

**TWENTY FIFTH ORDINARY SESSION OF THE
AUTHORITY OF HEADS OF STATE AND
GOVERNMENT
DAKAR 21ST DECEMBER, 2001**

DECISION A/DEC.17/12/01 CREATING A MECHANISM FOR THE MULTILATERAL SURVEILLANCE OF ECONOMIC AND FINANCIAL POLICIES OF ECOWAS MEMBER STATES

THE AUTHORITY OF HEADS OF STATE AND GOVERNMENT,

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

MINDFUL of Articles 3, 4, 5, 51 and 55 of the Treaty relating to the realisation of the objective for the creation of an economic and monetary union;

MINDFUL of its Decision A/DEC.2/7/87 on the adoption of an ECOWAS monetary cooperation programme which envisages the creation of a single monetary zone within ECOWAS;

MINDFUL of its Decision A/DEC.7/12/99 relating to the adoption of macro-economic convergence criteria within the framework of the ECOWAS monetary cooperation programme;

RECALLING the importance that the Member States of the Community attach to the realisation and enhancement of the economic integration process in general and monetary integration in particular;

CONVINCED that the creation of a viable economic and monetary union in West Africa requires, through the institution of a multilateral surveillance mechanism, the harmonisation of the economic and financial policies as well as the macro-economic convergence of the Member States;

CONVINCED that a strict coordination of economic policies of Member States and their convergence are prerogatives for the creation of an economic and monetary union;

DESIRING to fully implement the convergence measures adopted and to specify the practical modalities for the organisation and implementation of the multilateral surveillance.

UPON THE RECOMMENDATION of the Convergence Council which met in Dakar on 18 December 2001.

DECIDES

I) OBJECTIVE OF THE MULTILATERAL SURVEILLANCE

Article 1

- i) It is hereby established a mechanism for the multilateral surveillance of their economic and financial policies of Member States.
- ii) The multilateral surveillance shall ensure the achievement of the closest coordination of the economic policies of Member States and the convergence of the national economies.

II) INSTITUTIONAL PROVISIONS OF THE MULTILATERAL SURVEILLANCE

Article 2: ORGANS OF THE MECHANISM

The regional surveillance mechanism shall be based on the following organs.

- * The Convergence Council
- * The Technical Monitoring Committee
- * The West African Monetary Agency (WAMA) and the ECOWAS Executive Secretariat
- * The National Coordinating Committees (NCC)

Article 3: THE CONVERGENCE COUNCIL

- i) The Convergence Council shall be composed of Ministers of Finance and Governors of Central Banks of Member States. It shall be the ECOWAS organ empowered to conduct the multilateral surveillance of the convergence of the macro-economic policies and performance of Member State. This shall be done in particular on the basis of half-yearly reports on the convergence process as submitted to it by the Technical Monitoring Committee referred to in Article 2 of this decision as defined in Article 4 below.
- ii) Within the framework of the multilateral surveillance, the Convergence Council shall review and approve the half-yearly reports on the operation of the multilateral surveillance mechanism mentioned in Article 4 below. The Convergence Council shall submit to the Authority progress reports on the harmonisation and convergence of policies and performance of the economies in the Community.

Article 4: THE TECHNICAL MONITORING COMMITTEE

- i) The Technical Monitoring Committee shall be composed of representative of the Ministries of Finance of Member States and Directors of Research of Central Banks. It shall be responsible for the secretariat of the Convergence Council

- ii) The Technical Monitoring Committee shall be responsible for the monitoring of the convergence process. It shall ensure the compatibility of the draft pluri-annual convergence programmes envisaged in Article 7 of this decision with the convergence objectives of the Community before submitting these draft programmes to the Convergence Council for adoption.
- iii) The Technical Monitoring Committee Shall prepare and submit a half-yearly report on the implementation of the convergence programmes stipulated in Article 7 of this decision. It shall supervise the work carried out by WAMA, ECOWAS Executive Secretariat and the national coordination committees.

Article 5: THE WEST AFRICAN MONETARY AGENCY (WAMA) AND THE ECOWAS EXECUTIVE SECRETARIAT.

- i) A joint secretariat composed of WAMA and the ECOWAS Executive Secretariat is hereby set up to prepare meetings of the Technical Monitoring Committee and the Convergence Council on the multilateral surveillance mechanism. The composition and functioning of this joint secretariat shall be defined by the Convergence Council.
- ii) WAMA and the Executive Secretariat, in collaboration with the national coordination committees shall be responsible for monitoring the preparation of the half-yearly reports provided for in Article 4 of this decision.
- iii) The joint secretariat shall be the operational centre of the surveillance mechanism. To this end, it shall:
- * Manage the surveillance mechanism database by ensuring the accuracy, comparability and availability of the relevant data;
 - * Prepare and submit half-yearly progress reports to the Technical Monitoring Committee and the Convergence Council, the verification shall enable the set objectives of the multilateral surveillance.

Article 6: NATIONAL COORDINATING COMMITTEES (NCC)

- i) 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.

- ii) The national committee on economic policy (CNPE) of UEMCA countries shall play the role and carry out the functions of the ECOWAS national coordination committee.
- iii) The National Co-ordinating Committees shall assist WAMA and the ECOWAS Executive Secretariat in the collection, processing analysis of data on each Member State. To this end, each National Committee shall:
- Manage a statistical data base:
 - Prepare a report on the current economic performance of its country, highlighting the evolution of the convergence criteria.
 - Monitor economic policies by compiling and analysing relevant recent decisions and assessing their impact on the economic and financial sector.
- iv) The national coordination committees shall forward every three months to the Executive Secretariat a background report on the evolution of the convergence criteria.
- v) The National Coordinating Committees shall be composed of heads of the relevant national services. They shall be ex-officio members appointed on the basis of their involvement in the formulation and implementation of national economic and financial policies. They shall be drawn, essentially from the following services:
- Treasury Department
 - Internal Revenue Department
 - Customs Department
 - Budget Department
 - Debt Office
 - Economic Forecasting Department
 - Planning Department
 - National Statistical Service
 - Central Bank
 - external Trade Department
 - Economic Affairs Department
 - Regional Integration Department.
- vi) Each Member State may constitute the National Coordination Committee (NCC) in accordance with the national administrative structure and its particular needs, but on the basis of the list of department set out above.

- vii) The chairman of each committee shall be a high-ranking official appointed by the State. The Central Bank shall provide the technical secretariat of the committee. Member States undertake to take all necessary measures to guarantee the committees access to the statistics of their respective countries, and to ensure efficient execution of their assignment by placing them under the supervision of an appropriate authority.
- viii) Within the exclusive context of their mandate, members of the national committees are empowered to hold consultations among themselves and communicate with members of other national committees. They undertake to observe the confidentiality of their assignment.
- ix) Each national committee shall meet upon convocation by its chairman. It shall adopt its rules of procedure which will be forwarded to the Technical Monitoring Committee.

Article 7: CONVERGENCE PROGRAMME

Each Member State submit to WAMA and the ECOWAS Executive Secretariat, within a period of three (3) months from the entry into force of this decision, a pluri-annual programme which conforms with the economic convergence objectives of the Community and is designed to ensure the achievement within the prescribed time limit (2004) of the convergence

Article 8: FREQUENCY OF CONSIDERATION OF COUNTRY REPORTS

- 1) The multilateral surveillance is based on the evaluation of half-yearly progress reports on the economic situation of ECOWAS Member States. The reviews shall be conducted in April and September of each year by the Convergence Council, except otherwise modified by its chairman.
- ii) The April Report shall evaluate the economic and compliance with the objectives set for the previous year. On the basis of the performance recorded, the report shall propose a revision of the objectives fixed for the current year.
- iii) The September Report shall have the Principal objective of providing guidelines to be taken into account by each Member State for the formulation of its macro-economic policies for the following year particularly with regard to the coherence of the budgetary policies with the convergence objectives.

Article 9: SUPPORT TO MEMBER STATES

The ECOWAS Secretariat and WAMA shall take all necessary measures in support of the functioning of the national coordination committees.

Article 10: EXCEPTIONAL CIRCUMSTANCES

- i) Exceptional circumstances as referred to in Article 8(ii) are governed by the following considerations:
- ii) The situation is said to be exceptional where non-compliance with a primary criterion has been due to force majeure entailing:
- * Negative economic developments, reflected in a decline in real GDP of at least three percentage points below the average for the previous three (3) years, which the Convergence Council considers as temporary;
 - * A deterioration of the external environment, leading to an unprecedented fall in the budget revenue of the Member State concerned of at least (10%) below the average for the preceding three (3) years, which the Convergence Council considers as temporary.
- iii) Non-compliance with the convergence criteria shall be considered to be temporary where the forecasts made by WAMA and the Executive Secretariat indicate that the Member State concerned will be able to comply with the set criteria when the situation returns to normal.

Article 11: PUBLICATION

This Decision shall be published by the Executive Secretariat in the Official Journal of the Community within thirty days of its signature by the Chairman of the Authority. It shall also be published by each Member State in its National Gazette within the same time frame.

**DONE AT DAKAR, THIS 21ST DAY OF
DECEMBER, 2001**



**H. E. ALPHA OUMAR KONARE
CHAIRMAN
FOR THE AUTHORITY**