

SUPPLEMENTARY ACT A/SP.1/02/12 AMENDING DECISION A/DEC.17/12/01 SETTING UP A MULTILATERAL SURVEILLANCE MECHANISM FOR THE ECONOMIC AND FINANCIAL POLICIES OF ECOWAS MEMBER STATES

THE HIGH CONTRACTING PARTIES,

MINDFUL of Articles 7, 8 and 9 of the ECOWAS Revised Treaty establishing the Authority of Heads of State and Government and defining its membership and functions;

MINDFUL of Articles 51 and 55 of the Treaty on the achievement of the Economic and Monetary Union of the Community;

MINDFUL of Decision A/DEC.2/7/87 on the adoption of a monetary cooperation programme that provides for the creation of a single monetary within ECOWAS;

MINDFUL of Decision A/DEC.17/12/2001 creating a multilateral surveillance mechanism for the economic and financial policies of the ECOWAS Member States;

MINDFUL of Supplementary Act SA/12/2011 instituting a macroeconomic convergence and stability Pact between the ECOWAS Member States;

CONSIDERING that the construction and operationalisation of a viable economic and monetary union in the ECOWAS region requires cumulatively the institution of a mechanism for the multilateral surveillance and coordination of the Member States' economies, as well as the harmonisation and convergence of their economic and financial

CONSIDERING that the multilateral surveillance mechanism set up within ECOWAS must be effectively operational prior to the actual achievement of economic and monetary integration;

ACKNOWLEDGING that the structures put in place by virtue of Decision A/DEC.17/12/2001 on the creation of a mechanism for the multilateral surveillance of the economic and financial policies of the ECOWAS Member States to steer the economic convergence and stability process, need to be reorganized or modified to meet convergence requirements;

CONSCIOUS of the need to consolidate the multilateral surveillance mechanism with a view to ensuring compliance with the economic convergence criteria set out -in the Macro-economic convergence and stability Pact;

DETERMINED to strive to speed up the

implementation of the convergence criteria;

ON THE PROPOSAL of the Meeting of transport Ministers held in Yamoussoukro on the 1st of September 2011;

HAVING received the opinion of the ECOWAS Parliament;

ON RECOMMENDATION by the Council of Ministers at its meeting held in Abuja from 19 to 21 December 2011;

HEREBY DECIDES

ARTICLE 1:

Articles 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 of Decision A/DEC.17/12/01 of 21 December 2011 setting up a mechanism for the multilateral surveillance of the economic and financial policies of the ECOWAS Member States are hereby amended as follows:

New Article 2: Organs of the Mechanism

Multilateral surveillance shall be conducted through the following

- b. the Technical Committee on Macro-economic Policies;
- c. the ECOWAS Commission; and
- d. National Coordinating Committees.

New Article 3: The Convergence Council

- a. The Convergence Council shall comprise the Ministers of Finance and Governors of the Central Banks of the Member States. It shall be entrusted with conducting multilateral surveillance in the Community;
- b. As part of multilateral surveillance, the Convergence Council shall consider and approve half-yearly reports on the Community's multilateral surveillance mechanism presented by the Technical Committee. It shall submit the reports to the Authority of Heads of State and Government by way of rendering account to them of the status of harmonisation of the economic policies in the Member States and of macro-economic performances.
- c. The Convergence Council shall make recommendations to the Council of Ministers, which shall enact a Regulation adopting the Member States' convergence programmes.

- d. The Convergence Council shall be presided over by the Minister of Finance of the Member State holding the chairmanship of the Authority of Heads of State and Government of the Community.

New Article 4: Technical Committee on Macroeconomic Policies

- a. The Technical Committee shall comprise representatives of the Ministries of Finance of the Member States, Directors of Studies and/or Research of Central Banks, and Directors; eral of National Statistical Institutes.
- b. The Technical Committee shall be responsible for monitoring the convergence process, ensuring conformity of the States' convergence programmes with Community convergence objectives, and submitting half-yearly multilateral surveillance reports' as well as multi-annual programmes to the Convergence Council for adoption.
- c. All macro-economic policy matters shall be submitted to it for consideration.

New Article 5: ECOWAS Commission

1. The ECOWAS Commission shall be the operational centre of multilateral surveillance, in which regard, it shall be responsible for:
- a. managing the ECOWAS multilateral surveillance database (ECOMAC) while ensuring their intrinsic coherence and their comparability;
- b. drawing up half-yearly multilateral surveillance reports based on the quarterly reports and the convergence programmes submitted by the Member States; and
- c. monitoring the Member States' macro-economic convergence performances and ensuring statistical and economic policy harmonization;
2. The ECOWAS Commission shall be assisted in the performance of the task by a joint Secretariat of the West African Economic and Monetary Union (UEMOA), the West African Monetary Agency (WAMA), and the West African Monetary Institute (WAMI).

New Article 6: National Coordinating Committees

1. For the purpose of the multilateral

surveillance hereby each member State undertakes to set up the national coordination committee mentioned in Article 2 within a maximum period of 2 months from the date of adoption of this decision. In this regard, each Member State shall enact a law creating its national coordination committee.

2. The national committee on economic policy (CNPE) of UEMCA countries shall place the role and carry out the functions of the ECOWAS national coordination committee.

New sub-paragraph 3:

The National Coordinating Committees, in collaboration with the ECOWAS Commission, shall be responsible for the collection, processing and analysis of data from each Member State. In addition, each National Coordinating Committee shall be responsible for:

- a. managing the multilateral surveillance database (ECOMAC);
- b. preparing quarterly economic and financial performance reports;
- c. monitoring economic policy while identifying recent decisions and assessing their impact at economic and financial levels; and
- d. formulating convergence programmes.

New sub-paragraph 4:

The National Coordinating Committees shall submit the quarterly reports to the ECOWAS Commission forty-five (45) days after the end of the quarter, and the convergence programmes as well as the updated database no later than 31 st October of the current year.

New sub-paragraph 7:

National Coordinating Committees shall be placed under the authority of the Ministry of Finance. The Chairman of the National Coordinating Committee shall be appointed by the Minister of Finance.

New sub-paragraph 8 :

The National Coordinating Committee shall adopt its Rules of procedure for onward transmission to

the ECOWAS Commission.

New Article 7: Convergence Programme

1. As part of measures for the implementation of the multilateral surveillance mechanism, and in application of the Macro-economic Convergence and Stability Pact, each Member State shall submit to the ECOWAS Commission, a convergence programme compatible with Community convergence objectives. The programme objective shall be to ensure that the 2016 deadline for the attainment of economic policy convergence is met within five (5) years.
2. Convergence objectives must always be compatible and consistent with ECOWAS monetary policy objectives, which takes due account of the commitment Member States made with international financial institutions on economic and financial programmes. The Programme shall comprise the following elements:
 - i. analysis of economic developments in the Member State for the past three (3) years;
 - ii. trend of the Member State's economic performance during the current year, across the different macro-economic indicators. This relates to achievements, the current year's objectives, and the major assumptions regarding foreseeable economic projections, as well as important economic variables that may influence the execution of the convergence programme;
 - iii. prospects of economic developments during the convergence programme;
 - iv. description of the economic policy measures to be implemented in order to achieve the programme objectives with regard to the convergence criteria;
 - v. evolution of the convergence criteria profile over the programme period indicating the number of criteria that may be achieved and those that may not;
 - vi. difficulties relating to the attainment of the convergence criteria and where necessary, the corrective measures proposed.

New Article 8: Evaluation of Convergence

The council shall ensure that each Member State convergence programme. The Council shall consider half-yearly reports on multilateral surveillance prepared by the ECOWAS Commission. It shall also assess the convergence programmes transmitted by the Member States in keeping with the

provisions of Article 9 of Supplementary Act A/SP.2/02/12 instituting a Macro-economic Convergence and Stability Pact between the ECOWAS Member States.

New Article 9: Frequency of consideration of convergence Reports

1. Multilateral surveillance shall be based on the consideration of half-yearly reports and an assessment of the economic and financial performance of the Member States. The Convergence Council shall conduct this activity in May and December each year.
2. The May report shall evaluate economic and financial performance and compliance with the previous year's objectives, which shall serve as a guide for assessing the objectives of the year under review.
3. The December report shall define the guidelines to be taken into account by each Member State when formulating macro-economic policies for the ensuing year, particularly with regard to budget policy consistency with convergence objectives.

New Article 10: Support to Member States

The ECOWAS Commission shall take the necessary measures to support the National Coordinating Committees (NCC) in the execution of their tasks.

New Article 11: Exceptional circumstances

1. Exceptional circumstances shall be those defined in Article 18 of the Macro-economic Convergence and Stability Pact between the ECOWAS Member States. A situation shall be deemed exceptional where non primary criterion results from a force majeure.
 - a. leads to a negative development in economic activity with a corresponding significant decline in real GDP and also where the Council establishes that the slippage is temporary; and
 - b. results from domestic and/or external shocks that have caused an exceptional decline in budget revenue, a significant price hike, and also only where the Convergence Council deems it to be a temporary development.
2. An exceptional situation shall be considered temporary where, on the basis of relevant analysis conducted by the ECOWAS Commission, the Convergence Council concludes that the Member State

may be able to meet the target once the cause of the degradation is addressed.

ARTICLE 12:

All other provisions of Decision A/DEC.17/12/01 of 21 December 2001 remain unchanged.

ARTICLE 13:

This Supplementary Act shall enter into force on the date of signature. It shall be published in the ECOWAS Official Journal within thirty (30) days of its signature by the Chairman of the Authority of Heads of State and Government. It shall also be published by each Member State in its Official Gazette within the same time-frame upon notification by the Commission.

IN FAITH OF WHEREOF, WE, THE HEADS OF STATE AND GOVERNMENT OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS) HAVE SIGNED THIS SUPPLEMENTARY ACT.

DONE IN ABUJA, THIS 17TH DAY OF FEBRUARY 2012

IN SINGLE ORIGINAL, IN THE ENGLISH, FRENCH AND PORTUGUESE LANGUAGES, ALL THREE TEXTS BEING EQUALLY AUTHENTIC