

**SUPPLEMENTARY PROTOCOL A/SP1/12/03  
AMENDING ARTICLE 6 OF PROTOCOL A/P2/1/03  
RELATING TO THE APPLICATION OF COMPENSATION  
PROCEDURE FOR LOSS OF REVENUE INCURRED BY  
ECOWAS MEMBER STATES AS A RESULT OF  
TRADE LIBERALISATION**

THE HIGH CONTRACTING PARTIES,

MINDFUL of Articles 7, 8 and 9 of the revised Treaty establishing the Authority of Heads of State and Government and defining its composition and functions;

MINDFUL of Article 48 of the revised Treaty on compensation for loss of revenue incurred by Member States as a result of trade liberalisation;

MINDFUL of Protocol A/P2/1/03 dated 31 January 2003 on the application of compensation procedures for loss of revenue;

CONSIDERING that one of the major obstacles to the implementation of the ECOWAS trade liberalisation scheme stems from the inadequacies observed in the system adopted for the compensation of loss of Customs revenue;

CONSIDERING that the date fixed in Protocol A/P2/1/03 for the take-off of the decreasing compensation scale has proved unrealistic;

DETERMINED to take account of the importance attached by Member States to the payment of compensation for losses of revenue, when fixing a date for the take-off referred to above, in order to ensure effective implementation of the trade liberalisation scheme;

DESIRING to set a new date for the take-off of the decreasing compensation scale and, to this end, to amend Protocol A/P2/1/03;

On the RECOMMENDATION of the seventh extraordinary session of the Council of Ministers held in Cotonou on 1 and 2 September, 2003;

**AGREE AS FOLLOWS:**

**Article 1**

Article 6 of Protocol A/P2/1/03 relating to the application of compensation procedure

for loss of revenue incurred by Member States as a result of trade liberalisation is hereby amended and shall henceforth read as follows:

### **New Article 6**

1. The duration of the compensation mechanism is fixed at four (4) years, with effect from 1 January 2004.
2. Amounts payable as compensation shall be calculated on a decreasing scale in the following manner:
  - 100% of loss incurred in 2004
  - 80% of loss incurred in 2005
  - 60% of loss incurred in 2006
  - 30% of loss incurred in 2007
  - 0% of loss incurred with effect from 1 January 2008

### **Article 2**

1. This Supplementary Protocol shall enter into force provisionally upon signature by the Heads of State and Government. Accordingly, signatory Member States and the Executive Secretariat hereby undertake to commence implementation of all provisions of the protocol upon signature.
2. This Supplementary Protocol shall enter into force upon ratification by at least nine (9) signatory States, in accordance with the constitutional procedures in each Member State.
3. This Supplementary Protocol and all instruments of ratification shall be deposited with the Executive Secretariat which shall transmit certified true copies to all the Member States and notify them of the dates of deposit of instruments by the Member States. The Executive Secretariat shall also register it with the African Union, the United Nations Organisation, and such other organisation as the Council of Ministers may determine.

**IN FAITH WHEREOF WE, THE HEADS OF STATE AND GOVERNMENT OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES HAVE SIGNED THIS SUPPLEMENTARY PROTOCOL IN THREE ORIGINALS IN THE ENGLISH, FRENCH AND PORTUGUESE LANGUAGES, ALL THREE (3) TEXTS BEING EQUALLY AUTHENTIC.**

**DONE AT ACCRA THIS 19TH DAY OF DECEMBER 2003**