 15 years from the start of the trade liberalization scheme in January 1990, that is to say, by 2005, some 12 years ahead of the 2017 target date set by the Abuja Treaty. In Article 55 of the revised treaty, ECOWAS went further by aspiring to establish an **Economic and Monetary Union** in 2010, five years after the establishment of the Customs Union (actually an Economic Union), and 18 years ahead of the establishment of the African currency (scheduled in 2028).

Indeed, the policies of ECOWAS have inspired many programmes of the African Union.

With regard to **trade liberalization**, ECOWAS witnessed a 10-year delay at the regional level in achieving its planned Customs Union, whose initial target date was set for 2005. The Regional Community thus fulfills the continental objectives of setting up a Customs Union in the RECs by 2017 at the latest.

The same 10-year delay has plagued the ECOWAS plan to achieve an **Economic and Monetary Union**, endowed with a single currency and a single Central Bank. The target date of 2010 has thus been pushed to 2020, but remains a dubious goal.

ECOWAS is well ahead of other regions in instituting the **free movement of persons** and the system works relatively well, despite some implementation difficulties.

Regarding **sectoral policies**, ECOWAS has established Community policies in all sectors mentioned in the revised treaty of 1993. However, their real impact on the field is still mixed.

Critical challenges of ECOWAS

Since its inception in 1975, ECOWAS has made several achievements in the various fields of integration identified in the initial treaty as well as the revised treaty. At the same time, it has faced a number of challenges that have hampered the implementation of common sectoral policies and programmes:

- Community discipline in the Member States;
- Creating value and ensuring effectiveness in ECOWAS programmes;
- Coordination between ECOWAS and sub-regional IGOs;
- Community project ownership by the populations; and
- Integrating ECOWAS into the global continental integration project.

Vision 2020 of ECOWAS

The Conference of Heads of State and Government, in June 2007 in Abuja (Nigeria), adopted **Vision 2020**, which aims by 2020 to make the ECOWAS space **“a borderless, peaceful, prosperous and cohesive region, built on good governance and where people have the capacity to access and harness its enormous resources, through the creation of opportunities for sustainable development and environmental preservation”**.

The objective is also to convert ECOWAS from an “ECOWAS of States” to an “**ECOWAS of Peoples**” in which the people will be involved in the regional integration process so that they can own it, be at the centre of regional policy concerns and be its ultimate beneficiaries.

The ECOWAS Commission has supported the Vision with the **Regional Strategic Plan** (2011-2015). Its implementation is yet to be evaluated and it will soon be replaced by a **Regional Strategic Framework** that will seek to integrate the various programmes of institutions and agencies in the Region.

In parallel, the ECOWAS Commission has, in a participatory process, prepared a **Community Development Programme** that was adopted by the ECOWAS Heads of State and Government in July 2014 in Accra, Ghana. This programme sets forth the Region's medium- and long-term development agenda by identifying priority projects and programmes to be implemented. The challenge remains that of mobilising resources for implementing activities and the investments planned in the CDP.

First, the 2020 time horizon is too close to achieve the set goal. A longer time horizon, such as 2025, which coincides with the 50th anniversary of the establishment of ECOWAS, would be more feasible.

The ECOWAS Vision should ideally take into account the time horizon selected at the continental level, both in its formulation (which should clearly mention the construction of the African Union) and in its programmes, which should be aligned with the major orientations at the African level. Indeed, the African Union has undertaken the development of **Agenda 2063**, which is supported by the AU vision of "[a]n integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force on the global arena" and draws on lessons of past efforts such as the Lagos Plan of Action, the Abuja Treaty and NEPAD to meet new challenges on the continent. Furthermore, the African Union has set, in its **strategic documents** (vision, mission, and strategic plans), several principles and flagship programmes that Member States should incorporate into their domestic policies. Africa has also defined its own common **Position on the Post-2015 Development Agenda** and promotes it within the context of ongoing negotiations on this theme. All these orientations should be taken into account in the Vision, policies and programmes of ECOWAS.

Conclusion

This study sought to assess the progress made by ECOWAS toward regional integration. The analysis of the institutional organisation and sectoral policies of

ECOWAS has shown that this Community, in general, is a model of advanced integration in the broader context of the African Union, in the same manner as SADC in southern Africa.

In 40 years, ECOWAS has built a solid **institutional architecture** as a globally recognized organisation. It has strived to adopt protocols and to define policies and programmes covering almost all areas of integration identified in the initial treaty and later in the revised treaty of ECOWAS.

In terms of real impact, **the performances of ECOWAS, since its establishment, may be deemed to be largely average at this stage.**

ECOWAS has the potential to accelerate the integration of its Member States. It has gained valuable experience in successfully grouping and sustaining countries as members. The challenges of harmonisation have value as well. They provide lessons that the extended regional community could apply for achieving progress in the construction of the unification of its Member States. This is particularly the case of UEMOA. Its membership comprises eight of the 15 ECOWAS countries among which the pooling of interventions or gradual fusion with ECOWAS will enable it to sustain its achievements, while promoting their ownership by ECOWAS.

Today, ECOWAS must take another step toward developing its operational capabilities to generate tangible results for its Member States and Community citizens. In doing so, it can fully meet the targets set in the Constitutive Treaty and celebrate its 50th anniversary, in 2025, by becoming a successful model of Regional Economic Community in Africa.

In that respect, several recommendations have been made in this report.

INTRODUCTION

ECOWAS is the main regional body in West Africa for advancing the continental integration process, as advocated by the African Union. Comprising all 15 countries of the sub-region, ECOWAS has as its objective to promote economic, social and cultural cooperation and integration, with the ultimate aim of economic and monetary union through the full economic integration of Member States, leading to enhanced living standards and greater economic stability. ECOWAS is currently a free trade zone and, on the strength of its trade liberalization scheme, is expected in due course to become a customs union.

To mark the 40th anniversary of ECOWAS in 2015, the Sub-Regional Office for West Africa of the Economic Commission for Africa, undertook a critical study of the status of regional integration within the sub-region. The study aimed to produce relevant recommendations for greater efficiency in the march towards regional integration, thereby contributing to the continental integration advocated by the African Union (AU).

The main objective of the study was to contribute to improving and accelerating the regional integration process within the ECOWAS sub-region by: (i) assessing the status of integration efforts since the establishment of ECOWAS in 1975; (ii) fostering a better understanding of the regional integration process within the ECOWAS sub-region; (iii) identifying the problems and challenges faced by countries and various stakeholders in their march towards sub-regional integration; and (iv) proposing

possible solutions to accelerate the sub-regional integration process.

The study design was based on: (i) a document review and interviews conducted at the ECOWAS Commission and at head offices of inter-governmental organisations in the zone (UEMOA Commission, Secretariat headquarters of the Mano River Union) and of specialised institutions (WAMA, WAMZ); (ii) visits to ECOWAS member countries; and (iii) an analysis of the policies and actions initiated by ECOWAS, and the real impact of those actions.

This report presents the study in seven parts. The first presents the theoretical underpinnings and practical reasons for West African integration. The second describes the establishment of ECOWAS and its subsequent development. The third reviews the major common sectoral policies, and examines the choices of macroeconomic harmonisation measures and convergence criteria. The fourth assesses ECOWAS sectoral policies on regional integration and on the economic and social development of Member States. The fifth examines the various steps of the sub-regional integration process and their contribution to continental integration, as well as the approach to designing a Composite Regional Integration Index (CRII). The sixth part analyses the critical challenges faced by ECOWAS. The study concludes with recommendations for greater efficiency in the march towards regional integration and an ECOWAS contribution to continental integration as advocated by the African Union.

SECTION I.

RATIONALE FOR REGIONAL INTEGRATION IN WEST AFRICA

There are theoretical and practical reasons to pursue integration in West Africa as a legitimate and natural process.

1. THEORETICAL REASONS

1.1. Overview of regional integration

In a context of increased globalization, integration remains a powerful means of economic and social development, especially for low-income countries.

One of the most compelling justifications for regional integration on the continent is the desire for greater economic independence and development.

The classic theory¹ of regional integration holds that integration can take many different forms, depending on the degree of political and economic commitment of the member countries. Arrangements can range from a simple reduction of customs duties to more ambitious forms of economic integration, with provisions for a common monetary and fiscal policy. This theory offers a menu of options in which regional integration deepens as restrictions on trade and investment diminish (see Table 2).

Hungarian economist B. Balassa (1961) identifies five degrees of integration. They are, from lowest to highest: free trade area, customs union, common market, economic union, and total economic integration. The last degree of the process requires the creation of a common entity that can make economic, political, social and other decisions on behalf of the group, in compliance with agreed modalities.

Total economic integration is therefore the outcome of a process of unifying the economic policies of the various Member States, which entails the establishment of a common monetary union, the complete removal of obstacles to cross-border economic activities relating to trade, and the free

movement of labour and services, as well as of capital.

In practice, monetary union (the institution of a single currency) can be established ahead of economic union (a common market with harmonised economic and sectoral policies among member countries). This was the approach of the West African Economic and Monetary Union (UEMOA), which began by instituting a common central bank and currency before embarking on the process of economic unification in 1994. The European Union chose the reverse process, with the common market preceding the introduction of the Euro and the European Central Bank in 1999.

Whatever the approach, the convergence of member country economic and sectoral policies in an economic union requires time for attaining set objectives, as member countries typically embark on the process from disparate starting points.

The justifications for establishing large regional blocs – and therefore for integration – are essentially economic in nature. Since the time of A. Smith (1776) and D. Ricardo (1748), countries have seen international trade as a basis for specialisation and a means of increasing the size of their markets. Contemporary authors like P. Krugman (1979) have shown, through theoretical models of monopolistic competition that consumers benefit from a wider variety of goods and services at lower prices as a result of international trade. Regional integration, for its part, is an effective way to substantially increase trade within a group of countries.

Regional integration provides small countries with access to international markets by generating a critical mass and offering preferential opportunities in the major member countries. At the same time, integration enables the major countries to establish

¹ See, for example, Balassa (1962, 1965), Meade (1955), Baldwin and Venables (1995), and Lipsey (1957).

Table 2: Characteristics of regional integration

Type of arrangement	Free trade among members	Common trade policy	Free factor mobility	Common monetary and fiscal policies	One government
Preferential trade area	No	No	No	No	No
Free trade area	Yes	No	No	No	No
Customs union	Yes	Yes	No	No	No
Common market	Yes	Yes	Yes	No	No
Economic union	Yes	Yes	Yes	Yes	No
Political union	Yes	Yes	Yes	Yes	Yes

Source: ECA, 2004

preferential markets within the integrated regional space.

The growing enthusiasm for most of Africa's regional trade agreements stems from traditional trade theory, which holds that liberalizing trade and investment between two or more countries generally benefits the countries concerned and leads to economic growth and poverty reduction, as articulated in the fourth edition of *Assessing Regional Integration in Africa* (ECA, 2010).

The concept of Free Trade Areas (FTAs) is deeply rooted in the theory of customs unions, and involves reducing or abolishing tariff and non-tariff restrictions to trade in goods and services among a group of countries in a given geographical area.

There is wide consensus in the theoretical literature that the most important benefits of integration derive from the expected gains from an expanded market. Indeed, market expansion is in itself a competitive factor in international trade.

Expansion produces two main effects (A. Young, 1928): higher productivity associated with both the greater mechanization that accompanies production increase and the phenomenon of learning by doing; and a differentiation and increasing specialisation among sectors.

With the free and unrestricted movement of goods and persons throughout the FTA, investment can more accurately respond to market demand and supply, leading to more efficient resource allocation.

But to reap these potential benefits of integration, Member States must have a stable and predictable business environment. They must eliminate restrictions on competition among firms within the region, and implement trade facilitation measures that reduce barriers to trade, notably non-tariff barriers (NTBs). Additionally, adopting measures to protect foreign direct investment (FDI), through broader property rights and special regional arbitration courts, would offer incentives for investors.

According to Velde and Meyn (2008), the benefits to be derived from successful integration can be considered a "cost of non-integration" for regions yet to complete their integration process. A recent study by FERDI (2012)² estimates the minimum annual gains from significantly strengthened regional integration among African countries at 2 to 3 per cent additional growth. This thus constitutes the cost

2 *Fondation pour les Etudes et Recherches sur le Développement International (FERDI, 2012): «Evaluation des gains attendus de l'intégration économique régionale dans les pays africains de la Zone franc»*

of non-integration for the sub-regional economies for which the regional integration process is far from complete.

Given the current trend toward globalization of national economies, Member States must cooperate and coordinate their policies to ensure effectiveness and harmonisation, avoiding situations in which the policy implemented in one country neutralizes that of another country within the customs union or common market.

Under an FTA, countries gradually abolish custom duties and quantitative restrictions to ultimately establish the free movement of products from the area, but each nation keeps its own commercial policy vis-à-vis third countries.

A customs union is characterized by a common trade policy (a common customs tariff or of a CET). In an economic union, the harmonisation and convergence of member countries' economies are essential to reap the expected gains.

Completing an economic integration process, then, requires meeting specific objectives in trade integration, monetary integration and unification of financial markets, and coordination of macroeconomic and sectoral policies.

1.2. Static and dynamic effects of trade integration

A 2012 ECA report entitled *Assessing Regional Integration in Africa V* (ECA 2012) took a comprehensive look at the static and dynamic effects of trade integration. Below is an overview of the findings of that report.

a) Static effects

The phenomenon of regional integration – FTAs in particular – has posed analytical challenges for trade theorists, because regional integration schemes combine elements of both free trade (within the union) and protectionism (against non-members).

While the trade liberalization aspect of regional integration is consistent with the neoclassical view of a welfare-enhancing trade policy regime, the protectionist aspect is a potential detriment to attaining both regional and global welfare. This ambivalence is reflected in the work of Viner (1950), as well as in the later works of authors such as W.M. Corden (1974), R. E. Baldwin (1985), H. Flam (1992) and J. Bhagwati (1988 and 1993).

According to the Viner model, the static effects of integration result from a one-time reallocation of economic factors of production and natural resources, yielding both negative and positive impacts on welfare. The model provides a tool for analysing the welfare effects of FTAs by introducing the concepts of trade creation and trade diversion. The extent to which changes in welfare occur depends greatly on the predominance of one of these effects.

Trade creation is the increased level of trade that results from the abolition of trade barriers within the FTA. According to the assumptions of trade creation, the pattern of trade heavily reflects the differences in comparative advantage among member countries.

Trade is said to have been created when countries give up on the production of goods and services that they produce less efficiently, in exchange for the same goods and services produced more efficiently by a partner country. Regional welfare is said to have been enhanced when the changes introduced by the FTA produce a shift in consumption from a higher-cost domestic product to a lower-cost partner-country product.

Robson (1984) states that trade is more likely to be created when the economic area of integration and the number of member countries is large; tariff and non-tariff barriers (NTBs) have been reduced or eliminated as a result of the FTA; and the economies of the integrated countries are competitive, having comparable levels of development and a complementary resource base. Hence, there is a need for economic convergence among countries seeking to form a unified economic space.

Trade diversion, in contrast, is seen as a cost to the region and to the world at large. Trade is said to have been diverted when, as a result of excessive protectionist measures (including NTBs), consumption shifts more in favour of higher-cost products and services from within the region than lower-cost products and services produced outside the region. Thus, trade diversion may produce an uncompetitive environment, inefficiency, and loss of consumer surplus.

Although it is generally accepted in principle that trade creation and trade diversion are potential outcomes of preferential trading systems and that they tend to move economic welfare in opposite directions (Viner 1950), the net effect of the two phenomena varies in practice.

Several studies have shown that the record of the formation of the European Economic Community (EEC) customs union is rather mixed. Robson (1984) posits that EEC trade has outweighed trade diversion, with respect to manufactured goods, and that the formation of the EEC has led to the creation of non-negligible external trade. He wrote, “from these two points of view, we can consider that the creation of the EEC has had favourable effects on the efficiency of resource allocation on a global scale”. However, Pomfret (1988) denies the existence of a lower index on the “creation of external trade”.

A 1996 study by the World Bank, referenced by P. Krugman (2003), indicated that the net effects of the South American FTA – the Mercosur – were negative, despite the tripling of the value of trade among member countries Argentina, Brazil, Uruguay and Paraguay. The study concluded that the creation of the FTA has prompted trade diversion that has been detrimental to consumers in particular.

b) Dynamic effects

Apart from these static effects, several authors have emphasized the dynamic effects of trade integration resulting from productivity (Neary, 2001), in particular the impacts of long-term productivity on trade (Grossman and Helpman, 1991) through import

and export (Coe and Helpman, 1995; Coe, Helpman and Hoffmaister, 1997).

FTAs often achieve dynamic gains over the long term, primarily as a result of economies of scale (due to an expanded market), efficiency gains (due to the competitive environment and transfer of technology), extraregional foreign direct investment (FDI) flows, and removal of contingent protection and trade barriers.

The most significant economic gains can be realized from the decline in unit costs due to the economic cooperation and coordination of policies (De Melo, Panagariya and Rodrik, 1993), including unit costs for region-wide transport and communications. For the ECC, Bayoumi and Eichengreen (1995) indicated that bilateral investment flows within the FTA showed a very substantial increase.

In the context of West Africa, countries can achieve the dynamic effects of regional integration in four main areas:

a. Enlarged regional markets provide incentives for FDI and private cross-border investment.

The right trade and macro-economic policy regimes can incentivize businesses to set up appropriately sized industrial and service projects that may formerly have been constrained by the small size of national markets. For example, most African economies are too small to launch viable steel projects, despite the industry’s pivotal role in the industrialization of developing countries. The combination of a stable investment climate, development of transport and communications infrastructure, and sound regional economic policy could provide incentives for large investments in the manufacturing and service projects that require economies of scale.

b. Regional integration is likely to improve efficiency by heightening competitive pressure among rival firms.

Monopolies and oligopolistic market structures impede efficient production in most West African countries. Inefficient national enterprises (including government monopolies)

tend to reap abnormal profits, either because laws protect them or because industry offers no credible rivals. Adopting and enforcing regional competition rules throughout the FTA could spur or enhance the free competition needed for an efficient industrial structure.

- c. Potential terms-of-trade effects of possible trade diversion from a regional FTA may lead to welfare improvements in the REC.** An increase in the relative price of export goods can expand a given sector, stimulating further investment and raising output and employment.
- d. As production structures diversify from primary products, West Africa has the chance to wean itself from dependence on developed market economies for manufacturing.** The existing structure of commodity specialisation in West Africa has placed the region at a long-term disadvantage not only in terms-of-trade losses but also in loss of self-perception and growth. One of the potential dynamic effects of FTAs in West Africa is that they can improve the environment for industrial diversification and regional complementarity.

However, gains in these four areas will also depend heavily on accompanying policy measures, such as reducing NTBs stemming from weak infrastructure, lengthy border procedures, duplicated procedures and corruption. **Regional efforts to upgrade infrastructure and reduce NTBs are therefore fundamental to successful integration.**

ECA (2004) cites some additional benefits of regional integration:

- **Mechanisms to ensure compliance with commitments made.** Regional integration can enhance the credibility of Member States' economic and political reforms and ensure their continuity, as these mechanisms play a moderating role and provide a framework for the coordination of policies and regulations (Fernandez and Portes 1998; World Bank 2000).
- **Strengthened economic bargaining power** on the international scene by negotiating as a group. This is especially beneficial for small countries.
- **Cooperating and the pooling and sharing of resources** (rivers, roads and railways, power supply systems) can enhance and promote regional public goods while addressing regional public challenges (such as pollution or lack of transport).
- **Reducing the risk of conflict** by building trust and facilitating cooperation on security issues.
- **Accelerating economic growth and development** through the combined effects of technological progress made possible by trade and a stabilizing global business environment (due in part to the establishment of macroeconomic convergence criteria and the modernization of legislative and regulatory frameworks).

1.3. Potential benefits from sectoral policy coordination

Game theory posits that agents in situations of strategic interaction and sharing a common objective have an interest in coordinating their actions to achieve a satisfactory and mutually beneficial result. Coordination is essential among countries within an area of integration to benefit from best practices and avoid duplication of programmes.

Coordination is of particular importance in the areas of infrastructure, agriculture and food security, research and development (R&D) and health.

Intra-regional infrastructure projects allow for economies of scale and lower transport costs (World Bank, 2008). The harmonisation of infrastructure policies can also increase the confidence of investors and trading partners. Beyond road and communication infrastructure, the focus should be on energy, especially the development of the regional power supply system and the optimal management of water resources.

Closer cooperation in agriculture can strengthen West African resilience to food crises, reducing the excessive taxation burden on the poorest consumers. Harmonising agricultural and trade policies can obviate many of the informal trade practices that exploit price differences between countries.

Moreover, integration is not detrimental to smallholder farmer food production. Brüntrup (2006) concluded that for Senegalese farmers, increases in customs tariffs did not cause a rise in prices, but were absorbed into the profits of traders and parastatal institutions. The stimulation of intra-regional trade, rather than lowering prices for farmers, would likely increase the demand for their products.

Coordinated R&D policies empower the private sector to better adapt to changes in the regional and international economic environment. At the community level, R&D creates effects of scale, boosting competitiveness and innovation and improving human capital. Effective cooperation in R&D can improve the flow of goods and persons, strengthen consumer protection, improve food security, and expand health care services and environmental protection.

Improving the regional management of diseases and epidemics is also an important factor in the ability to generate investment and growth. Motus (2006) stated that the regional policy on migration and health should not be limited to monitoring and containing disease among migrants, but should aim to improve the overall physical, mental and social well-being of migrants as key contributors to the host country economy.

1.4. Advantages and success factors in currency and financial unification

Currency and finance are essential components of the sub-regional integration process. Financial integration can help reduce costs and risks for banks and financial institutions, while strengthening resilience to crises (Ferroni, 2001). It helps improve allocation of capital among investment

opportunities, and raises growth potential (Baele et al., 2004). The integration of stock exchanges would help to overcome liquidity shortfalls due to the narrow bases of economies, increasing the flow of intra-regional capital.

However, for the African region, financial integration is an ambitious project of substantial institutional and financial costs. Before national markets can be integrated, they must be properly and pragmatically developed (Irving, 2005).

The theory of an optimal currency area developed by Mundell (1961), McKinnon (1963) and Kenen (1969), and later expounded upon by others, sets forth the advantages described above. The viability of an optimal currency area depends on a number of factors: the flexibility of prices and wages; prior financial integration; an integration of markets for production factors (labor, capital); integration of markets for goods and services; a coordination of fiscal, monetary and exchange rate policies at national level; similar inflation rates; the correlation of income; the predominance of symmetric shocks; and the existence of adjustment mechanisms to address asymmetric shocks (implying a degree of fiscal federalism).

If member countries of the monetary area meet these criteria, no nominal exchange rate adjustments will be needed within the area.

On these theoretical premises, neighbouring West African countries should coordinate their policies in order to improve performance.

2. HISTORICAL AND PRACTICAL REASONS

For historical and practical reasons, West Africa is an appropriate area for integration.

2.1. Historical facts and geographical context

A report published by the Network of West African NGO Platforms (REPAOC, *Manuel pédagogique sur l'intégration régionale à destination des acteurs non gouvernementaux*, April 2011) makes the case that West Africa is a historically integrated region, composed of ethno-settlement areas that were disrupted by the political borders arbitrarily imposed during colonization. The report argues that it is the states established by colonization that have created obstacles to integration.

Among the peoples of the West African region, there is indeed a level of trust generated by the shared history and co-existence of the pre-colonial empires (Ghana and Mali), the Mandinka or Fula nation (Burkina Faso, Côte d'Ivoire, The Gambia, Guinea, Guinea Bissau, Mali, Nigeria, Senegal and Sierra Leone), the Hausa nation (Niger, Nigeria), an Akan nation (Benin, Côte d'Ivoire, Ghana, Togo) or Yoruba nation (Nigeria and Benin, but also Côte d'Ivoire, Ghana and Togo), and others.

Mobility was fluid in the sub-region, facilitating a cross-fertilization of ideas and creating an organic process of integration.

The report asserts that **political integration should create conditions for deepening or renewing ties and for facilitating people-to-people exchanges in the region.** Yet several natural homogeneous spaces, river basins and production basins, which justify common policies, are today separated by borders.

Complementarities exist between various agro-climatic zones (Sahelian, sub-humid tropical and

humid tropical zones) that cut across the entire region from East to West. These zones could be used strategically to enhance economic complementarities in the sub-region.

Several Sahelian countries depend on key southern and western ports of the region to access the rest of the world, underscoring the relevance of regional integration. With demographic growth and advances in means of transportation, the divisions which historically existed the human settlements have largely been erased.

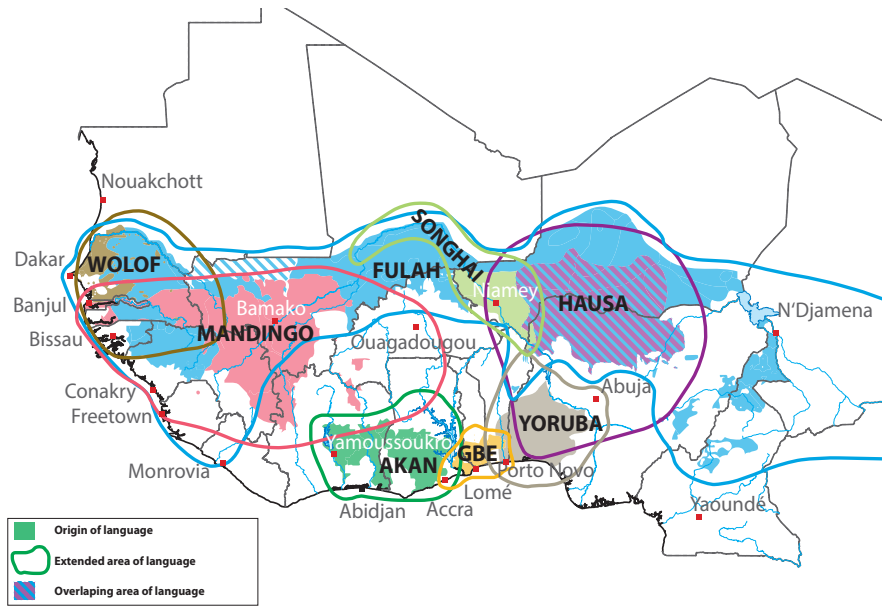
2.2. Cross-border initiatives and activities

The REPAOC report identified several cross-border initiatives and cooperation efforts in West Africa. Whether for economic, social or cultural ends, these activities are based on diverse elements that transcend political boundaries: proximity of urban centres, as in the Sikasso-Korhogo-Bobo area; language, as in the case of cross-border network of community radio stations in Guinea Bissau, Senegal and The Gambia; or proximity of a market such as the "louma" of Diaobe in Senegal.

► Regional Dynamics in Sikasso-Korhogo-Bobo Dioulasso Zone

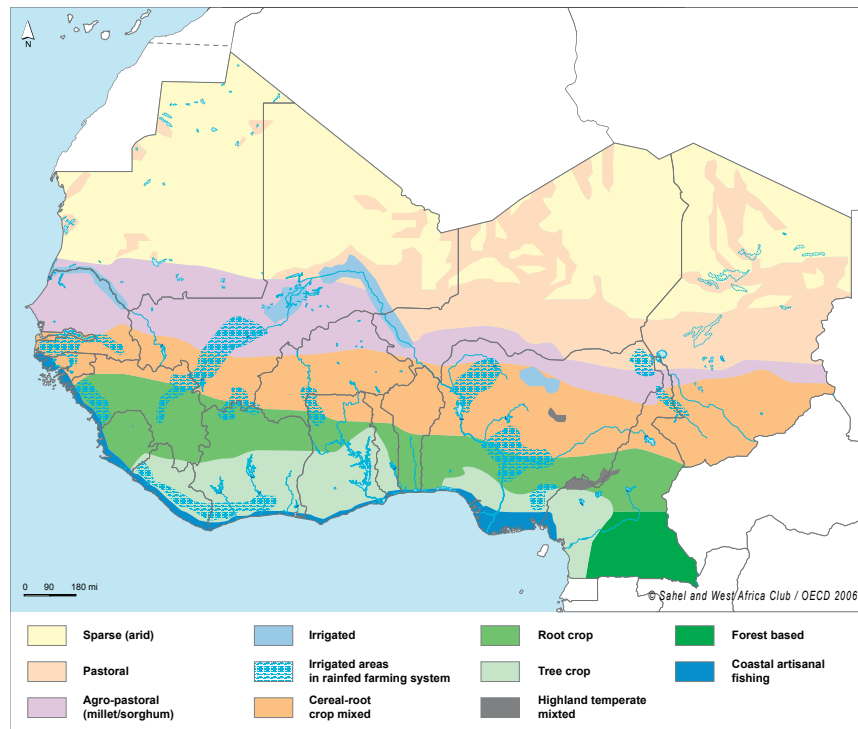
Sikasso, Korhogo and Bobo Dioulasso constitute a triangular production zone, as well a population and commercial hub. These three towns are 400km away from major urban centres (Bamako, Bouake, and Ouagadougou) and have together developed trade synergies and evolved independently of the capital cities of their respective countries. These dynamics are facilitated by the cultural ties within this cross-border area: the Voltaic, Senoufo and Bobo area, together with the longstanding presence, in trade

Chart 1: Ethno-Linguistic Settlements

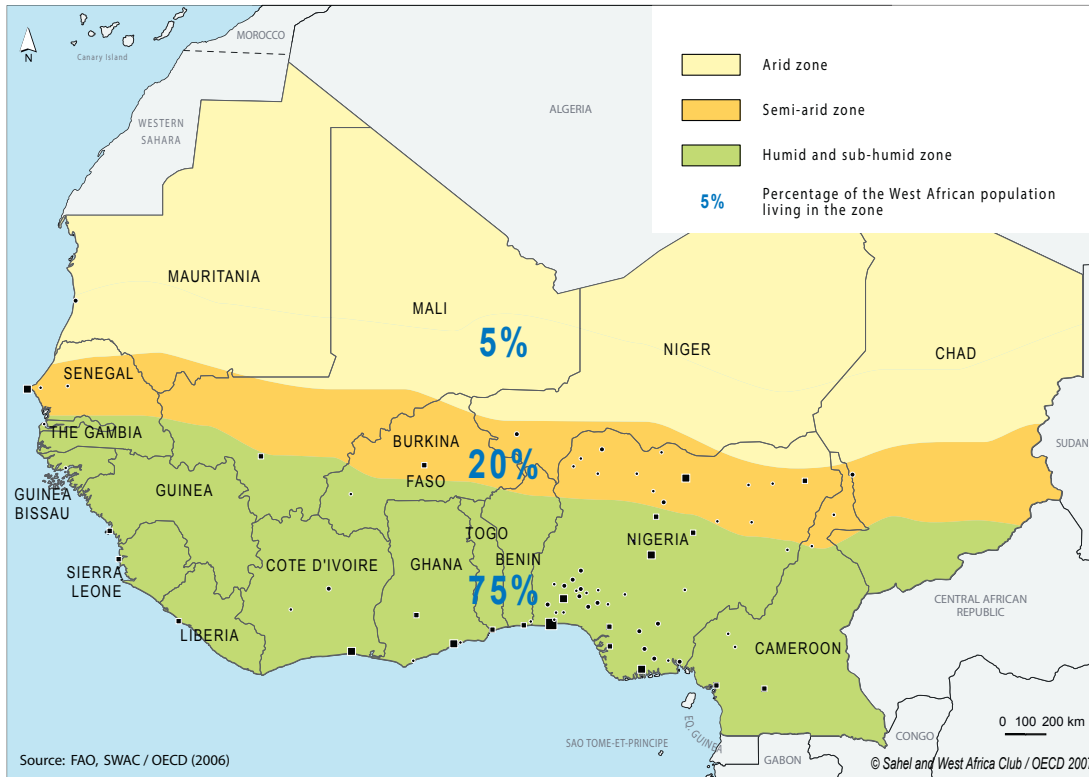


Source: Atlas of regional integration in West Africa

Chart 2: Production Systems in West Africa



Source: ECOWAS-SWAC/OECD, 2007

Chart 3: Human Settlements and Climatic Conditions

Source: ECOWAS-SWAC/OECD, 2007

and in power circles, of the Dioula minority tribe (Mandingo group)³.

► The cross-border network of community radio stations in Guinea Bissau, Senegal and The Gambia – RETRARC GUISENGAMB

In 2006, with assistance from Enda Diapol, 11 radio stations in the Senegambia cross-border area came together to form the Cross-Border Network of Community Radio Stations in Guinea Bissau, Senegal and The Gambia known (in French) as “RETRARC – GUISENGAMB”. This network aims to strengthen cultural and economic integration among the

peoples, and to support cross-border community radio in promoting exchange and solidarity. Through the network, member stations have adopted common approaches to training, information and programming.

► Diaobe Market in Senegal’s Kolda region: an element of regional integration

Cross-border exchanges, which are more visible in the “*informal*” sector, illustrate “*integration from the bottom up*”⁴. The weekly markets that exist throughout West Africa draw traders across borders. The Diaobe “*louma*” (weekly market), situated in the Kolda region of southeastern Senegal, brings

3 SWAC, PDM, workshop to launch a pilot cross-border operation, Cross-border Initiatives Programme, ECOWAS, 2005, <http://www.afriquefrontieres.org/images/pdf/terrain/skbo/synthesesikasso.pdf>

4 « *Diplomatie non-gouvernementale au service de l’intégration régionale en Afrique de l’Ouest* », Sodji, Valentin Quam, FONGTO, www.fongto.net

together traders from The Gambia, Guinea, Guinea Bissau, Mali and Senegal. Box 1 below describes the

main trade clusters and commercial routes in West Africa.

Box 1: Trade clusters and commercial routes

According to a study by ENDA-CACID (2012), West African trade is organised around **five hubs** and **eight corridors**.

Trade hubs

The trade hubs described below do not fit into the pattern of the economic integration in force in the region. Rather, they correspond to the way the commercial networks shape the regional market.

- The **Western Cluster**, called extended Senegambia, is polarized around Senegal and includes The Gambia, Guinea and Guinea Bissau, Mauritania and western Mali in addition to Senegal. It is marked by trade in local rice, millet and sorghum, for which Mali is the largest supplier.
- The **Central Cluster**, led by Côte d'Ivoire and Ghana, also includes Burkina Faso, Mali and Togo. This subspace is comparatively best equipped to support regional trade, thanks to the port infrastructures of Tema and Takoradi (Ghana), of Abidjan and San Pedro (Côte d'Ivoire), and of Lome (Togo), together with the Abidjan-Niamey railway, which stops in Ouagadougou. Transactions involve both live animals, supplied by Mali and Burkina Faso, and manufactured goods from industrial plants in Côte d'Ivoire.
- The Eastern Cluster, polarized by the leading regional power, Nigeria, also includes Ghana, Niger and two other states of Central Africa: Cameroon and Chad. More than elsewhere, commercial transactions are distinguished by their magnitude and specificity, with stronger presence of informal channels.
- The Southern Metropolitan area, including Benin, Ghana, Togo and southern Nigeria, and which extends to Côte d'Ivoire, is known as the 'shared prosperity zone'. This area is home to nearly 50% of the population of the region and accounts for nearly 60% of the regional trade, which involves not only manufactured products from Nigeria and Côte d'Ivoire, but also imported goods from the rest of the world, including counterfeit goods. However, transactions suffer from inadequate supporting infrastructure.

- The **Sahelian band**, which stretches from Kano (Northern Nigeria) to Sikasso in Mali. This subspace trades heavily in dry cereals and enjoys close bonds among its urban enclaves (Kano-Katsina-Maradi and Sikasso-Bobo-Dioulasso-Korhogo).

The trade routes

The West African intra-community trade routes or corridors are mainly the result of the scheme established by the **économie de traite** (a form of barter trade). The routes used by the caravan trade, which had led to the emergence of prosperous stopover cities, have been replaced by North-South corridors for the export of raw materials from the northern regions and landlocked countries through ports of coastal countries. This plan has disrupted the West African trade space and hindered regional market integration. The main corridors include:

- The **Lagos-ABBA-Bénin City** corridor,
- The **Lagos-Badagri-Cotonou-Lome-Accra-Abidjan** corridor,
- The **Lagos-Ibadan-Zaria-Kano** corridor, which branches off towards Sokoto from Bida in central-western Nigeria and to Zaria and then Maradi, in southern Niger, going through Katsina; the second turn leads to Maiduguri from Kano,
- The **Cotonou-Malanville-Dosso-Niamey** corridor, with a branch towards Maradi and Zinder,
- **Cotonou-Djougou-Porga-Fada N'gourma-Ouagadougou**,
- **Lomé-Kara-Dapaong-Koupéla-Ouagadougou**,
- **Accra-Kumassi-Tamalé-Bobo Dioulasso-Ouagadougou**,
- **Takoradi-Bobo Dioulasso**, which extends to **Abidjan-Bouake-Bobo Dioulasso-Ouagadougou** with access to Korhogo from Bouake, leading to Bamako in the West,
- **Conakry-Kankan-Bamako**,
- The **trans-Saharan road**: Kano – Maradi – Niamey – Ouagadougou – Sikasso – Bamako – Dakar – Nouakchott.

Source: ENDA CACID, *The Reality of Trade in West Africa, 2012 Annual report*

3. HISTORY OF SUB-REGIONAL INTEGRATION INITIATIVES

In West Africa, Presidents Kwame Nkrumah of Ghana and Ahmed Sekou Toure of the Republic of Guinea were among the first to initiate a post-independence integration project, by signing, in April 1959, the Declaration of Conakry, committing their countries to consolidate a union and demonstrating their adherence to the cause of African unity. However, the union never materialized, succumbing to differences in the political vision of the two leaders and the economic structures of the two countries.

Prior to this attempt, in January 1959, four countries (Dahomey, Sudan, Upper Volta and Senegal) initially launched the Federation of Mali, which ultimately came to be composed of only Senegal and Sudan, and which broke up in 1960.

Also in 1959, Côte d'Ivoire, Dahomey, Upper Volta and Niger formed a **Conseil de l'entente** (Council of Accord). Togo joined in 1966.

A West African Customs Union was also established in 1959, becoming the Customs Union of West African States (UDEAO) in 1966. In 1972, this then resulted in the Economic Community of West Africa (ECWA).

ECWA, fully established in Abidjan in April 1973, was made up of six countries, which shared a common currency (CFA Franc) and language (French): Côte d'Ivoire, Mali, Mauritania, Niger, Senegal and Upper Volta. The organisation sought to establish a single economic and customs area, as well as to ensure close coordination of sectoral policies among member countries.

The **Mano River Union (MRU)** was also established in 1973 by Liberia and Sierra Leone (later joined by Côte d'Ivoire and Guinea), to jointly manage the Mano River and promote economic development of member countries.

Finally, the Economic Community of West African States (**ECOWAS**) was established on 28 May 1975 by a treaty signed in Lagos, Nigeria. ECOWAS brought together 16 West African countries, irrespective of their official language or their colonial past. Mauritania later left the Organisation, reducing the number of Member States to 15.

SECTION II.

ESTABLISHMENT AND EVOLUTION OF ECOWAS

Through successive reforms over its 40 years, ECOWAS has made great effort to build a functional institution.

1. GOALS PURSUED BY ECOWAS FOUNDING FATHERS

The treaty to establish ECOWAS, signed in Lagos on 28 May 1975, is composed of 14 chapters and 65 articles. In its preamble, the States “*Decide to create an Economic Community of West African States*” and in Article 1, Paragraph 1, they “... *establish ... an Economic Community of West African States (ECOWAS) ...*”

The objectives assigned to the Community by this initial treaty (Article 2) were, at the beginning, essentially economic: to promote cooperation and development in all fields of economic activity, accelerated and sustained economic development of Member States through effective economic cooperation, and progressive integration of economies.

To support these objectives, Article 2 established a customs union among Member States and instituted a common external tariff, with progressive reduction and ultimate elimination of import duties (Article 13) and application of a community tariff treatment (Article 15).

For purposes of economic integration in the sub-region, the initial treaty emphasized cooperation and policy harmonisation in various domains:

- Industrial development (Articles 28-32);
- Agriculture and natural resources (Articles 33-35);
- Monetary and financial matters (Articles 36-39);
- Infrastructural links and communications (Articles 40-47);
- Energy and mineral resources (Article 48); and
- Social and cultural matters (Article 49).

Moreover, under Articles 50-53, it established a “*Fund for Co-operation, Compensation and Development*”, the resources of which were to finance projects in Member States, to provide compensation to Member States that suffered losses as a consequence of applying the treaty provisions on trade liberalization within the Community, and to guarantee foreign investments.

Over and above these economic objectives, the founding treaty granted a fundamental freedom to citizens of Member States: *freedom of movement and residence* (Chapter IV, Article 27). Citizens of Member States were to be considered citizens of the Community, free to travel from one country to another without a visa, and stay there without a residence permit.

2. MAJOR STEPS AND DECISIONS

Several initiatives undertaken after the establishment of ECOWAS have helped to strengthen its institutional architecture and to deepen its common policies, thereby generating significant achievements in the sub-regional integration process. Nevertheless, structural constraints still hamper the implementation of community projects.

2.1. The Revised Treaty

The revised treaty, signed in Cotonou on 24 July 1993, restated provisions more clearly and enhanced their content to be more comprehensive, with the duties of various institutions more clearly defined.

The new text consists of 22 chapters and 93 articles. New chapters not in the initial treaty deal with the following specific matters:

- Definitions (Chapter I), as is customary in present-day international treaties;
- Establishment of an Economic and Monetary Union (Chapter IX);
- Co-operation in Political, Security, Legal and Judicial Affairs (Chapter X);
- Situation of Land-Locked and Island Member States (Chapter XIII);
- Sanctions applicable to Member States (Chapter XVI);
- Relations between the Community and Other Institutions: African Economic Communities, Regional Economic Communities, Third Countries and International Organisations (Chapters XVII, XVIII and XX);
- Relations between the Executive Secretariat and Specialised Institutions of the Community (Chapter XIX); and
- Relations between Member States, Non-Member States, Regional Organisations and International Organisations (Chapter XXI).

The volume of the revised treaty, its wider scope in comparison with the 1975 treaty, its more comprehensive content and more diversified provisions all reflect the strengthening of ECOWAS. These provisions expand the organisation's power and its duties, as well as increase its resources. Unlike the initial 1975 treaty, the 1993 treaty goes well beyond economic matters. It establishes cooperation, notably in the political and security domains, and grants the Community powers to sanction, reflecting a desire to make ECOWAS an active player in international law in Africa and worldwide.

This new approach is noticeable right from the preamble, and is confirmed by the *"Aims and Objectives"* as well as the *"Fundamental Principles of the Community"*, a completely new formulation set forth in Chapter II.

The preamble asserts that the ultimate goal of the Community is an *"Economic Union of West Africa"*, requiring some degree of transfer of sovereignty *"to the Community within the context of a collective political will"*.

Article 3 – clearly distinct from Article 2 of the founding treaty – states that *"the Community seeks to promote co-operation and integration, leading to the establishment of an economic union in West Africa ..."* It describes the steps in the process as first, the harmonisation and coordination of national (economic) policies, followed by the establishment of a common market and lastly, the creation of a monetary union.

Article 4 lists the *"Fundamental Principles"* of the Community, which were surprisingly absent in the first treaty. In addition to the traditional principles of international law (equality of sovereign states, interstate cooperation, non-aggression, peaceful settlement of disputes, etc.), it lists certain **other principles that are specific to West African regionalism**

- Maintenance of regional peace, stability and security;
- Respect, promotion and protection of human and peoples' rights;
- Accountability, economic and social justice and popular participation in development; and
- Promotion and consolidation of a democratic system of governance in each Member State.

These principles and the institutions emanating from them constitute, along with the Economic union, the major innovations of the revised treaty. They also distinguish ECOWAS from other RECs in Africa and elsewhere in the world, especially with regard to maintenance of peace and security, respect for human rights and promotion of democracy and rule of law.

Notably, the revised treaty emphasizes the **principle of subsidiarity**, as demonstrated by the transfer of powers over some policies to the regional level so as to achieve greater efficiency.

To achieve these ambitious goals and enable ECOWAS to assume its full responsibilities, the institutional arrangements of the Community have evolved significantly from one treaty to the other. Thus, to the Authority of Heads of State and Government, the Council of Ministers, the Executive Secretariat and Specialised Technical Commissions, institutions that already existed in the 1975 treaty, four new institutions were added in the 1993 treaty:

- The Community Parliament;
- The Economic and Social Council (which remains to be set up);
- The Community Court of Justice, which replaces the Community Tribunal in the initial treaty; and
- The Fund for Co-operation, Compensation and Development, established by the initial treaty, but raised to the status of a Community Institution by the 1993 treaty.

The **Community Parliament**, the representative organ of the citizens of the Community, has properly exercised its mandate during the three legislative terms, in accordance with the objectives of its Strategic Plan and within the scope of its two

ordinary sessions each year. It has, since its inception, carried out innumerable activities. In addition to its ordinary sessions at the headquarters in Abuja and the meetings of its Standing Committees held outside the headquarters, the Community Parliament has been involved in various parliamentary meetings and events at the international level. These include Assembly meetings of the Inter-Parliamentary Union (IPU), meetings of the Africa-Caribbean-Pacific/European Union (ACP/EU) Joint Parliamentary Assembly, and sessions of the Commonwealth Parliamentary Association and the Parliamentary Assembly of La Francophonie.

To support the realization of various projects of the Community, notably with regard to peace, security, democracy and good governance, Parliamentarians consider options for effective project implementation through collaboration between national parliaments and the Community Parliament.

The Community Parliament has been engaged in the fight against terrorism, alongside the executive, in accordance with the ECOWAS Counter-Terrorism Strategy. It pays attention to the various activity sectors of the Commission, such as air transport, healthcare, telecommunications, free movement of people and goods, the fight against corruption, implementation of the single currency, export product standardization, and civil society involvement in the regional integration process.

The anticipated adoption of the draft *Supplementary Act on the Enhancement of Parliament's Prerogatives* promises to further empower Community Parliament efforts toward regional integration.

The **Court of Justice**, responsible for interpreting Community law, has contributed significantly to legal and judicial integration within the Community. In the light of its adjudication of decisions taken by national authorities of the Member States and referred to it, the Court has emerged as the court of last resort, a means of receiving justice before an independent and impartial judge, and the voice a credible and reliable legal system. Many ECOWAS citizens regard the Court of Justice highly as a court that abides by the law

and protects fundamental rights, whether in private litigation, in disputes between rulers and subjects, or between Member States and former leaders.

The Court has established a solid jurisprudence that can serve as a model for the highest courts of Member States and as a reference point for legal practitioners. Its judicial activities include hearings from the bench or in various Member States. Newest members were sworn in in June 2014. The Court maintains active ties with international organisations like the United Nations system and international NGOs, and warrants greater visibility for its remarkable performance.

The initial four **Technical Commissions** in the 1975 Treaty have now expanded to eight:

- Food and Agriculture;
- Industry, Science and Technology, and Energy;
- Environment and Natural Resources;
- Transport, Communications and Tourism;
- Trade, Customs, Taxation, Statistics, Money and Payments;
- Political, Judicial and Legal Affairs, Regional Security and Immigration;
- Human Resources, Information, Social and Cultural Affairs; and
- Administration and Finances.

The revised treaty has clarified and detailed the duties of the **Community Institutions**, and specified the modalities governing their sessions and meetings, especially concerning the Authority of Heads of State and Government, the Council of Ministers, the Executive Secretariat and the Technical Commissions. Lastly, it has specified the modalities for acts by these institutions: “*decisions*” for the Authority, “*regulations*” for the Council.

2.2. Subsequent institutional development

In 2007, building on the Community’s 32 years in existence, the Authority of Heads of State and Government decided to transform the Executive Secretariat into a **Commission**, with larger

prerogatives for a more active role in the integration process.

In accordance with this structural change, the Commission, headed by a President and assisted by a Vice-President, also comprises seven Commissioners who head the seven Departments that correspond to the activity sectors of the Community, namely:

- Department of Administration and Finance;
- Department of Agriculture, Environment and Natural Resources;
- Department of Human Development and Gender;
- Department of Infrastructure;
- Macro-Economic Policy Department;
- Department of Political Affairs, Peace and Security; and
- Department of Trade, Customs, Industries, Mines and Free Movement.

The major effect of this restructuring was the consolidation of the integration process that had already been started, with the transfer of some powers to the Community as provided for by the revised treaty.

From a legal point of view, progress will be considerable as Community law becomes directly applicable in the territory of Member States, by means of Supplementary Acts, which are passed by the Authority of Heads of State and Government; and Regulations, Directives, Decisions and Recommendations, which are passed by the Council of Ministers.

In 2013, the Commission was restructured and the number of Commissioners increased from nine to 15, with one Commissioner for each Member State. The Community activity sectors were increased from seven to 13 and are managed, as in the former structure, by Commissioners other than the President and the Vice-President of the Commission. The sectors are as follows:

- Finance;
- Macro-Economic Policy and Economic Research;
- Trade, Custom and Free Movement;

- Agriculture, Environment and Water Resources;
- Infrastructure;
- Political Affairs, Peace and Security;
- Social Affairs and Gender;
- General Administration and Conference;
- Human Resources Management;
- Education, Science and Culture;
- Energy and Mines;
- Telecommunication and Information Technology; and
- Industry and Private Sector Promotion.

The institutional evolution of ECOWAS included not only the Commission, but also other institutions such as the Parliament, the Court of Justice and the ECOWAS Bank for Investment and Development. These are all operational (with the exception of the Economic and Social Council) and have largely contributed to consolidating the integration process and deepening community spirit in their respective areas for the transformation of ECOWAS throughout the years.

2.3. Community-building gains

a. A well-established institutional structure

A comparative study of the initial treaty of 1975 and the revised treaty reveals the significant progress made in the 18 intervening years since the establishment of ECOWAS. The institutional evolution that followed the institution of the Commission and the restructuring of Community Institutions have strengthened ECOWAS capacity to manage the process of West African integration.

Today, ECOWAS is one of the most important international sub-regional organisations and among the most prominent in Africa. In addition to its 15-member Commission, it has eight Specialised Agencies:

- West African Health Organisation (WAHO);
- West African Monetary Agency (WAMA);
- West African Monetary Institute (WAMI);
- Inter-Governmental Action Group against Money Laundering in West Africa (GIABA);
- Water Resources Coordination Unit (WRCU);
- ECOWAS Gender Development Centre (EGDC);
- ECOWAS Brown Card;
- ECOWAS Youth and Sports Development Centre (EYSDC); and
- ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE).

From its origins as an organisation for purely economic cooperation, ECOWAS has transformed itself into a real integration organisation, with the attendant legal implications, notably the partial abandonment of sovereignty.

The ECOWAS transformation has been rooted in its undertaking of political and security questions in a bid to adapt to the changes on the international scene, by establishing Community Institutions vested with *“the relevant and adequate powers”* (preamble of the revised treaty).

Further ECOWAS achievements have resulted from subsequent texts of both the founding treaty and the revised treaty, notably:

- The 1979 Protocol A/P1/5/79 relating to Free Movement of Persons, Residence and Establishment, signed in Dakar on 29 May 1979. Its chief merit is to allow free movement of Community citizens from one state to another, with simply a valid travel document (identity card), and no visa requirements for visits not exceeding 90 days.
- The various protocols currently in place relating to liberalization of internal trade, which have made it possible for ECOWAS to become an FTA and later (as from 2015) a Customs Union;
- Protocol A/P.1/12/99 relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security, signed in Lome on 10 December 1999, which enabled ECOWAS to send troops to several countries of the sub-region under the banner of ECOMOG;
- Protocol A/SP1/12/01 on Democracy and Good Governance Supplementary to the Protocol

relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security, signed in Dakar on 21 December 2001, which has enabled ECOWAS to address democratic governance issues in Member States.

The review of common policies, discussed in the next chapter, will highlight other major achievements at the sectoral level.

b. An authentic political commitment shown by the Member States, but which needs strengthening

The ECOWAS member countries, through acts and decisions passed during Conferences of Heads of State and Government and at ministerial meetings, have continually reaffirmed their commitment to deepening regional integration (see Table 3 below)

and their ownership of the regional integration project.

In addition, the ECOWAS Commission is continuing the process of consolidating synergies with the Permanent Representatives of the Member States. The first consultation meeting held for this purpose in March 2014 helped define modalities for better coordination and greater involvement of Permanent Representatives in Commission activities. Several measures were later adopted at the 8th Joint Annual Retreat in July 2014: organisation of regular consultations between the Commission and the Permanent Representatives; strengthening the information exchange system and channels of communication among stakeholders; and systematic interactions between National Units and the special Representations in the Member States where they exist.

Table 3: Non-attendance rates at Summit and Ministerial Meetings

Country	Number of meetings the country did not attend at the required level between 1977 and 2012 (out of a total of 79)	Non-attendance rate (in %) between 1977 and 2012
Benin	1/79	1.3%
Burkina Faso	2/79	2.5%
Cabo Verde	9/79	11.4%
Côte d'Ivoire	2/79	2.5%
Gambia, The	3/79	3.8%
Ghana	4/79	5.1%
Guinea	7/79	8.9%
Guinea Bissau	24/79	30.4%
Liberia	11/79	13.9%
Mali	1/79	1.3%
Niger	5/79	6.3%
Nigeria	1/79	1.3%
Senegal	2/79	2.3%
Sierra Leone	3/79	3.8%
Togo	1/79	1.3%
ECOWAS Average		6.4%

Source: Computed by the authors based on documents from ECOWAS Commission Archives.

NB: Non-attendance may also have resulted from the country's suspension from ECOWAS Organs as a result of a coup d'état.

Table 4: Status of ratification of protocols and conventions (as at 15 November 2013)

COUNTRY	Status of ratification of the ECOWAS Revised Treaty	Number of Protocols and Conventions ratified	Proportion of Protocols and Conventions ratified (in %)
Benin	Yes	38/51	75%
Burkina Faso	Yes	51/51	100%
Cabo Verde	Yes	24/50	47%
Côte d'Ivoire	Yes	31/51	61%
Gambia, The	Yes	42/51	82%
Ghana	Yes	43/51	84%
Guinea	Yes	39/51	76%
Guinea Bissau	No	24/51	47%
Liberia	Yes	25/51	49%
Mali	Yes	42/51	82%
Niger	Yes	43/51	84%
Nigeria	Yes	40/51	78%
Senegal	Yes	42/51	82%
Sierra Leone	Yes	42/51	82%
Togo	Yes	43/51	84%

Source: Computed by authors based on documents from ECOWAS Commission Archives.

However, this political will, albeit evident, should be strengthened with a view to enhancing the effectiveness of the measures implemented. Several examples can be cited in this regard:

(i) Ratification and implementation of Community instruments

Long delays have often been observed in ratifying and implementing texts adopted by ECOWAS. As of 15 November 2013, according to an official report of the ECOWAS Commission⁵, five texts had still not entered into force and eleven others were only temporarily in force, out of a total of 54 adopted by ECOWAS. Some Member States are quicker to ratify and implement the texts than others (see Table 4).

Burkina Faso distinguishes itself as the only country to have ratified all the protocols and conventions. Its example should be emulated by the other members. On the other hand, Guinea Bissau has yet to ratify the ECOWAS Revised Treaty.

(ii) Payment of the Community levy

The Protocol on Conditions Governing the Application of the Community Levy, adopted in 1996 by the Summit of Heads of State and Government to address the challenges of financing an ambitious regional integration agenda, has become over the years a source of pride for the Community and an example for other RECs. The income from the Community Levy is used today to finance more than 90 percent of the ECOWAS budget.

However, at the present time, no Member State has fully complied with the Protocol on the Community

⁵ Status of Ratification of ECOWAS Treaties, Protocols and Conventions as at 15 November 2013, ECOWAS Commission, November 2013.

Levy. The partial compliance is linked to practices relating to the estimation, collection and payment of the income from the levy, which has led to the accumulation of arrears by Member States and to incomplete availability of financial resources for implementing Community programmes.

To improve compliance on implementing the Protocol on the Community Levy, the ECOWAS Council of Ministers created the Community Levy Management Committee. Through its reports to the ECOWAS Administration and Finance Committee, the Management Committee has consistently cited the implementation status of the protocol. Unfortunately, this has had little impact on compliance. The Commission has resorted to undertaking high-level missions and technical missions to the Member States, to discuss the challenges and issues that result from non-compliance.

A November 2013⁶ report by the ECOWAS Commission reveals that, although Member States generally apply the community levy of 0.5% on imports from third countries, several discrepancies have been observed:

- Failure to apply the levy on some imports that are not exempt;
- Levy not applied on any good, and no levy on petroleum products in particular;
- Inability to furnish ECOWAS with a reliable database from which to assess the tax base of the levy; and
- Failure by Member States to regularly pay to ECOWAS the amounts collected as community levy.

The Commission concluded after a series of missions to Member States in 2013 that all Member States without exception were in arrears on the community levy⁷, with the four major contributing countries in arrears to the tune of 44 percent, 0.3 percent,

3.4 percent and 11.5 percent, respectively. This accounted for over three-quarters (76.36 percent) of the total funding available as at 30 June 2013.

As of 30 June 2013, the ECOWAS Commission estimated total arrears at 301,294,130 ECOWAS Units of Account, or approximately 26 percent of the amounts owed by member countries and almost two and a half times the budget of the Commission for 2013.

The 2014 ECOWAS Commission Annual Report noted that member countries remained in arrears. This has led to the prioritization of ECOWAS programmes, with some major programmes, projects and activities going unimplemented. If this situation is not swiftly resolved, the operational efficiency of Community institutions will be considerably reduced and the ability to meet the urgent needs of Member States seriously diminished.

In addition, the increase in the number of Commissioners from nine to 15 in 2014 entailed an increase in administrative and programme expenditure. To relieve the resource constraints, the ECOWAS Commission has used external assistance to finance almost 25 percent of programme costs, representing 16 percent of the Commission's overall budget in 2013.

If Member States were to pay their arrears, the share of necessary programmes, estimated at nearly 64 percent of the 2013 Commission budget, could be strengthened.

In the medium and long term, ECOWAS should demonstrate a real ambition to develop programmes worthy of its name, which are able to influence development in the Member States, as the European Union is doing with an overall budget of over 142 billion euros in 2014. For its part, the budget of the ECOWAS Commission was only 137 million units of

6 Implementation Status of the Community Levy as at 30 June 2013, ECOWAS Commission, November 2013

7 Implementation Status of the Community Levy as at 30 June 2013, op cit.

account in 2013 (about 153 million euros⁸), 928 times less than that of the EU Commission.

But the GDP (Purchasing Power Parity) of Europe was at that time only 23 times that of ECOWAS (considered by the IMF as the 25th richest economy in the world). As a percentage of GDP of member countries, the European Commission therefore mobilized in 2013/2014 resources 40 times higher than those of the ECOWAS Commission.

The low level of ECOWAS resources explains why, in 2013, it allocated only 5.7 million units of account to agricultural and rural development and a paltry 336,363 units of account to scientific research. During that time, its industrial policy was funded only with respect to quality and standardization, and its infrastructure and energy programme did not even receive 20 million units of account (approximately EUR 18,770,000). In addition, these programmes mainly cover costs of meetings and workshops, capacity-building actions, recruitment of staff

for conducting reform studies, or the publication of documents. Rarely do they represent physical investments in the regional field, which for now remain largely out of reach of ECOWAS. Instead, targeted subsidies are provided to Member States emerging from conflict (see Box 6 on the ECOWAS Energy Access Programme benefitting The Gambia, Mali and Sierra Leone).

With the envisaged increase in the Community Levy from 0.5 percent to 1 percent or 1.5 percent (together with a system for sharing with the UEMOA Commission for the countries it covers), a real opportunity exists for ECOWAS to more than double the resources collected from the Member States and to significantly increase the amounts allocated to its programmes.

Further, certain recent developments point the way toward successful collaboration around major regional projects such as high-speed trains, solar power plants that can supply several countries, trans-boundary highways, centres of excellence in research/development, and more. These include the adoption of the Community Development Programme, the recent establishment, within the

8 The Exchange Rate of the West African Unit of Account (WAUA) was 1.11732 on 31 December 2013, according to WAMA (<http://www.amao-wama.org/en/exchange.aspx>)

Box 2: Instituting a Projects Preparation and Development Unit (PPDU) and operationalization of the Fund for Development and Financing of ECOWAS Transport and Energy Sectors (FODETE-ECOWAS)

The **Projects Preparation and Development Unit (PPDU)** was established following the Project Implementation Review of the NEPAD Infrastructure Short Term Action Plan (STAP) for development of the continent's infrastructure. ECOWAS, in collaboration with development partners, decided to create this unit in order to provide and accelerate the implementation of bankable regional projects that can attract public and private investment.

The PPDU is responsible for the preparation and development of regional infrastructure projects, the promotion of public/private partnerships in the financing and management of investment projects, the development of feasibility studies (technical, economic, financial and social, environmental and impact studies, etc.), as well as for capacity-building for the same structure in ECOWAS Member States. Feasibility studies on priority projects were initiated in 2014.

The contract amounts were negotiated with selected consultants, with a view to starting the studies in the first quarter of 2015.

The **Fund for Development and Financing of ECOWAS Transport and Energy Sectors (FODETE-ECOWAS)**, created by the Heads of State and Government of ECOWAS at the 37th Summit held in Abuja on 22 June 2009, is dedicated to financing regional infrastructure development in the transport and energy sectors via a levy on key export resources in the region. Its institutional and legal structure has been defined as well as the financing requirements, eligibility criteria for project funding, and the financial resources available (up to US\$300 million mobilized per year, based on the proposed levy regimes). The final study of the Fund will be submitted to the Summit of Heads of State and Government for approval.

Source: ECOWAS Commission, 2014 Annual Report

Box 3: ECOBANK

Among the key factors that enabled the Ecobank concept to take shape are the role played by members of the Federation of West African Chambers of Commerce (FCCAO), the influence of ECOWAS, and the availability of African capital in Nigeria.

In 1979, the FWACC meeting in Monrovia resolved to extend membership to all ECOWAS States, thus drawing in Francophone states. Previously, FWACC had only linked the Chambers of Commerce of English-speaking countries. Broad support was given to a project for setting up a private sector trade finance company for the region called Africa Holdings. Even so, it was not until 1982 that the regional private sector bank concept received serious consideration. An excerpt from the proposal for the feasibility study, which laid the template for the bank in 1983, gives an interesting insight into the foundation of Ecobank:

“The Ecobank concept is a novel one. International development banks exist in different parts of the world, but none of them is privately owned. Privately owned international commercial banks are not usually conceived with a regional development objective in mind and any developmental impact of the latter’s activities is incidental. An international, privately controlled commercial bank with a serious commitment to regional development would, therefore, be an innovative venture worthy of broad support.”

Interestingly, other names such as the West African Bank of Commerce and Industry, and even Banque d’Accord, were suggested before

the founders eventually settled on Ecobank. ECOWAS heads of government first received the Ecobank proposal for their consideration during the Conakry summit in 1983, but not until the Lomé summit in November 1984 did the leaders formally endorse the setting up of Ecobank.

Emboldened by this support, Ecobank Transnational Incorporated (ETI) was constituted on 3 October 1985 with an intended initial capital of US\$100 million. However, it would be another three years before the bank opened for business. The delay was partly due to the time it took to raise the \$30 million capital agreed as the threshold for its takeoff. A landmark date for Ecobank was 5 October 1985, when an agreement was reached with the Togolese government for the bank’s headquarters to be based in the country. Another notable milestone concerns the agreement signed in March 1986 with one of the world’s leading international banks, Citibank, to assist Ecobank, during the transitional period, with administration and training. This technical assistance agreement was to run for two years, from 1986 to 1988.

A decisive moment in the mobilization of funds came with the commitment of \$5 million from the ECOWAS Fund. This was not only a major boost to the credibility of the bank, but also underlined the preparedness of major institutions in the region to support the creation of the bank.

Source: The Ecobank Story, Ecobank Group, 2012

ECOWAS Commission, of the Projects Preparation and Development Unit (PPDU) and the operationalization of the Fund for Development and Financing of ECOWAS Transport and Energy Sectors (FODETE-ECOWAS), and the ECOWAS Bank for Investment and Development. Through these channels, such projects could be partly financed by ECOWAS funds in collaboration with the private sector and Member States.

In the past, ECOWAS has taken bold initiatives in support of major development projects that heavily involve the regional private sector, such as the creation of Ecobank (now one of the jewels of the banking landscape in West Africa, see Box 3) and of Asky Airlines.

c. A community spirit which deserves to be strengthened

ECOWAS activities are monitored in countries through National Coordinating Committees and National Units, and sometimes by special representatives (appointed to countries in conflict and post-conflict situations⁹, ECOWAS having chosen not to have Permanent Delegations in Member States). All these structures contribute to strengthening the sense of community in member countries.

⁹ As of December 2014, ECOWAS Special Representatives had been appointed to Cote d’Ivoire, Mali, Burkina Faso, Guinea, Guinea Bissau

National Coordination Committees were set up by Decision A/DEC17/12/01 on the adoption of a multilateral surveillance mechanism.

National Units (set up by ECOWAS Decision C/REC.1/11/82) are hosted within various ministries, depending on the country: ministry of economy and/or finance, ministry of commerce, ministry of foreign affairs, and ministry in charge of integration. A focal point is generally selected in each ministry dealing with matters of sub-regional integration.

These Units serve as channels for forwarding ECOWAS documents to ministries. In some countries, they also conduct Community sensitization and popularization activities, in compliance with ECOWAS directives. These include meetings and seminars with various stakeholders in regional integration (in nearly all countries), national tours or 'popular caravans' and awareness-raising activities at borders (Liberia), activities in schools, radio programmes (Liberia), distribution of leaflets and outreach materials (Guinea), national integration weeks (Benin which, for several years, has invited other countries to the event, and now Cabo Verde), and publication of magazines dedicated to regional integration (Ghana).

Units receive funds transferred by ECOWAS, which correspond to 4.5 percent of the levies paid by their respective countries.

At the 71st Ordinary Session of Council of Ministers, ECOWAS adopted an Operational Manual for National Units to better guide their work. The Commission is making efforts to popularize it within Member States.

These Units, which play a crucial role in building a community spirit within ECOWAS, sometimes face difficulties such as:

- Inadequate quantitative and qualitative human resources;
- Funding delays;
- Low supplementary financial contributions from the Member States;
- Absence, in some countries, of activities at local level, rendering the levy funding insufficient; and

- Language issues, for Guinea Bissau and Cabo Verde, in attempting to use ECOWAS documents (usually written in French and English, but not in Portuguese).

In order to better popularize the Community, an ECOWAS Volunteer Programme was also set up in 2004, with the deployment, in 2011, of the first group of volunteers to Liberia, followed by deployments to Guinea and Sierra Leone. The objective is to strengthen peace, promote national reconstruction and accelerate development in Member States. However, this programme lacks long-term financing.

ECOWAS also has a Peace Fund, which receives an annual allocation from the Community Levy. In 2014, it provided resources for the following activities:

- Support the preparation of the Forum on Education for the Culture of Peace through Inter-Religious Dialogue, led by the Department of Education, Science and Culture;
- support to "The Psychological Dimension to Break the Cycle of Violence and Accelerate Regional Security and Development in West Africa";
- the construction of a website for the Peace Fund that is functional and accessible at the following address: www.peacefund.ecowas.int; and
- development of seven projects depicting the ECOWAS rapid response to the political situation in seven Member States (Burkina Faso, Côte d'Ivoire, Guinea, Liberia, Niger, Nigeria, Togo). These projects were developed in collaboration with civil society organisations and the Offices of the Special Representatives of the President of the Commission.

ECOWAS has been making genuine efforts to support the work of the **West African Civil Society Forum (WACSOFF)** and its national platforms, to involve WACSOFF in its activities and to consult WACSOFF on all strategic documents to be adopted by Community bodies (most recently, the Community Development Programme, see Box 4).

Box 4: The Role of Civil Society Organisations in regional integration in West Africa

At the regional level, civil society organisations (CSOs) have groupings that include actors from several countries who are involved in diverse areas of activity such as production, human development, peace and security, governance and democracy. Examples include the *Réseau des organisations paysannes et de producteurs agricoles en Afrique de l'Ouest* (Network of Farmers' Organisations and Agricultural Producers in West Africa – ROPPA), the West African Women's Associations (WAWA), the Plateforme des organisations de la société civile de l'Afrique de l'Ouest sur l'Accord de Cotonou (Platform of West African Civil Society Organisations on the Cotonou Agreement - POSCAO-AC), the West African Bar Association (WABA), and the West African Institute for Trade and Development (WAITAD).

Alongside these networks and platforms, many other national and regional organisations also work to strengthen the regional integration process. Among these are the *Réseau des Plateformes d'Organisations de l'Afrique de l'Ouest et du Centre* (Network of Platforms of Organisations of West and Central Africa-REPAOC); *Réseau des organisations de la société civile de l'Afrique francophone* (Network of Civil Society Organisations in Francophone Africa – OSCAF), *Réseau de Recherches Pour l'Appui au Développement en*

Afrique (Network for Research to Support Development in Africa – REPAD), *Réseau des journalistes de l'Afrique de l'Ouest* (Network of West African Journalists – RJAO).

These regional networks have, in recent years, contributed significantly to the elaboration and implementation of several key integration instruments. This is the case, for example, of ROPPA, which over the years has successfully established itself as a key player in regional agricultural issues. Its action was instrumental in the inclusion of the issue of food sovereignty in the ECOWAS agricultural policy (ECOWAP). Similarly, ROPPA and other active networks in trade and development, such as POSCAO-AC and WAWA, continue to play a key role in the major issues relating to the adoption of a common external tariff and EPAs.

Furthermore, CSOs in the region have made a decisive contribution to the Community Development Programme formulation process, by raising awareness and promoting ownership of the programme and of the project proposals and programmes to be included.

Source: Regional Document of ECOWAS Community Development Programme, Volume 1, ECOWAS Commission

The ECOWAS Commission is also working on an ECOWAS radio and television programme to extend the scope of Community outreach to citizens, fostering engagement in the integration project. It would also be useful to **improve the ECOWAS Commission website** with richer content and more information on its instruments, Community Budgets, policies and initiatives.

SECTION III.

REVIEW OF MAJOR ECOWAS COMMON SECTORAL POLICIES

To achieve its stated objectives, ECOWAS has, over the years, implemented several sectoral policies that cover almost all of the areas identified in the initial and revised treaties.

Annual reports published by the ECOWAS Executive Secretariat and the Commission for the years 2000 to 2014, as well as the technical papers prepared by various Departments of the Commission, present major achievements in several areas. We present these achievements below following the current structure of the departments at the ECOWAS Commission.

1. TRADE, CUSTOMS AND FREE MOVEMENT

1.1. Free movement of persons

Rules already adopted

The bedrock of the regional integration process is the free movement of goods, people, capital and services. As such, the freedom of movement and residence was provided for by the initial treaty (Chapter IV, Article 27) and strengthened by Protocol A/P1/5/59 on the free movement of persons, the right of residence and establishment, signed in Dakar on 29 May 1979.

Several texts have been elaborated to strengthen this 1979 protocol:

- Protocol A/P3/5/82 to establish a code of citizenship for the community, signed in Cotonou on 29 May 1982.
- Additional Protocols A/SP2/7/85, A/SP1/6/89 and A/SP2/5/90 on the right of residence and establishment, signed respectively in Lome on 6 July 1985, in Ouagadougou on 30 June 1989 and in Banjul on 29 May 1990.

Recent reforms and remedial actions

(i) Legal framework

In July 2014, in Accra, the Conference of Heads of State decided to revise all protocols on the freedom of movement. The new provisions in force are presented as follows:

- Adoption of a biometric identity card as travel document, to replace the ECOWAS travel certificate;
- Withdrawal of the resident card (freedom of establishment granted to community citizens); and
- Free access to employment in Member States.

Additional corresponding texts will be signed once the ministers in charge of internal security have thoroughly examined security-related implications.

Moreover, ECOWAS has set up a platform to harmonise immigration procedures and examine the introduction of applications for the ECOVISA (Schengen-type visa), which will eliminate the issuance of multiple-entry visas for third-country nationals to enter Member States for tourism or business purposes. To this end, a technical committee of the heads of immigration services of the seven Member States was set up to oversee its implementation.

(ii) Field practices and behaviour

To support the implementation of the Protocol on freedom of movement, ECOWAS led awareness-raising efforts which resulted in stakeholders' support for the Protocol, and which had a positive impact on the rights of citizens of the Community to enter, reside, and settle in each Member State.

In addition, the ECOWAS Commission established and implemented steering units for control along borders. Aiming to curb harassment of travellers along border routes, the Commission is engaging the private sector and civil society to take ownership in implementing the Protocol on the free movement of persons. Each unit has civil society representatives, a judge, a member of parliament and a media representative.

Furthermore, after consultation with technical partners, the ECOWAS Commission is working toward establishing an electronic registration system at the borders, entry and exit points, with the new ECOWAS biometric identity cards that will replace national identity cards.

The Authority of Heads of State and Government also adopted a decision that requires that national committees be set up to monitor the implementation of ECOWAS decisions and protocols on the free movement of persons and vehicles.

1.2. Free movement of goods

1.2.1. ECOWAS efforts to build a unified common market

The move toward establishing an FTA in the ECOWAS region began in 1979 with the adoption of the principle to fully dismantle tariff restrictions for local products, traditional works of art and finished goods. A 10-year period was then set for the removal of taxes and other duties on intra-community trade. Following a period of lethargy, ECOWAS institutions decided to speed up the creation of the FTA to meet the legally prescribed date of entry into force of 1 January 2000. In January 2003, the ECOWAS summit then adopted a new trade liberalization scheme. It was recommended that States apply the arrangements under the new plan to strengthen the FTA no later than 2004.

The creation of an FTA involves a compensation mechanism for the loss of revenue incurred by Member States due to the removal of tariffs on intra-community trade. The duration of the period for compensatory financial arrangements was set at four years from January 2004. The amounts subject to compensation depended on the loss of customs revenue incurred by a Member State following the importation of industrial products from approved origins. These amounts were calculated based on the following discount rates: 100 percent of losses incurred in 2004; 80 percent of losses incurred in 2005; 60 percent of losses suffered in 2006; 30 percent of losses suffered in 2007; and 0 percent of depreciations suffered from January 2008.

The functioning of this mechanism was however limited, given that the budget to finance compensations depended on the payment of Member States' contributions.

Goods subject to the trade liberalization scheme had to comply with the rules of origin, which defined products from the ECOWAS region as follows: local products; products originating in whole from Member States; and goods manufactured from substances other than live animals born and raised in the country, used alone or in combination with other materials, provided that the proportion of their quantity is equal to or more than 60 percent of all raw materials used.

A procedure for the approval of original products enabled the ECOWAS Executive Secretariat (currently the Commission) to distribute a list of products approved by Member States.

Products originating in the Community bore a certificate of origin. However, agricultural and livestock products and handicrafts were exempted. A procedure to regulate the settlement of disputes arising from the implementation of the liberalization plan was put in place. In the event of a disagreement between parties, the ECOWAS Court of Justice was authorized to render a final decision without appeal.

The movement of unprocessed goods between Member States was exempt from customs duties and taxes, and subject to no quantitative or administrative restriction. To fulfil exemption conditions, unprocessed goods and traditional handicrafts had to originate in Member States and be accompanied by a certificate of origin, and an ECOWAS export declaration.

Implementation of the trade liberalization programme has focused on establishing an FTA and a Common External Tariff (ECOWAS-CET), thus transforming the FTA into a Customs Union.

a. Establishment of a Free Trade Area

Theories of trade integration tend to conclude that the elimination of tariff (and non-tariff) barriers reduces import costs, strengthens the market power and improves social well-being.

The creation of an ECOWAS FTA is implemented through the **ECOWAS Trade Liberalization Scheme**. This scheme aims to promote intra-community trade by removing tariff and non-tariff barriers on imports and exports of products originating in Member States.

To create a Customs Union, the following actions were envisaged: free movement of raw and handicraft products between Member States free of duties and taxes; and gradual reduction to complete elimination of customs duties and taxes, with equivalent effects on the importation of industrial products originating in the Community.

Toward this long-term objective, the Commission undertook several activities to implement the ECOWAS Trade Liberalization Scheme: training and sensitizing representatives of National Approval Committees (NACs) on procedures and conditions for granting approvals to companies; organising of training and awareness-raising workshops member countries; reviewing requests for approval, and notifying countries of approvals granted by NACs; and hearing and settling relevant disputes between States.

ECOWAS adopted a **Protocol on Inter-State Road Transit (ISRT)** and a deposit system to guarantee transit operations that were not implemented by all the States. Other accompanying measures such as customs and statistical instruments, certificates of origin, customs and statistical nomenclature, and customs declaration were also harmonised with the UEMOA.

b. Establishment of a Common External Tariff

The evolution of ECOWAS from an FTA to a Customs Union has become inevitable with prospects of an Economic Partnership Agreement with the European Union, as countries of the region have decided to negotiate with one voice, including those in the UEMOA zone, under the stewardship of ECOWAS.

Significant progress has been made since the adoption of the first ECOWAS Common External

Tariff (CET) by the Authority of Heads of State and Government in January 2006 in Niamey, and the creation of a joint ECOWAS-UEMOA Committee to steer the project to its conclusion. The Authority of Heads of State and Government has adopted a Supplementary Act to create a fifth band of the ECOWAS CET at 35 percent. Common eligibility criteria have been adopted among all countries for submission of products to this fifth band. A roadmap for future activities to finalise the CET has also been set.

Thus, all activities included on the roadmap for its effective implementation from January 2015 have been fully implemented, particularly awareness-raising and training actions in Member States, the integration of the CET into the customs clearance systems of the States, and the publication, printing and dissemination of texts on CET provisions.

Meeting in Dakar in October 2013, the Heads of States and Government renewed their determination to speed up the process of establishing the ECOWAS-CET, by ratifying the final structure for the CET as well as all accompanying regulatory instruments that had been approved by the 70th Ordinary Session of the Council of Ministers and at its Extraordinary Session held in Abidjan in September 2013. The Authority also ratified complementary protection measures relating to the Import Adjustment Tax (IAT) and Supplementary Protection Tax (SPT) to gradually adjust the implementation of the CET, which was set to start from 1 January 2015.

As part of the Community Integration Levy, the Authority decided to maintain existing levies within ECOWAS and UEMOA over a transitional period of five years. Furthermore, it was decided that a study should be conducted to evaluate the impact on the revenue of the ECOWAS and UEMOA Commissions as well as on the economies of Member States, to help converge on a single rate and uniform basis at the end of this transitional period.

With regard to customs duty instruments, progress has been made in terms of harmonising customs

codes and values. A draft ECOWAS customs code is being finalised.

ECOWAS is also in the process of harmonising the Value Added Tax (VAT) within the region.

1.2.2. Trade policy

► **Intra-community trade and competition**

The Commission is implementing two policies under this programme: the regional competition policy within the ECOWAS space, and the Regional Support Programme for the Regulation of Informal Trade in ECOWAS region.

Within the context of implementation of the regional competition policy in the ECOWAS region, the Commission is focusing its efforts on establishing a Regional Competition Authority. To this effect, the Commission is working to establish an ad-hoc Committee in charge of evaluating, in compliance with the regulations in force, bids to host this Authority that have been received from Member States.

Arrangements are under way to make operational the Regional Support Programme for the Regulation of Informal Trade in ECOWAS region (PARCI), adopted by Member States in 2013.

► **Common external trade policy**

- **Trade negotiations**

ECOWAS has negotiated an Economic Partnership Agreement (EPA) with the European Union and is in trade agreement discussions with other zones and countries within and outside Africa (particularly Morocco).

The objective of the regional EPA negotiators was to conclude negotiations before October 2014, to ensure the continuity of the trade preferences to Côte d'Ivoire and Ghana, to guarantee a single trade regime for the region with the EU and thus safeguard regional integration achievements. This objective was

achieved with the final approval of the Agreement during the 45th Summit of the Authority of Heads of State and Government held on 10 July 2014 in Accra.

The process that led to this result required the organisation in January, February and June 2014, of negotiation meetings at the level of Experts, Senior Officials and Chief Negotiators of both European and West African parties. At the regional level, it was a participatory and inclusive process, entailing a meeting with the regional civil society in January 2014 by the ECOWAS and UEMOA Commissions, and the two Commissions providing assistance for organising information sessions on the EPA in Member States.

The ECOWAS Commission later conducted an impact assessment that indicated that the meetings are likely to result in a favourable EPA for the region, based on the consensus reached by the West African and EU negotiators.

Prior to the validation of the EPA by the Heads of State and Government, various consensus issues were reviewed during the meeting of the Ministerial Monitoring Committee on EPA negotiations held in February 2014 and at meetings of the ad-hoc committee set up by the Heads of State to propose solutions to issues raised by certain West African States.

The signing of a consensual text on the Agreement by the ECOWAS and UEMOA Commissions on the one hand, and by the EU Commission on the other hand, initiated the adoption by the EU of Regulation No. 1025/2014 of 25 July 2014 authorising the continuation of trade preferences for Côte d'Ivoire and Ghana beyond 1 October 2014.

Arrangements are being made for an agreement by countries of both regions and for continuing the implementation process. The agreement includes the establishment of an EPA Development Programme (**EPADP**) proposed by ECOWAS, with five priority areas:

- diversification and expansion of production capacity;
- development of intra-regional trade and facilitation of access to international markets;
- improvement of national and regional infrastructures linked to trade;
- making necessary adjustments and taking into account other trade-related needs; and
- ownership/mastery of policy and trade regulations and, implementation, monitoring and evaluation of the EPA.

The European Union has pledged to contribute EUR 6.5 billion to the EPADP, which is less than the EUR 9.5 billion requested by ECOWAS.

- **Trade and development**

This programme, which focuses on trade and development, seeks to promote the integration of ECOWAS Member States into the world economy, by ensuring that national/regional policies and international actions are mutually reinforcing for sustainable development. Projects and activities under this programme include promoting development partnerships; elaborating and implementing a regional strategy on Aid for Trade; providing assistance in the area of trade; strengthening intra-African trade; and organising

training and capacity-building sessions on trade issues.

The ECOWAS Commission thus offered Member States a framework for adopting a common position prior to the World Trade Organization (WTO) 9th Ministerial Conference (MC9) in December 2013 in Bali, Indonesia.

A Trade and Investment Framework Agreement (TIFA) negotiated between ECOWAS and the United States defines the strategic framework and principles for dialogue on trade and investment issues between the two parties.

ECOWAS is also working to establish a Strategy on Aid for Trade, to optimise opportunities offered by the Aid for Trade initiative by ensuring its effective implementation.

- **Trade capacity building**

The Commission is implementing two trade capacity building programmes: the Trade Negotiation Capacity Building (TNCB) programme and the Enhancing Trade Capacity in ACP Countries: Hub & Spokes II Programme. Several workshops are organised for Member States within this framework.

2. INFRASTRUCTURE

2.1. Road transport

To achieve economic integration and development of transport and trade among Member States, ECOWAS is seeking to facilitate road transport and transit through a specific approach for each corridor. ECOWAS has thus defined the following as priority integration roads: the **trans-coastal highway** linking Lagos and Nouakchott via Dakar (4,560km), the Dakar-N'Djamena **trans-Sahelian highway** (4,460km), and interstate roads which involve the construction of the missing links along the above-mentioned highways or the rehabilitation of roads linking landlocked countries (Mali, Burkina Faso and Niger) to maritime ports.

The construction of the **Lagos-Abidjan "toll" highway**, with six lanes and separate dual carriageways, is considered as a high priority for ECOWAS. This 1,028-kilometre Lagos-Abidjan corridor accounts for approximately 70 percent of all regional transit traffic, is home to more than 30 million inhabitants and serves as transit to 75 percent of trade in West Africa. It links not only certain major towns in West Africa, such as Lagos, Cotonou, Accra, Lome and Abidjan, but also dynamic maritime ports serving landlocked countries in the sub-region (Burkina Faso, Mali and Niger).

An agreement was signed among the countries concerned on the sidelines of the March 2014

Table 5: List of PIDA projects in West Africa

Project title	Summary description	Total cost (US\$ millions)	Location (countries)
Abidjan-Lagos Coastal Corridor	Modernise heavily travelled ARTIN corridor in West Africa. Trade facilitation, OSBPs, capacity enhancement and implementation of PPP for five countries: Côte-d'Ivoire, Ghana, Togo, Bénin and Nigéria	290	Nigeria, Benin, Togo, Ghana, Côte-d'Ivoire
Dakar-Niamey Multimodal Corridor	Modernise heavily travelled ARTIN corridor in West Africa. Trade facilitation, OSBPs, capacity enhancement and implementation of PPP for four countries: Senegal, Mali, Burkina Faso and Niger	590	Senegal, Mali, Burkina Faso, Niger
Praia-Dakar-Abidjan Multimodal Corridor	Improve marine transport and the connection between island and mainland countries by creating a new maritime service between regional ports and a modern information system to link the maritime service with ports and roads in the Dakar-Abidjan Corridor. Would also modernise one of the most heavily travelled ARTIN corridors in West Africa. Trade facilitation, OSBPs, capacity enhancement (possibly through PPP) for eight countries: Cabo Verde, Senegal, Gambia, Guinea-Bissau, Guinea, Sierra-Leone, Liberia and Côte-d'Ivoire	150	Cabo Verde, Senegal, The Gambia, Guinea-Bissau, Guinea, Sierra-Leone, Liberia, Côte-d'Ivoire
Abidjan-Ouagadougou/Bamako	Modernise and rehabilitate mutli-modal corridor damaged by civil war in Côte d'Ivoire	540	Côte-d'Ivoire, Burkina Faso, Mali
West Africa Hub Port and Rail Programme	Address future capacity problems in West African ports with two components: a regional hub port and rail linkage master plan and port expansion	2 140	15 countries, PMAWCA
West Africa Air Transport	Increase air transport service levels in West Africa, which are currently limited by the lack of a regional air hub	420	15 countries

Source: Programme for Infrastructure Development in Africa

ECOWAS Summit in Yamoussoukro, Côte d'Ivoire, and Terms of Reference defined for highway construction feasibility and technical studies. The countries agreed to provide USD 50 million as start-up capital to accelerate the studies. Several partner countries and the African Union expressed interest in contributing to this important integration project in West Africa.

ECOWAS has made similar efforts toward construction of the **Trans-Gambia Bridge** and the rehabilitation of the 137-kilometre road linking the North and South of The Gambia and Senegal, with financial assistance from the African Development Bank. The programme for the **Trans-West African Coastal Highway** is also underway, with the construction of three bridges in Sierra Leone and a section of the road between the Moa Bridge and the Liberian border, which represent the missing links of the Coastal Highway, as well as the construction of the Zinder-Nigeria border road and the Koupela Piega-Fada N'gourma-Niger Border along the Trans-Sahelian Highway.

All of these projects are part of the Programme for Infrastructure Development in Africa (PIDA), of which ECOWAS coordinates the regional component (see Table 5).

Additionally, ECOWAS has established a **Transport and Transit Facilitation Programme**, the main component of which is building five common border posts along the main corridors. ECOWAS is also implementing a policy to harmonise axle load standards.

Significant progress has been made toward the **West Africa Trade Hub (WATH)**, a regional trade facilitation project supported by USAID since 2003 to enhance competitiveness in West Africa, promote exportation from West Africa, improve the business environment and promote regional integration.

Within the framework of improving the business environment, the Trade Hub is setting up Border Information Posts and serves as an incubator for the Borderless Alliance (see Box 5), an alliance led by the private sector to advocate for trade facilitation. The Trade Hub is also working to develop a regional

transport observatory with greater geographical mandates and coverage than those of the current Abnormal Practices Observatory (APO).

2.2. Rail transport

ECOWAS has undertaken to revive and modernise the railway networks as a regional priority. To this end, the ECOWAS Commission conducted a study in 2008 to inform a master plan for interconnecting and modernising railway networks in the region. This **master plan on the development of region's railway network** has been adopted by ECOWAS statutory bodies.

In April 2013, ECOWAS undertook to update the master plan in order to:

- redefine, to the extent possible, priorities for the rehabilitation of existing lines and/or the construction of new lines;
- examine the possibility of linking The Gambia, Guinea Bissau and Sierra Leone to existing rail networks or those to be constructed in the other Member States;
- examine the possibility of new rail links in Guinea and Liberia and their interconnection to existing networks or those to be constructed; and
- present the new master plan that contains all ECOWAS railway network interconnections, with the links shown by order of priority.

Within this framework, a detailed technical study on the Abidjan-Ouagadougou-Kaya-Dori-Niamey stretch was conducted, with the objective of linking the Southeast region of Mali (Asongo), Niamey and Ouagadougou to the Cotonou and Abidjan ports. The effective launch of the construction of the rail loop connecting Niger, Benin, Burkina Faso and Côte d'Ivoire also took place on 7 April 2014.

2.3. Air transport

ECOWAS has focused less on modernising airports than on establishing safe and reliable air transport

Box 5: Borderless Alliance

(Site Web: <http://www.borderlesswa.com>)

The Borderless Alliance is composed of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Niger, Nigeria, Senegal and Togo (but aims to cover all ECOWAS countries). An initiative of the private sector, it counts 60 companies as members.

The Alliance was born out of a campaign known as the Borderless campaign, conducted in June 2010 and supported by the USAID Trade Hub Project, which aimed to raise awareness among States and the private sector on free movement as a factor of prosperity and regional integration.

The first line of action is advocacy for the implementation by the States of protocols they have adopted. The primary targets are actors at the borders.

The Alliance has set up border posts, and engages retired customs officers to assist stakeholders and train actors at the borders (customs officers, forwarding agents). Information is gathered weekly to feed into quarterly and annual reports to the Alliance.

The posts also take action with immediate effects, such as offering practical advice to address trade obstacles that arise in the field.

UEMOA has established an Abnormal Practices Observatory (APO), member countries of which include all UEMOA countries (except Guinea Bissau) and Ghana. A study conducted on the trade

liberalization scheme highlighted discrepancies in implementation practice.

The approach now used focuses on the following corridors: Lagos – Abidjan – Tema – Ouagadougou; Ouagadougou – Bamako (two lanes); Dakar – Bamako; Cotonou – Niamey; Abidjan – Ouagadougou; Abidjan – Bamako; and Lomé – Ouagadougou.

Plans are underway to develop a West African driver's handbook.

In 2010, a survey of a sample of 240 trucks was conducted to assess the time spent for border clearance. The idea is to conduct a survey every six months, to assess the impact of the Alliance's actions and consider recommendations. With regard to barriers within countries (checkpoints), the Alliance supports APO initiatives by providing technical assistance to reporting on checkpoints, delays and illicit charges. The CILSS is also involved in monitoring the movement of agricultural products.

The APO and the Alliance are complementary. UEMOA has focal points in countries to gather information for the APO, while the Alliance conducts verification missions.

The Alliance is run by a staff of 10 officers. Financial resources are derived from member contributions, USAID and ECOWAS (as part of joint activities).

Source: Interviews conducted at Borderless Alliance by the Authors

systems to connect Member States, with equal access to airlines that meet air transport market conditions in West Africa.

The capacity-building programme for institutions in charge of Aviation Safety Oversight in Member States within the framework of COSCAP programmes has made significant progress, with the creation of a Sub-regional Aviation Safety Oversight Organisation (BAGASOO) in 2010 among seven Member States.

The ECOWAS Commission also appraised the status of Member State implementation of the Yamoussoukro Decision (YD), in particular their compliance with the YD and actions required to remove bottlenecks to implementing a Liberalized Air Transport Market within ECOWAS. Encouragingly,

all Member States are working hard to achieve this objective in the air transport sector.

ECOWAS is also working to promote a viable air transport industry in the region. A Steering Committee for ECOWAS airlines has been set up, and the ECOWAS Commission is promoting the establishment of a regional aircraft leasing company.

2.4. Maritime and inland waterway transport

A project to create a sub-regional maritime company, ECOMARINE International, has been under discussion for several years. The absence of maritime connections among member countries severely impedes regional trade (particularly for Cabo Verde).

3. TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY

The telecommunications sector has witnessed significant changes since the 1990s, thanks to large-scale structural reforms undertaken by States and to technological innovations, particularly the mobile telephone and Internet boom. Countries have progressively liberalized this sector, partly privatised public fixed-line telephone operators and adapted legal and regulatory frameworks. This has yielded remarkable progress in capacities and in demand for telecommunication services. The boom has also revealed the limitations of national approaches: narrow markets, failure to make optimal use of equipment and technology, disparities in regulatory frameworks and policies on taxation of services, and other issues.

The regional approach aims to address these constraints and catalyse the rapid development of new information technologies by promoting scale effects, stimulating competition over a wider area and harmonising regulatory frameworks and fiscal policies in the sector. As such, the sub-region has already witnessed significant achievements.

To achieve its objectives with regard to the integration of West African economies, the ECOWAS Commission is supporting the development of a viable regional West African telecommunications market. ECOWAS has therefore defined two major objectives in the telecommunications and information and communications technology (ICT) sector:

- Develop a viable and modern regional telecommunications infrastructure by implementing the INTELCOM II programme, as well as alternative broadband infrastructure and submarine cables; and

- Harmonise policies, legal frameworks and regulations on telecommunications, with a view to setting up a single and liberalized telecommunications market within the Community.

The INTELCOMM II programme launched by the ECOWAS Commission has identified 32 inter-state telecommunication links to form the backbone of a regional broadband infrastructure, which will be connected to the worldwide network through submarine cables. These 32 links shall be installed progressively. At the end of December 2009, 55 percent of the links had been installed, with 45 percent of them operational.

To increase the confidence of users in telecommunication services and ICTs, and to popularize the use of ICT services, the Council of Ministers adopted a Directive on fighting cybercrime in November 2009. In February 2010, the Authority of Heads of State and Government adopted two Supplementary Acts on Electronic Transactions and Protection of Personal data/information.

Moreover, the ECOWAS Commission has been working in close collaboration with the West Africa Telecommunication Regulators Assembly (WATRA) since November 2009 to set up a control framework to regulate the use of submarine cables intended for the West African region, thereby ensuring that the region is connected to the rest of the world at a competitive cost.

Since the Heads of State and Government adopted a new policy and regulatory framework more conducive to the development of telecommunications and ICTs in January 2007, ECOWAS has been supporting Member States in

transposing Community legal instruments into national legislations.

2012 saw the completion of inter-state land optic fibre connections between Burkina Faso and Niger, Burkina Faso and Ghana, and Ghana and Togo. Additionally, all coastal Member States, except for Guinea Bissau, were connected to the submarine cables with at least one landing point. Thanks to these new land connections and landing points, the three landlocked countries Burkina Faso, Mali and Niger henceforth have two pathways to submarine cables, safeguarding their access.

The ECOWAS Commission is also working on the implementation of the ECOWAS Wide Area

Network (ECOWAN), a virtual governance platform (e-governance) which seeks to interconnect all ECOWAS institutions, agencies and projects, as well as government services in the capital cities of member countries. An ECOWAN feasibility study has been completed and the ECOWAS Commission is examining its results.

Efforts are also under way to create an ECOWAS Regional Computer Society (SIRC) to serve as a framework for developing ICTs and to promote best practices in the region.

4. ENERGY AND MINES

4.1. Energy

A high priority of regional integration is to ensure a sustainable supply of affordable energy for the sub-region. ECOWAS, UEMOA and CILSS have launched various initiatives to promote integrated development of the energy sector. This regional policy was explored in an **ECOWAS/UEMOA White Paper**, and is complemented by a Plan of Action and an Investment Programme. The UEMOA Commission, for its part, developed a Common Energy Policy for its Member States.

In a bid to boost Member States' ability to exploit the vast sources of alternative and renewable energy in the sub-region and thus curb their energy poverty, ECOWAS established the Centre for Renewable Energy and Energy Efficiency (ECREEE) to complement the two other ECOWAS energy integration mechanisms: the West African Power Pool (WAPP) and the West African Gas Pipeline (WAGP), described below. In 2008, it also created the ECOWAS Regional Electricity Regulatory Authority to manage the sub-regional energy market. Hydropower projects have been developed under the authority of inter-State organisations in pursuit of an integrated management of water resources (OMVS, OMVG, Volta River Authority, NBA, etc).

UEMOA also established a concessional Energy Development Fund to support the launch of the Regional Initiative for Sustainable Energy by contributing funds to projects for energy production in Member States. Similarly, the Permanent Interstate Committee for Drought Control in the Sahel (CILSS) also has programmes to supply people in the Sahelian countries with basic energy services, notably through its regional solar programme.

These initiatives, though promising, continue to be hampered by insufficient funding and lack of political will among Member States. States in the

sub-region thus need to speed up implementation of regional programmes, as energy coverage is very low and energy cost high for the population and for industries.

As regional energy policy is a pillar of regional integration, ECOWAS has put in place the **Common Energy Programme** to ensure the supply of sustainable and affordable energy throughout the region. In so doing, the ECOWAS Commission has paved the way for long-term cooperation in developing regional energy sources and national energy sector development policies.

Accordingly, the ECOWAS Common Energy Programme has developed coherent projects for all components of the energy value chain: the WAGP, the WAPP, and the ECOWAS regional policy on access to energy.

a. WAGP

The WAGP project was initially aimed at the construction of a 678-kilometre pipeline starting from the Escravos gas fields in the Niger Delta in Nigeria, through Benin and Togo, and ending in Ghana. The project began in 1982, when ECOWAS proposed a pipeline to transport natural gas throughout West Africa.

In the early 1990s, a feasibility report had deemed the project to be commercially viable. Therefore, in September 1995, the Heads of State of the four countries involved signed an agreement and later, in August 1999, a Memorandum of Understanding.

In February 2000, an Inter-Governmental Agreement was signed, followed by the WAGP Implementation Agreement in 2003. Construction finally began in 2005 and the project has been fully completed, with 70 percent of the onshore facilities in place. Steps have been taken to bypass the compressor station

at Lagos Beach and the pipeline is now ready to transport gas. A feasibility study is under way to extend the project to Côte d'Ivoire, and the discovery of gas and oil deposits in Ghana gives the project further impetus. Offshore activities, such as the laying of the pipeline, have been completed.

The pipeline has been operational since March 2011. However, the volume of gas transported by the pipeline is not enough to compensate for the energy deficit in the region. In March 2013, the Director of the West African Gas Pipeline Authority declared that the platform was running at only 30 percent of its full capacity, estimated at over 400 million cubic feet.

b. WAPP

Since 2006, the West African sub-region has been experiencing an energy crisis mainly due to low rainfall. This crisis has led to severe power cuts in several countries and has had a negative impact on the economies of ECOWAS Member States.

To address this issue, the Authority of Heads of State and Government hastened the creation of WAPP, which became operational in 2006, to provide a mechanism and institutional framework for integrating national power systems of the Member States. WAPP is helping to meet the energy needs of ECOWAS Member States by providing a reliable and sustainable electricity supply for economic development. As adopted by its General Assembly in 2006, the WAPP Plan of Action has defined an implementation strategy for infrastructural development up to 2020, at the cost of about 16 billion US dollars, which is expected to produce a **regional electricity market**.

The infrastructure programme calls for the installation of about 5,500 kilometres of high-voltage power transmission lines, interconnecting all national power grids in ECOWAS Member States. It also requires the injection of about 10,000 megawatts of new electricity capacity during this period.

In January 2008, ECOWAS adopted a Supplementary Act on an Emergency Power Supply Security Plan

(EPSSP) for WAPP member countries. The EPSSP is a regional approach to the energy crisis, aimed at using the West African natural gas pipeline and economies of scale to create regional interconnection centres with 'free-zone status' of 400 MW at Maria Gleta in Benin, 400 MW at Aboadze in Ghana, 150 MW within the OMVS system, and mobile infrastructures to generate electricity in autonomous electrical systems in The Gambia, Guinea, Guinea Bissau, and Sierra Leone.

WAPP's first interconnection among Member States was a priority project linking Ikeja West in Nigeria to Sakete in Benin, inaugurated in January 2007. The 330 KV interconnection projects currently underway or being finalised are the 215 km transmission line from Aboadze to Volta in Ghana, the transmission line project from Bobo Dioulasso to Ouagadougou in Burkina Faso, and the 338 km power line from Volta in Ghana to Sakete via Mome Hagou in Togo. More feasibility studies have been conducted for the North Core Transmission line project, which links Nigeria, Niger, Benin, and Burkina Faso, and for the transmission line project connecting Bolgatanga in Ghana to Ouagadougou.

WAPP also works closely with OMVG to mobilise funds for the OMVG energy interconnection programme among The Gambia, Guinea Bissau, Guinea, and Senegal, while additional hydropower capacity is being installed for Mali, Mauritania, and Senegal. In addition, there are a number of cross-border medium voltage electrification projects targeting rural, peri-urban and island communities, estimated at 3.6 million euros for Ghana and Togo, 1.5 million euros for Ghana and Burkina Faso, and 9.9 million euros for Côte d'Ivoire and Liberia. These projects are at an advanced stage, while funds are being raised for similar projects between Senegal and The Gambia, and between Senegal and Guinea Bissau.

As part of the WAPP project, ECOWAS Member States agreed in principle to establish a Regional Regulatory Authority (RRA) during the third ministerial meeting of the WAPP Steering Committee held in Accra in April 2002. This Authority aimed to encourage open

and transparent border trade in electricity in the ECOWAS sub-region, ensure more efficient electricity supply in Member States, improve citizens' access to energy, and promote the regulation of the regional energy market by establishing good contractual practices and cooperation between national regulatory authorities in cross-border electricity trade.

In January 2008, the ECOWAS Authority adopted the Supplementary Act A/SA.2/1/08 to establish the ECOWAS Regional Electricity Regulatory Authority (ERERA), to complement Council Regulation C/REG.27/12/07 of 15 December 2007 on the composition, organisation, functions and operations of ERERA. This Authority seeks to promote the development of electrical infrastructure and create a suitable environment to attract investments leading to unrestricted cross-border electricity exchanges between Member States, in a competitive environment, with non-discriminatory trade rules and dispute settlement of disputes, protection and promotion for private investment, environmental protection, and promotion of energy efficiency.

c. Regional Energy Access Programme

The ECOWAS energy access programme is fully consistent with the MDGs and seeks to meet the goals of the NEPAD Action Plan. Its regional policy includes a Regional Action Plan and an implementation strategy for the development of a common investment programme within the region.

During its December 2007 session in Ouagadougou, the ECOWAS Council of Ministers adopted a decision requesting the ECOWAS Commission to set up a special unit responsible for implementing the ECOWAS White Paper on access to energy services, and for preparatory activities in view of the establishment of a regional agency to facilitate energy access. In the same vein, the Council requested the Commission to explore ways and means to promote the use of alternative energy, notably solar, wind, and other renewable energy sources.

Box 6: ECOWAS Support to Energy Programmes in Member States

Following requests from the Governments of The Gambia, Mali and Sierra Leone, the ECOWAS Commission undertook to fully fund, through grants, emergency programmes for these countries amounting to US\$108 million.

Grant agreements for The Gambia and Sierra Leone were signed on 16 December 2013 in Abidjan, on the sidelines of the Council of Ministers, while the signing of the agreement for Mali took place during an official ceremony in Bamako on 14 February 2014.

The Commission and the Energy Ministers of the three Member States officially launched these programmes in their respective capital cities in 2014. The Commission undertook to monitor the procurement process.

Source: ECOWAS Commission, Interim Report, June 2014

d. Promotion of Renewable Energies

A regional centre for renewable energies, known as the **ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)**, was set up in Cabo Verde in 2010. In September 2012, the Centre published an ECOWAS policy document on renewable energy. The policy seeks to provide renewable energy supply for 19 percent of peak demand in MW by 2030, and to achieve universal access to energy within the Community.

4.2. Mines

West Africa is rich in all kinds of minerals, the exploitation of which has helped to drive Community growth in recent years, though its potential is yet to be fully developed.

At the 62nd Meeting of the Council of Ministers held in Abuja in March 2009, ECOWAS adopted Directive C/DIR 3/O5/O9 on the Harmonisation of Guiding Principles and Policies in the Mining Sector. The Heads of State later signed Act A/SA.16/02/12 to adopt the **ECOWAS Minerals Development Policy (EMDP)** coupled with an Action Plan.

The overall vision of the ECOWAS Minerals Development Policy is to promote the exploitation of mineral resources to contribute to sustainable economic growth and integrated socioeconomic development in the region. Member States must ensure that national policies on mineral resources are in harmony with the EMDP. However, 30 days after notification by the ECOWAS Commission, not all States had done so. The new deadline, set for July 2014, was again not respected by all States, further delaying the adoption of an ***integrated regional mining code*** to regulate mining activity in all countries of the sub-region.

Nevertheless, with the assistance of experts from Member States, the ECOWAS Commission prepared a draft ECOWAS Mining Code, which is pending adoption by ECOWAS statutory bodies. It also prepared guiding frameworks for regional cooperation in the geology sector and integrated industrial development of hydrocarbons, as well as the ECOWAS integrated mining sector framework on corporate social responsibility, localization and development of local resources. Finally, the Commission supports the initiative to create the ECOWAS Chamber of Mines, and the ECOWAS Mining and Petroleum Forum (ECOMOF).

5. AGRICULTURE, ENVIRONMENT AND WATER RESOURCES

5.1. Agriculture

In recent years, a majority of ECOWAS countries have given special attention to agricultural development. The results, however, have fallen short of expectations, and member countries still depend largely on imports for some food items. West African agriculture remains well short of being able to drastically reduce poverty and food insecurity, and promote economic growth. In addition, the sub-region exploits only a very small portion of its vast available arable land, and remains highly dependent on weather conditions.

Deriving from the Comprehensive Africa Agricultural Development Programme (CAADP), the specific objectives of the **ECOWAS Agricultural Policy (ECOWAP)** focus on food security for people in the region; reducing food dependence and achieving food sovereignty; involving producers in markets; creating jobs with guaranteed incomes in order to improve living conditions and services in rural areas; intensifying production systems in a sustainable manner; reducing the vulnerability of West African economies by limiting factors of instability and regional insecurity; and adopting appropriate funding mechanisms.

Several initiatives have been implemented as part of the ECOWAS Agricultural Policy. These include the Regional Agricultural Investment Programme, which has been integrated into national agricultural programmes of member countries.

The **ECOWAP/CAADP Regional Agricultural Investment Programme (RAIP)** is the ECOWAS Commission's main intervention framework in the implementation of its agricultural policy. It includes, the programme for promotion of strategic products

for food security and food sovereignty (rice, maize, cassava, livestock, meat, poultry, milk, and fisheries); and the Sahel Pastoralism Support Project (PRAPS).

The implementation of RAIP activities yielded the following major results.

- An ECOWAS Regional Agricultural Information System (ECOAGRIS) was established and is operational in seven Member States (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Niger, Senegal). This has enabled the interconnection of national agricultural information systems during the 2012-2014 period;
- Partnership agreements have been signed with new socio-professional organisations (APESS /CORET, WAWA, COFENABVI-AO, UOFA-AO, NANTS, RBM, RESIMAO, ROPPA), and civil society (POSCAO), which have functional regional bases and national platforms likely to help develop the agriculture sector (plant and animal production) in the region. In their capacity as stakeholders of the ECOWAP process, these organisations support the ECOWAS Commission and the States in areas where they cannot reach, especially in the most remote villages, to set up observatories for peasant agriculture, cross-border transhumance and livestock trade within ECOWAS, and provide support to the collection of statistical information on commercial livestock movements.
- The ECOWAS Commission is networking laboratories for fertilizer quality control. A new programme has been formulated to enable an increased plant use of nitrogen through the dissemination of Urea burial techniques.
- A project to curb contamination caused by the fruit fly (mangoes and other fruits) is currently being implemented.

- Regional Animal Health Centre was established in Bamako, Mali. The objective is to provide a framework for coordination and harmonisation of monitoring and evaluation strategies in interventions to fight against all emergent and re-emerging Transboundary Animal Diseases (TADs) in West Africa.

Other programmes being implemented within the framework of ECOWAP (with the support of development partners) include the West Africa Seed Programme, the West Africa Fertilizer Programme, the Reinforcing Veterinary Governance in Africa project, and the Hunger Free Zone Initiative for West Africa.

Regarding food security, ECOWAS has finalised and adopted a programme to support the regional offensive for sustainable and sustained rice production in West Africa, on the assumption that the region will achieve rice self-sufficiency by 2025. At a total cost of US\$467.5 million, it aims to modernize production systems and promote regional trade in local rice.

The second **Sahel Pastoralism Support Project (PRAPS)** is aimed at developing strategies for building resilience by improving grazing land management methods; supporting livelihood diversification; improving social protection and social safety nets; ensuring political inclusion for pastoral populations; improving access of pastoral communities to social services; managing conflicts and cross-border issues; supporting displaced persons and refugees; strengthening warning systems and structures; and establishing procedures for drought management and disaster risk reduction.

The ECOWAS Commission also finalised and adopted the **Programme Régional d'Appui à la Régulation des Marchés (PARMAO)**, which will cover the following areas: regulation and standardisation; harmonisation of agricultural policies, strategies and negotiation positions in international circles; funding mechanisms; investments; risk-hedging tools, and training, information and capacity-building.

The Commission is working on a **Regional Food Security Reserve** project, instituted by the ECOWAS Authority of Heads of State and Government in Yamoussoukro in February 2013. In addition, an ECOWAS **Regional Agency for Agriculture and Food** was launched in September 2013.

ECOWAS receives technical support from **CORAF/ WECARD** (the West and Central African Council for Agricultural Research and Development) in matters of agricultural and agronomic research.

5.2. Environment

The ECOWAS Environmental Policy, adopted in 2008, covers all activities relating to natural resources management (land, forests, wildlife, water resources), mines, ecosystem and biodiversity conservation, technological risk prevention and management, climate, pollution and other environmental hazards.

The objective of the Environmental Policy is to reverse environmental degradation and depletion of natural resources, ameliorate the quality of the living environment, and conserve biological diversity for a healthy and productive environment, improving the well-being of the ecosystem and the population. In implementation, it takes into account the actions and initiatives of various stakeholders (parliamentarians, local government authorities, civil society, the private sector) and sub-regional institutions in charge of environment and sustainable development.

The policy is implemented along four strategic lines:

- Promotion of environmental governance and capacity-building;
- Promotion of sustainable resource management to improve the sub-regional economy while respecting the environment;
- Improved knowledge and better management of pollutants and noxious agents and the flow of dangerous products into the sub-regional economy; and
- Promotion of environmental information, education, and communication to inspire citizens

and institutions to conscientious eco-citizenship, supporting environmental initiatives for sound natural resource management and preservation.

The Monitoring for Environment and Security in Africa project was established within that framework, covering water management for cropland and rangeland management in West Africa and Chad (MESA Land Thema), and coastal and marine management resources (MESA Marine Thema).

A convergence plan for the sustainable management and use of forest ecosystems in West Africa was also adopted by the Ministers and has been published for dissemination in the Member States.

A strategic sub-regional programme to reduce vulnerability and enhanced adaptation to climate change is designed to prepare West Africa for international climate negotiations. A sub-regional action programme to combat desertification in West Africa has also been developed, as well as ECOWAS Draft Regulations on Biosafety.

To promote better management of pollution, nuisance and hazardous wastes, ECOWAS has

prepared draft harmonised regulations on Substances that Deplete the Ozone Layer. Finally, a regional strategy on the management of plastic waste is being developed.

5.3. Water resources

A **Regional Water Resources Policy (PREAO)** was adopted at the Conference of ECOWAS Heads of State and Government in Abuja in December 2008. Its overall objective is to contribute to poverty alleviation and sustainable development by orienting the Community and Member States towards water resources management that balances economic development with social equity and environmental conservation.

Its strategic areas of focus include water governance reform; promoting investments in the water sector; and promoting cooperation and regional integration through joint management of cross-border waters.

6. INDUSTRY, AND PROMOTION OF THE PRIVATE AND FINANCIAL SECTORS

6.1. Promoting industrial development

As part of the structural transformation of West African economies, ECOWAS adopted a **West African Common Industrial Policy** to accelerate industrialisation through endogenous industrial transformation of local raw materials, development and diversification of industrial productive capacity, regional integration, and the export of manufactured goods.

However, low funding for industrial programmes has meant that only the Quality Programme has been launched.

The Quality Policy and its Implementation Framework were adopted in February 2013 by the Heads of State and Government through Supplementary Act A/SA.1/02/13. The document on the model and standards harmonisation procedures has also been finalised.

The Standards Harmonisation Model has defined ECOWAS standards on enriched oils, tomato puree, natural mineral water, frozen fish fillet, smoked fish, shea butter, and a code of good practices on fish and meat, mango, raw cashew nut, and Irish potato. It has also set minimum standards on the efficiency of electric lighting.

6.2. Promoting investment

The ECOWAS Commission is developing an Investment Policy, an ECOWAS Investment Code, an information system on the ECOBIZWORLD market and a CASUA Platform (e-commerce) to support ECOBIZ. Other initiatives include the establishment of a Youth Entrepreneurship Programme, an ECOWAS

Diaspora Programme, and a Regional Policy on Public-Private Partnership.

In addition, ECOWAS intends to set up an investment-monitoring platform in collaboration with UNIDO and the African Union, as part of the AfriPANet (Africa Investment Promotion Agency Network) programme.

Further activities aim to harmonise business law in ECOWAS States that are not members of OHADA. Drafts have been prepared for review by statutory bodies.

A study on indicators and the ECOWAS investment climate-monitoring framework has been conducted. The ECOWAS Business Forum now takes place regularly in Member States.

Finally, ECOWAS also intends to set up an investment guarantee mechanism in the region.

6.3. Financing the regional economy

6.3.1. Banking system and financial markets

For the banking sector, UEMOA countries share the same legislation with a regional banking commission responsible for overseeing banking activities. Banking systems within WAMZ are not uniform. Each WAMZ country has its own banking system, which explains the poor integration of the financial sector.

ECOWAS has adopted a monetary cooperation programme to integrate the region's financial markets and facilitate the free flow of capital.

The integration process for the stock exchanges is still very slow. WAMZ has three unintegrated stock markets in Nigeria, Ghana, and Sierra Leone. The

BRVM, which covers UEMOA countries, operates regularly and has always attracted public and private investors. However, it has been unable to reach a market capitalisation that exceeds 12 percent of GDP.

To ensure the integration and development of the regional financial market, a Memorandum of Understanding was signed between the regional stock exchange (BRVM), the Ghana Stock Exchange, and the Nigerian Stock Exchange. It is intended primarily for cross-listings on the various regional stock exchanges. This is being done at present for only a small number of securities. The **West African Capital Markets Integration Council** has been established and has a technical committee.

As for the integration of cross-border payment systems, a recent study resulted in the establishment of the regional clearinghouse, the Regional Real Time Gross Settlement System (RTGS) and the Regional Switch. A pilot project, supported by the World Bank, to unite the GIM/UEMOA and the interbank payments and settlement systems in Ghana and Nigeria will be launched shortly.

6.3.2. ECOWAS Bank for Investment and Development (EBID)

In 1999, ECOWAS set up the Bank for Investment and Development (EBID), in place of the ECOWAS Fund, to ensure the smooth processing of financial transactions and services. It is a banking group comprising a holding company and two specialised subsidiaries: the ECOWAS Regional Development Fund and EBID. The objectives of the EBID group are to fund, promote, and facilitate economic growth and development in ECOWAS Member States. EBID offers a wide range of financial products and services

to businesspersons wishing to engage in viable commercial projects. After a little over ten years of activity (2004 to March 2014), the Bank has multiplied its cumulative net commitments by 6.7, as they rose from UA 121 to UA 805 million. However, **the Bank's main challenge remains the mobilization of adequate resources**. In this regard, the payment by Member States of the second part of the capital is an important tool for mobilizing resources from other partners.

6.3.3. Insurance sector

West African insurance companies have not yet been integrated. A legislative instrument called the CIMA Code regulates the organisation, functioning, and supervision of the insurance sector, but this is only within UEMOA. Negotiations are also ongoing between the Nigerian Insurance Commission and WAMI in the WAMZ.

6.3.4. Microfinance sector

The microfinance sector has become one of the most dynamic components of the financial system of ECOWAS. Its rapid expansion has translated into profound changes, which come with significant risks that could jeopardize the sector's stability. Finance ministries closely monitor this sector.

6.3.5. Combating money laundering

This action is coordinated by GIABA, which supports Member States in implementing effective control measures against money laundering and the financing of terrorism by organising capacity-building workshops.

7. SOCIAL AFFAIRS AND GENDER ISSUES

7.1. Health

ECOWAS health policy seeks to improve overall health by implementing relevant common actions aligned with those of international and regional organisations working in the health sector in West Africa. The main strategies are to control epidemics, promote essential generic medications, and to manufacture and control the quality of medications; to combat the spread of HIV/AIDS; and to strengthen international partnerships. To these ends, ECOWAS set up the **West African Health Organisation (WAHO)** in 1987.

WAHO aims for the highest possible standard and protection of health through harmonised Member State policies, pooled resources, and cooperation in combating the health problems of the sub-region.

Current WAHO activities include capacity-building for responding to meningitis, measles, cholera, and yellow fever epidemics; developing a regional strategic plan to control and eliminate malaria; providing support to States for blindness prevention programmes; assisting in setting up networks for National Health Information Systems and ECOWAS Research Centres and Institutes; training young professionals with a view to integrating them; supporting research centres by providing funds for operational research; and helping to organise the coordination of Nutrition Focal Points.

The main results of the WAHO health systems strengthening programme are studies on the application of norms and standards of quality assurance for health care in the ECOWAS space. WAHO also provided technical and financial support to countries for Mother and Child Health. In addition, since 2011, WAHO has organised an annual review of the implementation of national programmes for maternal and child health to assess progress toward MDGs 4 and 5. Regarding the control of HIV/AIDS, a

document on convergence criteria for a minimum legal framework on HIV is available, as is the mapping of population sites with the highest exposure to HIV, and a multi-sectoral committee for the control of HIV in ECOWAS has been established. In terms of the control of epidemics, the Reference Laboratory for the diagnosis of potential epidemic diseases in Abidjan has now been equipped and the revised guide for the Integrated Disease Surveillance and Response has now been adapted for nine countries of ECOWAS.

Furthermore, WAHO largely contributed to the preparation and implementation of a Regional Integrated Operational Plan for Response to the Ebola virus.

Also of note is a malaria eradication programme, being implemented to establish industrial biolarvicide production units, in partnership with Southern countries including Venezuela.

7.2. Gender and childhood issues

The Commission has been conducting training in member countries to ensure that gender issues are taken into account in national policies and programmes, in order to build women's capacities. It supports the Network on Peace and Security for Women in the ECOWAS Region in implementing the ECOWAS Action Plan on UN Security Council Resolutions 1325 and 1820 on Women, Peace and Security. An ECOWAS plan of action on gender and trade-related migration is also being developed.

Gender disparities in primary, secondary and higher education are being progressively eliminated in the region. Guinea and Benin have almost reached parity in primary education, while Togo and Senegal are progressing satisfactorily, followed by Burkina Faso and Mali. Secondary and higher education are

faring worse; it seems none of the 15 countries is set to reach the 2015 goal. In response, ECOWAS is establishing a merit-based scholarship programme for girls.

More generally, ECOWAS provides medical and financial assistance to women and girls suffering

from obstetric fistula, support to young female leaders, and technical and financial assistance to women engaged in agricultural products processing and handicrafts.

8. EDUCATION, SCIENCE AND CULTURE

8.1. Education

In the area of education and training, the ECOWAS Protocol A/P3/1/03 adopted in January 2003 sets forth general principles of education policy, and encourages the movement of students and teachers within the region and cooperation among member countries.

ECOWAS has thus launched initiatives for joint higher education and vocational training institutions, mutual recognition of certificates from specialised institutions, and coordination of education and training programmes and the evaluation of higher education and vocational training results in Member States.

In the area of secondary education, data shows little improvement in enrolment. Even countries which had recorded better enrolment rates at the primary level lose students at the secondary level due to lack of access, shortage of qualified teachers, and insufficient infrastructure and equipment. This situation, combined with poverty and socio-cultural practices that prevent girls from starting or continuing their education, contributes to reducing secondary school enrolment rates.

Higher education enrolment in Sub-Saharan Africa is the lowest in the world. The highest enrolment rate was recorded by Cabo Verde with 18 percent, followed by Ghana with 12 percent. Niger's rates are the lowest at 2 percent. However, the establishment of centres of excellence has made great strides in the sub-region.

Lastly, it is important to note not only the poor level of technical and professional education, but also the mismatch between the curricula and the needs of the economy, which results in low youth employability and thus high unemployment rates. However, since 2010, ECOWAS has conducted a series of training

sessions to build teacher capacities in technical and vocational education and training, as well as administrators and practitioners.

8.2. Science and Technology

The ECOWAS Commission worked on the second development phase of the Action Plan of the Regional Science and Technology Policy for the sub-region, which started in 2006. After the study was completed, a Policy and an Action Plan were adopted. ECOWAS and NEPAD are now working to develop a model for data collection on the state of science and technology in each Member State, through designated focal points and civil society.

Furthermore, the Committee provided support to the West Africa Institute for the organisation of the Africa Innovation Summit in Praia in February 2014. This summit was an opportunity to enhance Africa's capacity for innovation and to explore collaboration with relevant institutions for the continent's development. The Commission also participates in statutory meetings of the West and Central African Research and Education Network.

8.3. Culture

The Fourth Conference of ECOWAS Ministers of Culture held in November 2011 in Abuja, the recommendations of which were endorsed by the 67th Session of the Council of Ministers (held in Abuja in December 2011), reaffirmed the commitment to implementing the focus areas of the ECOWAS Cultural Development Programme (A/DEC.4/11/96), the Cultural Framework Agreement for the Economic Community of West African States (A/DEC.1/7/87), and the NEPAD Action Plan for Culture (A/DEC.6/01/03).

Copyright protection is one of these priority areas. Thus, the Ministers recommended that the Regional Copyright Observatory, established in 2009 by ECOWAS authorities (C/REG./16/11/09) and responsible for copyright protection in the region, be provided with the necessary financial resources to accomplish its mandate. Pursuant to this recommendation, the Commission provided RCO with adequate funding in 2013, and together with the Culture Division, has created the ECOWAS copyright hologram, and organised training and awareness-raising workshops on safeguarding works of art and fraud avoidance.

Cultural exchange, another priority area, sees ECOWAS supporting regional cultural events.

8.4. Youth and Sports

ECOWAS activities in this domain are coordinated by the ECOWAS Youth and Sports Development

Centre and fall within the scope of the objectives of the Strategic Action Plan (2010-2020), as well as of ECOWAS youth and sports policies and action plans. They cover three main areas: sports and physical education; youth development; and the implementation of the ECOWAS Volunteers Programme in pilot States.

The Centre regularly organises the ECOWAS Games and the ECOWAS International Cycling Tour. It also supports the organisation of other sports tournaments in the region.

In the field of youth affairs, the Commission is conducting capacity-building programmes for young people. Examples include some 2014 training sessions for 60 young people from 10 ECOWAS countries on air conditioning and refrigeration and automotive mechanics.

9. POLITICAL AFFAIRS, PEACE AND SECURITY

9.1. The Protocol relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security

Signed pursuant to the revised treaty's Article 58 on regional security, this Protocol strengthens Community action by introducing a security dimension. ECOWAS has thus virtually absorbed the Protocol on Non-Aggression and Assistance in Defence that linked some of its members.

In order to maintain peace, security and stability in the sub-region, the Protocol instituted specific structures such as the Mediation and Security Council and the ECOWAS Cease-fire Monitoring Group (ECOMOG).

The role of ECOWAS in regional peace and security includes the following elements:

- **Preventive Diplomacy:**

The ECOWAS Commission has recently intensified the search for peaceful solutions to the crises in Mali and in Guinea Bissau, and is continuing to support reforms for stability and long-term development in both countries.

- **Capacity Building:**

Recent ECOWAS activities in this area include: creation of a database of eminent personalities in the region, with a view to setting up a new Council of Elders, in compliance with the revised statutes; creation of a Mediation Facilitation Division within ECOWAS; adoption of the three-year priority plan for implementation of the 14 ECOWAS Conflict Prevention Framework components; support to the Mano River Union security strategy; and thorough scrutiny of actions and impact of ECOWAS

interventions before and during the institutional crises in Mali, in order to draw appropriate lessons.

- **Early Warning System:**

In executing its early warning duties, the Commission continues to publish daily/weekly newsletters which highlight topical issues, situation reports, early warning reports, thematic notes, and safety update reports. Supported by empirical data from the ECOWARN system, these publications are of great importance to conflict prevention and intervention.

A risk assessment was performed in 2011 for ECOWAS Member States. Risk assessments provide detailed information on each Member State with regard to its vulnerability to current human security threats.

Apart from serving as a reference base for producing early warning, response notes and policy and situational analyses, the information obtained through risk assessment allows the Commission to classify Member States appropriately. Lessons learned from the first country risk assessment and the dynamics of rapidly changing conflicts in the region inform predictions on the security situation and possible developments in the Member States.

In a bid to improve the early warning system in the region, the Commission initiated the development of a five-year strategic plan for 2014-2018. This plan will be supported by a mid-term action plan, which will serve as a roadmap for improving the results and performance of the early warning system.

- **Maintaining Regional Peace and Security**

► **Peace Support Operations**

This programme has three components: military, civilian and police.

1) The Military Component. Recent actions undertaken within this framework include: meeting of ECOWAS Committee of Chiefs of Defence Staff to examine the security situation in the region, Roadmap III of the ECOWAS Standby Force (ESF), assessment of implementation status of activities to set up the Regional Maritime Zone “E” as well as to implement the Defence and Security Sector Reform Programme in Guinea Bissau; tripartite meeting of Commanders in charge of training institutions and centres of excellence designated by ECOWAS, to strengthen technical and operational cooperation between ECOWAS Commission and these institutions in training for peace support operations; and holding planning conferences (initial and final) of the Exercise Western Accord, a joint field training exercise involving the United States Africa Command and ECOWAS that aims to build capacity for Peace Support Operations.

2) The Police Component: The Police Planning Unit is pursuing its Assessment of Training Needs programme, started in September 2013, to draft a training document for the ESF police component.

3) The Civilian Component: An important activity undertaken at this level is the internal review of the policy framework for the civilian dimension of the ESF and preparing a Directory of Civilian Reservists.

► Regional Security

In the area of regional security, the Commission is working on the following issues: preparing an ECOWAS Integrated Maritime Strategy (EIMS), as agreed at the March 2014 ECOWAS Summit of Heads of State and Government in Yamoussoukro; providing national training courses on the Counter-Terrorism Training Manual in Member States; developing a three-year priority action plan for the Code of Conduct for Armed Forces and Security Services in West Africa; and building Police Force capacity for tackling border crime in West Africa.

An Interregional Working Group comprising ECOWAS, ECCAS, the Gulf of Guinea Commission and the Government of Cameroon, held in 2014, has helped

establish an Inter-regional Coordination Centre for the EIMS, in Yaounde, Cameroon. It became operational in 2014.

► Light weapons

In this area, the activities of the ECOWAS Commission include organising awareness-raising and capacity-building workshops for journalists and members of National Commissions in the fight against illicit proliferation and circulation of small arms and light weapons; and holding the Annual Conference of Chairpersons of National Commissions for the fight against the illicit proliferation and circulation of small arms and light weapons.

- **Management of Humanitarian Affairs**

An ECOWAS Emergency Response Team has been established and was deployed in Mali in November 2013.

Disaster Risk Reduction initiatives have also been undertaken (FOREWARN Initiative). These include support to some member countries in establishing a national disaster risk reduction platform; regional training seminars on early warning and information-sharing coordination mechanisms for national DRR platforms and national meteorological services; and the design of a model for national disaster management agencies in West Africa.

9.2. The Protocol on Democracy and Good Governance

The Protocol on Democracy and Good Governance falls in line with the *Declaration of Political Principles of the Economic Community of West African States*, which was adopted in Abuja in July 1991, on freedom, peoples’ rights, and democratization.

It is by virtue of this Declaration that the revised treaty prescribed the “*promotion and consolidation of a democratic system of governance in each Member State*” as a fundamental principle of the Community.

In some of its provisions, the Protocol appears as *“the political component of economic integration, which is the original purpose of the Community”*.

It enshrines *“constitutional convergence principles”*, that is, principles regarding organisation and exercise of state power that are common to Member States of the Community, such as: separation of powers, independence of the judiciary, guarantee of the right to defence, guarantee of parliamentary immunity, transparent elections, zero tolerance for power obtained or maintained by unconstitutional means, secularism of the State, guaranteed freedom of the opposition, public financing of political parties, guarantee of public freedoms, and institution of status for former Heads of State.

Concerning elections, the Protocol also prescribes a set of rules prohibiting any substantial modification of electoral laws in the last six months before the elections, encouraging maintenance of up-to-date and reliable voters’ lists, mandating that elections be held at fixed periods, and calling for independent or neutral electoral commissions, acceptance of election results by all parties concerned, and election monitoring and ECOWAS assistance.

Innovatively, the Protocol emphasizes the need for the Army to be politically neutral and to respect

national values. In addition, there is a sanctions mechanism for Member States guilty of *“non-compliance with democracy”* or *“massive violation of human rights”*.

At the operational level, the Commission is working to enhance the capacity and efficiency of national governance institutions, so as to contribute to strengthening democratic structures, promote a culture of participatory democracy and good governance. To this end, it has increased support to national networks such as the Network of West African Human Rights Institutions, the Network of Anti-Corruption Institutions in West Africa and the Forum of West African Political Parties.

Furthermore, Article 12 of the Additional Protocol on Democracy and Good Governance (2001) invites the ECOWAS Commission to implement measures to ensure the effective management of elections in Member States to internationally recognized standards. In this light, the Commission deploys **observers** to monitor elections in member countries. In addition, the Commission organises an annual meeting of the ECOWAS Network of Electoral Commissions, as well as periodic workshops. A directory of election observers has been prepared in the three official languages of ECOWAS (English, French and Portuguese).

10. MACROECONOMIC POLICY AND RESEARCH

10.1. Macroeconomic Policy Convergence and Establishment of a Monetary Union and a Single Currency

10.1.1. Policies implemented

The idea of creating a single currency within ECOWAS was launched in May 1983 by the Conference of Heads of State and Government (Decision A/DEC./6/5/83 relating to the proposal to establish a single ECOWAS Monetary Zone). In 1987, the Heads of State and Government of the Community Member States, by Decision A/DEC.2/7/87 relating to the adoption of an ECOWAS monetary cooperation programme (EMCP), expressed their desire to create a single monetary zone within ECOWAS.

In the light of the mixed results achieved in the implementation of the EMCP, the Conference adopted a new approach to accelerate monetary integration. Decision A/DEC.7/12/99, relating to the adoption of the ECOWAS Macroeconomic Convergence Criteria, was adopted in Lome. This instrument comprises ten macroeconomic convergence criteria, four of which are primary criteria and six secondary criteria that Member States were to comply with prior to the institution of the ECOWAS single currency in 2004.

As part of this new accelerated procedure, the Heads of State and Government of The Gambia, Ghana, Guinea, Nigeria and Sierra Leone signed, in December 2000 in Bamako, the agreement to establish the West African Monetary Zone (WAMZ), with a currency scheduled for January 2003.

However, the launch date for the second regional currency has been postponed four times, from January 2003 to December 2005, then to December 2009, to 1 January 2015 and finally from 2015 to the 2020 deadline.

Delays in implementation of the second regional currency prompted the Conference of Heads of State of ECOWAS, in Abuja on 15 June 2007 to request the ECOWAS Commission to review the monetary integration process with a view to accelerating the launch of the regional monetary union. This ultimately led to the adoption by the ECOWAS Convergence Council, in May 2009, of the **roadmap for the ECOWAS single currency in 2020**.

The adoption of the roadmap for the ECOWAS single currency seeks, through the implementation of planned activities, to transform the ECOWAS region into an optimum currency area, one in which it would be beneficial to establish a single currency. Such an area can group several countries or may involve a few regions of a larger country. Defining an optimum currency area requires identifying the conditions under which the benefits of participation in a monetary union will outweigh the associated costs.

In accordance with the programme of activities set out in the roadmap, the ECOWAS monetary union is scheduled to be launched in 2020 with the creation of the ECOWAS Central Bank and the institution of a common currency. To achieve this, a series of activities have been planned to make the ECOWAS region fit the criteria of an optimum currency area. Before the ECOWAS single currency, the WAMZ monetary union initially planned for 2015 could not be attained.

In order to ensure implementation of this roadmap in a timely and effective manner, the ECOWAS Commission was mandated to continue to coordinate the inter-agency work and to collaborate with the other regional institutions and Member States involved in the ECOWAS Monetary Cooperation Programme. Similarly, Member States were urged to continue the implementation of the monetary, fiscal and structural policies.

The roadmap required a review of certain instruments and the adoption of others to take account of changes occurring in the implementation process. In June 2012, the Assembly of Heads of State and Government adopted Supplementary Act A/SA.3/06/12 to amend Decision A/DEC.17/12/01 relating to the establishment of a multilateral surveillance mechanism for economic and financial policies of ECOWAS Member States. Similarly, a Macroeconomic Stability and Convergence Pact among ECOWAS Member States (Supplementary Act A/SA.4/06/12) was adopted.

10.1.2. Achievements and constraints in implementing the roadmap on the ECOWAS single currency programme

Status of implementation of activities of the roadmap on the ECOWAS single currency programme

The report of the 26th Ordinary Meeting of the ECOWAS Committee for Economic and Monetary Affairs and the WAMA Operations and Administration Committee (held in Banjul in January 2014) noted significant progress in policy harmonisation programmes set out in the roadmap, particularly in relation to monetary policy frameworks, legislation and supervision of banks and other financial institutions, accounting and reporting framework for banks and financial institutions, statistics on the balance of payments, and development of payment systems and the liberalization of the capital account. However, it concluded that further effort was needed in the context of the interconnection of payment systems and the liberalization of the capital account.

On public finance, common rules have been adopted but not yet applied on public procurement and public debt management. Studies are also underway on public accounts and public finance statistics.

There has been progress in the harmonisation of national accounts (all countries having migrated to the SNA 1993 system and some partially to the new version SNA 2008) and price statistics (compilation of

the Consumer Price Index in all Member States based on the COICOP system).

Main challenges/constraints in the implementation of the roadmap

The assessment report on the implementation of activities of the roadmap on the ECOWAS single currency programme, adopted in Lagos in October 2013, identified the following constraints:

- Inadequate financial resources to support some key activities;
- Inadequate human resources (in quantity and quality) to ensure the timely and efficient implementation of certain activities at both regional and national levels;
- Low capacity in some Member States to produce timely and reliable statistics for multilateral surveillance activities;
- Insufficient political will to speed up the ratification, domestication and implementation of legal instruments (conventions and protocols);
- Low participation levels by Ministers of Finance and Governors of Central Banks in meetings of the ECOWAS Convergence Council;
- Lack of awareness of the effective implementation of the ECOWAS Single Currency Programme among the populations as well as among targeted actors and specific groups, such as the authorities in charge of immigration, parliamentarians, customs officials, and others;
- Frequency of external shocks affecting the fiscal and external performance of Member States and, consequently, performance in terms of macroeconomic convergence; and
- Structurally weak taxation base within a context of high incompressible expenditures.

10.1.3. Progress in meeting the convergence criteria within ECOWAS

a) Established rules

In order to closely coordinate Member State economic policies for the convergence of national economies, Decision A/DEC.17/12/01 on the creation

of a Multilateral Surveillance Mechanism of Economic and Financial Policies of ECOWAS Member States was adopted by the Conference of Heads of State and Government in December 2001.

Member States were invited to develop and submit multi-year convergence programmes to ECOWAS and the West African Monetary Agency (WAMA).

Since then, the ECOWAS Commission has undertaken several actions to operationalize the multilateral surveillance mechanism within ECOWAS Member States in collaboration with other regional institutions. These actions include, among others, a study for the harmonisation of the ECOWAS convergence criteria, the launch of the ECOWAS Multilateral Surveillance Database (ECOMAC) by the Council of Ministers in August 2011, the establishment of NCCs in Member States, and the building of stakeholders' capacities to operationalize the multilateral surveillance mechanism of ECOWAS.

To overcome the lack of a formal framework describing the form and content of the convergence programmes, as well as their adoption procedures, specific transmission and evaluation arrangements and a clear convergence time horizon, Supplementary Act A/SA.4/06/12 on the **Macroeconomic Stability and Convergence Pact among ECOWAS Member States** was adopted by the 41st Ordinary Session of Heads of State and Government in Yamoussoukro in June 2012. It sets out and marks the formal commitment made by the ECOWAS Member States towards achieving the ECOWAS monetary union with a single currency.

The Pact is being implemented in two phases:

- The Convergence Phase, which extends from 1 January 2012 to 31 December 2016. Within this time frame, all Member States are bound to comply with all the primary criteria;
- Stability and Performance Consolidation, from 1 January 2017. During this period, States will strengthen their achievements and implement macroeconomic policies to enable sound and sustainable growth.

b) Results obtained

Despite the goodwill expressed at Summits and ministerial conferences, as well as the achievement of economic growth rates above 5 percent in the ECOWAS region between 2005 and 2012, little progress has been made in compliance with the convergence criteria.

A 2013 assessment of the Technical Committee responsible for macroeconomic policies in ECOWAS showed that Member State compliance with the criteria fell in 2012, with the exception of criteria relating to the wage bill ratio and the real interest rate.

For the period 2000-2009, UEMOA was more compliant than WAMZ on the convergence criteria (J. Lama, 2011). For the period 2008-2013, Niger, Nigeria and Senegal met most criteria (eight of 11) while The Gambia, Ghana and Sierra Leone fare worst with only four, three and four criteria met, respectively.

Concerning the primary criteria, only six countries reached the budget deficit target in 2012. Although grants were included, performance for this indicator did not improve. It should be noted that budget deficits continue to be part of a trend that began in 2009 when governments were widely requested to curb the effects of the international financial crisis.

In relation to price developments, eight countries in the region met the standard in 2012, that is, one country less than in 2011. With regard to foreign exchange reserves, only Nigeria has met the standard of six months imports in 2012 against 10 countries in 2011.

Budget deficit financing by the Central Bank is the only primary criterion that improved compared to 2011. Indeed, 14 countries have met this criterion in 2012 against 13 in 2011.

With regard to the performance of individual countries, it appears that *no country has met all primary criteria in 2012* against four countries in 2011. Only three countries, Guinea Bissau, Niger and

Table 6: Convergence criteria for the economies of West Africa

UEMOA (UEMOA)	WAMZ	ECOWAS
BENIN, BURKINA FASO, COTE D'IVOIRE, GUINEA BISSAU, MALI, NIGER, SENEGAL, TOGO	THE GAMBIA, GHANA, GUINEA, LIBERIA, NIGERIA, SIERRA LEONE	UEMOA + WAMZ + CABO VERDE
Primary criteria		
<ul style="list-style-type: none"> Ratio basic budget balance over nominal GDP (key criteria) $\geq 0\%$; Average rate of annual inflation: $\leq 3\%$ per year; Ratio of exceptional domestic and foreign debt in relation to nominal GDP $\leq 70\%$; Payment arrears: <ul style="list-style-type: none"> <i>Domestic arrears</i>: non-accumulation of arrears during the current functioning period <i>External arrears</i>: non-accumulation of arrears during the current functioning period. 	<ul style="list-style-type: none"> Budget deficit, excluding grants in % nominal GDP $\leq 4\%$ Inflation rate (end of period) $< 10\%$ Funding by the central bank of the budget deficit in relation to the fiscal revenues of the previous year $\leq 10\%$ Gross reserves (in months of imports) ≥ 3 months 	<ul style="list-style-type: none"> Inflation rate (annual average) $\leq 5\%$ Budget deficit in % of nominal GDP (including grants) $\leq 3\%$ Funding by the central bank of the budget deficit in relation to the fiscal revenues of the previous year $\leq 10\%$ Gross external reserves ≥ 6 months
Secondary criteria		
<ul style="list-style-type: none"> Ratio wage bill over fiscal revenues $\leq 35\%$; Ratio of public investments financed on internal resources in relation to fiscal revenues $\geq 20\%$; Ratio of the current account deficit in relation to nominal GDP $\leq 5\%$; Rate of fiscal pressure $\geq 17\%$. 	<ul style="list-style-type: none"> Fiscal revenues in percentage of GDP $\geq 20\%$; Wage bill in % of nominal GDP $\leq 35\%$; Public investments financed at national level in % of fiscal revenues $\geq 20\%$; Real interest rate $> 0\%$; Nominal exchange rate $\pm 15\%$; Non-accumulation of arrears. 	<ul style="list-style-type: none"> Non-accumulation of domestic and external arrears under current management. Ratio of wage bill over fiscal revenues $\leq 35\%$; Ratio of public investments financed on internal resources in relation to fiscal revenues $\geq 20\%$; Rate of fiscal pressure $\geq 20\%$; Real interest rate $> 0\%$; Stability of the nominal exchange rate ($\pm 10\%$);

Nigeria met three of the four criteria. It is important to note that UEMOA countries show more inclination to respect the primary convergence criteria.

With regard to the secondary criteria, the best performance relate to public debt, the stability of the nominal exchange rate and the real interest rate. In contrast, countries face difficulties in relation to the tax burden and the level of staff salaries.

10.1.8. Proposed reforms concerning the convergence criteria and the roadmap towards the single currency and monetary union

Having observed the slow pace of creating a single currency in the ECOWAS zone, notably the repeated non-compliance with the various deadlines, the Heads of State and Government decided to give

a new impetus to the process of creating a single currency in the region. To this end, the Heads of State and Government, during an extraordinary session in October 2013, decided to entrust the supervision of the creation of the ECOWAS single currency to the Presidents of Ghana and Niger.

A Task Force, composed of representatives of the Presidents of Niger and Ghana, the Ministers of Finance of Niger and Ghana, the Chairpersons of the ECOWAS and UEMOA Commissions, the Governors of ECOWAS Central Banks as well as the Directors General of the West African Monetary Agency and the West African Monetary Institute, has been set up to advise and support the two Heads of State.

The recommendation emerged from their first meeting to streamline the macroeconomic

Table 7: Primary criteria compliance levels by country

COUNTRY	2008	2009	2010	2011	2012	2013*
UEMOA						
BENIN	2	3	4	4	2	3
BURKINA FASO	1	3	3	4	2	2
COTE D'IVOIRE	2	4	4	3	2	3
GUINÉA-BISSAU	1	4	4	3	3	3
MALI	2	3	4	3	2	3
NIGER	2	3	4	4	3	2
SENEGAL	2	3	3	3	2	2
TOGO	2	4	4	4	2	2
WAMZ + Cabo Verde						
CABO VERDE	2	2	2	2	2	2
GAMBIA, THE	2	2	3	2	2	1
GHANA	0	1	1	1	0	1
GUINEA	2	1	0	2	2	2
LIBERIA	2	2	1	2	2	2
NIGERIA	3	2	2	2	3	3
SIERRA LEONE	1	1	0	1	1	2
Number of countries which have complied with all primary criteria	0	3	6	4	0	3

Source: WAMA (2014)

* Estimates

convergence criteria as well as the institutions responsible for creating the single regional currency.

During the second meeting, held in July 2014 in Accra, the Task Force successfully proposed reducing the convergence criteria from 11 to six, with four being primary and two secondary. A draft supplementary act to amend Supplementary Act A/SA/4/06/12 to this effect was to be submitted for adoption to the Assembly of Heads of State in Abuja in May 2015.

Macroeconomic convergence is progressing haltingly. Stronger political will would yield greater compliance with the convergence criteria, since several of the indicators are controlled by governments (such as the level of public debt, advances from the central bank and budget

allocations for investment or wage bill). Other indicators, such as the budget deficit, tax burden, real interest rates and inflation, could be better controlled through innovative action in the global governance of economic, monetary and financial affairs. Lastly, institutional measures for harmonising policies depend purely on the willingness of Member States.

10.2. Specialised agencies in monetary policy and convergence

a. The West African Monetary Agency (WAMA)

WAMA was set up to replace the West African Clearing House (WACH), created in 1975 to promote sub-regional trade in West Africa. WAMA has broad autonomy to monitor, coordinate and implement

the ECOWAS monetary cooperation programme, to encourage and promote the application of the exchange rate determined by market forces, to promote intra-regional trade, to initiate policies and programmes relating to monetary and economic integration, especially in the development of payment systems and to conduct research, and to ensure the establishment of a single monetary zone in West Africa.

Among the activities WAMA has undertaken since 2007 are multilateral surveillance, including monitoring macroeconomic developments and the convergence process; assessment of exchange rate trends; and conducting relevant studies and seminars.

The ECOWAS Convergence Council approved a roadmap toward an ECOWAS single currency. The roadmap called for harmonisation of monetary policy frameworks, regulations governing current and capital account transactions, balance of payments statistics, regulation and supervision of banks and other financial institutions, and accounting and reporting frameworks for banks and other financial institutions.

However, the implementation of the roadmap activities still faces a number of challenges, including lack of capacity at regional and national levels, lack of adequate infrastructure, particularly in the financial sector, non-compliance with community protocols and decisions, and inadequate staffing of WAMA.

b. The West African Monetary Institute (WAMI)

WAMI was set up in 2001, pursuant to the Accra Declaration on the establishment of a second monetary zone, to facilitate the creation of a Common Central Bank and the introduction of a common currency for participating Member States. WAMI Member States are The Gambia, Ghana, Guinea, Nigeria, Sierra Leone, and Liberia¹⁰.

The duties of WAMI include monitoring the status of convergence, harmonising statutory provisions and designing policy frameworks, promoting a regional payment system, conducting studies on the mechanism for determining exchange rates and conversion rates, organising awareness raising campaigns in a bid to inform the public about the new currency, designing and ensuring the technical preparation of the new currency, and laying down conditions for the establishment of a common central bank as well as creating an enabling environment.

The ECOWAS Commission cooperates with WAMI in monitoring the implementation of the second monetary zone, called the West African Monetary Zone (WAMZ), by participating in the deliberations of the Convergence Council. Given that Member States are at different stages in the march towards convergence, WAMI was entrusted with conducting an assessment and feasibility study on the state of preparedness for launching the WAMZ by 2015 (in accordance with the roadmap for the ECOWAS single currency). That deadline has been postponed.

10.3. Research and Statistics

In the area of statistics, ECOWAS has set up a regional statistical programme over a five-year period and is mobilizing financial resources to implement it. Activities would include managing and updating the ECOMAC Database, providing support to some member countries (Guinea, Sierra Leone and Liberia) to collect national statistics, regional training sessions for experts from the Member States, and the development (in association with UEMOA) of a regional poverty reduction strategy paper PRSP) to address transnational issues and dimensions of poverty not taken into account in the national Poverty Reduction Strategy Papers.

The regional PRSP has defined priority areas on the basis of their potential to impact more on growth, poverty reduction and development. The ECOWAS and UEMOA Commissions have, since 2013, engaged in a process of reviewing this national strategy, in

¹⁰ Liberia became a full member of WAMI in 2010.

order to better adapt it to the internal context of the countries as well as to the international post-2015 agenda with respect to the Millennium Development Goals.

Moreover, a harmonised balance of payments guide has been prepared and will be submitted shortly to ECOWAS authorities for validation and adoption. This will allow the Commission to enter the implementation phase of all statistical harmonisation

projects help in the monitoring of the ECOWAS monetary programme.

In the domain of research, the Commission is working on the preparation of the Regional Research Programme and a framework for collaboration between researchers in the region. It also conducts (through an Economic Policy Analysis Unit) analyses and research for promoting regional integration in West Africa.

SECTION IV.

ANALYSIS OF THE IMPACT
OF ECOWAS POLICIES AND
PROGRAMMES ON THE
PROGRESS OF REGIONAL
INTEGRATION AND
DEVELOPMENT IN MEMBER
STATES

1. GLOBAL ASSESSMENT OF ECOWAS SECTORAL POLICIES

ECOWAS sectoral policies and programmes should be assessed in the light of objectives set out in the original treaty and later confirmed and expanded in the revised treaty of 1993.

The overall goal defined in the 1993 revised treaty (Article 3) for ECOWAS was “to promote cooperation and integration, leading to the establishment of an economic union in West Africa on order to raise the living standards of its peoples, and to maintain and enhance economic stability, foster relations among Member States and contribute to the progress and development of the African continent”.

The revised treaty requires Member States to take on specific commitments in various areas, which ECOWAS later translated into policy frameworks and programmes. Today, it has a rich architecture of programmes covering almost all sectors of economic, social, cultural and political activities.

The actions implemented for each of these roles **help to improve the strategies and policies** of member countries, by obliging them to align with the best practices existing at the regional and global levels. They also **promote the implementation of reforms**, as Member States can incorporate ECOWAS instruments into their legislation, facilitating their acceptance by national stakeholders.

ECOWAS sectoral programmes create **new frameworks for cooperation between countries of the region** and offer them, in the medium and long term, opportunities greater than those they could have obtained by acting alone. This is especially true with regard to infrastructure or energy projects, although ECOWAS’ lack of means constrains speedy programme implementation and their ability to generate a strong short-term impact.

Table 8 below summarizes the policies and programmes developed as well as their main achievements and shortcomings for a general assessment of their effectiveness (comparing the results achieved against stated objectives). This constitutes a limited analysis, as a more relevant assessment covering all programmes and actions of ECOWAS structures and based on recognized evaluation norms and principles would be necessary for a precise view of the actual status of integration within ECOWAS.

In general, **the performances of ECOWAS may be deemed globally satisfactory at this stage**. However, implementation status differs widely from one domain of integration to another.

Table 8: Summary of main ECOWAS sectoral policies

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings	
Free movement of persons	Elimination of obstacles to freedom of movement and respect of the right of establishment and residence	Protocol A/P1/5/79 on the free movement of persons, right of residence and establishment	Dakar 29 May 1979	Creation of special posts by Member States at each official entry point for entry formalities by their nationals and ECOWAS citizens. Freedom of movement and of residence Existence of an ECOWAS Passport Adoption of the biometric identity card as a travel document instead of ECOWAS travel certificate; Suppression of the Residence Card (free establishment for ECOWAS citizens); Free access to employment in the Member States. Setting up of a platform for the harmonisation of immigration procedures and planned introduction of ECOVISA (Schengen-type visa)	Persistence of some minor harassment at borders	
		Protocol A/P 3/5/82 on the Code of community citizenship	29 May 1982			
Free movement of goods	Trade liberalization by elimination of customs duties on imports and exports of goods between Member States and the abolition between Member States of non-tariff barriers, with a view to creating a Free Trade Area at the Community level. Institution of a common external tariff and a common trade policy towards third countries	Resolution A/RES/2/II/84 on the implementation of the first stage of the protocol on free movement of persons, right of residence and establishment	23 November 1984			
		Decision A/DEC.2/7/85 on the establishment of a travel certificate for Member States	6 July 1985			
		Additional Protocols A/SP2/7/85, A/SP1/6/89 et A/SP2/5/90 on the right of residence and the right of establishment	6 July 1985, 30 June 1989 and 29 May 1990, respectively			
		Decision A/DEC.2/5/90 on the establishment of a resident card for Member States	30 May 1990			
		Decision A/DEC.1/5/2000 on the establishment of the ECOWAS passport				
Trade promotion	Undertake, through their public and private sectors, trade promotion through actions such as the use of raw materials, goods and factors of production as well as finished products from the Community; and periodically participate in sectoral trade fairs; regional trade fairs and other similar activities	Review of all protocols on free movement	July 2014			
		Establishment of Free Trade Area (FTA) Establishment of a common external tariff Adoption of the Regional Support Programme for the Regulation of Informal Trade in ECOWAS (PARCI)	1 January 2000 January 2006 2013	Reduction of non-tariff barriers through control posts on some corridors Free movement of local goods and handicrafts between Member States, exclusive of all duties and taxes Finalisation of the Customs Code The ECOWAS CET will be gradually operational from 2015 Construction of side-by-side border posts Approval of the EPA	Implementation of the ECOWAS liberalization scheme still subject to constraints Multitude of legal texts which are not always in harmony The 60% regional content, as required by the rules of origin, considered too high by the Regional private-sector Complexity of the approval mechanism for products Red tape at borders	

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Tourism	Strengthen regional cooperation in tourism notably by promoting intra-Community tourism by facilitating the movement of passengers and tourists, harmonisation of regulations for tourist and hotel activities, the establishment of a Community tourism framework for tourism statistics, the joint promotion of tourism products that portray the socio-cultural and natural values of the region Encourage the establishment of efficient tourism enterprises Eliminate all discriminatory measures and practices against Community nationals in the realm of tourism and hospitality services			The proposed adoption of the ECOVISA is a step forward in the promotion of intra-Community Tourism	ECOWAS action has only just started
Road infrastructure	Develop within the Community a vast network of all-season roads while giving priority to interstate highways Develop plans to improve and ensure the integration of networks Encourage the creation and promotion of Community joint ventures	Medium-Term Action Plan for the development of infrastructure		Major road infrastructure projects realized (or being realized): Lagos-Abidjan Highway Project, Senegal-Gambia Bridge, Rosso bridge between Senegal and Mauritania, Trans-West African Highway-Coastal with the construction of bridges in Sierra Leone and the road section between Moa Bridge and the Liberian border, construction of the Zinder- Nigeria border road and the Koupele Piega Gourama- Fada-Niger border on the Trans-Sahel Establishing a Transportation Facilitation and Transit Programme Implementation of the West Africa Trade Hub (WATH) 2003	ECOWAS has only about 4.7 km of road per 100 km ² , which is below the average 6.8 km for the entire African continent. Faulty and inadequate national and regional transport infrastructure; Absence of a maintenance culture – dilapidated transport infrastructure, especially the road network. Barriers to cross-border transit
Railway Infrastructure	Develop plans to improve and ensure the integration of rail networks Encourage the creation and promotion of Community joint ventures	Medium-Term Action Plan for the development of infrastructure		Adoption and implementation of a Railway Master Plan	Rail infrastructure is old and inadequate for the needs of modern rail transport and the gauges are different from one country to another
Air transport	Encourage cooperation regarding the scheduling of flights, aircraft leasing, granting and the joint operation of fifth freedom to airlines in the region Promote the development of regional air transport services and encourage the merger of national companies Facilitate the development of human resources Work towards the standardization of equipment and the establishment of common infrastructures for production, maintenance and repair.	Medium-Term Action Plan for the development of infrastructure		Progress in the implementation of an Air Transport liberalized market within ECOWAS Creation of a Sub-Regional Organisation for Supervision of Aviation Safety (BAGAS00) involving seven Member States Creation of the Sub-Regional Organisation for Supervision of Aviation Safety (BAGAS00) 2010.	Lack of capacity to meet growing internal demand for air transport services

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Maritime transport	Develop programmes for improving the cabotage services de cabotage and interstate waterways as well as the harmonisation of policies on transport and maritime service Coordinate views in international negotiations; Encourage the creation and promotion of Community joint ventures Work towards the standardization of equipment used in transport and communications and the creation of common infrastructures for production, maintenance and repair	Medium-Term Action Plan for the development of infrastructure		Project for the creation of a sub-regional shipping company, called Ecomarine International	
Telecommunications	Develop a common policy on communications as well as related laws and regulations Develop, modernize, coordinate and standardize national telecommunications networks in order to provide reliable interconnection among Member States Coordinate efforts to ensure the operation and maintenance of the West African portion of the Pan-African telecommunications network and mobilize financial resources at national and international levels Encourage the creation and promotion of Community joint ventures	Adoption of New Policy and Regulatory Framework which is more favourable to the development of telecommunications and ICTs in 2009 Adoption of a Directive on the fight against cybercrime in February 2010		Launched INTELCOMM II programme Establishment of the Fund for the development and financing of transport and energy sectors (FODETE-ECOWAS) Interstate terrestrial fibre optic connections: Burkina Faso – Niger, Burkina Faso – Ghana and Ghana – Togo. Connection of coastal states Two ways of access to submarine cables for landlocked countries (Burkina Faso, Mali and Niger) Establishment of a Project Preparation and Development Unit (PPDU) and operationalization of the Fund for the development and financing of the transport and energy sectors (FODETE-ECOWAS)	Lack of a regional company capable of competing with large African companies
Post	Promote closer cooperation between postal administrations; postal services; Ensure the most efficient, faster and more frequent postal services within the Community; Harmonise mail delivery services				
Energy	Effective development of energy resources; Establish appropriate cooperation mechanisms to ensure regular supply of hydrocarbons Promote the development of new and renewable energy, notably solar energy Harmonise national energy development plans by seeking the interconnection of electricity grids Design a common energy policy, especially in research, exploitation, production and distribution Create a consultation and coordination mechanism to resolve together the problems of energy development, notably those relating to the transport of energy, lack of managers and technicians, as well as the lack of financial means for the realization of energy projects	Adoption of a Common Energy Policy (CEP)		West African Power Pool (WAPP) West African Gas Pipeline Project (WAGP) Creation of the Regional Electricity Regulatory Authority (ERERA) Système d'échanges d'énergie électrique ouest-africain (EEEOA) Creating the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) Adoption of the Electric Power Supply Security Plan (EPSSP) 2008	Implementation difficulty owing to financing and inadequate determination of the Member States Very low level of energy coverage of the populations High cost of access both for population and for industrial enterprises One of the lowest levels of electrical energy consumption in the world (88 KWh of electricity per capita/year against 350 KWh for East Asia) Inadequate supply of clean energy; Inadequate integration of regional energy markets;

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Mines	Harmonisation and coordination of policies: assessment of mining potential, methods of pricing and marketing, exchange of information on prospecting, mapping, production and processing of mineral resources; the promotion of inter-industrial relations within the scope of the exploitation of mineral resources; the development of joint training programs; coordination of positions in all international negotiations on raw materials; the development of a system for knowledge transfer and exchange of scientific and economic data in remote sensing among Member States	Adoption of Directive C/DIR 3/05/09 on harmonisation of guidelines and policies in the mining sector. Adoption of the Mineral Resource Development Policy of ECOWAS (PDRMC)	26 and 27 March 2009 26 and 27 March 2009		Delays in the adoption of the Regional Mining Code
Agriculture and Food Security	Cooperate to develop agriculture, forestry, livestock and fisheries in order to ensure: (a) food security; (b) increase in agricultural production and productivity, livestock, fisheries and forest resources as well as the improvement of working conditions and job creation in rural areas; (c) enhancement of agricultural production through on-site processing of animal and plant products; and (d) the protection of the prices of export products on the international market.			Implementation of ECOWAP programme by ECOWAS and the Union's Agricultural Policy (PAU) by UEMOA, Regional Agricultural Investment Programme (PRIA) Support Programme to the regional offensive for sustainable and sustained development of rice in West Africa Support Programme for the development of pastoralism in the Sahel (PRAPS) Regional Support Programme for the Regulation of Markets (PARMAO)	Still marked dependence on food imports Heavy dependence on weather conditions
Environment and natural resources	Protect, preserve and improve the natural environment of the Region and cooperate in the event of a natural disaster Prohibit the import, transit, deposit and disposal enrouissement of toxic and dangerous waste in the region Harmonise and coordinate policies and programmes in the field of natural resources.	Adoption of an Environmental Policy	2008	Programme for Monitoring and Environmental Security in Africa (MESA) Convergence Plan for the Management and Sustainable Use of Forest Ecosystems in West Africa Draft text of the harmonised ECOWAS regulations on Substances that Deplete the Ozone Layer (ODS)	
Water resources	Harmonise and coordinate policies Exchange information on exploration, exploitation and distribution of water resources	Adoption of a regional water policy (PREAO)	2008		

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Industry	<p>Harmonise industrialization policies in order to promote regional industrial development and integration of their economies</p> <p>Strengthen the industrial base of the Community, modernize the priority sectors, promote the achievement of a self-sustaining and self-sufficient development</p> <p>Promote joint industrial projects and the creation of multinational enterprises in priority industrial sub-sectors likely to contribute to development of agriculture, transport and communications, natural resources and energy</p>	<p>Adoption of a West African Common Industrial Policy (WACIP)</p> <p>Adoption of the Quality Policy (ECOQUAL) through Supplementary Act A/SA.1/2/13</p>	Feb-13	<p>Important regional initiatives</p> <p>Implementation of the West Africa Common Industrial Policy (WACIP) of ECOWAS</p> <p>Development of the Quality Policy</p> <p>Implementation of the ECOWAS Regional Authority (ERA) to boost competition</p> <p>Development of an Investment Policy (ECOWIP) and the Investment Code (ECOWIC).</p> <p>Standards Harmonisation Programme (ECOSHAM)</p>	<p>Low level of ownership by member countries of regional initiatives</p> <p>Still heavily dependent on imports of industrial products</p> <p>West African manufacturing accounts for only about 8% of GDP</p>
Private sector	<p>Focus on the role of the private sector and regional joint and multinational companies</p>	<p>Elaboration of Investment Policy (ECOWIP)</p>		<p>Existence of Investment Policy (ECOWIP),</p> <p>On-going preparation of an ECOWAS investment code (ECOWIC), an information system on the market ECOBIZWORLD (ECONVEST Project) and of a Support CASIA Platform (E-Commerce) to ECOBIZ. Other initiatives include the establishment of a Young Entrepreneurs Programme, an ECOWAS Diaspora Programme and a Regional Public Private Partnership (PPP) Policy.</p>	<p>Low level of transborder investments within the Zone</p>
Regional development funding	<p>Ensure the free movement of capital within the Community by eliminating the restrictions on the transfer of capital between Member States following a schedule determined by the Council</p> <p>Encourage the creation of national and regional stock exchanges; and by establishing closer relations between the capital markets and stock exchanges</p> <p>Ensure also that nationals of a Member State can purchase securities, shares and other securities or can invest in companies established in the territory of other Member States</p> <p>Establish a mechanism for wide dissemination in the Member States of stock exchange quotations of each Member State</p> <p>Set up an appropriate mechanism for the regulation of issues related to capital markets and to ensure proper operation and protection of investments.</p>			<p>Active support for the creation of Ecobank</p> <p>Establishment in 1999 of a bank for Investment and Development (EBID), replacing the ECOWAS Fund</p> <p>Establishment of the West African Capital Markets Integration Council (WACMIC)</p>	

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Health	Cooperation with a view to mobilizing various categories of the population, their integration and their effective participation within the scope of the social development of the Region by promoting and strengthening cooperation in the field of health	Adoption of the Protocol on the establishment of the West African Health Organisation WAHO	1987	Establishment of the West African Health Organisation (WAHO) Conduct of studies on the application of health care quality assurance norms and standards in ECOWAS Campaign against HIV/AIDS Establishment of the West African Health Organisation (WAHO) Studies conducted on the application of quality control norms and standards in ECOWAS Campaign to combat HIV/AIDS Regional Integrated Operational Plan for Response to the Ebola Virus	Very poor health and social infrastructure, and service delivery Limited means for evacuation Insufficient health staff, poorly assigned and without motivation
Gender Issues	Develop, harmonise, coordinate and define appropriate policies and mechanisms to improve the social and economic and cultural conditions of women			Establishment of an ECOWAS Centre for Gender Development On-going development of an ECOWAS Plan of Action for Gender and Trade commerciales	
Humanitarian Affairs				Establishment of an ECOWAS emergency response team (EERT)	
Education	Cooperate to ensure the effective development of their human resources by strengthening their cooperation ties in education, training and employment, harmonise and coordinate their policies and programmes in these areas, strengthen existing training institutions, revitalize the efficiency of their educational systems, encourage school and university exchanges, establish the equivalence of diplomas, vocational and technical training, encourage literature, promote the teaching and practice of the official languages of the Community and establish regional centres of excellence in various disciplines; and encourage specialised labour exchanges between Member States	Protocol (A/P3/1/03) on Education and Training	31 January 2003	Adoption of a Protocol on Education and Training Promotion of student and teacher exchanges within ECOWAS, and mutual recognition of diplomas Foster the creation of common institutions of higher education and vocational training by ECOWAS Encourage the coordination of curricula and training	Quality indicators of the education system (primary, secondary and higher) are still weak Timid cooperation between universities of Francophone and Anglophone countries (probably because of the language barrier)

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Science and Technology	Strengthen scientific and technological capabilities in order to achieve socio-economic transformation necessary to improve the quality of life of their populations, particularly those in rural areas Ensure appropriate application of science and technology for the development of agriculture, transport and communications, as well as industry, health and hygiene, energy, education and human resources and for the preservation of the environment Reduce their dependence and promote their individual and collective autonomy in the field of technology Cooperate in matters of development, acquisition and dissemination of appropriate technologies	Action Plan for the Regional Policy on Science and Technology for the sub-region	2006	Existence of a Regional Policy on Science and Technology	Low level of research & development in the region Weak regional capacity to undertake research and copy/adapt/develop science and technology Absence of regional SPS standards Lack of harmonised regional systems Lack of skills for implementation of regional projects
Culture	Promote the objectives of the Community Cultural Framework Agreement that favours the promotion, by all means and in all forms, of cultural exchanges. Promote, develop and, if necessary, improve structures and mechanisms for production, dissemination and exploitation of cultural industries Promote the teaching and dissemination of one West African language as a factor of community integration			Implementation of priority components of the ECOWAS Programme or the development of culture (A/DEC.4/11/96), the cultural framework agreement between the Member States (A/DEC.1/7/87) the NEPAD Action Plan for Culture (A/DEC.6/01/03).	
Youth and Sports	Cooperate to mobilize the various categories of the population, their integration and their effective participation within the scope of social development of the Region through the promotion and development of the practice of sports, in order to bring young people of the region closer and to ensure their balanced development			Establishment of the ECOWAS Youth and Sports Development Centre Implementation of the ECOWAS Volunteers Programme	
Peace and Security	Work to preserve and consolidate relations conducive to the maintenance of peace, stability and security in the region	Adoption of the Protocol relating to the Mechanism for Conflict Prevention, Management, Resolution, Peace-Keeping and Security Adoption of the Protocol on Democracy and Good Governance	1999 2001	Adoption of the Protocol relating to the Mechanism for Conflict Prevention, Management, Resolution, Peace-Keeping and Security Existence of a system for conflict prevention and management and of post-conflict situations (preventive diplomacy, early warning, peace support operations with military, police and civilian components, management of humanitarian affairs and reconstruction, reflection on regional security issues, capacity building efforts for the control of small arms) Decisive intervention of ECOWAS forces in some countries (Liberia, Sierra Leone, Guinea, Guinea Bissau)	Response time for crisis and emergency need to be improved

Domains	Objectives set out in the 1993 Revised Treaty and commitments made by Member States	Policy Frameworks and initiatives effectively implemented by ECOWAS	Adoption dates	Achievements of ECOWAS programmes	Implementation shortcomings
Governance	Promote and consolidate a democratic system of government in each Member State	Adoption of Declaration of ECOWAS Political Principles, adopted, on freedom, people's rights and democratization.	July 1991	Suspension of the Member States attempting to violate the Protocol Deployment of ECOWAS observers in member countries during elections	Governance indicators in the Region still weak No effective mechanism for governance oversight
Monetary integration	Promote intra-community trade in goods and services and ensure the achievement of the objective of the Community, namely the creation of a monetary union through the harmonisation of monetary, financial and tax policies Creation of a West African Monetary Union Establishment of a single currency for all of West Africa	Adoption of the Monetary Cooperation Programme	1987	Adoption of Monetary Cooperation Programme Improvement on the harmonisation of monetary policy frameworks; legislation and supervision of banks and other financial institutions; of accounting and reporting frameworks of banks and financial institutions; of balance of payments statistics and development of payment systems and of the liberalization of the capital account.	Delays in the effective implementation of the ECOWAS Single Currency Non-compliance with the convergence criteria by the States
		Adoption of Decision A/DEC.17/12/99 relating to the adoption of the convergence criteria within the scope of the ECOWAS monetary cooperation programme.	1999	Adoption of common rules on public procurement and management of public debt Harmonisation of national accounts and price statistics ECOWAS Mechanism for Multilateral Surveillance (ECOWAC) works	
		Adoption of decision A/DEC.17/12/01 on the establishment of a multilateral surveillance mechanism for economic and financial policies of the Member States of ECOWAS	2001	Establishment of National Coordinating Committees (NCC) in the Member States.	
		Adoption of the roadmap for the single currency in ECOWAS	2009	Establishment of the West African Monetary Agency (WAMA) And of the West African Monetary Institute (WAMI)	
		Adoption of the Supplementary Act A/SA.4/06/12 relating to Macroeconomic Stability and Convergence Pact among ECOWAS Member States	2012		

2. PEACE, SECURITY AND GOVERNANCE

Undeniable gains have been made by ECOWAS in the area of peace and security, within a context of great instability.

The West African sub-region remains one of the most unstable areas on the continent. Conflicts and rebellions have been recurring in the ECOWAS zone over the last 40 years, affecting more than half of the Member States: Liberia, Sierra Leone, Guinea, Guinea Bissau, Ivory Coast, Mali, Niger, Nigeria, and Senegal. Several Member States have experienced military coups since 1977.

To address this state of affairs, ECOWAS has, throughout its history, established and gradually strengthened a mechanism for conflict prevention, management, resolution, peacekeeping and security. To this end, it has successfully established regional forces known as ECOMOG that are ready to intervene when necessary.

The work accomplished by ECOMOG in Liberia, Guinea, Guinea Bissau and Sierra Leone is worthy of praise (including the return to constitutional order and restoration to power of President Ahmed Tejan Kaba in Sierra Leone). Recently, ECOWAS worked decisively to ensure the gradual withdrawal of the military from power in Mali and the recognition of the legitimately elected authorities in Côte d'Ivoire. Its action was decisive in mobilizing the international community for the resolution of the crisis in these two countries. In northern Mali, the President of Burkina Faso served as the ECOWAS-appointed mediator for the preliminary cease-fire signed with the MNLA.

However, the Malian crisis has revealed that ECOWAS should strengthen its rapid response capabilities to crises, particularly through its standby forces, so as to ensure and consolidate its leadership role in resolving conflicts in the region.

In the area of democracy and good governance, the action of ECOWAS has also yielded tangible results, gradually consolidating democratic institutions in the sub-region.

The Protocol on Democracy and Good Governance is the Supplementary Protocol of ECOWAS. Here again, implementation is in general satisfactory. ECOWAS has striven to defend the ideal of democracy and the rule of law by suspending, without hesitation, some of its members, namely Guinea, Niger, and Guinea Bissau.

The rules prescribed at the Community level in matters of election are generally respected. Election results are increasingly accepted by the parties involved. In addition, ECOWAS observation missions, usually led by former heads of state or persons of high repute, have helped to confirm the progress made by the region in terms of respect for democratic rule.

The Armed Forces of ECOWAS countries generally show respect for republican values, staying neutral in politics and showing loyalty to the elected authorities, in accordance with the Protocol.

However, ECOWAS has not been able to address the persistent weaknesses of its Member States in terms of global indicators of good governance, despite some noticeable progress in recent years.

Comparative statistics among the countries on good governance indicators, cited by the ECOWAS CDP document (Annex 2), reveal that with the exception of Cabo Verde, most countries are ranked globally in the lower half in terms of good global governance (see Table 9).

Table 9: Score of some governance indicators of ECOWAS countries in comparison with selected countries outside the region

Country	Percentage of countries below the country concerned (in %)					
	Participation and accountability	Political stability/absence of violence	Effectiveness of governance	Quality of Regulatory Bodies	Rule of Law	Corruption control
BENIN	55.92	56.13	35.41	41.63	27.96	25.84
BURKINA FASO	39.34	40.57	33.01	50.24	48.34	44.02
CABO VERDE	72.51	76.42	53.59	51.20	63.98	74.64
COTE D'IVOIRE	15.64	7.08	7.18	19.62	9.48	9.57
GAMBIA, The	16.11	48.58	29.67	38.76	36.02	34.93
GHANA	63.03	47.64	55.50	54.07	54.03	60.29
GUINEA	22.75	4.72	11.48	13.88	2.84	8.13
GUINEA BISSAU	23.70	23.58	13.40	14.35	5.69	14.35
LIBERIA	40.28	29.72	8.13	16.75	17.06	36.36
MALI	54.98	34.91	19.14	36.36	40.28	30.14
NIGER	29.86	14.62	27.75	34.45	33.18	31.10
NIGERIA	27.01	3.77	10.53	22.97	10.90	15.79
SENEGAL	36.02	33.02	37.32	43.06	41.71	29.67
SIERRA LEONE	41.71	37.26	11.00	24.88	18.01	25.36
TOGO	19.91	38.21	5.74	20.10	18.96	17.70
TAIWAN, CHINA	73.93	72.64	84.69	83.73	81.52	74.16
UNITED STATES	87.20	56.60	89.95	90.43	91.47	85.65
BRAZIL	63.51	48.11	56.94	55.98	55.45	59.81
SWEDEN	99.05	88.21	98.56	96.65	99.53	99.04

Source: World Bank, 2011, (www.govindicators.org), cited in the CDP document of ECOWAS (volume 1)

3. FREE MOVEMENT OF PERSONS

In this domain, **ECOWAS is today cited as an example as a model of successful integration.**

Various protocols in force grant the ECOWAS citizen the right to move freely from one State to another, with the sole requirement being to present a passport (identity card in the UEMOA zone) or an ECOWAS travel certificate. Community citizens also, in theory, enjoy the right of residence and are entitled, at the end of three months, to a residence card or permit. And lastly, citizens may set up a business or get a job. This therefore enshrines the principle of equal treatment within the Community.

In practice, however, measures are not implemented uniformly. Table 10 below describes certain observed strengths and weaknesses.

Unwarranted controls on West African roads have always been and continue to be the Achilles heel in the application of protocols on free movement of persons. In addition, the recent closure of their borders by certain Member States, due to the Ebola virus outbreak in West Africa, illustrated that freedom of movement, though well advanced, is not yet fully achieved.

Table 10 presents the implementation status of the instruments on free movement by member countries.

Table 10: Actual state of free movement of persons within ECOWAS

Strengths	Weaknesses and difficulties
Strong legal framework (but perfectible)	Harassment on the roads and on the corridors (recurrent cases of extortion not sanctioned by the States);
The only region in Africa where no visa is required for travel between States since 1980 (ECOWAS is thus well ahead of the European Union whose Schengen Agreement only came into force in 2005)	Some countries (The Gambia and Cabo Verde) have not yet adopted the Community passport
Existence of community identity (travel certificate, ECOWAS passport)	Lack of a Community driving license
Citizens have right of residence and may get employment	Breach of control plans at certain land borders;
Effective functioning of the brown insurance card	Questioning at the borders of certain countries (Cabo Verde, for example, which it justifies by the small size of its population) in a bid to ascertain that Community passengers have adequate resources
	Forms required at some borders
	Concomitant existence of the ECOWAS Brown Card and the CIMA card, instead of a single card

Table 11: Location of roadblocks on some regional corridors

Highways	Distance	Checkpoint	Checkpoint posts per 100 Km
Lagos-Abidjan	992 Km	69	7
Cotonou-Niamey	1036 Km	34	3
Lomé-Ouagadougou	989 Km	34	4
Accra-Ouagadougou	972 Km	15	2
Abidjan-Ouagadougou	1122 Km	37	3
Niamey-Ouagadougou	529 Km	20	4

Source: ECOWAS Commission

Table 12: Adoption status of instruments on free movement of persons by ECOWAS member countries (as at 30 June 2014)

Instruments	Implementation status
Abolition of visa and entry permit	Measure adopted and implemented by all Member States
Introduction of the ECOWAS Travel Certificate	Introduction of the ECOWAS Travel Certificate The certificate has been adopted by all Member States but implemented by eight Member States, namely: Benin, Côte d'Ivoire, The Gambia, Guinea, Niger, Nigeria, Sierra Leone and Togo
Introduction of harmonised immigration forms	Measure adopted by all member states, except Liberia Burkina Faso, Niger and Nigeria do not yet apply this measure
Establishment of National Committee responsible for monitoring programmes on the free movement of persons and vehicles	Adopted by all Member States The following countries have actually set up their committees: Benin, Burkina Faso, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. However, given the many obstacles to the free movement of people and goods in the Member States, the monitoring committees face difficulties in achieving the goals set for them The Police, immigration services, the Gendarmerie, Customs and other competent bodies of the Member States are charged with supervising entry and departure formalities at common borders. Through training, the Commission was strengthened, and most recently, in 2013, the capacities of national structures were also strengthened. In addition, the syllabus of training institutions in the Member States has been reviewed to ensure that they incorporate into their modules issues related to rights of residence and establishment, and rights of Community citizens
Introduction of the brown insurance card	Adopted by all except Cabo Verde Twelve countries currently apply the system: Benin, Burkina Faso, Ivory Coast, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo
Introduction of laws on the right of establishment and residence	Introduction of laws on the right of establishment and residence. The legal basis for these rights exist and, in many cases, the rights were enforced However, citizens still face restrictions as implied by the protocol of free movement. The reason for these limitations is attributed to selective implementation of the protocols on free movement and of the relevant provisions on free movement, proliferation of unauthorized roadblocks, harassment at border crossings, and lack of knowledge among ECOWAS citizens and security employees on the rights set out in the Protocol on free movement

Source: Interviews conducted by authors at the ECOWAS Commission

4. INTRA-REGIONAL TRADE

4.1. A relatively low level of intra-regional trade

According to the ECOWAS Commission, one of the first objectives of the creation of ECOWAS remains the promotion of trade among Member States (W.K. Olayiwola, 2012).

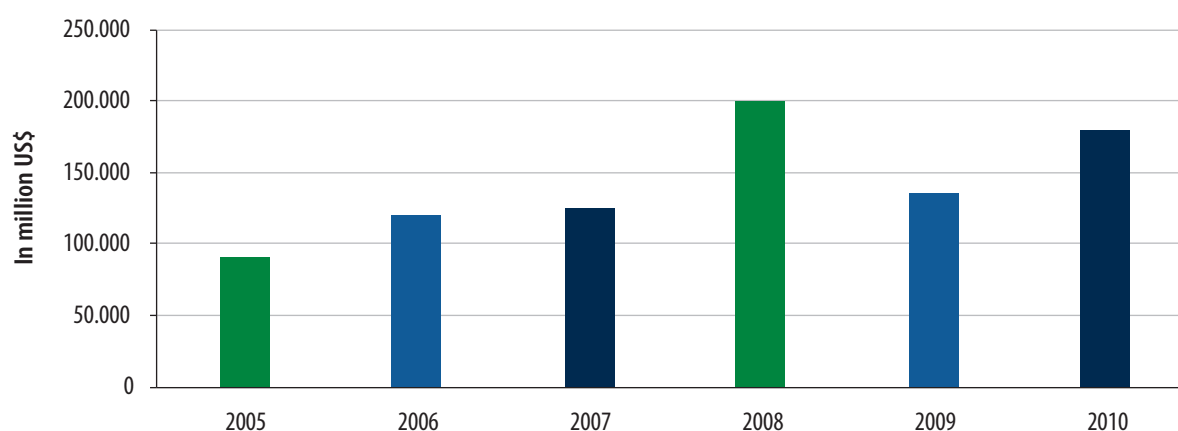
► Recent trends in West African trade

Trade in West Africa has its natural foundation in the export of two categories of resources. The first is mineral, namely oil, of which it is the largest exporter on the continent; manganese (34 percent of world production), iron (27 percent of African production), bauxite (almost all African production), uranium (main reserve in Africa), gold, and other minerals. The other category includes cocoa (over 60 percent of world supply), cotton (5 percent of world supply), coffee, rubber, and fruit. Imports are dominated by consumer goods, including fuel and food.

Recent global ECOWAS trade has increased by an average of 18 percent per year between 2005 and 2010. However, this trend fluctuated. In 2006, trade increased by 28 percent compared to 2005, but grew only 1 percent in 2007. It recorded a 57 percent increase in 2008 before dropping to -33 percent in 2009. It increased again in 2010, rising by 36 percent compared to the previous year.

The sharp increase in 2008, more than 100 percent compared to 2005, is explained, all things being equal, by the heightening of economic and food crisis. This resulted in massive imports of non-food items, including factors of production, to contain the surge in prices of basic foodstuffs in 2007. Imports reached US\$108,002 million against US\$102,068 million of exports and US\$3,178 million of re-exports. But food imports fell in 2008, recording US\$10,215 million compared to US\$11,862 million in 2007. The boost of imports in 2009 and 2010, with US\$10,474 million and US\$ 10,500 million, respectively, shows

Chart 4: Recent ECOWAS overall trade developments



Source: UNCTAD, 2010

that imports of consumer goods have not had a very significant effect in the handling of the food crisis.

But if the crisis reduced exports, thus limiting ECOWAS capacity to internally financing its imports in 2007 and 2009, it paradoxically favoured a rise in trade in 2008 mainly induced by Nigeria's fuel exports, which recorded US\$74,839 million against US\$51,998 million in 2007 and US\$44,942 million in 2009.

► **The main countries benefiting from regional trade**

Nigeria and Côte d'Ivoire dominate ECOWAS exports, accounting for 87 percent of transactions, with Nigeria registering 77 percent of regional exports and Côte d'Ivoire 11 percent. The two other leading countries of the region, Ghana and Senegal, are placed third and fourth with 4 percent and 2 percent, respectively. Mali follows these traditional leaders with 1.7 percent of regional exports. Five countries (Benin, Burkina Faso, Guinea, Niger and Togo) each provide 1 percent of regional exports.

Nigeria fuel exports represent 73 percent of all West African exports. Nigeria is the largest importer of foodstuffs with 40 percent of regional imports and 41 percent of regional non-food item imports.

Ghana accounts for 11 percent of the overall trade ahead of Côte d'Ivoire, with 4 percent of total exports and 18 percent of regional imports, representing US\$12.6 billion on average. The exploitation of its oil field could consolidate its regional economic weight.

Côte d'Ivoire still retains its position of economic power in the region, despite a decade of political crisis that damaged its economic production infrastructure. It currently ranks third behind Ghana and Nigeria with 10 percent of regional trade. It remains the second-largest regional exporter (11 percent of total exports of ECOWAS) and accounts for 10 percent of total West African imports, regardless of origin.

Senegal is a country weighed down by the importation of foodstuffs. It is the second-largest food importer in the region, with 14 percent of West African imports. It accounts for 6 percent in the total trade in West Africa, an average of about US\$9 billion per year.

► **Geographical focus of exports**

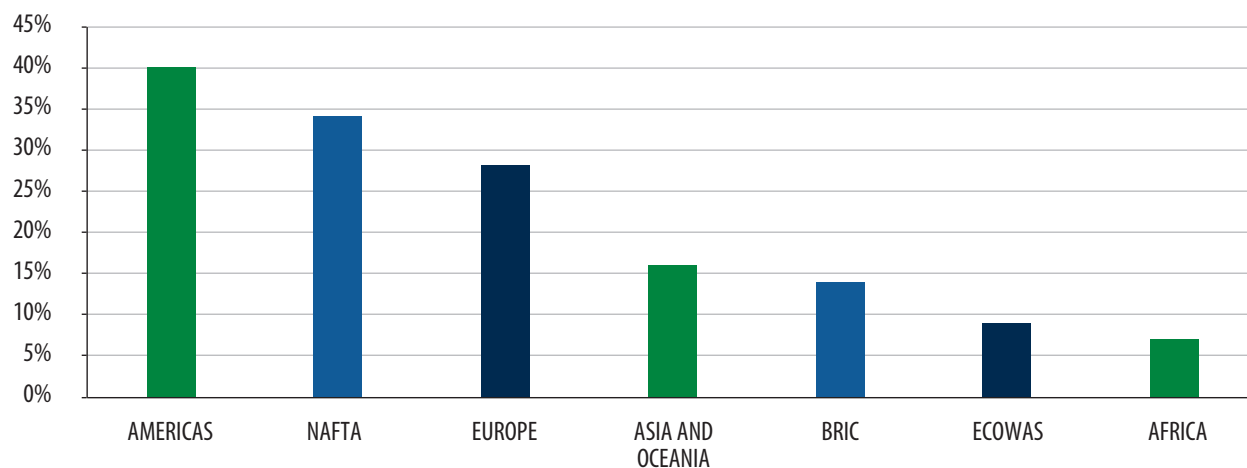
Europe accounts for about 28 percent of ECOWAS exports, including 23 percent for the European Union (UE 27). The Americas provide 40 percent, 34 percent of which is for the North American Free Trade Agreement (NAFTA) bloc formed by the United States, Canada and Mexico.

With 68 percent of exports, Europe and the Americas are the main destinations of West African exports, of which 57 percent is destined for the EU and North America. In buying 34 percent of ECOWAS exports, NAFTA relegates to second place the traditional partner of the Community, the EU. Trade openness fostered by globalization shows a substantial breakthrough by Asian countries and Oceania, which command 16 percent of exports, including 0.3 percent for the Near and Middle East. ECOWAS itself represents 9 percent of these exports from the sub-region, slightly exceeding overall African importation from the area (7 percent), including 1 percent for North Africa and 6 percent for the rest of Africa including the regional economic communities of Central, East and Southern Africa.

With regard to the other parts of the world, ASEAN which absorbs 2 percent. Apart from India and China, ECOWAS exports very little to the rest of Asia.

The structure of West African exports differs according to the major regions of destination. Exports to the EU are composed 79 percent of fuel (65 percent) and cocoa products (14 percent). To North America, these two products constitute about 98 percent of ECOWAS exports.

In Africa, 91 percent of ECOWAS exports to all three RECs (COMESA, SADC and EAC) are based on fuel and precious stones, hides and skins (3 percent), and

Chart 5: Destination areas of ECOWAS exports

Source: UNCTAD, 2010

cocoa products (1 percent). On average, these four product groups dominate exports to these RECs to the tune of 95 percent.

► Geographical focus of imports

The total imports of the community are dominated by Nigeria, which alone accounts for 41 percent of all transactions against 18 percent for Ghana, and 10 percent for both Senegal and Côte d'Ivoire. Nigeria and Ghana account for 59 percent of community imports against 36 percent for the eight UEMOA UEMOAcountries. The other five ECOWAS member countries provide only 5 percent of community imports. In volume, these imports are dominated by cereals, milled grain products and processed cereal-based foods, which together account for 57 percent of imports in volume (52 percent for cereals, and 3 percent for milled grain products and 2 percent for processed cereal-based foods).

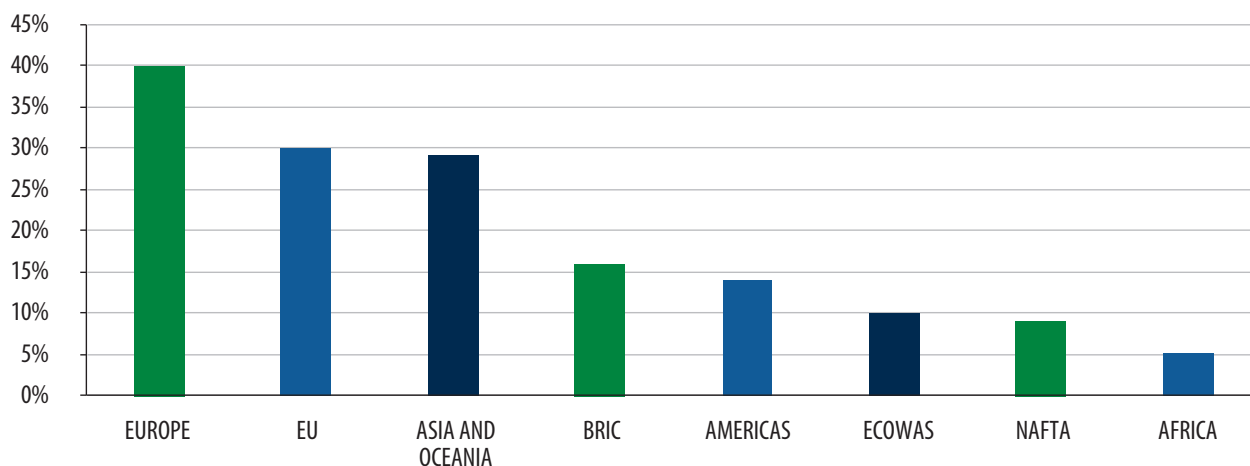
Europe is the main source of supply for ECOWAS. It accounts for 40 percent for imports in the region, an annual average of US\$28,541 million. Approximately 30 percent of imports come from the European Union in particular. Asia and Oceania are positioned

in the second place with 29 percent, or US\$20,945 million, ahead of the Americas (14 percent, or US\$9,613 million, of which 9 percent is for NAFTA). These three regions provide ECOWAS an average 84 percent of its imports, at US\$58,949 million per year over the period 2005-2010.

The BRIC group is the third imports area of ECOWAS, surpassing the Americas with 16 percent of total imports. Compared to their 2005 level of US\$4,912 million, imports from the BRICs were multiplied by 2.42 in 2007, 2.86 in 2009 and by 3.55 in 2010. In contrast, the imports from the traditional trading partner, namely the EU, have been multiplied by 1.75 shifting from US\$13,923 million in 2005 to US\$24,424 million in 2010. Thus, the BRIC group provides ECOWAS an average of US\$11,841 million in goods per year, or 16 percent of its commercial imports. Between 2005 and 2010, ECOWAS imported from the BRIC US\$68,884 million in goods. Imports from Africa, including North Africa, account for 5 percent.

► Trends in intra-regional trade

The analysis of available statistics reveals that the level of intra-ECOWAS trade is low. The share of

Chart 6: Origins of ECOWAS imports

Source: UNCTAD 2010

intra-Community trade in world trade of the member countries has even decreased with time (8.1 percent in 2012 against 16.2 percent in 2001) for imports from Member States; from 9.6 percent to 7.8 percent for exports during the same period) (see Table 13). This level is disappointing given the important measures taken by ECOWAS to increase the volume of sub-regional trade and which have been reviewed above. This applies to trade in goods as well as for trade in services.

However, according to Bourdet (2005), the volume of intra-UEMOA trade increased sharply following the institution of the Customs Union in 1994. Prior to this, the degree of trade integration in West Africa was very low. In the early 1990s, the share of intra-UEMOA trade was below 4 percent, and trade between UEMOA and other ECOWAS countries under 2 percent. *“The share of community imports and exports increased from 3.6% and 3.5% during the period preceding the launch of the Customs Union (1989-93) to 10.3% and 14.8%, respectively, after definitive abolition of tariffs on intra-zone trade in year 2000”* (Bourdet, 2005). The author also states that deepening trade integration within UEMOA did not cause trade diversion at the expense of third countries, including those of ECOWAS.

However, these figures should be seen in context, since, according to UNCTAD (2013), estimates of informal cross-border trade transactions in West Africa show that these could represent 20 percent of Nigeria’s GDP and 75 percent of the GDP in Benin (Afrika and Ajumbo, 2012). These estimates suggest that the actual share of intra-African trade in total trade is higher than official figures.

In terms of country performance for 2012, the analysis in Table 13 below illustrates the following comments.

Regarding exports to the rest of ECOWAS, the most active countries (in percentage of total exports) are, in order: Togo (58.2 percent), Benin (55.6 percent), Niger (49.7 percent), The Gambia (36.1 percent), Senegal (33.2 percent), Ghana (23.7 percent) and Côte d’Ivoire (22.9 percent)¹¹. In contrast, Cabo Verde (0.8 percent of its total exports), Liberia (1.7 percent), Guinea Bissau (2.6 percent), Nigeria (3 percent) and Sierra Leone (3.2 percent) propose a small volume of their exports to ECOWAS.

¹¹ Proximity of the Nigerian market (for the three countries cited) and of Senegales market for The Gambia, could be the reason for the large re-export flows.

Regarding imports from ECOWAS, the most successful countries are, in order: Sierra Leone (51.3 percent), Mali (32.2 percent), Côte d'Ivoire (27 percent owing to oil from Nigeria), Burkina Faso (26.2 percent) and The Gambia (23.4 percent). At the other end, Liberia (0.6 percent), Nigeria (0.9 percent), Cabo Verde (1.5 percent of its imports) and Guinea (4 percent) get limited supplies of products from ECOWAS.

4.2. Contributing factors to low trade levels

The implementation of the ECOWAS liberalization scheme was not accompanied by a trade creation or diversion effect within the area. This underperformance can be explained by the following considerations.

First, ***the Customs Union is not yet effective***, a situation which burdens Community enterprises with costs and transaction procedures (approval applications) disincentivize trade in the regional market. Approvals can be slow in coming, as the procedure involves several parties (the exporting country, the importing country and the ECOWAS Commission). The current 90-day time limit is itself considered too long by the economic operators who often seek to rapidly exploit market opportunities. The 60 percent Community origin level required of products of is also considered too restrictive (the United States AGOA only requires 30 percent). In that regard, Mali has 300 approved products in the UEMOA zone, but only about 10 of these products are exported to other ECOWAS countries.

Under the Trade Liberalization Scheme most countries have eliminated tariffs on local products, but few have done so on industrial products (see Table 13). Support mechanisms (compensation for loss of earnings, contributions to the Union's budget, etc) are rarely used.

Most member countries also complain about obstacles to the free movement of goods. Thus, despite the adoption of ISRT and the supplementary

protocol convention, cross-border traders continue to complain about the violation of its provisions by State employees. Certain countries require certificates of origin for agricultural products, which is inconsistent with ECOWAS texts. Beninese exporters have to request a special authorisation from Abuja, as Nigeria is uncertain about products imported from Benin, whereas, on the contrary, Nigerian products enter Benin more easily. Groundnuts produced in Senegal are not accepted in Guinea and banana from Guinea does not officially enter Senegal. The same difficulties are observed in relations between Ghana and Nigeria, and almost everywhere in the region, especially when the two trading countries belong to different zones (UEMOA and WAMZ).

Language issues (when documents are not translated) and the absence of community standards, coupled with the eagerness to protect their producers shown by certain States, operate to hamper intra-regional trade.

The absence of an appropriate court of law complicates dispute resolution. The Court of Justice is empowered to handle matters concerning blocked products, but unlike in the UEMOA zone, ECOWAS is yet to set up a court of arbitration (although Article 16 of the 1993 revised treaty provides for it).

The lack of quality transport infrastructure and of industrial companies, as well as of information on business opportunities in the region, helps keep intra-Community trade low. Trade among the UEMOA countries could be tripled if the entire national road infrastructure linking these countries were in good condition. The UNCTAD report (2013) cites a 2005 study to this effect by Coulibaly and Fontagné.

For W.K. Olayiwola (2012), other major barriers such as ***tariff and non-tariff barriers***, uncompetitive products, high transaction costs and deficient communication networks also constitute obstacles not only to intra-ECOWAS trade but also to trade between the countries of the sub-region and the rest of the world.

S.K.B. Asante (2003) points to ***the unwise choice of ECOWAS to establish market integration primarily on trade liberalization, while making little effort to promote the development of diversified production.***

Yet most West African countries have little else to trade in other than commodities that they sell on the world market.

However, the development of a regional industrial base and the removal of tariff and non-tariff barriers would have enabled West Africa to trade internally in several products that it imports today: hides and skins; coffee; inorganic products; fish; tobacco; cocoa and metals.

Table 13: Evolution of intra-Community trade between 2001 and 2012

PAYS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Exports to ECOWAS (as % total value of country's exports)												
Benin	13.7	20.7	19.9	24.2	26.7	30.0	24.9	39.4	49.3	55.6	55.6	55.6
Burkina Faso	22.0	23.0	87.8	78.3	23.8	26.3	32.2	25.6	7.5	9.6	9.6	9.6
Cabo Verde	3.0	5.1	0.5	0.4	0.4	5.8	14.9	2.5	1.7	0.6	1.1	0.8
Cote d'Ivoire	24.6	24.6	17.5	22.2	24.8	23.4	25.4	26	24.5	24.9	21.1	22.9
Gambia, The	8.0	18.6	11.1	2.6	55.1	36.0	26.5	19.8	14.7	36.1	36.1	36.1
Ghana	7.6	9.9	11.6	7.3	9.7	52.8	32.1	7.6	11.2	10.3	30.6	23.7
Guinea	1.6	2.4	9.8	6.8	27.4	10.1	10.1	6.1	3.0	9.3	9.3	9.3
Guinea Bissau	0.1	0.8	0.1	0.3	0.5	0.4	0.1	1.0	4.2	0.7	2.6	2.6
Liberia	0.5	0.2	0.8	0.5	0.8	0.9	1.0	3.0	2.3	1.5	1.9	1.7
Mali	13.0	8.6	9.1	14.0	10.4	5.7	9.0	13.2	10.5	11.9	11.2	11.6
Niger	45.1	43.6	40.8	23.2	30.3	28.2	31.3	45.8	53.1	48.8	50.7	49.7
Nigeria	4.5	6.7	4.6	3.7	4.0	6.3	4.2	7.2	4.3	2.4	3.4	3.0
Senegal	17.1	21.3	26.5	30.3	30.0	32.4	37.4	31.9	31.0	34.7	32.1	33.2
Sierra Leone	65.3	93.8	28.2	0.5	11.6	5.9	47.4	91.9	53.4	6.8	2.1	3.2
Togo	46.2	46.4	46.7	53.8	53.5	57.0	60.0	68.7	51.0	58.2	58.2	58.2
ECOWAS	9.6	12.8	12.2	8.9	8.4	14.1	9.1	11.4	10.4	6.8	8.2	7.8
Imports from ECOWAS (as % total value of country's imports)												
Benin	24.0	22.5	21.9	23.0	22.0	31.7	21.3	18.3	18.0	17.9	17.9	17.9
Burkina Faso	27.2	26.5	44.6	43.7	27.6	29.1	25.9	25.5	23.9	26.2	26.2	26.2
Cabo Verde	2.1	3.3	8.1	6.6	7.2	9.7	4.1	1.5	2.0	1.4	1.7	1.5
Cote d'Ivoire	20.7	16.1	16.2	21.6	25.7	22.7	26.1	31.7	23.0	28.0	25.9	27.0
Gambia, The	10.7	8.7	8.6	16.3	15.7	13.4	10.0	13.4	17.6	23.4	23.4	23.4
Ghana	15.3	18.4	18.6	14.5	17.5	4.6	10.4	13.7	6.7	9.3	4.9	6.8
Guinea	18.5	14.8	8.8	21.4	25.4	19.9	3.3	3.5	3.9	4.0	4.0	4.0
Guinea Bissau	22.9	24.8	18.8	38.4	53.9	44.2	39.2	26.8	18.8	16.3	17.6	17.6
Liberia	0.9	0.1	0.7	1.1	1.8	1.5	0.9	10.7	0.7	0.5	0.6	0.6
Mali	33.7	36.9	36.4	47.4	35.5	39.6	46.6	40.4	39.0	29.9	34.5	32.2
Niger	34.1	30.8	31.5	31.0	29.2	23.6	23.5	18.7	14.9	11.4	12.8	12.1
Nigeria	4.3	1.0	2.4	2.9	6.1	1.0	2.3	3.3	0.2	0.4	1.4	0.9
Senegal	19.9	18.7	22.8	22.5	21.9	11.3	17.3	25.6	15.1	13.9	14.5	14.2
Sierra Leone	34.4	26.8	28.5	33.7	33.6	76.4	66.8	44.3	55.6	49.9	52.7	51.3
Togo	14.2	12.9	14.1	16.9	13.3	12.8	12.2	14.2	13.1	12.5	12.5	12.5
ECOWAS	16.2	13.5	13.6	18.8	19.8	12.9	12.5	16.8	8.8	8.5	7.4	8.1

Source: UN Comtrade (2014), WDI (2014).

5. MULTILATERAL SURVEILLANCE

According to WAMA (2014), no member country complied with all ECOWAS primary criteria in 2012 or 2013.

In addition, the behaviour of States does not follow a smooth curve, with poor performances following on good performances.

Nevertheless, the overall trend is slightly positive, as shown in Table 14 below. In fact, in comparing the situation in 2009 with that in 2013, one observes that, by convergence criterion, the number of countries meeting the standards has increased during the period for six of the eleven criteria, with a continuously positive development for the criterion on investments financed by internal resources.

Table 14: Trend in the number of countries complying with the convergence criteria

	2008	2009	2010	2011	2012	2013*
Primary criteria						
Budget deficit (of which)	10	6	7	8	6	8
Inflation (annual average)	1	11	10	9	8	9
Foreign exchange reserves	1	9	10	10	1	1
Central Bank financing	13	12	12	13	14	15
Secondary criteria						
Domestic arrears	7	9	9	9	10	11
Fiscal revenues	1	2	2	3	2	1
Wage bill	7	6	4	3	2	3
Investments on internal resources	8	7	7	7	9	10
Real interest rate	4	13	12	11	12	13
Nominal exchange rate	12	12	14	14	14	14
Public debt	14	11	13	12	13	13

* Estimates

Source: WAMA (2014)

6. ECONOMIC GROWTH AND STRUCTURAL TRANSFORMATION

One of the highest growth rates in the world in recent times

The West African region has experienced positive economic growth in recent years. GDP increased by 6.3 percent on average between 2007 and 2012. Even at the height of the energy, financial and economic crisis, the growth rate of the regional GDP was, on average, 6.0 percent, 5.7 percent and 5.4 percent in 2007, 2008 and 2009¹², respectively (see Table 15). According to International Monetary Fund estimates in October 2013, while global GDP growth rate was 2.87 percent in 2013, that of sub-Saharan Africa increased by 4.9 percent while that of ECOWAS grew by 6.3 percent.

Economic activity in the Community takes place in a context of lower inflation, particularly due to the easing of tensions on world commodity markets in 2012 and improved climatic conditions in the Sahel. The annual average inflation rate in the Community thus stood at 9.1 percent in 2012 against 10.1 percent in 2011. Inflation is better controlled in the UEMOA zone, with a rate of 2.3 percent in 2012 against 3.9 percent in 2011. In all ECOWAS countries, budget balances, including grants, were negative in 2012, reflecting the impact of the global crisis on the economies of West Africa. Moreover, the pattern of trade has changed little between 2011 and 2012. The balance of the current account was estimated at 0.8 percent in 2012, due to economic recovery in Côte d'Ivoire, the decline in Nigeria's surplus and rising food needs. All other countries recorded a negative external balance except Nigeria, with a positive balance of 3.5 percent.

Overall, the economic situation within ECOWAS has entered into a dynamic of growth since 2005, with an average economic growth of over 5 percent per year. This strong performance makes the sub-region one of the fastest growing areas in the world. However, it hides many structural weaknesses, notably an excessive dependence on raw materials for export and (unfavourable) climatic conditions. In addition, the security threat, resulting from serious governance failings, is now a major challenge for the sub-region, severely impacting its economic and social prospects.

Differences in economic performance among member countries can partly be explained by changes in the terms of trade,¹³ and especially by the diversity of exchange rate policies in ECOWAS. Some authors, studying the impact of changes in nominal exchange rates on the competitiveness of UEMOA countries through the real effective exchange rate (REER), highlight the behaviour of the euro against the US dollar. Thus, an appreciation or depreciation of the euro against the dollar causes an appreciation or depreciation of the REERs. Studies show on average a much stronger appreciation of REERs before the 1994 devaluation than after (WAMA, 2009). This appreciation of REERs, by increasing the price of products, negatively affected the economic performance of UEMOA countries. Thus, changes in the REERs were generally more favourable for WAMZ than for UEMOA.

However, a favourable REER trend – therefore better competitiveness for products of the area – does not necessarily generate a foreign trade surplus.

12 Source: WEI, 2012

13 Structural weaknesses in the export sectors of ECOWAS countries entail increase in magnitude of terms-of-trade shocks and their asymmetrical character (J. Lama, 2011).

Table 15: Growth rate trends in West Africa

Country	2007	2008	2009	2010	2011	2012	2013 (Est)
Benin	4.6%	5.0%	2.7%	2.6%	3.5%	5.4%	5.0%
Burkina Faso	4.1%	5.8%	3.0%	8.4%	5.0%	9.0%	6.5%
Côte d'Ivoire	1.6%	2.3%	3.8%	2.4%	-4.7%	9.8%	8.0%
Guinea Bissau	3.2%	3.2%	3.0%	3.5%	5.3%	-1.5%	3.5%
Mali	4.3%	5.0%	4.5%	5.8%	2.7%	-1.2%	4.8%
Niger	0.6%	9.6%	-1.0%	10.7%	2.2%	11.2%	6.2%
Senegal	5.0%	3.7%	2.2%	4.3%	2.6%	3.5%	4.0%
Togo	2.3%	2.4%	3.5%	4.0%	4.8%	5.6%	5.5%
UEMOA	3.1%	4.2%	3.0%	4.8%	0.9%	6.5%	6.1%
Cabo Verde	9.2%	6.7%	-1.3%	1.5%	4.0%	2.5%	1.5%
Gambia, The	3.6%	5.7%	6.5%	6.5%	-4.3%	5.3%	6.4%
Ghana	6.5%	8.4%	4.0%	8.0%	15.0%	7.9%	7.9%
Guinea	1.8%	4.9%	-0.3%	1.9%	3.9%	3.9%	2.9%
Liberia	13.2%	6.2%	5.3%	6.1%	7.9%	8.3%	8.1%
Nigeria	7.0%	6.0%	7.0%	8.0%	7.4%	6.6%	6.2%
Sierra Leone	8.0%	5.2%	3.2%	5.3%	6.0%	15.2%	13.3%
ECOWAS	6.0%	5.8%	5.5%	7.2%	6.7%	6.7%	6.4%

Estimates for 2013.

Source: *World Development Indicators (2014)*

Two main reasons explain this case. First, the trade performances of ECOWAS (UEMOA+WAMZ) depend heavily on the economic situations in the partner countries, both advanced and emerging. Second, the export products – raw materials which are not (or only slightly) processed – are marked by a relatively rigid supply (mining, oil) or by dependence on climatic conditions (cereals).

Indeed, a sluggish global demand and/or poor weather conditions causing a decline in the volume and quality of supply will lead to a decline in export earnings. The review of statistical data for the period 1986-2008 shows that generally, ECOWAS countries often recorded current account deficits (S.A. Dieng, 2012a). On the whole, Nigeria, The Gambia and Côte d'Ivoire are the best performing countries, although they at times experience current account deficits.

The appreciation of the euro is not all adverse. It allows UEMOA countries to stabilize inflation by

reducing the price of imported goods or cushioning their increase. For example, the oil bill, expressed in US dollars, is reduced as the euro appreciates against the US dollar. In addition, inflation is better controlled in the UEMOA (about 3 percent) than in the WAMZ, where it often is in the double digits.

Statistics on the real interest rate over the 1980-2008 period showed marked differences among countries (S.A. Dieng, 2012b). In general, the evolution of real interest rates is more unfavourable for the economic activity of UEMOA countries than for the WAMZ countries. Monetary and financial conditions seem much stricter and more binding in the UEMOA countries, hence their low level of inflation. This fact is mainly due to the strict convergence criteria observed by these countries to ensure the credibility of their common currency. The WAMZ countries also observe convergence criteria in preparation for the future single currency of ECOWAS, scheduled for 2020.

Table 16: Score and rank in the Doing Business report for ECOWAS countries

COUNTRY	Score in 2010	Score in 2015	Rank in 2015 (out of 189 countries)
Benin	38.67	51.10	151
Burkina Faso	41.01	48.36	167
Cabo Verde	53.32	57.94	122
Côte d'Ivoire	41.36	52.26	147
Gambia, The	54.81	48.47	138
Ghana	61.47	65.24	70
Guinea	37.23	47.42	169
Guinea Bissau	33.46	43.21	179
Liberia	42.20	46.61	174
Mali	44.30	52.59	146
Niger	38.89	47.63	168
Nigeria	42.83	47.33	170
Senegal	41.89	49.37	161
Sierra Leone	39.87	54.58	140
Togo	38.58	51.29	149
ECOWAS Average	43.33	50.89	
Africa	44.53	51.73	

Source: World Bank, *Doing Business* (2015)

Low competitiveness among member countries

The business environment in ECOWAS member countries continues to be perceived as uncompetitive by the business community, although it tends to improve from year to year. According to the World Bank's *Doing Business* report for 2015, all ECOWAS countries, with the exceptions of Ghana (ranked 70th out of 189) and Cabo Verde ranked 122nd), are in the bottom third of the ranking of least competitive countries worldwide.

Agricultural development yet to gain speed

The various agricultural programmes implemented have not yet achieved their objectives in terms of food security and food sovereignty. Stakeholders in agriculture should therefore be more involved in the design, development and implementation of programmes to support agriculture in the sub-region.

According to the CDP, despite a relatively large contribution to the regional GDP, with an average level of 35 percent as against 15.8 percent for sub-Saharan Africa and 19 percent for South-East Asia, ECOWAS records the lowest levels of fertilizer use (7.8 kg per hectare against 11.4 kg and 133.3 kg, respectively, for sub-Saharan Africa and South-East Asia) and a relatively high food dependence (17.7 percent against 11.7 percent and 7.3 percent, respectively, for sub-Saharan Africa and South-East Asia).

Slow industrial development

The manufacturing industry in West Africa, dominated by agribusiness, accounts for only about 8 percent of regional GDP. Most of the global manufacturing value added comes from four countries, namely Nigeria, Côte d'Ivoire, Ghana and Senegal.

Table 17: Main comparative indicators of the agricultural sector for ECOWAS

Country	Value added agriculture (%)	Cereal yield (kg per hectare)	Kg of fertilizer /ha	Share of foodstuff in total imports	Agricultural production/head Kg	% Rural population
Benin	33.7	1,157	4.3	25.1	148	59.9
Burkina Faso	33.8	1,006	9.9	17.4	241	81.6
Cabo Verde	9.6	329		29.6	21	42.7
Côte d'Ivoire	24.1	1,757	23.6	19.3	76	53.2
Gambia, The	25.7	1,084	7.8	35.7	145	46.3
Ghana	35.0	1,434	9.8	15.5	95	52.2
Guinea	21.8	1,489	1.0	20.2	254	66.9
Guinea Bissau	55.0	1,342		50.8	139	70.3
Liberia		1,180			56	42.0
Mali	37.4	1,140	12.9	15.1	283	69.4
Niger	39.3	415	0.4	29.8	275	83.6
Nigeria	37.2	1,383	6.0	16.3	171	53.8
Senegal	16.6	981	7.0	25.7	115	58.3
Sierra Leone	49.4	1,193		27.6	129	63.1
Togo	38.6	1,141	5.6	18.0	161	60.1
ECOWAS	35.3	1,247	7.8	17.7	169	58.4
Sub-Saharan Africa	15.8	1,203	11.4	11.7	138	65.0
South Asia	19.9	2,548	133.3	7.3	218	71.3
World	3.1	3,307	117.0	7.1	347	51.4

Source: World Development Indicators (WDI), 2011.

For purposes of comparison, the CDP states that the contribution of the secondary sector to the GDP in South Africa, Malaysia, Mauritius and Tunisia varies between 34 percent and 47 percent of GDP of these countries. There is also a great contribution of the manufacturing sector to GDP, ranging from about 20 percent to 33 percent. These countries record a high level of industrial processing for primary products, mainly agricultural products, and the development of high technology sub-sectors (biotechnology, ICT, etc).

A major part of the economy is tied to mining and agricultural resources, subject to the volatility of world markets. In the eight UEMOA countries, food processing and textiles account for two-thirds of manufacturing value added. The overall situation

of ECOWAS countries shows that important components of manufacturing activities are seriously affected by import competition. In many countries, weak infrastructure, particularly in the area of electricity supply, high interest rates for bank loans, and deteriorating business environment have compounded difficulties and restricted the performance of the industrial sector.

The ECOWAS Common Industrial Policy, having been poorly implemented as a result of a lack of funding, has had little impact on the ability of member countries to address the challenges thus posed.

An underdeveloped financial sector

The financial sector in the ECOWAS zone is still relatively underdeveloped despite the efforts of Member States in recent years to streamline and further deepen it. This weakness is evidenced by the significant challenge in financing development and household needs, leading to a reliance on external funding partners, waiving or deferring investment projects and programmes, and difficulties financing consumption needs.

In terms of financial depth, ECOWAS still lags behind international standards and even those of Africa¹⁴ as a whole, with a ratio of broad money to GDP of around 30 percent in 2011, although progress was recorded by Cabo Verde (70 percent), Togo (50.7 percent) and Senegal (48.3 percent). Nigeria, which accounts for more than 60 percent of the zone's production, only reached 35.4 percent.

14 Morocco and Mauritius recorded 110.6% and 107%, respectively, in 2001

7. TRANSPORT, ENERGY AND TELECOMMUNICATIONS INFRASTRUCTURES

A poorly competitive transport network

According to the ECOWAS CDP document, the region is heavily dependent on **road transport**. Over 90 percent of freight and passenger movements are still carried out by road. Despite the almost exclusive dominance of this transport mode, ECOWAS countries are still under-equipped in terms of road infrastructure. In fact, this region has only about 4.7 km of roads per 100 km², well below the average 6.8 km for the entire African continent. In addition, existing roads along the corridors are in a poor state (see Table 18). This situation generates relatively high production costs for the region and negatively affects international and intra-regional trade.

The CDP document also states that the Community has a **railway network** with a total length of 10,188 km. This network includes 12 national networks, of which six could become sub-regional networks. As in road transport, railway infrastructure is, in general, dilapidated and unsuitable for modern rail transport needs. Rail gauges differ from one country to another; the network is divided into three different gauge types – 1,435 mm (about 1,179 km), 1,067 mm (about 4,536 km), and 1,000 mm (about 4,473 km) – making interconnections difficult and expensive.

The CDP states that the Community lacks the capacity to meet an increasingly growing domestic demand for **air transport**. Although each country in the ECOWAS region has at least one international airport, disparities persist among certain technical characteristics of the facilities, runways and other equipment. Airport runways vary in length from 1,200 m to 3,900 m, and air navigation equipment still requires a lot of modernization to permit adequate development in the ECOWAS region.

Concerning **maritime transport**, the region has, according to the CDP, some 20 seaports and a river system consisting of three main rivers: the Gambia River, the Niger River and the Senegal River. Yet the ports are among the worst-performing in the world, with rates below the world average. Most do not meet international standards. The river system experiences variations in water levels and the presence of sandy and rocky thresholds, which makes for seasonal-dependent and localised navigation.

Inadequate electric power supply

According to the CDP, energy potential in the ECOWAS region is among the highest in Africa, with 30 percent of proven reserves of crude oil (3.017 million tonnes) and 3.581 million m³ of natural gas, or 31 percent of proven reserves of the continent, in addition to a hydroelectric potential estimated at 23,900 MW and opportunities for development of solar energy and wind energy.

However, despite the significant proven resources and their potential, the regional energy sector faces considerable challenges related to both low production capacity and decrepit distribution infrastructure. Less than 30 percent of the West African population has direct access to electricity; in rural areas, the figure plummets to 6 percent. Energy consumption in ECOWAS countries is one of the lowest in the world, with 88 KWh of electricity per capita/year against 350 KWh for East Asia (see Table 20).

Based on 2003 electricity demand level (about 6500MW), demand is expected to increase at a rate of about 7.6 percent up to 2020; with peak demand exceeding 22,000 MW, for a population 380 million. Without effective intervention, the energy problem stands only to grow more acute.

Table 18: Road conditions along corridors in West Africa

Road/Percentage in terms of condition	Percentage in condition			Percentage paved	Percentage in traffic band		
	Good	Fair	Poor		<300	300-1000	>1000
GATEWAYS TO THE SEA							
Tema-Ouagadougou-Bamako	67.1	30.7	2.2	100.0	3.8	25.7	25.4
Burkina Faso	52.4	47.6	0.0	100.0	8.3	31.0	60.7
Ghana	62.8	32.5	4.8	100.0	0.0	0.0	0.0
Mali	100.0	0.0	0.0	100.0	4.7	72.0	23.2
Dakar-Bamako	48.0	19.8	32.1	100.0	24.9	55.6	19.5
Mali	75.6	24.4	0.0	100.0	46.7	47.2	6.1
Senegal	16.6	14.6	68.8	100.0	0.0	65.2	34.8
Abidjan-Ouagadougou	33.1	23.0	43.9	100.0	3.5	23.3	73.1
Burkina Faso	68.6	27.3	4.1	100.0	4.1	27.6	68.3
Côte d'Ivoire	3.1	19.5	77.5	100.0	3.1	19.7	77.2
Lomé-Niamey	50.2	30.1	19.8	100.0	0.0	82.6	17.4
Burkina Faso	35.4	38.9	25.8	100.0	0.0	77.3	22.7
Niger	99.0	1.0	0.0	100.0	0.0	100.0	0.0
Togo	51.7	0.0	48.3	100.0	0.0	37.2	62.8
Cotonou-Niamey	49.5	7.9	42.6	98.5	1.5	26.4	70.0
Benin	38.1	2.2	59.7	97.8	2.2	15.8	81.5
Niger	77.7	22.3	0.0	100.0	0.0	52.8	41.4
INTRA-REGIONAL CORRIDORS							
Abidjan-Lagos	50.7	28.0	20.6	98.8	0.0	0.4	43.6
Benin	26.9	0.0	68.0	92.4	0.0	2.5	90.3
Côte d'Ivoire	0.0	100.0	0.0	100.0	0.0	0.0	100.0
Ghana	75.0	14.5	10.5	100.0	-	-	-
Nigeria	50.0	50.0	0.0	100.0	0.0	0.0	100.0
Togo	0.0	0.0	100.0	100.0	0.0	0.0	100.0
Burkina Faso	70.7	29.3	0.0	100.0	6.2	37.6	56.3
Mali	62.9	31.3	0.0	94.2	5.8	75.8	16.4
Niger	66.4	4.4	29.1	99.1	3.8	46.8	48.5
Nigeria	-	-	-	100.0	0.0	0.0	100.0
Senegal	10.9	26.5	62.6	28.6	0.0	100.0	0.0

Source: Rupa Ranganathan and Vivien Foster (2011)

Development of mobile telephony is outpacing that of the Internet

Between 2006 and 2012, mobile phone access rose sharply in all ECOWAS countries (see Table 21),

reaching 100 percent in Ghana, 98.7 percent in Mali and 91.2 percent in Côte d'Ivoire, thanks to decreases in subscription and communication costs. However, access remains low in Niger (31.4 percent), Guinea (48.9 percent) and Togo (about 50 percent). Indeed,

Table 19: Comparison of the efficiency of ports in Africa

Indicator	East Africa	Southern Africa	West Africa	Rest of the world
Performance				
Container dwell time (days)	5–28	4–8	11–30	<7
Truck processing time (hours)	4–24	2–12	6–24	1
Crane productivity (containers per hour)	8–20	8–22	7–20	20–30
Crane productivity (tonnes per hour)	8–25	10–25	7–15	>30
Charges				
Container handling (up to port exit point), US\$ per TEU	135–275	110–243	100–320	80–150
General cargo handling (on dock per metric tonne) US\$ per tonne	6–15	11–15	8–15	7–9

Source: Ranganathan and Vivien Foster (2011)

Table 20: ECOWAS electricity consumption and energy intensity (2009)

Country	Population (Year 2009)	Electricity consumption (MWh) 2009	Electricity per capita (kWh)	Total primary energy supply (TPES, ktoe)	GDP in 2009 (million USD)	Energy intensity (TPES/GDP)
Benin	8 520 876	800 605	94	3 470	6 585	0.53
Burkina Faso	15 224 780	699 789	46	3 260	8 348	0.39
Cabo Verde	506 000	294 934	583	121	1 600	0.08
Côte d'Ivoire	21 080 000	3 672 819	174	9 978	23 041	0.43
Gambia, The	1 766 100	204 600	116	506	983	0.51
Ghana	23 840 000	6 060 000	254	9 240	25 978	0.36
Guinea	10 498 597	855 600	81	4 275	4 164	1.03
Guinea Bissau	1 449 000	65 100	45	219	834	0.26
Liberia	4 128 600	311 600	75	227	879	0.26
Mali	14 528 662	979 767	67	3 500	8 964	0.39
Niger	14 693 112	580 977	40	4 000	5 254	0.76
Nigeria	154 880 872	18 140 000	117	108 250	168 567	0.64
Senegal	12 767 600	2 328 372	182	2 940	12 769	0.23
Sierra Leone	5 997 500	53 940	9	317	1 856	0.17
Togo	6 191 000	671 900	109	2 630	3 156	0.83
ECOWAS	296 072 699	35 720 003	121	152 933	272 978	0.56

Source: ECREEE, ECOWAS Energy Efficiency Policy, 2012.

Table 21: Mobile phone subscription (per 100 persons) in ECOWAS

COUNTRY	2006	2012
Benin	12.5	83.6
Burkina Faso	7.35	60.60
Cabo Verde	22.59	86.0
Cote d'Ivoire	23.01	91.2
Gambia, The	27.28	85.2
Ghana	23.72	100.99
Guinea	NA	48.76
Guinea Bissau	10.83	63.06
Liberia	8.27	56.79
Mali	12.27	98.37
Niger	3.53	31.44
Nigeria	22.55	66.79
Senegal	25.75	83.56
Sierra Leone	NA	NA
Togo	12.45	49.86

Source: World Bank, WDI (2014). NA: Not available.

the structure of the telecommunications market (in particular, the identity of these operators and their pricing strategy) seems to play a role in the mobile phone accessibility.

Internet use was less dynamic (as shown in Table 22 below), with only four countries in the

Table 22: Internet users (per 100 persons) in ECOWAS

COUNTRY	2006	2012
Benin	1.53	4.5
Burkina Faso	0.63	3.72
Cabo Verde	6.80	34.7
Cote d'Ivoire	1.52	2.37
Gambia, The	5.23	12.44
Ghana	2.72	12.3
Guinea	0.63	1.49
Guinea Bissau	2.05	2.89
Liberia	NA	3.79
Mali	0.72	2.16
Niger	0.29	1.40
Nigeria	5.54	32.8
Senegal	5.61	19.20
Sierra Leone	NA	NA
Togo	2	4

Source: World Bank, WDI (2014)

area registering a number of users per hundred inhabitants over 10 percent in 2012. These are Cabo Verde (34.7 percent), Nigeria (32.8 percent), Senegal (19.2 percent) and Ghana (12.3 percent).

8. HUMAN CAPITAL

According to the CDP, significant efforts have been made to improve school enrolment rates in West Africa. Gross enrolment generally increased in the region, with an average leap of 39 percentage points between 1990 and 2010.

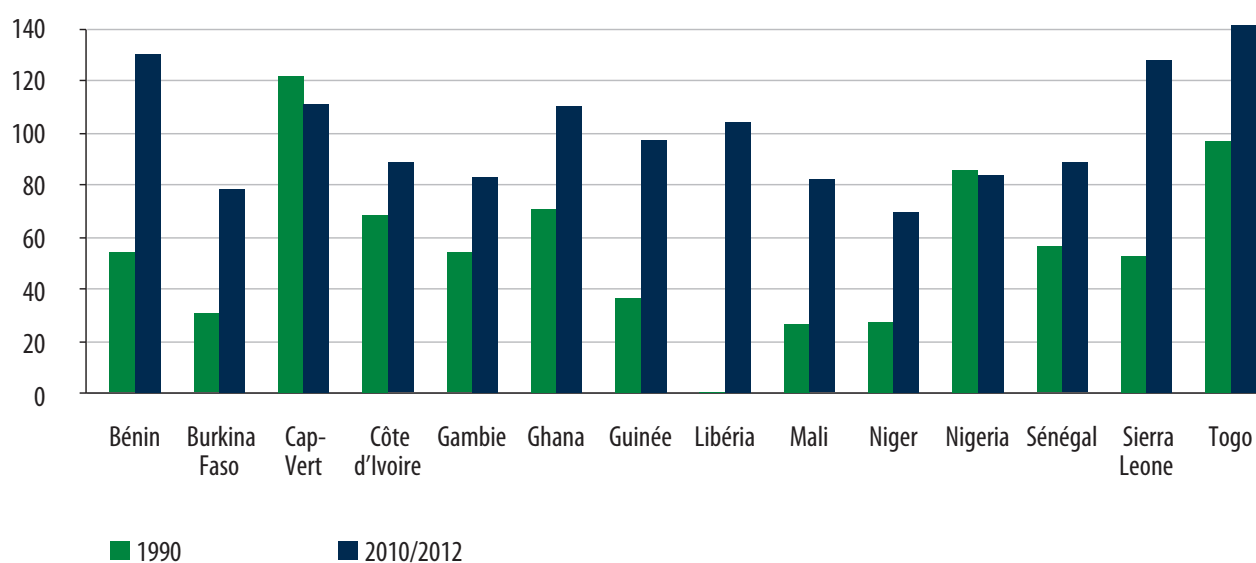
However, the Global Monitoring Report – Education for All (EFA) stated that in West Africa, the following countries had not reached 80 percent enrolment for 2009: Benin, Burkina Faso, The Gambia, Ghana, Guinea, Mali, Niger, Nigeria and Senegal. In the sub-region, only 77 percent of children of primary school age were actually enrolled in 2010. The primary school completion rate, a measure of the quality of the education system, hovers below 60 percent.

The CDP also states that technical education and vocational training are real challenges for the ECOWAS region. The rapid population growth

composed mainly of youth, coupled with early school-leaving and the lack of vocational training are among the major factors that perpetuate unemployment and job insecurity among young people in West Africa¹⁵. This subsector, despite its recognized importance in supporting employment policies and ensuring a match between training and actual needs of enterprises, is not yet receiving the necessary attention in the region. Enrolment in higher education represents only about 5 percent of the students from high school. In countries such as The Gambia, Ghana, Guinea and Senegal, these numbers hardly reach 5 percent, while the African continental average is 14 percent.

15 ECA, SRO-WA, 2012

Chart 7: Gross school enrolment ratios, 1990 and 2010/2012



Source: ECA-SRO/WA, 2013

9. SOCIAL DEVELOPMENT

All ECOWAS countries except Cabo Verde, are in the group of countries ranked with low human development. This situation stems from the low income of most of the countries, with a life expectancy at birth below 65 years, and the low level of schooling.

However, some countries have made significant progress in the areas of health, with a decrease in mortality for children under 5 years. Similarly, HIV/AIDS control efforts are yielding good results as shown by a decline in new HIV infection cases, and new momentum in administering required medicines.

For its part, ECOWAS could contribute particularly to the effective management of epidemics in the sub-region by establishing a mechanism for monitoring, prevention and appropriate action (see the section on conclusions and recommendations). In doing

so, the region could claim to be doing well in the management of health, a regional public good that transcends borders.

Regarding gender issues, the elimination of gender disparities in primary, secondary and higher education is progressing. Guinea and Benin have almost achieved parity in primary education, while Togo and Senegal are progressing satisfactorily, followed by Burkina Faso and Mali. For secondary and higher education, the situation remains worrying, with none of the 15 countries having reached the goal by 2015.

In relation to achieving the MDGs, the West African sub-region recorded mixed results with the slow progression of social development indicators, while economic growth was rapid. Achieving the goal of reducing extreme poverty remains elusive for many countries.

SECTION V.

DISCUSSION OF VARIOUS
STAGES OF THE SUB-REGIONAL
INTEGRATION PROCESS AND
THEIR CONTRIBUTION TO
CONTINENTAL INTEGRATION

1. DESCRIPTION OF THE CONTINENTAL INTEGRATION SCHEME

1.1. Stages of African integration

According to the Abuja Treaty, the Regional Economic Communities (RECs) are defined as pillars of the African Union.

The Abuja Treaty (signed in 1991) stipulated that the African Economic Community would be set up through a gradual process based on the strengthening, the gradual harmonisation and integration of the RECs over a period of 34 years subdivided into six stages from 1994 (date of entry into force of the Treaty) to 2028. These are:

- Strengthening of existing RECs (five years);
- Stabilization of tariff barriers and other barriers to regional trade, strengthening of regional integration and infrastructure, coordination and harmonisation of activities among the RECs (eight years);
- Establishment of a free trade area and a customs union at the level of RECs (10 years);
- Coordination and harmonisation of tariff and non-tariff systems between the RECs (two years);
- Establishment of an African Common Market through the adoption of common policies (four years);
- Integration of all sectors, setting up of an African Central Bank, a single African currency, a Pan-African Economic and Monetary Union and the first Pan-African Parliament (five years).

1.2. Executing a Minimum Integration Programme to Speed up Implementation of Abuja Treaty Objectives

The Minimum Integration Programme (MIP) is a convergence mechanism for RECs, which, referring

in particular to the gains made in some RECs, aims to accelerate regional and continental integration in priority areas as provided under Article 6 of the Abuja Treaty.

Each REC will continue to implement its own community programme, according to the ***African integration through variable geometry*** approach. However, it will strive, concomitantly, to achieve at least the sectoral measures contained in the MIP, during the period prescribed.

Each REC will continue to implement its own community programme, according to the ***African integration through variable geometry*** approach. However, it will strive, concomitantly, to achieve at least the sectoral measures contained in the MIP, during the period jointly agreed upon.

For the first two phases (2009-2012 and 2013-2016) of the MIP, 21 objectives were defined for these priority sectors:

- Progressive elimination of tariff barriers (TB) in all the RECs;
- Elimination of non-tariff barriers (NTBs) in the RECs;
- Simplification and harmonisation of rules of origin;
- Signing of partnership agreements between RECs;
- Facilitation of customs procedures and creation of customs union in each REC with a Common External Tariff;
- Total free movement of persons in the regions and partial free movement between the regions;
- Free movement of goods in the regions;
- Progressive free movement of services and capital in the regions;

- Conflict prevention and resolution and post-conflict development in Africa;
- Infrastructural development in Africa;
- Speed up implementation of CAADP (Comprehensive Africa Agricultural Development Programme);
- Industrial sector development in Africa;
- Establishing a regional and continental framework to attract investors;
- Development of educational system in Africa;
- Promotion of the use of Science and Technology to eradicate poverty in Africa;
- Guaranteeing Africans access to primary health care;
- Promoting women's participation in economic development;
- Organisation of democratic elections and political power succession;
- Improvement of governance in the RECs;
- Devising tools for harmonisation of statistics in Africa; and
- Enhancing the capacities of RECs, AUCs and Member States.

The MIP implementation plan for RECs allows approaches that differ from one community to another. RECs that have already achieved the goals set for the period of the MIP stage should strive to achieve more ambitious goals, while sharing their experience with other RECs. An action plan was thus prepared for each REC, based on its specific situation.

2. ECOWAS PROGRESS IN IMPLEMENTING CONTINENTAL INTEGRATION

2.1. Aligning ECOWAS with the Continental Strategy

In its revised treaty of 1993 (Article 54), ECOWAS set out to achieve the status of an **Economic Union** within a maximum period of 15 years from the start of the trade liberalization scheme in January 1990, that is to say, by 2005, some 12 years ahead of the 2017 target date set by the Abuja Treaty.

In Article 55 of the revised treaty, ECOWAS went further by aspiring to establish an **Economic and Monetary Union** in 2010, five years after the establishment of the Customs Union (actually an Economic Union), and 18 years ahead of the establishment of the African currency, through:

- the adoption of a common policy in all fields of socioeconomic activity, particularly agriculture, industry, transport, communications, energy and scientific research;
- the total elimination of all obstacles to the free movement of people, goods capital and services and the right of entry, residence and establishment; and
- the harmonisation of monetary, financial and fiscal policies, the setting up of a single regional Central Bank and the creation of a single West African currency.

Indeed, the policies of ECOWAS have inspired many programmes of the African Union.

2.2. Overall Performance of ECOWAS in Implementing the Continental and Regional Integration Scheme

With regard to **trade liberalization**, ECOWAS witnessed a 10-year delay at the regional level in achieving its planned Customs Union. The Regional Community thus fulfills the continental objectives of setting up a Customs Union in the RECs by 2017 at the latest.

The same 10-year delay has plagued the ECOWAS plan to achieve an **Economic and Monetary Union**, endowed with a single currency and a single Central Bank. The target date of 2010 has thus been pushed to 2020, but remains a dubious goal.

ECOWAS is well ahead of other regions in instituting the **free movement of persons** and the system works relatively well, despite some implementation difficulties.

Regarding **sectoral policies**, ECOWAS has established Community policies in all sectors mentioned in the revised treaty of 1993. However, their real impact on the field is still mixed.

Table 23 below shows the current status of ECOWAS with respect to the objectives set out in the Minimum Integration Programme of the African Union, in comparison with other RECs. Generally speaking, the SADC and ECOWAS appear to be the two most advanced RECs in the integration process.

Table 23: Summary of implementation status of ECOWAS sectoral policies by objectives of the African Union Minimum Integration Programme and in comparison with other RECs

MIP PRIORITY SECTORS	MIP OBJECTIVES	ECOWAS	SADC	EAC	COMESA	UMA	CEEAC
TRADE	Objective 1: Progressive elimination of tariff barriers in all the RECs	**	***	***	**		*
	Objective 2: Elimination of non-tariff barriers in the RECs	**	***	*	**	***	
	Objective 3: Simplification and harmonisation of rules of origin	**	***	**	**		
	Objective 4: Signing of partnership agreements between RECs	*	***	***	***		*
	Objective 5: Facilitation of customs procedures and creation of customs union in each REC with a Common External Tariff (CET)	**	**	**	*		*
FREE MOVEMENT	Objective 6: Total free movement of persons in the regions and partial free movement between the regions	***	*	**	**		**
	Objective 7: Free movement of goods in the regions	**	**	**	**		
	Objective 8: Progressive free movement of services and capital in the regions	*			*		
PEACE AND SECURITY	Objective 9: Conflict prevention and resolution and post-conflict development	***	**		*		**
INFRASTRUCTURE AND ENERGY	Objective 10: Infrastructural development in Africa	**	**	**	*	*	**
AGRICULTURE	Objective 11: Acceleration of CAADP implementation	**	***	**	*		*
INDUSTRY	Objective 12: Industrial sector development in Africa	**	**	**	*		*
INVESTMENT	Objective 13: Establishing a regional and continental framework to attract investors	**	**	**	*		*
SCIENCE AND TECHNOLOGY	Objective 14: Development of educational system in Africa	*	**	**			*
	Objective 15: Promotion of the use of science and technology to eradicate poverty in Africa	*	*	**	**		*
SOCIAL AFFAIRS	Objective 16: Guaranteeing Africans access to primary health care	**	**	*			*
	Objective 17: Promoting women's participation in economic development	**	**	*	**		*
POLITICAL AFFAIRS	Objective 18: Organisation of democratic elections and political power succession	**	**		*		*
	Objective 19: Improvement of governance in the RECs	*	*		*		*
STATISTICS	Objective 20: Devising tools for harmonisation of statistics in Africa	**	**	**			*
CAPACITY BUILDING	Objective 21: Enhancing the capacities of RECs, AUC and Member States	***	***	**	*		**

Source: Evaluation by authors based on reports and documents published by various RECs and the ECA (2013, *Assessing Regional Integration in Africa*)

3. A TOOL FOR ASSESSING REGIONAL INTEGRATION: THE AFRICA REGIONAL INTEGRATION INDEX OF THE ECA

The ECA, in collaboration with the AfDB and the African Union, developed a tool to measure progress made in regional integration in Africa, known as the Africa regional integration index. The index seeks to gauge the progress of each country in Africa relative to the rest of the continent. It assesses the degree of achievement of the objectives stated in agreements on integration, such as the African Union's Minimum Integration Programme and the Abuja Treaty establishing the African Economic Community.

The Africa regional integration index, when finalised and computed on a regular basis, should constitute an indispensable reference for African governments and the regional economic communities, marking progress made as well as shortfalls. The index could serve as a tool for decision-making, and for targeting public policy interventions to specific areas of integration.

The index consists of 76 core indicators classified under seven dimensions and 20 sub-dimensions covering Africa's main objectives for regional economic and trade integration. These indicators were selected based on relevance to the priorities of African integration, measurability, and data availability. The indicators are grouped under seven dimensions or categories:

- Regional Migration and the labour market (five indicators)
- Trade integration (16 indicators)
- Political economy (nine indicators)
- Productive Integration (four indicators)
- Financial integration and macroeconomic policy convergence (12 indicators)
- Regional infrastructure and interconnections (26 indicators)

- Social and cultural integration (four indicators)

The methodology for calculating each indicator is presented in Annex 5.

Pending finalisation, provisional results for year 2015 put ECOWAS and SADC in the first ranks of RECs in Africa, on the bases of the above six dimensions. Specifically, ECOWAS confirmed previous analyses of its performance with respect to movement of people and macroeconomic policy convergence, and is cited as a successful model in relation to free movement in its zone. ECOWAS citizens may move freely from one state to another, with the only requirement being to present a passport (identity card in the UEMOA zone) or an ECOWAS travel certificate. Citizens enjoy, in theory, the right of residence and may be granted, after three months, a residence card or permit. He/she may also set up a business or get employment.

In the area of macroeconomic policy convergence, ECOWAS in 1987 adopted the monetary cooperation programme to work toward establishing a single currency within the Community. Since then, the ECOWAS Commission has undertaken several actions to operationalize the multilateral surveillance mechanism within its Member States, in collaboration with other regional institutions. ECOWAS has witnessed significant progress with respect to the harmonisation of policies, and also adopted common rules on public procurement and public debt management in the area of public finances. In terms of compliance with the convergence criteria, there has been progress, although no country has been able to fully comply with the set criteria in a lasting manner.

SECTION VI.

ECOWAS CHALLENGES AND FUTURE VISION

1. CRITICAL CHALLENGES AND POSSIBLE ECOWAS EVOLUTION SCENARIOS

Since its inception in 1975, ECOWAS has made several achievements in the various fields of integration identified in the initial treaty as well as the revised treaty. At the same time, it has faced a number of challenges that have hampered implementation of common sectoral policies and programmes.

1.1. Community discipline

Community discipline is essential for regional integration.

Member States must ratify Community texts in a timely manner. They must make full and timely contributions to the Community, and participate regularly in regional meetings and initiatives. And they must implement the provisions stipulated in the texts and decisions of ECOWAS organs.

On all these points, ECOWAS member countries have on the whole shown a fairly satisfactory conduct over the last 40 years. Data on attendance at conferences and ministerial meetings shows a 93.6 percent attendance rate between 1977 and 2012. Payment of the Community levy shows 74 percent of amounts due actually paid as at 30 June 2013. And 38 Community texts out of 54 have actually entered into force as at 30 June 2013, an achievement rate of 70.4 percent.

Nonetheless, for an organisation that sees itself at the vanguard of regional integration in Africa, these figures could be improved.

Shortfalls in the Community levy seriously constrain the capacity of ECOWAS to develop worthy programmes, especially in areas related to

infrastructure, agriculture, industry, trade and human capital development.

Each text not entered into force contains useful provisions from which the Community cannot benefit. Some can be of major importance, such as the regional mining code that introduces many positive innovations in the legal framework for mining agreements.

Experience has also shown that the implementation of Community decisions does not happen without difficulties on the ground. As yet, no Member State has managed to comply fully with the convergence criteria that are prerequisites to an ECOWAS single currency. Moreover, with regard to the movement of goods (and sometimes people) there are still cases of harassment at borders and on trade corridors, although progress has been generally observed integrating national markets.

These gaps in implementation with respect to decisions taken jointly by the Member States threaten the ability of ECOWAS to advance the integration process, and could lead to a regional integration-blocking scenario. A vicious circle could then be initiated, in which limited resources and non-compliance with decisions would negatively affect sectoral programmes and making the real value added of ECOWAS debatable. The future of ECOWAS as an institution would thus be at stake.

It is for the Member States to jointly face this challenge by openly discussing the need for community discipline and each, in its own right, committing to respect the Community provisions and decisions taken, not in secret, but after a broad discussion involving each Member State. The celebration of the 40th anniversary of ECOWAS is an

ideal opportunity for member countries to set a new pace for regional integration.

1.2. Creating value and ensuring effectiveness in ECOWAS programmes

The second challenge is consubstantial with the first. It concerns the very credibility of ECOWAS, which should be evident through the effectiveness of its programmes and the integrity of its structures. This is the *sine qua non* condition for Member States to fully adhere to the Community project and to give it due attention.

This report reviewed the main programmes of ECOWAS and indicated that, in general, the Organisation's performance is, for now, satisfactory, with varying levels of achievement in different areas of integration. ECOWAS needs to quickly demonstrate that it is able to create value and promote overall well-being in the Member States, which is the ultimate goal of regional integration.

To this end, **ECOWAS should fully assume the multiple missions and roles** that are rightfully vested in it by the founding treaty (initial and revised) and supplementary acts, in order to catalyse the regional integration process and development of member countries:

- Role 1: ECOWAS as a link between the African Union/NEPAD and the Member States of the West African sub-region;
- Role 2: The construction of a single West African space (free movement and establishment, full market integration, monetary and financial union);
- Role 3: Harmonisation of strategies and policies and the promotion of best practices (definition of sectoral policy frameworks based on national, regional and international practices, investment code, mining code, common external trade policies, mutual recognition of diplomas, regulations);
- Role 4: Ensuring coherence in the actions of Member States and other actors in the regional

integration process (Vision 2020, Strategic Framework, CDP, coordination and rationalization of interventions of sub-regional IGOs);

- Role 5: Definition of common policies and standards that are directly applicable in the States (community levy, convergence criteria, product standardization, statistical standards, rules of competition, rules on the organisation of elections, governance and human rights);
- Role 6: Preservation of peace and security in the sub-region;
- Role 7: Representation and coordination of Member States during international negotiations;
- Role 8: Capacity building and support to Member States and their national public and private structures (training workshops and seminars, resource mobilization for development financing, direct subsidies to Member States);
- Role 9: Monitoring and evaluation (multilateral surveillance, statistical databases, reports on regional competitiveness);
- Role 10: Promotion of joint projects, integration projects and multifaceted cooperation between the Member States and between their national structures (interconnection of transport, energy and telecommunications infrastructure, African multinational industrial projects, scientific research);
- Role 11: Promoting the global image of the West African sub-region on the continent and in the world (investment promotion);
- Role 12: The promotion of the community spirit (ECOWAS of peoples).

If ECOWAS faces difficulties in playing these roles and fails to operate efficiently, it could generate a gradual apathy on the part Member States, which may then focus on other sub-regional cooperation frameworks. ECOWAS would survive, albeit neglected by its members, who might support it in theory but grant it little hope. This scenario would lead to a slowdown in regional integration.

By improving on its performance, ECOWAS can prevent this scenario from happening. To this end, it should effect, without delay, a profound structural transformation to:

Box 7: The complex institutional landscape of Intergovernmental Organisations (IGOs) in West Africa

West Africa has a long tradition of establishing intergovernmental organisations (IGOs). Currently, there are more than 30 IGOs, covering a wide range of activities and geographical areas.

Areas of intervention include agriculture and livestock, energy and water resources, transport and communications, financial cooperation, education and research, health and youth affairs. Among these IGOs, three are directly involved in economic or monetary integration. These are ECOWAS, UEMOA and the Mano River Union. However, it should be noted that ECOWAS has a broader mandate that includes, over and above the harmonisation of socioeconomic policies,

the political dimension of maintaining peace and security and of promoting good governance and democracy in member countries.

Each Member State of ECOWAS belongs to several other IGOs in zones that often overlap, with an average of 19 per Member State. This multi-membership in several organisations justifies the relevance of the debate on the comparative advantages of IGOs if they are not rationalized.

Source: Regional Document of ECOWAS Community Development Programme, Volume 1, ECOWAS Commission, 2014

- strengthen its methods of strategic planning and monitoring and evaluation, by closely involving States and stakeholders;
- streamline its operating costs to devote more resources to programmes;
- develop its human resources and its internal working methods; and
- ensure a stronger presence on the ground.

1.3. Coordination between ECOWAS and sub-regional IGOs

According to the ECOWAS treaty (Article 2, Paragraph 1), ECOWAS will eventually be the only REC in West Africa. In the meantime, it coexists with several Intergovernmental Organisations (see Box 7), without necessarily coordinating action. This state of affairs risks cacophony in integration actions for West Africa. Each organisation may develop programmes, but without coordination the overall result might be poorly designed and managed, prompting Member States to focus on their membership in one organisation, according to their interests, to the exclusion of others. This risks leaving the integration process incomplete.

To prevent this scenario, ECOWAS has recently taken the initiative of drawing up a Protocol Agreement to establish a framework for consultation, cooperation and partnership among IGOs in West Africa. The Protocol was initialled in Ouagadougou in June

2013 among ECOWAS, UEMOA, the Liptako-Gourma Authority, the CILSS, the Niger Basin Authority and the African Centre of Meteorological Applications for Development. Several other IGOs are expected to join the movement in the coming years.

Article 2 of the Protocol Agreement states the Parties' intent to promote *cooperation and partnership*, in a bid to strengthen the *coordination, complementarity and effectiveness* of their respective or common development and integration activities in West Africa.

The priority objectives of the signatory IGOs are as to create synergies and complementarity and uphold the principle of subsidiarity; to make the best use of their human, financial and technical resources; and to coordinate their interventions in the process of regional integration and development in order to ensure efficiency.

In order to promote the implementation of the Protocol Agreement, an institutional mechanism was put in place comprising the Supreme Council of Regional Integration (which brings together the leaders of the IGOs once a year), the Regional Integration Committee (IGO experts meeting twice a year) and the Permanent Secretariat (services provided by the ECOWAS-UEMOA Joint Technical Secretariat).

Areas of cooperation cover almost all sectors of integration. Cooperation may focus notably on the

Box 8: Ensuring coherence in regional integration initiatives

The process of integration and regional development involves many actors (the state, IGOs, non-state actors, donors) as well as various organisational and legal frameworks in a heterogeneous space. Many policies, projects, commitments and obligations are juxtaposed or overlap, often creating inconsistencies that are harmful to the proper implementation of development strategies and to the effectiveness of actions to promote integration. The search for efficiency and coherence of action is thus clearly an imperative for the region to avoid wasting resources, institutional conflicts and contradictions, and dislocation.

Coherence can be achieved internally, externally, vertically or horizontally.

Internal coherence

ECOWAS is composed of institutions and specialised agencies with organisational structures to implement various initiatives that may not necessarily be in a global framework that ensures coherence. Internally, within the ECOWAS Commission, convergence fields clearly exist between the two separate departments in charge of Industry and the Private Sector. The ECOWAS agricultural policy includes aspects of trade, industry, and health, as well as those of private sector development, that must be managed in full coherence. This intra-ECOWAS coherence can enhance extra-ECOWAS regional coherence between ECOWAS and the more than 30 IGOs working to advance regional integration.

Horizontal coherence

This is a component of internal coherence. Horizontal coherence helps to articulate and link the various regional sector policies to create a multiplier effect and mutual reinforcement among sectors. It also helps to avoid conflict and contradiction in the implementation of sectoral policies.

External coherence

Operating in a complex international environment, West Africa is subjected to external influences, both positive and negative, in the implementation of its development programmes and policies. In addition to the options and decisions at national and regional level, ECOWAS must also manage a set of economic and political commitments, sometimes binding, taken at the bilateral, African and multilateral level, such as NEPAD; EPA, WTO, AGOA, the African Continental Free Trade Area, the MDGs, the Paris Declaration for Aid Effectiveness, and others.

Vertical coherence

This coherence is one aspect of external coherence. The different commitments at the bilateral, African or multilateral levels create a certain verticality that must be taken into account in all regional policies seeking to build the foundations for growth, integration and development. A commitment taken at one level might compromise the effective conduct of projects at another level. An example to illustrate this is the contradiction between national commitments to the WTO made by some States in the region and the implementation of the ECOWAS Common External Tariff.

The CDP: a framework for ensuring the coherence of initiatives:

The mandate of the CDP is to propose a medium- and long-term development programme. Although the CDP is initiated by the ECOWAS Commission, it is in line with an overall regional perspective involving all IGOs and actors in the region. The CDP therefore establishes coherence with existing programmes and those being formulated. This approach should be followed both in defining projects and programmes of the CDP as well as in the management and implementation mechanism.

Source: Regional Document of ECOWAS Community Development Programme, Volume 1, ECOWAS Commission, 2014

CDP, which is intended to serve as a framework for ensuring coherence in regional initiatives (see Box 8).

UEMOA is, of all the IGOs in West Africa, the most complete model in terms of integration. Over time, ECOWAS and UEMOA have strengthened their cooperation ties. Thus, a formal consultation framework (ECOWAS/UEMOA Inter-Institutional meetings) brings together the heads of the two Commissions every six months and a Joint Technical Secretariat (which meets twice a year) is coordinated

by two Commissioners of both organisations. Similarly, the two institutions have made real efforts to bridge the gap between their actions, particularly with regard to macroeconomic policy convergence, statistics and trade liberalization, as well as to infrastructure and various sectoral policies. For NEPAD and the EPAs, the two organisations also speak with one voice, with a leadership role entrusted to ECOWAS.

Nevertheless, there is still a need for greater coordination of ECOWAS and UEMOA programmes and relationships with external partners, in order to avoid overlapping and duplication in the implementation of Community programmes.

There was also the need for deepening legal cooperation between ECOWAS and UEMOA, in bid to harmonise the regulatory framework and to improve the situation for Member States confronted with different rules, for example, for exporting within the zone, or trying to meet the convergence standards. A protocol was signed to this effect by officials of the two organisations in 2014.

The question of the place of UEMOA in the ECOWAS institutional architecture will arise sooner or later. Given the achievements and progress made by UEMOA, it would certainly be feasible to consider, not an immediate disappearance of UEMOA, but its progressive absorption by ECOWAS (by making it a real specialised agency that would inspire Community projects, in certain aspects, and for which ECOWAS will set multi-year targets and programmes, in accordance with Article 80 of the revised treaty).

The same prospects could be explored for other IGOs to be maintained after the inevitable rationalization process.

1.4. The challenge of Community project ownership by the populations

Popularizing ECOWAS with the Community citizens remains a huge challenge for ECOWAS. As of today, the Organisation remains little known to the populations. In countries emerging from conflict and where ECOWAS had played a key role (particularly through the intervention of ECOMOG), enthusiasm for ECOWAS appeared to be highest. This suggests that ECOWAS can generate support and buy-in by increasing its visibility in Member countries and demonstrating its practical value for people.

Efforts should also be made to increasingly involve the regional private sector in the regional integration

process, not as a mere partner, but as the very engine of integration, anticipating and providing impetus for reforms and major Community projects.

In any case, the long-term viability of the Community ideal will be closely linked to the ability of ECOWAS institutions to promote ownership of the regional integration project by all stakeholders. Otherwise, ECOWAS may very well achieve the integration of States, but without the full engagement and investment of their people.

To this end, ECOWAS has adopted a new Community drive, that of building an **ECOWAS of peoples**. But this should be more than a mere slogan: it should translate into action.

1.5. Integrating ECOWAS into the global continental integration project

The Constitutive Act of the African Union made the RECs pillars of continental integration. ECOWAS should, in addition to deepening sub-regional integration, align itself with the global process defined at continental level, and cooperate closely with other RECs. Therefore, the coherence requirement in the sub-region should also prevail at the level of Africa as a whole.

ECOWAS, until now, appears to rather give priority to its own sub-regional agenda. In fact, its alignment with programmes stems simply from the fact that it is ahead of the other RECs in some areas of the Minimum Integration Programme of the African Union. Furthermore, it did not create a linkage with the continental project in its Vision 2020, which only concerns the West African sub-region, as if the African Union was an integration organisation like the RECs.

Moreover, relations between ECOWAS and other RECs are relatively weak, especially when compared with SADC-COMESA-East African Community (EAC) relations. These organisations work closely on a Free Trade Area covering the three Community zones. Eventually, the Economic Community of Central

African States (ECCAS) might be tempted to join the movement, if the continental free trade area project does not materialize in the meantime.

One of the rare initiatives by ECOWAS in the field of inter-RECs cooperation concerns the Economic Community of Central African States (ECCAS), with which it has signed agreements on security issues.

The continuation of current trends would evidently result in inconvenient isolation of ECOWAS from the construction of major blocs in Africa. This is the scenario of regional integration in isolation.

To correct this situation, ECOWAS should develop a proactive strategy of partnership with all the RECs in Africa. With ECCAS, it could explore several other areas of cooperation and establish a joint multi-sectoral secretariat, and consider annual meetings between the heads of both institutions, in the presence of all of their commissioners.

ECOWAS could also cooperate more with the countries of the Arab Maghreb Union (AMU), some

of which (Morocco, Tunisia) already maintain close relations with ECOWAS Member States and wish, therefore, to conclude trade agreements with the West African organisation. In addition to this, CEN-SAD, which essentially consists of Member States of ECOWAS, ECCAS and UMA, could play a buffer role in promoting partnerships among the three RECs. Targeted agreements could also be concluded with the SADC, COMESA and EAC.

Finally, ECOWAS should work to improve, on its own initiative, its cooperation ties with the African Union. To this end, an official visit of the President of the ECOWAS Commission to the African Union Commission headquarters would present an opportunity to review all integration issues and to agree on a framework for cooperation, on the basis of the special Minimum Integration Programme that the African Union had adopted for ECOWAS.

ECOWAS would thus, gradually, emerge as a ***model and engine of African Integration***.

2. VISION 2020 OF ECOWAS

2.1. Vision statement and implementation strategy

The Conference of Heads of State and Government, in June 2007 in Abuja (Nigeria), adopted **Vision 2020**, which aims by 2020 to make the ECOWAS space *“a borderless, peaceful, prosperous and cohesive region, built on good governance and where people have the capacity to access and harness its enormous resources, through the creation of opportunities for sustainable development and environmental preservation”*.

Specifically, Vision 2020 seeks to transform the ECOWAS space into:

- A borderless region where the population has access to its abundant resources and can exploit them through the creation of opportunities in a sustainable environment;
- An integrated region within which the population enjoys free movement, has access to efficient education and health, engages in economic activities and lives in dignity, in an environment of peace and security; and
- A region governed in accordance with the principles of democracy, the rule of law and good governance.

The objective is also to convert ECOWAS from an “ECOWAS of States” to an “**ECOWAS of Peoples**” in which the people will be involved in the regional integration process so that they can own it, be at the centre of regional policy concerns and be its ultimate beneficiaries.

To enact the Vision, the following six long-term priorities have been defined for the Community leading up to the year 2020: a shared vision (2020); a single regional economic community (2020); an efficient system of community governance; a common market and economic union; an effective

single currency and monetary union; and a peaceful, stable and democratic environment.

Short- and medium-term priorities include poverty reduction; infrastructural development; implementation of common policies on agriculture, environment and water resources; capacity-building for trade negotiations; consolidation of peace and democracy; and a Community Development Programme.

The ECOWAS Commission has supported the Vision with the **Regional Strategic Plan** (2011-2015). Its implementation is yet to be evaluated and it will soon be replaced by a **Regional Strategic Framework** that will seek to integrate the various programmes of institutions and agencies in the Region.

In parallel, the ECOWAS Commission has, in a participatory process, prepared a **Community Development Programme** that was adopted by the ECOWAS Heads of State and Government in July 2014 in Accra. This programme sets forth the Region’s medium- and long-term development agenda by identifying priority projects and programmes to be implemented.

The challenge remains that of mobilising resources for implementing activities and the investments planned in the CDP.

2.2. Revising ECOWAS Vision 2020

Vision 2020 should be revised for several reasons.

First, the 2020 time horizon is too close to achieve the set goal. A longer time horizon, such as 2025, which coincides with the 50th anniversary of the establishment of ECOWAS, would be more feasible.

The ECOWAS Vision should ideally take into account the time horizon selected at the continental level, both in its formulation (which should clearly mention the construction of the African Union) and in its programmes, which should be aligned with the major orientations at the continental African level.

Indeed, the African Union has undertaken the development of **Agenda 2063**, which is supported by the AU vision of “[a]n integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force on the global arena”

and draws on lessons of past efforts such as the Lagos Plan of Action, the Abuja Treaty and NEPAD to meet new challenges on the continent.

In operational terms, Agenda 2063, once completed, should be broken down into plans for the short term (10 years), medium term (10-25 years) and long term (25-50 years) to serve as guides for African states.

Furthermore, the African Union has set, in its **strategic documents** (vision, mission, and strategic plans), several principles and flagship programmes

Box 9: The Community Development Programme (CDP)

The general objective of the CDP is to build a competitive, viable and secure regional economic union with increased participation of the people in the integration process.

Its specific objectives are to: (i) ensure an effective participation of the people of West Africa in regional integration with a view to guaranteeing them a better ownership of the process; (ii) promote a strong economic growth, geared towards employment creation and sustainable development in the ECOWAS region; (iii) establish a business friendly environment characterised by good governance, the rule of law, peace and security; (iv) work eventually towards the creation of a competitive, viable and secure Regional Economic Union with national economies harmoniously integrated at the regional level and fitting seamlessly into the global economy.

It consists of four priority areas which are subdivided into 12 strategic objectives: (i) Priority Area 1: Integration of peoples, governance and human development; (ii) Priority Area 2: Consolidation of economic integration; (iii) Priority Area 3: Development of infrastructure and wealth creation; (iv) Priority Area 4: Cooperation and financing.

The strategic objectives as defined by priority area embrace the essence of the objectives stated in the ECOWAS Revised Treaty, except for security issues. They are as follows:

For Priority Area 1, the objectives are to: (i) consolidate or create the conditions for overall stability of the Region by accelerating the development of good institutions; (ii) turn people into real direct actors of regional integration and development; and (iii) significantly improve the overall productivity of labour factor by strengthening investment in human development.

For Priority Area 2, the strategic objectives are to: (i) Increase inter-regional trade by creating a common market of ECOWAS; (ii) simulate

the financing of economies in the region by developing a conducive environment for business and creating a stable and efficient regional financial system; and (iii) create a real single currency of ECOWAS in 2020, through an acceleration of all reforms and a respect of the datelines of programmes intended for the creation of the single currency).

For Priority Area 3, the strategic objectives are to: (i) improve the competitiveness of productive sectors in region by enhancing the regional development of good economic infrastructures to boost the regional integration process and reinvigorate initiatives for wealth creation, (ii) establish sustainable food security and sovereignty by strengthening the modernization of agricultural production systems, (iii) achieve the challenge of industrial development by promoting the endogenous processing of local raw materials and diversification of industrial branches; (iv) increase productivity in sectors of activity by supporting efforts in research-development and innovation so as to create new knowledge or put into use existing knowledge; and (v) give value to natural resources, strengthen their protection and ensure adaptation to climate change so as to keep focus on sustainable development).

For Priority Area 4, the strategic objective is to support the real implementation of priority projects of the CDP, through an enhancement of cooperation, partnerships, mobilization of resources and the strengthening of the capacities of human resources.

Two hundred and forty-two priority projects, at a total cost of US\$28.44 billion, have also been identified to meet the main challenges of the Region. These include structural reform projects that do not require any assessment, physical investment projects that follow the preparatory stages before submission for funding, and support projects to CDP operationalization.

Source: CDP Document, Volume 1, 2014

that Member States should incorporate into their domestic policies.

Africa has also defined its own common **Position on the Post-2015 Development Agenda** and promotes it within the context of ongoing negotiations. The themes selected are: **structural transformation of economies and inclusive growth** (inclusive and sustainable growth; agriculture, food security and nutrition, inclusive and green growth, industrialization and value addition, infrastructure and development); **innovation, technology transfer and research and development** (strengthening technological capabilities); **human development** (poverty eradication; education and human capital development; universal and equitable access to quality health care; gender mainstreaming and women's empowerment; population dynamics: realization of the demographic dividend of Africa; water resources management; disaster risk reduction; access to housing); and **financing and partnerships**.

All these orientations should be taken into account in the Vision, policies and programmes of ECOWAS.

CONCLUSIONS AND RECOMMENDATIONS

This study sought to assess the progress made by ECOWAS toward regional integration. The analysis of the institutional organisation and sectoral policies of ECOWAS shows that this Community, in general, is a model of advanced integration in the broader context of the African Union, in the same manner as SADC is in southern Africa.

In 40 years, ECOWAS has built a solid **institutional architecture** as a globally recognized organization. It also has strived to adopt protocols and to define policies and programmes covering almost all areas of integration identified in the initial treaty and later in the revised treaty of ECOWAS.

In terms of real impact, **the performance of ECOWAS, since its establishment, may be deemed to be largely average at this stage.** Implementation levels widely differ from one domain of integration to another.

Three classes may be defined for this purpose.

The first class includes domains in which regional integration is particularly advanced. This is notably the case with the **free movement of persons** and right of residence, which works relatively well. Others in this group include **peace and security**, although the operational and rapid response capacities of ECOWAS forces need strengthening; and supervision of **electoral processes**, for which the credibility of ECOWAS is now beyond doubt.

The second class includes domains in which real progress has been made toward integration of Member State policies, but where huge constraints remain on the ground as a result of practical realities, sometimes related to lack of capacity or the behaviour of government employees. This class includes the **free movement of goods, services and capital; monetary union**, which, despite some progress in institutional reforms, is still struggling

to win the full support of member countries, which are unable to meet the convergence criteria considered as prerequisites for monetary unification; and governance, where ECOWAS has no genuine mechanism for monitoring the conduct of its members.

The third class includes integration domains in which ECOWAS performs only marginally, mainly because of a lack of funding for ECOWAS programmes (as in the **Common Industrial Policy and infrastructure connexion**) or of insufficient political will shown on the part of Member States (as in the **Mining Policy**).

ECOWAS has the potential to accelerate the integration of its Member States. It has gained valuable experience in successfully grouping and sustaining countries as members. The challenges of harmonisation have value as well. They provide lessons that the extended regional community could apply for achieving progress in the construction of the unification of its Member States.

This is particularly the case of UEMOA. Its membership comprises eight of the 15 ECOWAS countries among which the pooling of interventions or gradual fusion with ECOWAS will enable it to sustain its achievements, while promoting its ownership by ECOWAS.

Today, ECOWAS must take another step toward developing its operational capabilities to generate tangible results for its Member States and Community citizens. In doing so, it can fully meet the targets set in the Constitutive Treaty and celebrate its 50th anniversary, in 2025, by becoming a successful model of Regional Economic Community in Africa.

Specifically, the following recommendations can be made.

Trade, Customs and Free Movement

Free movement of persons

ECOWAS:

- Institute a Community driving license;
- Promote the fusion of the ECOWAS Brown Card and the CIMA Card.

Member States:

- Eliminate harassment on the roads and on the corridors;
- Provide training systematically to the security staff stationed at the borders on the rights contained in the Protocol on free movement.
- Effectively punish cases of racketeering and abnormal practices by staff stationed at the borders;
- Adopt the Community passport and comply with the colours selected for the passport;
- Ensure enforcement by national agents of the control plans established at land borders;
- Putting an effective end to the forms required at the borders;
- Set up a one-stop-shop for dealing with requests for Residence Cards by Community citizens;
- Speed up the adoption of new ECOWAS reform measures on the free movement of persons (strengthening systems for recording civil status information, the biometric identity card, abolition of the residence card, free establishment granted to Community citizens).

Free movement of goods

ECOWAS:

- Speed up the full and effective implementation of the ECOWAS CET and Customs Union;
- Harmonize the composition and functioning of national approval committees;
- Reducing the rate of 60% required for rules of origin, for example by reducing it to a maximum of 40%;
- Ease the approvals application procedures;
- Harmonize approvals issued by ECOWAS and by IGOs in the Region (like UEMOA and Mano River Union), in order to develop a mutual recognition

system, by initiating joint collaboration between the various organizations;

- Accelerate the interconnection of customs systems of ECOWAS member countries;
- Accelerate the development of Community standards, in order to facilitate intra-Community trade;
- Urge the States to punish abnormal practices by their employees stationed at borders;
- Actively pursue the policy on promotion of side-by-side border posts and of border control units;
- Accelerate the introduction of ECOVISA (Schengen-type visa);
- Enhance the involvement of member country departments in charge of trade matters in the implementation of the trade liberalization scheme;
- Agree on a reference model for liberalizing trade with third partner countries, drawing inspiration notably from EPAs concluded with the European Union, and accelerate negotiations with other countries (Morocco and Tunisia which have already shown in ECOWAS and/or UEMOA) and in the other RECs on the continent;
- Ensure that all ECOWAS countries become members of the Borderless Alliance; which will, by the same token, expand the control space of the Abnormal Practices Observatory (APO);
- Actively support the actions of the Borderless Alliance;
- Set up the Arbitration Tribunal provided for in the revised ECOWAS Treaty (Article 16)
- Set up an information system on business opportunities and possibilities for trading product within ECOWAS.

Member states:

- Remove tariff and non-tariff barriers on industrial products of ECOWAS member countries;
- Effectively implement of the ISRT and the Supplementary Convention;
- Be proactive by identifying in advance companies with export potential and explaining to them the advantage of have an ECOWAS export license;

Transport and telecommunications infrastructure

ECOWAS, in conjunction with the Member States:

- Accelerate the completion of transport infrastructure of regional interest identified in the CDP (such as, the Lagos-Abidjan Highway, the Ecomarine project, railway connections, the aircraft leasing company, etc.);

Member States:

- Promote the development of Internet access;
- Rehabilitate and develop roads and railways to the countries of the Community.

Energy and Mines

ECOWAS, in conjunction with the Member States:

- Accelerate the adoption and implementation of the Regional Mining Code
- Promote the development of reference high capacity solar power plants (500MW to 1000 MW) that can serve several countries in the sub-region.

Agriculture, Environment, Water Resources

ECOWAS

- Enhance the level of involvement of member country agricultural stakeholders in designing, developing and implementing support programmes to regional agriculture.

Industry and Private Sector Promotion

ECOWAS:

- Accelerate the adoption of the Investment Policy (ECOWIP), the ECOWAS Investment Code (ECOWIC) and Regional Policy on Public Private Partnerships (PPP);
- Accelerate the harmonization of the OHADA Business Law in non-Member ECOWAS States;

- Boost the financial resources allocated to programmes to promote industry and the private sector;
- Establish an ECOWAS Investment and Intra-regional Trade Promotion Centre;
- Increase EBID's own resources, by means including resources from the Community levy;
- Enhance the involvement of the regional private sector (and not solely the umbrella organizations) in sub-regional integration initiatives, to make it an engine for community building;
- Develop a specific strategy for promoting the integration of the Community production sector, by initially targeting some pilot sectors whose products are in high demand on the Community, African or global markets;
- Actively pursue the integration of stock exchanges in the sub-region as well as of cross-border payment systems.

Member States:

- Accelerate reforms to improve the global business environment;
- Closely involve the national private sector in all integration projects.

Education, Science, Culture, Youth Affairs

ECOWAS:

- Promote the development of technical and vocational education in the sub-region, through the preparation and adoption of resolutions by Heads of State and Government on this subject;
- Set indicative targets for Member States, in the distribution of student enrolment in grammar school and technical/vocational education cycles;
- Organize exchange seminars for education stakeholders in the sub-region, on the issue of the development of technical and vocational education;
- Set up a mobility programme for students in universities of the Community, by providing merit scholarships.

Social Affairs and Gender Issues

ECOWAS:

- Establish a regional health architecture devoted to the prevention and management of epidemics, drawing inspiration from the model developed for security matters (with ECOMOG).

This health architecture would thus include:

- (i) an early warning system, managed at WAHO and linked to WHO, based on an information system integrated with the Member States;
- (ii) a rapid response force comprising doctors, health workers and security forces made available by the States (the lists would be established in advance, with a small task force permanently stationed at an operating centre at WAHO);
- (iii) materials and logistics purchased beforehand; and
- (iv) a volunteering system for recently graduated young physicians in a bid to offset the human resource shortage, especially in rural areas.

Peace and security

ECOWAS:

- Develop a rapid response capacity to crises, especially when the State concerned is faced with external aggression.

Governance

ECOWAS:

- Establish a peer review mechanism inspired by that of the African Union, but which is made more efficient through effective monitoring of the findings and recommendations, including the use of sanctions;
- More actively support the work of civil society in its watchdog role in matters of good governance; and
- Take clear positions and which are made public against acts of bad governance recorded in the Member States.

Macroeconomic convergence and single currency

ECOWAS:

- Require that the various institutions work together to make their actions more effective. They should harmonize their methodology, their convergence criteria – and also their statistical computing systems (calculation of half-yearly GDP, for example). The new 2014-2018 statistics harmonization programme should be followed with special attention so that the results will be achieved, as planned, in late 2018. It will help the ECOWAS Commission to have a reliable and robust statistical basis;
- Review the ECOWAS convergence criteria using stylized facts – marked by inadequate real convergence of member countries' economies, due, among other things, to the severity of external and internal shocks suffered by member countries;
- Consider how to establish a strong incentive mechanism – involving both sanctions and rewards – to urge the States to be more honest. Indeed, such a mechanism should help to discipline States and make them to abide by the rules of the game;
- Extend the envisaged public finance reforms to UEMOA countries – six directives on accounting and of budgetary financing transparency – to the other ECOWAS countries. The effective implementation of these directives would help countries to more readily comply with the “revised” convergence criteria; and
- Adopt an approach and a realistic timetable for the monetary union, which all parties will commit to.

Member States:

- Ensure compliance with the convergence criteria.

Resource mobilization:

ECOWAS:

- Mobilize more resources, using innovative financing mechanisms (for example, issuing

Community bonds on the financial markets of ECOWAS and other countries or zones) to finance the various projects of the CDP; and

- Ensure better allocation of the Community budget by assigning, in the end: 90 percent of the budget to ECOWAS programmes, improving on their selection, by avoiding the diversion of resources and targeting real impacts over time; and 10 percent of the budget to cover operating expenses of Community institutions.

Operation of the global mechanism for integration

ECOWAS:

- Set up the ECOWAS Economic and Social Council;
- Improve the consideration of draft instrument (at expert level) before they are forwarded to the Council of Ministers;
- Conduct annual reviews at the State level to assess the domestication ECOWAS acts (as currently obtains in UEMOA). For that purpose, seven to eight States could be reviewed each year, thus all countries will be covered in two years;
- Organize an official visit by the President of the Commission to each member country, once every two years;
- Appoint ECOWAS representatives in all Member States;
- Ensure greater involvement of member countries in the work of the ECOWAS Commission, drawing inspiration from the PRC (Permanent Representatives Committee of the African Union), as also envisaged by ECOWAS;
- Introduce the use of Portuguese at the expert meetings of ECOWAS;
- Encourage and support the establishment by the Community Civil Society of an ECOWAS Observatory (which will publish an annual report and conduct various surveys) ;
- Support research activities of the West Africa Institute based in Praia, Cabo Verde;
- Strengthen coordination between ECOWAS and IGOs in the Region, and consider a gradual streamlining of IGOs;

- Open ECOWAS liaison offices in major IGOs (UEMOA, Mano River Union, Council of Entente). Conversely, persuade these IGOs to have focal points in ECOWAS.

Member States:

- Demonstrate stronger political will to promote the acceleration of the sub-regional integration process. Member States should, notably: (i) ensure the ratification of Community instruments and their implementation within the time frames fixed by ECOWAS; (ii) pay in full, and on time, the Community levy; (iii) pay the arrears accumulated to date; (iv) continue to participate, at the highest level, in ECOWAS conferences and meetings.
- Systematically set up National Committees for Monitoring ECOWAS Affairs, including all ministries under the coordination of the ECOWAS National Unit, and with private sector and civil society involvement.

Strengthening the community spirit

ECOWAS

- Strengthen national integration units;
- Provide support to community radios that carry out sensitization on ECOWAS;
- Systematize the organization of national integration Weeks and the implementation of popularization actions on ECOWAS in each member country;
- Adopt a Directive on the simultaneous use of both ECOWAS and national flags by Member States;
- To print stamps and coins with the ECOWAS symbol, within the scope of the celebration of the fortieth anniversary;
- Extend the ECOWAS Volunteer Programme to all member countries and provide it with adequate resources;
- Develop programme for scholarships and student exchanges;
- Improve the website of the ECOWAS Commission and enrich its content with a large amount of information on instruments, community budgets, policies and initiatives taken by ECOWAS.

Member States:

- Organize a national awareness-raising and information campaign on ECOWAS for citizens and enterprises;
- Develop a mechanism for holding consultations with political forces, the private sector and civil society, in advance of Ministerial Meetings and Conferences of Heads of State of ECOWAS (as in Cabo Verde);
- Use every opportunity to promote the community spirit (sporting or cultural events, programmes on radio and television, etc.);
- Ensure that National Units effectively organize ECOWAS popularization activities on the field (parades, caravans, sensitization at borders, distribution of flyers, publishing a newspaper on integration like in Ghana, radio and TV broadcasts, holding Integration Week events, to which other ECOWAS countries are invited, etc.); and

- Assess the opinions and expectations of the peoples in the Community space vis-à-vis the regional integration process.

ECOWAS relations with other African RECs and the African Union**ECOWAS**

- Accelerating the negotiation and signing of agreements with the various RECs on the African continent;
- Align, where possible, ECOWAS Vision and programmes with those of the African Union;
- Strengthen the working relations between the organs of ECOWAS and those of the African Union.

ANNEXES

- Annex I: Bibliography
- Annex II: List of persons met
- Annex III: Summary of Missions to member countries of ECOWAS
- Annex IV: Convergence in the ECOWAS zone: Recent Empirical Studies and Analyses
- Annex V: Methodology Adopted by the ECA for Designing a Regional Integration Index in Africa

ANNEX I:

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ANNEX II:

List of officials met

MALI	
Cheick Keita	Delegate General for Integration
Mr Seydou Moussa TRAORE	DG INSTAT
Fatou Dia	CNPE (National Economic Policy Committee)
Mr. Baba Kida	Directorate General of Customs
Mr Idrissa Traoré	Head of Division, Directorate of Industry
Mr Modibo KEITA	Director of Trade and Competition
BENIN	
Mr Nassif BADIROU	Director of Regional Integration
Mr Nassif ZANTAN	Director of African Integration, Ministry of Foreign Affairs
Mr Gaspard Madji	National Economic Policy Committee (CNPE)
TOGO	
Mr KPADJA	Staff member, ECOWAS-UEMOA Unit
Mr LAGNIE	Staff member, ECOWAS-UEMOA Unit
Mrs AWESSO	Chargée d'Etudes (Research Officer), Ministry of the Economy and Finance
Mr GOANUE	Director, Department of Research and Strategic Planning, EBID
GUINEA	
Mr SY Djiguiba SAVANE	Director General for International Cooperation
	Director of Trade
Mr Joachim Lama	Director General, Forecasting and Economic Studies
GHANA	
Dr KODZO K ALABO	Director of Regional Integration, Ministry Foreign Affairs
Abdoulaye NOMAO	Bordeless Alliance
Directeurs	WAMI
SIERRA LEONE	
Dr Ben Oumar Ndiaye	Director General WAMA
Kupu Jonas COOPER	Head of ECOWAS Unit, Liaison Officer, Ministry of Economic Planning
Mc Donald Christian JOSS	Ministry of Finance
CABO VERDE	
Mc Francisco MENDES	Head of Ecowas Unit, Ministry of External Relations
Carlos SEMEDO	Director General, Global Affairs
Pedro Gomes Estevao	Directorate General of Industry and Trade
Djénéba TRAORE	Director, West African Institute
Amilcar Aristides Monteiro	Secretary General, Camara Comercio Industria Servicos

THE GAMBIA	
Mr. Abdou Kolley	Minister of Trade, Industry and Employment
Ndey Naffie Ceesay	Directorate of Industry
Mrs Baturu Camara	Trade Ministry
Bai Ibrahim JOBE	Director of the Integrated Framework
BURKINA FASO/ UEMOA	
Mr. Hadjibou Soumaré	President of the Commission
Mr. Iba Mar Oularé	Director of Cabinet
Laurent OGOWA AGOSSA	Head, Monetary Policy and Domestic Economic Relations Monitoring Division
Bakary Sako	Director, Statistics Centre
NIGERIA/ECOWAS	
Dr Ibrahim Bocar Ba	Commissioner for Macro-economic Policy
Dr Adrienne Diop	Commissioner for Social Affairs
Ousmane Barry	Executive Assistant to the Commissioner for Macroeconomic Policy
Mr. Sanoh N'Fally	Director Free Movement and Tourism
Dr Nelson Magbagbeola	Directorate of Multilateral Surveillance
Salifou Tiemtore	Acting Director of Customs
Mr Mansar Lawson Mechelli	Director of Industry
Mr Ibrahim Gueye	Director of Finance
Mr. Felix Fofana N'Zué	Director, EPAU
Mahamadou Yahaya	Director of Statistics and Research
Mr. Essien Abel Essien	Director, Strategic Plan Unit
Mr. Anthony A. Benin,	Head of Monitoring and Evaluation Unit
Mr Zono Adboulah	CDP
Mr Peter Koffi Dadzie	Multilateral Surveillance
Mr. Kola Sofola	Trade Directorate
Dr Yacouba Sanom	Regional Expert RAIP/NAIP
Tony Elumelu	Principal Programme Officer
William Baidoe-Ansah Baidoe	Principal Programme Officer Mines
Mr Sunny Ugoh	Principal Programme Officer (Information)
Haaba Baldeh	Programme Officer Air Transport (Economic Regulations and Policy)
Mr. Ashoke Maliki	Road Infrastructure and Safety Expert, Infrastructure Department
Dada Omotayo Marius	Head, Travel Unit
Mr. Bamanga Tukur	Chairman, African Business Roundtable (ABR)

GUINEA BISSAU	
Cristina Silva Pedreira	Director General, Regional Integration, Ministry of the Economy and Regional Integration
Andre Sanchez Vaz	Directorate General, Regional Integration, Ministry of the Economy and Regional Integration
Dambo Antonio Yala	Macroeconomist at CNPE
Luis N'Ghabo	Deputy Permanent Secretary, CNPE
LIBERIA	
Mrs Luopu Konah Cooper	Head of Ecowas Unit, Ministry of Planning and Economic Development
Mr. Mc Dolald Christian Joss	Directorate of Customs, Ministry of Finance
SENEGAL	
Jean Antoine Diouf	Head of ECOWAS Unit, Ministry of Foreign Affairs
Babacar Ba	Deputy Head, ECOWAS Unit
Abdou Khadre Diéyelani Niang	National Unit for Integration Monitoring, Ministry of the Economy and Finance
Mme Oumy Ndiaye Sarr	National Unit for Integration Monitoring, Ministry of the Economy and Finance
COTE D'IVOIRE	
Diaby Lanciné	Director General of the Plan
NIGER	
Mrs Takoubakoye Aminata Boureima	Permanent Secretary at the Executive Secretariat of the Economic and Social Development Plan
Md Moussa née Siddo Mariama,	Director of Integration

ANNEX III:

Summary of missions to member countries of ECOWAS

Introduction

For a better presentation of the information gathered from the officials met during our various missions to member countries of ECOWAS, this annex will be divided into four sections: the free movement of people; the trade liberalization scheme and promotion of intra-regional trade; the functioning of national units and promotion of the community spirit; and infrastructure and energy within the community space.

I. FREE MOVEMENT OF PEOPLE

MALI

ECOWAS is built around flagship programmes like the free movement of people. However, at the level of UEMOA, the movement of people is much easier thanks to a common language and currency. On presentation of their identity card, people can travel virtually anywhere they choose.

Mali has already done much in the context of integration with other ECOWAS countries. Although it has adopted the use of the ECOWAS passport, Mali has not addressed some issues concerning the use of the travel document. For example, revision of the protocol on free movement, if adjusted, can render the identity card sufficient. The use of vaccination certificate is no longer current and the requirement for it should be lifted -- as many expect it will.

The right of establishment is not working well. ***The principle is there, but its application by people is a problem.*** ("high-level authorities should look into the details") Whereas the rules for it are the same for ECOWAS, the right of establishment is more easily applied in the UEMOA. It should be noted that at the level of ECOWAS, the issue of the right of

establishment has been entrusted to the President of Burkina Faso.

BENIN

Generally, the Police Force fails to respect the rules; by contrast the Gendarmerie do. To harmonize the application of rules, Spain has financed a project for setting up a post for observation and reception of user complaints at the border with Nigeria as well as at the border with Togo. There are two posts side-by-side on the Benin-Togo border to speed up border formalities and avoid harassments. The same adjacent posts have already been set up at the Togo-Ghana, Ghana- Côte-d'Ivoire borders. Control post plans have been adopted by these countries. At the moment, ***the main problem remains the lack of text implementation by ECOWAS countries that would advance sub-regional integration.***

TOGO

There are major obstacles to the free movement of people. Harassment persists at the border between Ghana and Togo. On the Ghanaian side, the police require a passport and extort money from individuals moving between countries. Insufficient political on the part of the Member States of ECOWAS seems to account for this situation. A firm political decision, backed by of a majority of the population, is needed for achieving a solution to this challenge.

GUINEA

Concerning the free movement of persons and goods, Guinea has ratified all protocols and is implementing them: (i) The ECOWAS Passport has been in operation since 2006; (ii) The identity card is in use; (iii) There is a decrease in the number of roadblocks; and (iv) A *one-stop-shop for handling applications for residence permits* has been set up.

Awareness-raising activities going on at the border have helped to remove constraints. As an example,

Liberia had been granting travellers only 15 days of stay, but when Guinea objected and raised the issue with authorities, the injunction was removed.

GHANA

Protocols relating to free movement are key instruments of ECOWAS. All countries have accepted the principle of free movement, without the need for visas. However, there are still issues concerning the type of document required at the borders. Among French-speaking member countries, their national identity card suffices, while the English-speaking countries require a document that can be stamped.

CABO VERDE

Cabo Verde is a small country of 500,000 inhabitants. Foreigners number about 20,000, of which 15,000 originate from ECOWAS countries.

The principle applied is this: after 90 days, citizens of ECOWAS countries must register and show that they have employment and sufficient income to live in Cabo Verde.

Since the expansion of construction in the tourism sector in 1986, there has been a strong influx of immigrants. In response, the Government published Guidelines and set up an Observatory.

The financial and economic crisis in Europe caused investment and employment problems. It was necessary, therefore, to address the situation of immigrants who were already in the country before receiving other immigrants.

When an ECOWAS citizen reaches the border, the Police verify whether the citizen has money and whether they know someone there who can host them. Many foreigners travel through Cabo Verde on their way to Brazil; some are involved in drug trafficking.

II. TRADE LIBERALIZATION SCHEME AND PROMOTION OF INTRA-REGIONAL TRADE

MALI

Results of the trade liberalization scheme are satisfactory. Its instruments have been harmonized with those of UEMOA since 2002-2003: rules of origin, certificate of origin, prerogative granted to Member States for approving products and sending the list to ECOWAS (with a copy of the approval) for verification prior to forwarding same to States. Because companies typically come to ask for approval when they place orders, the 90-day deadline creates problems.

The level of intra-community trade is low, but this is not attributable solely to the mechanisms. Fortunately, most of the difficulties that arise in this area are solved at the level of UEMOA.

Within ECOWAS, many internal measures in the States slow down inter-regional trade as well—a situation that could be mitigated by lifting tariff and non-tariff barriers. Many countries have established reference values and phytosanitary standards. To import goods, employees must demonstrate the intention to import and good faith, even though these do not guarantee that trade will be unhindered. Competing economies exacerbate tensions at the borders as well.

The CET and rules of origin are not recognized within ECOWAS and UEMOA as trade mechanisms, but are rather used to protect the incomes of already established companies. This is a mistake caused by the fact that trade directorates of the member States have not been involved in this initiative.

Trade enhancements must be led by trade and industry officials, and customs officials who can act as technicians. We must change the mechanism at the level of the CET and approvals, by giving leadership to the trade directorates and not to those in charge of industry.

It is also necessary to address domestic issues, such as cost factors, internal organization of companies, etc.

There can be no EPA without the CET. To date, 21 meetings have been held on the CET, which is composed of three parts: (i) statistical nomenclature (Version SM 2012, MDGs, reveal no problem at this level); (ii) a tax regime (to reach agreement on a 5th tariff band of 35 percent consumer goods that should be heavily taxed); and (iii) a trade protection measure: anti-dumping, countervailing duties, safeguard measures, infant industries).

For the community levy, UEMOA should apply 1.5 percent and ECOWAS should rise from 0.5 percent to 1.5 percent. What is left is to reach agreement on the allocation of resources between UEMOA and ECOWAS. The start of CET was deferred to 1 January 2015; the status quo was maintained for a period of 5 years, while waiting for a solution to be found.

The one issuing remaining is that there is ***no interconnection of customs systems within ECOWAS.***

A number of countries pose several obstacles. There are equally divisions with English-speaking countries. For example, Nigeria blocks many products from Côte d'Ivoire and Mali and requests certificates of origin for all agricultural products. In fact, Nigeria—with its 175 million inhabitant—fails to appreciate the size of the ECOWAS market and, in so doing, plays the game of free movement unfairly. The case is the same with respect to the community solidarity levy.

Participants at the annual meeting of national approval committees discuss complaints about how the private sector forwards information on barriers to ECOWAS focal points in the various Member States. Complaints.

Another problem is the small number of products approved by ECOWAS for Mali, compared to those approved by UEMOA. Mali boasts 300 approved products in the UEMOA zone, but only a dozen are exported to other ECOWAS countries, including plastic products and fertilizers.

Ideally, the Ministry of Industry (the chair of the National Approval Committee which meets when a request is submitted) should be proactive and encourage companies whose products are approved by UEMOA to apply for similar approval to ECOWAS. There should be a process whereby products approved by UEMOA are automatically endorsed by ECOWAS, and vice-versa, a situation that does not exist today. It is also necessary to develop an action plan to organize training sessions for company staff and forwarding agents.

BENIN

In Benin, the mechanism for the liberalization of trade requires that private operators wishing to export their products to other ECOWAS countries obtain a license from the importing country. Economic operators, however, complain about obstacles to the free movement of goods. Indeed, some States do not “play the game”. Beninese exporters, for instance, have to apply for special authorization from Abuja, because Nigeria doubts the origin of imports from Benin. Since 2011, Nigeria has routinely blocked approved Beninese product imports, such as reinforcing rods or water, for fear of competition. In contrast, Nigerian products enter Benin easily. It has also been observed that administrative bottlenecks and extortion of funds – harassment on the highway – and the abuse of control plans (see Report of the Observatory of Abnormal Practices). *The President of Benin appointed a committee to resolve these problems, in collaboration with Nigeria.*

While Nigeria has specific standards, an optimal solution would be for all ECOWAS countries to agree on common standards administered by the Commission or other agencies.

The absence of an appropriate court of law further complicates the resolution of disputes. The Court of Justice is empowered to handle matters concerning blocked products, but unlike in the UEMOA zone, ECOWAS is yet to establish a court of arbitration. ECOWAS claims to prefer a policy of negotiation to seeking justice in court.

TOGO

Like other countries, Togo has an Approval Committee for its trade liberalization scheme. Despite the existence of this Committee, Togolese exporters often struggle to sell their products in some ECOWAS countries. Here are two examples:

- Coffee, as a local product, is exempt from the certificate of origin for exportation. Yet a Togolese coffee exporter has encountered enormous difficulties in exporting coffee to Ghana;
- A Togolese exporter of mattresses – Mouss Confort – to Ghana faced the same difficulties.

In both cases, Ghana's refusal was temporary, as the authorities eventually accepted these products to enter their territory.

Observing the recurrence of these obstacles, comprising officials of the Committee in charge of the Trade Liberalization Scheme, has been put in place to handle the problems faced by economic operators.

GUINEA

The Approval Committee is chaired by the General Directorate of Integration (ECOWAS Office). Representatives of sector ministries are members. Local products include cola, fruits, rice, and palm oil.

Few companies are licensed (14 in total, five of which effectively exploit the licence: notably beverage and plastics companies. There are also few new applications for licenses--sometimes only one in a year). The ideal situation is to have a proactive approach, which means mapping out companies with exportable goods, identifying potential candidates for approval, and contacting them.

Another problem is linked to administrative barriers. In English-speaking countries, documents are not translated, leaving countries like Nigeria and Liberia to interpret the texts to benefit their aims with certain products, such as with fish.

Furthermore, groundnut produced in Senegal, is not accepted in Guinea, and bananas coming from

Guinea are not allowed into Senegal. It should also be noted that the joint commission meetings are no longer held, and thus need to be revived.

Since many imports are not significant in price, volume, or uniqueness intra-community trade is not very developed. Many of the same products that exist, for example in Mali, are also found in Guinea. With so much trade conducted informally, ECOWAS has initiated a regional programme to support informal trade between populations in the ECOWAS space;

Political will is not enough; improvement must be championed by officials who enforce the instruments.

It is worth noting that Guinea is not a member of the Borderless Alliance, but must find a path to membership. In general, ***countries of the Mano River, including Guinea, have the impression that they are not part of the Trade Liberalization Scheme.***

GHANA

Regarding trade, more effort is needed to ensure the dissemination of information on trade opportunities and to encourage intra-regional trade.

THE BORDERLESS ALLIANCE

The Borderless Alliance is composed of the countries of Nigeria, Niger, Benin, Togo, Ghana, Ivory Coast, Burkina Faso, Mali, and Senegal, and seeks to cover all ECOWAS countries. The approach now used focuses on the following corridors:

- Lagos – Abidjan – Tema – Ouagadougou;
- Ouagadougou – Bamako (2 lanes);
- Dakar – Bamako;
- Cotonou – Niamey ;
- Abidjan – Ouagadougou;
- Abidjan – Bamako; and
- Lome – Ouaga.

UEMOA has established an Abnormal Practices Observatory (APO), member countries of which include all UEMOA countries except Guinea, Bissau, and Ghana. The Alliance was born out of a campaign

conducted in June 2010 (borderless campaign). Its study on the trade liberalization scheme highlighted discrepancies in implementation practices.

The USAID Trade Hub Project conducted an awareness campaign for the private sector and the States on free movement as a factor of prosperity and regional integration.

The Alliance belongs to the private sector, and 60 companies are members of the process.

It was decided that the first line of action is advocacy for the implementation by the States of adopted protocols that target border actors (customs officers, forwarding agents).

Consequently, border posts were set up by the Alliance with retired customs officers to assist all stakeholders and train actors at the borders (customs officers, forwarding agents). Information is gathered and forwarded weekly to help in the preparation of quarterly reports and an annual report that is presented at the General Assembly of the Alliance.

These posts impact operations directly, by providing practical advice about obstacles to trade which arise in the field.

Plans are underway to develop a *West African drivers' handbook*.

In 2010, a survey of a sample of 240 trucks was conducted to assess fund utilization on border clearance. The aim is to administer a survey every six months to assess the impact of the Alliance's actions and bring stakeholders together to evaluate recommendations. The Alliance is supporting the initiatives that the Observatory on Abnormal Practices has been carrying out in this domain, by providing technical assistance for reporting on checkpoints, delays, and illicit charges. The CILSS also has been involved in and continues monitoring the movement of agricultural products.

APO and the Alliance are complementary. UEMOA has focal points in countries to gather information

for the APO, its own project. The Alliance, on its part, conducts verification missions.

In terms of organization, the Alliance is run by a staff of 10 officers. Financial resources are derived from member contributions, USAID, and ECOWAS (as part of joint activities).

LIBERIA

Other countries benefit economically more from the trade liberalization scheme than Liberia, thereby encouraging industries to compete in the sub-region.

The National Approval Committee is chaired by the ECOWAS Unit, which has approved only a few products. As a result, enterprises prefer to use the Mano River protocol.

Bad roads, and the lack of railways and ships represent basic infrastructure trade barriers. Ghana has many products that Liberia needs, but there is no way to transport them here.

CABO VERDE

Given its geographic location, Cabo Verde is a special country. Yet, due to a dearth of sea and air links, economic ties with ECOWAS are not strong. Often one needs to go through Europe or Morocco to reach Cabo Verde, which raises costs. Policy measures are being taken to address this issue. ECOWAS should contribute, notably by supporting the implementation of the ECOMARINE Project.

Discussions are underway with Senegal and Côte d'Ivoire on the issue of transport to establish a link between Praia and their respective capitals. The creation of a maritime line on the Praia/Dakar route is envisaged. Cabo Verde exports seafood, basalt, and mineral salts.

Regarding the trade liberalization scheme, the required local content (60%) is considered very high for the small economies. AGOA requires only 30%.

Administrative bottlenecks are observed at customs frontiers. Language is not a barrier to intra-regional trade.

GUINEA BISSAU

The Government has decided that trade should be conducted solely by sea, which hinders exports to ECOWAS.

AFRICAN BUSINESS ROUNDTABLE:

ECOWAS protocols are available. What is needed is the political will to implement them.

Informal trade is booming and needs to be recognised and formalized.

The key to increasing intra-community trade is to develop infrastructure (road and rail). In particular, a fast railway line is needed on the Dakar-Abuja corridor for transporting goods, similar to the Chinese magnetic train that travels at 900 km/h... Also, standards in the sub-region should be harmonized.

In terms of priorities, ECOWAS should target trade for agricultural and food products.

Financing infrastructure represents a key challenge for the sub-regional private sector. Within the framework of NEPAD, many concessional facilities were developed at the African Development Bank. The private sector, however, is hardly involved; only umbrella organizations are invited to those meetings. The creation of a new department in charge of the private sector at the ECOWAS Commission marks a step in the right direction.

III. FUNCTIONING OF NATIONAL UNITS AND PROMOTION OF THE COMMUNITY SPIRIT

BENIN

The ECOWAS Unit has encouraged the establishment of a National Committee for monitoring integration. Regular meetings are held to monitor sectoral programmes. There is a focal point in each ministry concerned with sub-regional integration matters. The Unit gives opinions and makes observations.

Members of the Unit do not always receive feedback from technical meetings. The Unit monitors the application of the tax bases at customs frontiers and initiates control missions. It assesses revenue losses suffered by Benin as a result of the institution of preferential regimes.

A chief problem is that people are uninformed and unaware of the real impact of integration. As a way to address this issue, Benin has organised an annual Integration Week for which it pays the airfare of the representatives from invited countries

TOGO

The ECOWAS-UEMOA Unit is an active interface between the two sub-regional organizations and the Government of Togo. In this context, the Unit prepares a proposal of annual programme of activities that it submits to Togolese authorities for approval. After validation, the programme of activities is implemented. Some examples of concrete achievements can be cited:

- Capacity building for institutions that serve as focal points. In this context, the number of computers was increased in 2011 to support the implementation of the BMD programme in Togolese universities. This programme was funded by ECOWAS;
- The construction of bus stations in each of the five borders of Togo in 2010; and
- A project to provide more computers to Regional Vocational Training Centres in Togo.

Staff members of the ECOWAS-UEMOA Unit believe that *ECOWAS is not well known by the populations in the member countries*, in particular by the Togolese people. They suggest that an awareness-raising public information campaign should be organized for ECOWAS citizens. This campaign can help citizens of the Community to learn about the role and administrative activities of ECOWAS, and above all, the main elements of Vision 2020.

The Regional Development Committees are responsible for implementing programmes

financed by ECOWAS. Togo has received funding for six projects out of 24 for the first-generation programmes, and for 11 out of 38 projects for the second-generation programmes.

GUINEA

In collaboration with other sectoral ministries (energy, mines, etc.) the Directorate for Integration ensures monitoring, in conjunction with ECOWAS and other Regional Economic Communities. In this context, several trips are made to other parts of the country, in caravans and with other actors and stakeholders, such as the State, civil society and the private sector, to popularize the organization.

The Unit conducts outreach activities, among which include sending letters to authorities, and organizing meetings, and distributing fliers.

The objective is to:

- Directly implement ECOWAS programmes by sector;
- Implement the action plan whose development takes into account emergency situations, notably by focusing on trade liberalization;
- Put into use the procedures manual approved by the ECOWAS Commission.

Earlier, the Special Representative of ECOWAS dealt only with issues relating to peace-keeping. Today, his concerns include the activities of the ECOWAS Unit. Allocations for National units made by ECOWAS are insufficient. They represent only 4.5% of the levy and often arrive late. This causes delays in executing some of the activities. Often, the State makes a contribution to complement allocation, which is sometimes very low.

LIBERIA

In conjunction with other ministries, the ECOWAS Unit coordinates through a **National Coordination Committee**. It conducts **popularization activities on ECOWAS**, especially at the borders, by organizing semi-yearly **national tours** during which the Customs and Immigration Services explain to people (students, private sector, and the elderly) the

principles of free movement of goods and persons. Food is provided without charge to participants.

The Unit also organizes **parades**, by distributing T-shirts and brochures related to ECOWAS. Discussions are also held on ECOWAS at radio and television stations.

In addition, **awareness campaigns are conducted in schools**, during which students are quizzed about ECOWAS. The Unit keeps **track of some ECOWAS projects (Peace Huts, built-in-villages, as part of the peace consolidation process in Liberia)**. It also contributes to the **ECOWAS Volunteers programme** whose pilot phase deployed volunteers to Liberia.

SIERRA LEONE

The ECOWAS flag flies in front the Ministry of Foreign Affairs, alongside that of the country. This should be a general practice in all countries of the community.

CABO VERDE

The ECOWAS national unit is attached to the Directorate of Global Affairs at the Ministry of Foreign Affairs, which comprises three sections: Regional Integration, including ECOWAS; Trade and Investment; and Crosscutting Matters, such as climate change. Issues relating to the African Union are monitored by the Directorate of Political Affairs.

There is a National Commission for ECOWAS that addresses economic issues. Members include: Foreign Affairs, Trade, Finance, Customs, the Chamber of Commerce, as well as resource personnel. It meets twice each quarter.

Commission activities and accomplishments:

- Prior to each ECOWAS meeting, the Government consults with the Opposition parties on the issues to be examined;
- Seminars on the Trade Liberalization Scheme are held regularly;
- An Integration Week will henceforth be held each year in May;

- An agreement has been reached with the Football Association for a person wearing an ECOWAS T-shirt or cap to take the kick-off;
- The ECOWAS Gender Development Centre offers scholarships to girls; this is important in popularizing ECOWAS;
- Stamps and coins with the symbol of ECOWAS will be produced as part of the fortieth anniversary of ECOWAS (ECOWAS should support this activity).

When communication between the government and civil society was sparse, civil society did not perceive ECOWAS as beneficial. The dissemination of information on programmes and work on the commemoration of the ECOWAS anniversary have helped to change that view. Now, universities and the press are very interested in ECOWAS.

For ECOWAS to grow stronger, States must contribute. Cabo Verde has organized many meetings on ECOWAS in Praia to encourage state support.

The issue of language remains fundamental. For ministerial meetings, there is no problem; translation is provided in all languages. However, in expert meetings, only French and English are used. ECOWAS should strive to ensure the Portuguese language is integrated. In this context, Cabo Verde salutes the efforts of the Communications Department of ECOWAS to produce documents of ECOWAS programmes in Portuguese.

GUINEA BISSAU

The ECOWAS Unit carries out ECOWAS popularization actions through numerous channels: information and awareness-raising on the free movement of goods and persons on border area community radios, discussions on radio and television on ECOWAS CET, a conference on ECOWAS' evolution and prospects at the university, and an information seminar with civil society and the private sector in the regions.

In each Ministry, there is an ECOWAS focal point.

SENEGAL

The ECOWAS Commission should **publish state-level annual reviews** that describe assessment levels of

domestication of ECOWAS instruments (as UEMOA plans to do). Eight states could be assessed annually, which should cover all Member States within two years.

There should also be **improvement in the review of the ECOWAS draft texts** (at the expert level) before they are forwarded to the Council of Ministers. This will avoid the impression of putting pressure on the experts. The experience of UEMOA could be useful for this purpose.

Country representation to ECOWAS should be harmonized to clarify the issue of the Ministry which ought to preside in the name of each country.

GHANA

Ghana regularly publishes a **special journal on integration** within the ECOWAS space.

FINANCING THE REGIONAL ECONOMY

ECOWAS member countries provided up to 70% of financial resources for EBID, while remaining 30 percent is derived from the contribution of financial partners. The main obstacle remains **insufficient financial resources** for the huge projects that need funding. There is an EBID window, which finances public projects through concessional grants.

IV. INFRASTRUCTURE AND ENERGY

BENIN

Most countries confront a notoriously short supply of cost-effective energy. For Benin, this is a major concern. The government is associating with foreign partners, like China and Turkey, to address it. A system for sharing energy networks among various ECOWAS countries should be implemented as soon as possible. In spite of some attitudinal resistance, enough political will is present to make development of renewable energies feasible. Application of standards would have to be resolved.

Regional integration projects are mired in protracted analytical studies, effectively delaying their operations. One solution to the delays and the high-costs of electric power can be to build a nuclear power plant that could supply energy to other States.

GUINEA

Concerning energy, ECOWAS has provided US\$ 30 million to Guinea. There is also an interconnection project (WAPP) between the Mano River countries,

including Guinea, which is a member (the forest zone and Guinea mid belt are project targets). A€ 320 million budget is already available, and activities are planned to start in 2016.

TOGO

Railway lines are notably absent. The Abidjan-Lagos corridor can offer a sequential three-step solution: several highway construction projects; railway lines; and optical fibre.

ANNEX IV:

Convergence in ECOWAS zone: recent empirical studies and analyses

1. Review of the Empirical Literature on the convergence policy in West Africa

The relatively good economic performance achieved in the last decade by ECOWAS Member States failed to overcome the difficulties they face in compliance with the convergence criteria. Indeed, many authors – N.L. Bamba and K. Diomande (1998, 2001), A. Tanimoune and P. Plane (2005), P.L. Diop (2005), Nkodia and Sarr (2007) and M.B.O. Ndiaye (2007) J. Lama (2011), K. Nubukpo (2012), M. Jalloh (2012), R.D. Korsu and M.B.O. Ndiaye (2013), A. Traoré (2013), A. Soumare (2013) and C.T. Seck (2013) – have already highlighted the lack or weakness of the nominal and/or structural convergence within ECOWAS.

A. Combey and C. Mally (2010), using the beta convergence method to appreciate the real convergence of the UEMOA countries, have concluded a conditional convergence of countries over the period 1997-2008. This result is attributable, according to them, to the positive effect of the Convergence, Stability, Growth and Solidarity Pact (CSGSP) on the overall real per capita income and on the living standards of the Union's populations. However, serious objections – a relatively short time horizon and the failure to take into account income poverty – limit the scope of their results.

After having defined and discussed the relevance of each criterion, J. Lama (2011), by also using the beta convergence approach, has observed in the 2000-2009 period that performance in achieving the criteria of UEMOA, WAMZ and ECOWAS convergence programmes are disparate and unstable in time and space. Overall, standards of living and productive structures of ECOWAS economies do not converge. In short, it shows that the results obtained since the beginning of the convergence programmes are mixed and insufficient to qualify for a unified economic space.

P.L. Diop (2002), in using the methods of sigma and beta convergence over the period 1975-2001, has found a trend towards the convergence of inflation rates in UEMOA member countries, except Guinea Bissau, towards the threshold of 3% defined by the Convergence, Stability, Growth and Solidarity Pact (CSGSP). His study also reveals a process of real convergence of the economies of UEMOA, unlike the ECOWAS countries, which are characterized by differences in GDP per capita. The explanation of these results lie in the difference of the initial conditions of countries – some exporting oil, others do not. Thus an energy shock has different impacts on the wealth of these two categories of countries.

Another study made by M. Ndiaye (2006), from the method of beta convergence, supports this trend towards the convergence of the economies of UEMOA. In general, he noticed he noticed a slow pace of economic convergence process over the 1980-2000 period. However, he has assessed the absolute convergence of the GDP per capita at 0.73% for the sub-period 1980-1993 and to 1.5% for the sub-period 1994-2000. The result of the second sub-period – increase of the GDP per capita – is probably due to the positive effects of the devaluation of the CFA franc and its accompanying measures.

However, N.L. Bamba and K. Diomande (1998), have indicated that, based on the Kalman filter to estimate the sigma and beta parameters, the nominal convergence of UEMOA countries has not led to their structural convergence. These authors also identified three groups of countries with different processes of convergence: the first group – Benin and Burkina Faso – tends to converge towards the largest economy of the Union (Côte d'Ivoire); the second group – Senegal and Mali – tends to converge towards the Union's average; and the third group – Niger and Togo – tends to diverge or converge towards these two references.

In assessing the conditional convergence in the UEMOA area, M. Ndiaye (2006) also notes the presence of structural features in the convergence process. His study also reveals the existence of two convergence clubs in the UEMOA space. Côte d'Ivoire and Senegal form the first club and they have a level of convergence above the average. Benin, Burkina Faso, Mali, and Niger make up the second club; they have a level of convergence below average.

The ECOWAS countries have different economic situations. In this respect, a relevant economic and monetary union requires some degree of homogeneity of the economies of member countries. In this context, countries should harmonize their legal, accounting, tax, regulatory and statistical frameworks, as well as their banking and financial regulations. The empirical work of Dramani (2013) on the interaction between fiscal and monetary policies is consistent with the assertions listed above.

Indeed, by using a multi-country model in the UEMOA and CEMAC zones, Dramani (2013) was able to demonstrate the sensitivity of the two areas to macroeconomic shocks. Thus, these results are in line with the implementation of fiscal federalism in the two areas to counteract asymmetric shocks from the difference between the countries in each zone.

In using the models of convergence, L. Dramani (2007) shows that nominal convergence has led to real convergence in the franc zone, although sometimes conditionally. He has concluded that the convergence criteria and the institutions established in this area have been efficient. Like other authors, he also highlights the existence of convergence clubs and says that the integration process is much more advanced in UEMOA than in CEMAC. For him, the process of real convergence also implies some degree of heterogeneity according to areas. In addition, his results demonstrate the impossibility of having a common convergence path in the franc zone. He considers that the official development assistance, the stock of human capital, inflation and investment rates are the driving variables for the promotion of convergence in the franc zone.

In analysing income convergence in ECOWAS countries, M. Jalloh (2012) used the two most common approaches – sigma and beta convergence. His results on the sigma convergence show a lack of convergence of per capita income in the ECOWAS countries over the 1990-2009 period. However, the results of the beta convergence approach reveal a convergence rate of income of ECOWAS countries at about 17 percent per year over the same study period. However, any cyclical shock causing an imbalance may require a long time before reaching the level of regular balance. M. Jalloh (2012) shows that WAMZ countries are more efficient, with 3.9 percent of average annual growth rate than the UEMOA countries 3.2 percent, over the period 1990-2009. For him, the ECOWAS countries have a long way to go to be able to meet the convergence criteria.

R.D. Korsu and M.B.O. Ndiaye (2013) conducted unit root and cointegration tests (Johansen method) to study the nominal convergence – on quarterly data from 2000 to 2010 – and the real convergence – on annual data from 1975 to 2010. The authors reveal the existence of nominal convergence for currency reserves among WAMZ countries (with or without Cabo Verde) and ECOWAS. However, there is no nominal convergence for the other variables included in the study, namely the interest rate, the exchange rate, the fiscal deficit and inflation. The results also show that real convergence is de rigueur in the WAMZ countries (with or without Cabo Verde) and in the ECOWAS. However, no WAMZ country is converging – nominal or real – with UEMOA, except Cabo Verde, which is nominal convergence with UEMOA, but only in terms of exchange rate.

2. Relevance of the Macroeconomic Convergence Objective

The process leading to the creation of a regional monetary union in the ECOWAS zone is in progress, along with the deep-rootedness of trade or real sectoral integration. The first aims at strengthening the second, while the second helps justify and amplify the benefits of the first,

following the principle of optimum currency area. The process, therefore, requires another intense form of institutional and intra-regional cooperation in the economic and financial sectors. This justifies the adoption of macroeconomic convergence programmes.

Macroeconomic convergence appears to be inevitable in the preparation of a broader regional and monetary integration. It is relevant for a number of reasons:

- Inflationary pressures caused by unsustainable fiscal deficits and by monetary expansion can make current account deficits unbearable, which in turn may ultimately compromise trade liberalization and hamper the stability of regional exchange rate;
- Macroeconomic instability, which results in an unhealthy financial sector and difficulties in foreign debt, undermines the capacity to face up to structural challenges and to promote growth;
- The very high current account deficit of a country requires a greater effort from the other member countries to restore balance – because of the principle of solidarity – in order to maintain stable regional macroeconomic aggregates, including the exchange rate. This may lead to disagreement against the country (or countries) which has/have an imbalance, and thereby cause political disagreements.

Compliance with the convergence criteria is not an objective in itself. The convergence is primarily intended for the ECOWAS Commission to create the conditions for balanced, sustainable and job-creating growth. The criteria actually encourage member countries to adopt a culture of stability. In that sense, further convergence is a credibility factor on the policy of the national authorities; it is the affirmation of their preferences for policy integration. It lays the foundations of the transition to monetary union, which itself is considered as a growth factor. In the design currently used by ECOWAS, macroeconomic convergence is considered a prerequisite for the feasibility, stability and viability of the monetary zone proposed in 2020. This option,

referred to as “exogenous”, for an optimum currency area, should thus lead Member States to seek to converge from now and continue to do so, rather than to converge only when they effectively enter into a monetary union.

In addition, a growth-oriented economic growth policy requires improved public finances. Excessive and permanent public deficits increase the risk factors and the interest rate, thereby reducing private investment. The consequence of excessive public debt is twofold; on the one hand, the gap between public needs and the limited amount of available savings pushes interest rates up; on the other hand, households anticipate an increase in taxes to finance this debt, and this lowers consumption and investment. These crowding-out effects of domestic demand are especially important as the public deficit is inflated by debt service and the financing of current spending which, by definition, are not forward-looking.

By contrast, if the public financial balance is maintained, monetary policy can be relaxed without threatening monetary stability. This ease will result in an immediate decline in interest rates in the short term, very generally followed by the decline in long-term interest rates:

- The decline in interest rates has a positive effect on growth and jobs;
- The investment payback period is reduced, the cost of storage decreases and volume increases;
- The cost of financing the work-force decreases;
- Households’ consumption and investment in real estate increase.

3. Criticism of the Convergence Criteria

In contrast to the so-called “monetarist” view of the monetary integration process, the proponents of the “economist” vision argue that monetary integration leads to the convergence of economies and that it is not justified to make the latter a precondition. The example of the UEMOA countries is edifying in this regard. In fact, this Union was originally created as a monetary union, well before the taking into account

of concerns about macroeconomic convergence. Nowadays, UEMOA is recognized as one of the most economically stable regions.

Moreover, the relevance of compliance with the criteria is challenged on many levels. The standard of public deficit is particularly discussed. An absolute limit, namely a positive basic fiscal balance for UEMOA, cannot, by definition, reflect cyclical fluctuations that specifically affect the budget balance through automatic stabilizers. Strict adherence to this criterion leads, in times of recession, the national authorities to implement restrictive fiscal policies, and this reinforces the cycle. For example, the limitation of the deficit would not have allowed Member States to address the food, financial and economic crises during the second half of the year 2000. It is therefore appropriate to consider the consistency of the deficit ceiling with the structural realities of economies. ECOWAS, by choosing a less restrictive budget deficit ceiling (3 percent including grants, instead of a positive base balance) has partially integrated this issue. In addition, the structure of the deficit is to be taken into account: is the deficit caused by an increase in operating expenditures or in capital spending?

Moreover, the dichotomy between growth and inflation has long been debated in economic literature. The principle that strong and sustainable growth cannot be achieved without a relatively high level of inflation seems to be widespread, particularly among neo-Keynesians. Thus, fixing the maximum level of inflation (3% for the UEMOA countries) could limit the growth performance of member countries. In some countries like Ghana, Liberia and Sierra Leone, the good growth trends observed during the last decade may be discontinued by the strict respect of the inflation constraint. This is the reason why the ECOWAS adopted, concerning the inflation target, 10 percent at the end of the period of adjustment for the countries of the Second Monetary Zone, and 5 percent for ECOWAS as a whole, when the two areas will be merged.

These results corroborate those obtained in the past by the countries of the franc zone. Indeed, by

assessing the convergence situation in the franc zone, the Report of the Franc Zone (2006) described the results as mixed. This Report affirmed the existence of a strong dispersion of the achievements as well as the instability of the convergence process, despite the review of the criteria in 2002. The Report also mentioned a lack of reliable instruments for assessing convergence.

For the specific case of UEMOA countries, this situation indicates the extent of the constraints with respect to internal and external factors that limit the acceleration of the convergence process. There are several real problems including the inadequate fiscal and social harmonization and the regulation of asymmetric shocks.

Under a flexible exchange regime, the reduction in wages, in social protection (which benefit only workers from the formal sector), in local taxation, in social security contributions... is not very attractive since exchange rate fluctuations may cancel the effect of these measures. However, in a situation of a single currency, things are different. On the one hand, changes in the cost of labour or in regulations can have permanent effects on competitiveness; on the other hand, with the removal of the exchange rate risks, the mobility of capital and skilled labour becomes stronger. This makes it quite tempting for countries to take more or less aggressive measures to attract business, since these measures are much more effective than those taken in the case of flexible exchange rates.

UEMOA is characterized by the coexistence of a common monetary policy and eight independent fiscal policies. This raises the question of the regulation of economic activity. Indeed, in the framework of the UEMOA, the interventions of the monetary policy (changes in interest rates or exchange rates) affect all the eight countries of the area without exception. The monetary policy can then play an economic role in the case of symmetric (or common) shocks, that is to say, experienced simultaneously and in equal proportions by all the UEMOA area countries. The regulation of asymmetric shocks – affecting some countries or all countries in different proportions – must therefore

explore other avenues. The current configuration of the UEMOA will very likely become the configuration of the future union of the ECOWAS zone. The alternative avenues are those presented by R. Mundell (1961): the flexibility of the labour market and the fiscal adjustment.

The first solution is currently inoperative because the mobility of workers within the West African sub-region is relatively small, although the freedom of movement of persons is ensured. The importance of unemployment in the countries of the region further complicates the situation.

The second solution – the fiscal adjustment – is favoured by the UEMOA member countries. The regulation of economic activity, including the fight against asymmetric shocks, must necessarily include fiscal policies (monetary and exchange rate policies are managed by the BCEAO). But the constraints set by the CSGSP leave only a very small leeway to States.

10.1.7. Challenges posed by the different convergence criteria between the ECOWAS, the WAMZ and the UEMOA

The compliance with the ECOWAS convergence criteria is a bit rash to member countries because of the differences in the level agreed upon by the various institutions (ECOWAS, UEMOA and WAMZ). J. Lama (2011) points out that: (i) the indicators selected as convergence criteria are not always the same for the three systems of convergence; (ii) certain indicators selected in common in the three systems as convergence criteria are classified differently as primary or secondary criteria, and do not always have the same values, and that their convergence horizons are different.

Thus, the WAMZ has chosen a target of 10 percent maximum inflation, compared to 5 percent for ECOWAS and 3 percent for UEMOA. Since the initial objective was to establish the WAMZ before the single currency of ECOWAS, member countries tend to focus more on the 10 percent target than the 5 percent. Therefore, almost all of them do not abide

by the 5 percent target set by ECOWAS, in contrast to UEMOA member countries.

In fact, Tarawalie A., Sissoho M., Conte M. and Ahoritor1 C.R. (2012) empirically estimated the threshold levels of inflation in the WAMZ, using the conditional least squares method. Their study also identified the determinants of growth in the WAMZ. The empirical analysis is based on annual data from 1970-2010 for Ghana, Nigeria and Sierra Leone, and from 1980-2010 for The Gambia and Guinea. The results have shown that there is a long-term negative statistically significant relationship between inflation and economic growth for countries of the WAMZ. Moreover, the empirical results strongly suggest the existence of an inflation threshold for the WAMZ countries, beyond which inflation has a negative effect on growth. The results revealed an inflation rate of 9 percent as optimal inflation rate for the WAMZ countries. They also showed that the threshold inflation rate respects the WAMZ convergence criterion to maintain an inflation rate not exceeding 10 per cent. They recommend maintaining the inflation rate at least at the threshold level in member countries, as it can help maintain sustainable growth.

The opposite situation is observed with regard to the tax burden, with a target of at least 20% for the ECOWAS and the WAMZ and only 17 percent for the UEMOA. However, only Cabo Verde, Liberia, Senegal and Nigeria are able to meet the target 20 percent of ECOWAS, which indicates structural difficulties for most countries, regardless of their membership to the WAMZ or the UEMOA.

The difficulty of making the UEMOA and the WAMZ to converge has its roots in the fact that UEMOA is already a monetary union, while the WAMZ is still seeking to be one, as well as the difference in preferences of the two areas. The Central Bank of West Africa, which covers the countries of the UEMOA, has the sole objective of ensuring price stability, while its counterparts in the member countries of the WAMZ attach great importance to growth and employment in the hierarchy of objectives. This difference makes it difficult to

reconcile their positions on the optimal level of inflation. It is possible to reduce the gap between the two areas (UEMOA accept a higher rate of inflation, while WAMZ will target a lower rate of inflation). In the near future, harmonization would, therefore, be possible only on these terms, without going to the extent of standardizing inflation thresholds. The current reflection underway within the UEMOA on its convergence criteria offers the opportunity to initiate such a move to reduce the disparities in inflation targets between the two zones.

Moreover, on account of the absence of harmonization in respect of policies and the various institutional, accounting and statistical frameworks,

comparison of compliance with the convergence criteria presents limited results.

Although, at UEMOA, the convergence framework was accompanied by measures to harmonize the legal, accounting and public finance statistics framework, including taxation, this is not yet the case in the WAMZ countries. Efforts to harmonize national accounts should also be made by ECOWAS to ensure a higher level of comparability of macroeconomic aggregates as is the case in UEMOA countries. That is the whole purpose of the projects on the roadmap to the single currency.

ANNEX V:

Methodology Adopted by the ECA for Designing a Regional Integration Index in Africa

► Objectives of the regional integration index in Africa

The index of regional integration in Africa is to determine the extent to which each country in Africa fits into the rest of the continent. It assesses the level of achievement of the objectives stipulated in agreements on integration, such as the Minimum Integration Programme of the African Union and the Abuja Treaty to establish the African Economic Community. The Index is a joint project of the United Nations Economic Commission for Africa (ECA), the African Development Bank (AfDB) and the African Union Commission (AUC).

An index of African regional integration can become an indispensable reference for African Governments, enabling them to see how much progress they are making towards realizing the agreed vision of an integrated Africa, and in which areas of the integration agenda they might be lagging behind. It will summarize information from the many areas that regional integration covers into a single number. This will make it easier for Governments and the general public to gain an overview of the performance of their RECs; it will also help Governments to assess their overall progress compared with other countries in Africa. In addition, the index will be constructed in such a way that Governments will be able to identify specific areas of integration in which they are performing less strongly. This will encourage and help Governments to take corrective action in areas where their progress is slow in comparison to other African countries.

► Methodology of calculation

The index consists of 76 core indicators classified under seven dimensions and 20 sub-dimensions,

which cover the Africa's main objectives for regional economic and trade integration. These indicators were selected based on the following criteria: relevance to the priorities of African integration, measurability, and data availability. The indicators are grouped under the following seven dimensions or categories:

- Regional Migration and the labour market (five indicators);
- Trade integration (16 indicators);
- Political economy (nine indicators);
- Productive Integration (four indicators);
- Financial integration and macroeconomic policy convergence (12 indicators);
- Regional infrastructure and interconnections (26 indicators); and
- Social and cultural integration (four indicators).

Given their cross-cutting nature and the attribution issues, indicators of regional macroeconomic impact are not attached to any specific dimension.

It should be noted that regional economic communities continue to update their integration objectives at regional level, and therefore, it may be necessary, in the future, to add new indicators, which could complicate progress tracking over time.

► Computing scores for countries, RECs and the continent

The African Regional Integration Index will compute an overall score and ranking for each country in Africa, as well as aggregate scores of each of the RECs and for the continent as a whole. The reason for inclusion of scores for individual countries is to enable Governments and citizens to judge their performance relative to other countries and to use

this to assess whether or not they are adequately fulfilling their commitments regarding the integration process. Scoring individual countries also allow judgements about their relative performance in the different areas of integration included in the index; this means that Governments will know whether they could be doing better in a particular aspects of integration, and it is hoped this will spur further progress and a redoubling of efforts or rethinking of approach in that area. Scores for the RECs will be computed by taking the mean average of the scores of for the countries in the REC. For some indicators, it will only be possible to give a score for the REC as a whole, rather than for individual countries (for example, on whether a REC has adopted a protocol in a given area); this could be the case for both continental and REC-level indexes. Where this is the case, each country in the REC will be allocated the same score. Similarly, in the continent-level index, if there are indicators that apply to the whole of Africa rather than to individual countries, all countries will be given the same score (that is the score for the continent as a whole) for these indicators.

For each indicator the related score will be obtained using the following formula:

$$\text{Score} = \frac{\text{Gross Value} - \text{minimal Value}}{\text{maximal Value} - \text{minimal Value}}$$

The overall score is a simple average of the related scores of the indicators, however, the next expert consultations will help to show whether some indicators should be weighted more.

► **Computing scores for the various dimensions of integration**

In order to enable citizens and policymakers to see how their countries are performing on the various dimensions of integration (Infrastructure; Trade; Investment; Regional value chains; Macroeconomic policy convergence; Regional Migrations and Labour Market; social and cultural), AUC and ECA will aggregate all of the indicators within a dimension to produce an overall score for each dimension. AUC and ECA will use the same method of scaling, weighting and aggregating the indicators as for the overall index.

This study sought to assess the progress made by ECOWAS toward regional integration. The analysis of the institutional organisation and sectoral policies of ECOWAS has shown that this Community, in general, is a model of advanced integration in the broader context of the African Union, in the same manner as SADC in southern Africa.

In 40 years, ECOWAS has built a solid *institutional architecture* as a globally recognized organisation. It has strived to adopt protocols and to define policies and programmes covering almost all areas of integration identified in the initial treaty and later in the revised treaty of ECOWAS.

In terms of real impact, ***the performances of ECOWAS, since its establishment, may be deemed to be largely average at this stage.***

ECOWAS has the potential to accelerate the integration of its Member States. It has gained valuable experience in successfully grouping and sustaining countries as members. The challenges of harmonisation have value as well. They provide lessons that the extended regional community could apply for achieving progress in the construction of the unification of its Member States. This is particularly the case of UEMOA. Its membership comprises eight of the 15 ECOWAS countries among which the pooling of interventions or gradual fusion with ECOWAS will enable it to sustain its achievements, while promoting their ownership by ECOWAS.

Today, ECOWAS must take another step toward developing its operational capabilities to generate tangible results for its Member States and Community citizens. In doing so, it can fully meet the targets set in the Constitutive Treaty and celebrate its 50th anniversary, in 2025, by becoming a successful model of Regional Economic Community in Africa.

In that respect, several recommendations have been made in this report.