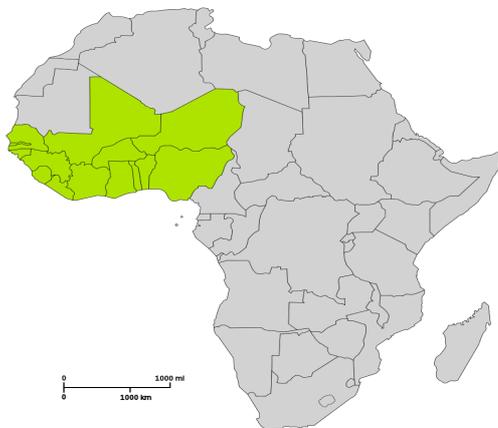


THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)
REPORT - FEBRUARY 2013

1. INTRODUCTION

- 1.1 The Economic Community of West African States (ECOWAS) was formed on May 28th 1975, with the signing of the Treaty of Lagos. On its creation, it was entrusted with the task of promoting cooperation and development in all areas of economic activity, abolishing trade restrictions, removing obstacles to the free movement of persons, goods and services, and harmonizing regional sectorial policies. The major objective remains the constitution of a vast West African Common Market and creation of a Monetary Union.
- 1.2 The region has suffered years of being confronted with crises; HIV/AIDs pandemic, coups d'état and violent conflicts, which have caused national and regional destabilization, worsening poverty and weakening the States. In order to remove these impediments and prevent their recurrence ECOWAS' mission statement is *"to promote cooperation and integration, with a view to establishing an economic and monetary union as a means of stimulating economic growth and development in West Africa"*.
- 1.3 ECOWAS is a regional group of 15 countries created in order to promote economic growth in the region. It is considered a key component of the African Economic Community.
- 1.4 Its current members are Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.
- 1.5 It covers an area of 6.1 million km² (see image below) with a population of approximately 300 million people which is rapidly rising – statistics suggest that there will be 430 million people between 2020-2025. ECOWAS currently has a GDP per capita of \$350m (USD) per year and operates equally in three languages: English, French and Portuguese.
- 1.6 ECOWAS implements its policies using four main institutions: The Commission, The Community Parliament, The Community Court of Justice and the ECOWAS Bank for Investment and Development.



MAP OF AFRICA – GREEN INDICATES ECOWAS COVERAGE



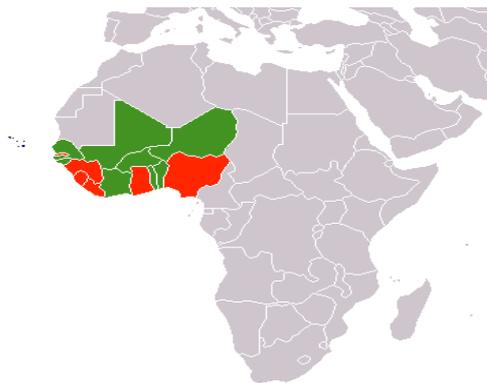
2. THE ECOWAS INSTITUTIONS

- 2.1 In 2007, ECOWAS changed its central institution from an Executive Secretariat into a Commission, which has made the organisation more effective and given the regional integration process a new dynamic. The Commission is made up of ten people who work towards fulfilling the ECOWAS vision. They work closely with governments to design measures for improving living standards, promoting economic growth and further integration within the region. This should facilitate the design and implementation of regional agreements on taxes, customs, tariffs and other trade-related issues, and also support reform processes aimed at enhancing peace and security, particularly through conflict prevention and mediation.
- 2.2 The Commission Parliament is a forum for dialogue, consultation and consensus for representatives of the peoples of West Africa in order to promote integration. Membership is constituted from the membership of the national parliaments of each Member State. The Parliament is an assembly of Peoples of the Community and its members represent all the peoples of West Africa. The Parliament consists of 115 seats. Each of the 15 Member States has at least 5 seats. The remaining seats are shared in accordance to the proportion of the population. Therefore, Nigeria has 35 seats, Ghana 8, Cote d'Ivoire 7, while Burkina Faso, Guinea, Mali, Niger and Senegal have 6 seats each. The remaining countries have 5 seats. Should the member lose his / her seat in the national parliament, they would lose their seats in the regional parliament. The ECOWAS Parliament is situated in Abuja, Nigeria and at present only acts in a consultative and advisory capacity.
- 2.3 The Community Court of Justice is composed of seven judges, each serving a four year term, appointed by the heads of state of member Governments. The purpose of the court is to uphold the Treaty of Lagos and its protocols. Additionally, the court can deal with human rights violations. In June 2006, the Authority of Heads of State and Government decided to establish a Judicial Council of the Community with responsibility for recruiting judges for the Community Court and handling judicial matters.

- 2.4 ECOWAS Bank for Investment and Development (EBID) is an international financial institution owned by the Member States and located in Lomé, Togo. Its aim is to promote development in both the public and private sectors of the ECOWAS region plus to advance economic integration, both in the sub-region and globally. It helps contribute to economic development by financing programmes which target individual sectors; such as transport. Additionally, EBID cooperates with national and sub-regional development organisations, for example: by funding projects and programmes which aim to benefit the community.

3. MONETARY UNIONS WITHIN ECOWAS

- 3.1 Union économique et monétaire ouest-africaine (UEMOA) or West African Economic and Monetary Union is a subgroup of eight ECOWAS countries that share the CFA Franc. These countries are: Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.
- 3.2 ECOWAS and UEMOA have harmonised their macroeconomic convergence criteria and agreed on a common external tariff.
- 3.3 The International Monetary Fund (IMF) states that UEMOA is “the furthest along the path toward integration” of all groupings of countries within Africa.
- 3.4 The West African Monetary Zone (WAMZ) is a group of 6 countries that intend, by 2015, to use the same currency; the Eco. The countries involved are Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone.
- 3.5 The proposal is that, like the CFA Franc, the Eco will be linked to the euro by means of a fixed exchange rate.
- 3.6 The ultimate goal is to merge the CFA Franc and the Eco, to provide the ECOWAS region with a single currency. This ideally will result in improving the strength and stability of the economy.



**GREEN REPRESENTS UEMOA
RED REPRESENTS WAMZ**

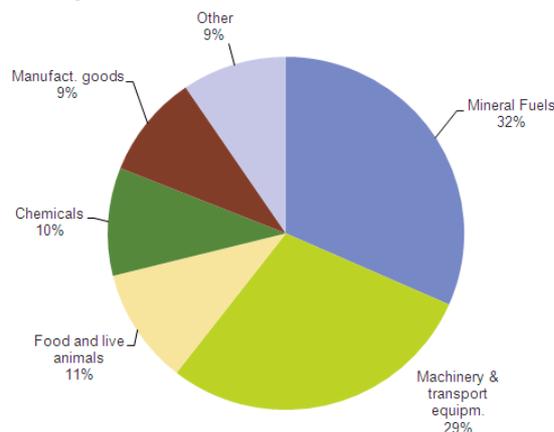
4. ECOWAS ACHIEVEMENTS

4.1 MONETARY AND FINANCIAL MATTERS

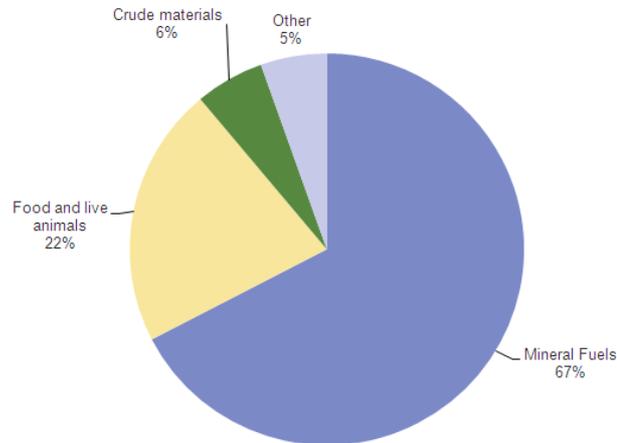
- 4.1.1 ECOWAS has developed and helped implement a plan towards the harmonisation of economic and fiscal policies between Member States.
- 4.1.2 The launch of the ECOWAS travellers cheque into circulation.
- 4.1.3 The establishment of ECOBANK; whose “mission and vision is to build a world-class pan-African bank and to contribute to the economic and financial integration and development of the African continent”.

4.2 TRADE LIBERALISATION

- 4.2.1 ECOWAS has set out its Trade Liberalisation Scheme (which has been harmonised with UEMOA), in order to encourage international trade.
- 4.2.2 The products included in the scheme are live animals born and raised within Member States, mineral products extracted from the ground of Member States, products obtained from animals living or raised in Member States, electric energy produced in Member States, scrap and waste resulting from manufacturing operations within Member States, and vegetable products and herbs harvested within Member States.
- 4.2.3 It has eliminated duties and taxes having equivalent effect between Member States. Furthermore, it has abolished non-tariff barriers within Member State exchanges.
- 4.2.4 A common external tariff has been agreed for exports to countries outside of the region.



GOODS IMPORTED TO THE EU FROM ECOWAS



GOODS EXPORTED FROM THE EU TO ECOWAS

4.3 FREE MOVEMENT OF PEOPLE

- 4.3.1 The recognition of the need for economic integration including free flow of persons, goods and services stimulated the enactment of protocol on the free movement of people. The ECOWAS Member States therefore agreed and implemented the abolishment of visas between Member States and given right of residence within the region to citizens of ECOWAS. Kadre Ouedraogo said in July 2012 that the ability for citizens to move freely with no harassment at any borders will encourage the opportunity to trade, therefore, contributing to the economic development of the region.
- 4.3.2 An ECOWAS passport has been created – currently issued in 10 of the 15 Member States and the passport can be used within the sub-region and is also recognised for international travel.
- 4.3.3 Documents, regulations and formalities related to the movement of people in member countries have been harmonised.
- 4.3.4 A travel certificate has been printed and is operational in 6 countries: Burkina Faso, Ghana, Guinea, Niger, Nigeria and Sierra Leone.
- 4.3.5 The ECOWAS region remains the only region in Africa with a visa-free regime across national boundaries and the vision for 2020 is to transform the region into a borderless community.

4.4 ENERGY

- 4.4.1 A West African energy system has been created in December 1999 called the West Africa Power Pool (WAPP). WAPP was guided by a steering committee comprising of Energy Ministers of ECOWAS Member States, supported by a Project Implementation Committee, comprising of Managing Directors of Members States.
- 4.4.2 The aim of WAPP is to integrate the national power system operations into a unified regional electricity market – with the expectation that such mechanism would, over the medium to long-term, assure the citizens of ECOWAS Member States a stable and reliable electricity supply at affordable costs.
- 4.4.3 Furthermore, the improved reliability of power to the region as a whole will create an attractive environment for investments in order to facilitate the funding of power generation and transmission facilities.
- 4.4.4 The West African Gas Pipeline (WAGP) project was initiated to help supply gas from Nigeria’s Escarvos region to Benin, Togo and Ghana safely and reliably. The gas pipeline is 678km long.
- 4.4.5 WAGP has proved a great success creating numerous benefits for citizens in the West of Africa. These include; allowing a source of cost-effective, secure, clean and reliable energy for West Africa. WAGP will facilitate regional economic growth and development. Furthermore, the WAGP displaces liquid fuels in power generation and consequently contributes to a reduction of the emission of greenhouse gases in the region.
- 4.4.6 The leader of Gambia, Yahya Jammeh, said in August 2012 that without energy, ECOWAS could not develop uniformly because there is no way you can “sustain development as a net importer”.

4.5 TRANSPORT

- 4.5.1 The West African highway network from Lagos to Nouakchott and from Dakar to N’djamena was constructed to encourage trade.
- 4.5.2 An “ECOWAS brown card” has been introduced which provides compensation to victims of motor vehicle accidents, which may occur whilst travelling in the region. It also provides third party insurance cover for liability risks relating to accidents resulting in death/bodily injury and/or property damage.
- 4.5.3 ECOWAS Rail is a planned project to construct an integrated railroad system in Member States. It aims to standardise railway systems in the region. Aims include the extension of railways in Member Countries, the interconnection of previously isolated railways and the standardisation of gauge, brakes, couplings, and other parameters.



- 4.5.4 The first new line proposed would connect the cities of Lagos, Cotonou, Lomé and Accra. This will allow large container ships to concentrate on a smaller number of ports; therefore increasing efficiency and reducing the costs of international trade.

4.6 TELECOMMUNICATIONS

- 4.6.1 Direct telephone links between Member States have been installed and the equipment has been modernised.
- 4.6.2 New provisions of services have been set up and to help develop the industry convergence criteria has been laid out.

4.7 PROTECTION OF THE ENVIRONMENT

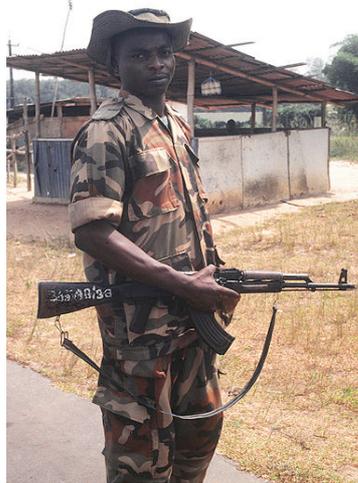
- 4.7.1 It has banned movement and deposit of toxic substances within the ECOWAS region and laid out plans to fight desertification. Also, it has helped expand and develop existing national meteorological services.
- 4.7.2 The Heads of State of ECOWAS state that their vision of 2025 is to “turn West Africa into a borderless zone where the citizens will benefit from the opportunities and develop, in a sustainable manner, the huge resources of the region”.
- 4.7.3 In January 2011 The ECOWAS Community Court of Justice in Abuja explained that it had jurisdiction to entertain a case brought by the Registered Trustees of the Socio-Economic Rights and Accountability Project (SERAP) against the Nigerian Government and 6 oil companies over alleged violation of Human Rights and associated oil pollution in the Niger Delta.

4.8 TOURISM

- 4.8.1 It has developed a system of classification of hotels in Western Africa.
- 4.8.2 There has been the adoption of measures aimed at promoting investment in tourism and hotel management.
- 4.8.3 The first ever ECOWAS Tourism Minister’s Summit took place in June 2012 in Gambia. The summit attracted ministers and high-ranking officials from the 15 ECOWAS countries.
- 4.8.4 Ahmed Hamid, ECOWAS commissioner for Trade, Customs, Industry, Mines, Free Movement and Tourism, said following the June 2012 summit “In West Africa we are our own obstacles, as the tourism sector is not given adequate consideration like other sectors”.

4.9 PEACE

- 4.9.1 The creation of Economic Community of West African States Monitoring Group (ECOMOG) in 1990 by Member States of ECOWAS was in response to the Civil War in Liberia. This agreement means that countries lend mutual assistance to each other in times of conflict within the region.
- 4.9.2 4,000 ECOMOG troops were deployed to Monrovia, the capital of Liberia, in 1990. ECOMOG's presence in the country peaked at 12,000 troops and ended in 1997.
- 4.9.3 ECOMOG also made contributions to peace efforts in Sierra Leone, Guinea-Bissau and Côte d'Ivoire, as well as returning to Monrovia in 2003 during the second Liberian Civil War.
- 4.9.4 Although ECOMOG troops were essential in preventing a rebel victory in the Sierra Leone Civil War, they suffered from several weaknesses such as poor command and control, low morale and poor training. The British Army that arrived in the country in 2000, and the UN peacekeepers that came soon after, were better prepared for the mission than the largely Nigerian ECOMOG force, and were more effective in speeding up the peace process.
- 4.9.5 The ECOWAS Foreign Ministers recommended on the 3rd March 1998 in Yamoussoukro, Côte d'Ivoire, that ECOMOG should formally become responsible for peacekeeping operations in West Africa and sought to provide a clearer command chain in the light of the often complex relationship between ECOMOG and ECOWAS. This decision reflected not only the reality of ECOMOG but served to recognise the dominant role of Nigeria. The decision allowed for the broadening of the troop contributions and a rotating Force Commander, as opposed to predominantly Nigerian commanders.
- 4.9.6 ECOMOG is presently attempting to secure a UN mandate to station up to 3000 troops in Mali. However, the Malian military rejected this proposal on 14th August 2012, saying that it would only allow 600-800 ECOMOG troops into the country, and that they could only be stationed in the north. There is widespread worry amongst ECOMOG Member States and the west over the fact northern Mali is fast becoming a safe haven for Al-Qaeda.



AN ECOMOG SOLDIER IN LIBERIA

4.10 HEALTH AND SOCIAL WORK

- 4.10.1 The West African Health Organisation was created by ECOWAS with a mission to achieve the highest standards of health care possible. This will be done by pooling resources, harmonising health care policies and drug laws of the states involved.
- 4.10.2 The ECOWAS Centre for Gender Development and the Organisation of West African Women Forum were created to help increase women's role in West African society.

4.11 JUSTICE

- 4.11.1 The Community Court of Justice received its first case in 2004. This landmark first case (Olajide Afolabi v. Federal Republic of Nigeria) was filed by an individual businessman against the Government of Nigeria for a violation of Community Law in the closing of the border with Benin.
- 4.11.2 In January 2005, the Community adopted the Additional Protocol to permit persons to bring suits against Member States.
- 4.11.3 Since the adoption of the Additional Protocol, the Court has received several cases from individuals and the institutions of the Community itself. Notably, the Court has been seized by Nigerian politicians complaining of violations of their Human Rights in the determination of election outcomes.
- 4.11.4 In November 2010, The Court of Justice ordered the Government of Nigeria to replenish a shortage of funds in its education sector so that it would fulfill its obligation under the African Charter on Human and Peoples' Rights (Banjul Charter) to provide free and compulsory basic education to every Nigerian child.



5 FUTURE CHALLENGES TO ECOWAS

- 5.1 The organisation faces the continued challenge of harmonising the region's economic and monetary policies in order to eventually create a single monetary zone – this is set to be launched in 2020.
- 5.2 It endeavours to create a borderless zone and to harmonise maritime regulations and business laws. However, this will be a challenge, with illegal activities occurring on the borders such as drug trafficking and internal migration, which are both still persistent problems.
- 5.3 ECOWAS must continue to work hard towards consolidating democracy, good governance and fight corruption. Also to promote peace and cooperation in the region.
- 5.4 The rising population which is predominantly young has been a catalyst for growing youth unemployment which can lead to an increase in crime rates.
- 5.5 It should be noted that Mauritania left ECOWAS in 2000, as it opposed plans to form a common currency. However, Mauritanian officials now believe that they have missed out on the many benefits of membership and would like to rejoin.
- 5.6 At present, an Economic Partnership Agreement between ECOWAS and the EU is being proposed. The EPA is principally supposed to bring about free trade between West Africa and Europe. However the biggest economy in ECOWAS, Nigeria, is ambivalent towards some aspects of the agreement, as opening up Nigerian companies to competition from EU companies is not beneficial to its interests. In March 2012 the ECOWAS parliament criticised the low intra-regional trade profile of West Africa and "the pressure brought to bear by the European Union on trade liberalisation between the two zones".
- 5.7 Corruption and a lack of security in some ECOWAS nations continue to hinder complete trade liberalization. 'Unofficial' tariffs, in effect bribes, charged by corrupt policeman continue to affect inter-country trade. For example, along the Ghana-Togo-Benin-Nigeria corridor, there are over 18 control points manned by police and custom officials of their respective countries. Drivers typically spend about 20 minutes at each border post and pay the equivalent of US \$11 in bribes.