

Presentation of WAMA

1. BACKGROUND INFORMATION

The West African Monetary Agency (WAMA) is an autonomous and specialised agency of the Economic Community of West African States (ECOWAS). It was established in 1996 as a result of the transformation of the West African Clearing House (WACH). In retrospect, WACH was established in 1975 to serve as a multilateral payment facility to promote trade within the West African sub-region. In addition to its functions of routing and clearing trade transactions and services, the Agency has been charged with the responsibility of monitoring, coordinating and implementing the ECOWAS Monetary Cooperation Programme (EMCP), geared towards the creation of the ECOWAS single currency.

2. LOCATION

The building housing the headquarters of WAMA is located at **1K Scan Drive, Off Spur Road, Freetown, Sierra Leone**

3. MEMBERSHIP

WAMA is an institution comprising the eight Central Banks of ECOWAS member States. These include:

1. the BCEAO (the common Central Banks of seven francophone and one lusophone countries);
2. Bank of Cape Verde;
3. Central Banks of The Gambia;
4. Bank of Ghana;
5. Central Banks of the Republic of Guinea;
6. Central Banks of Liberia;
Central Banks of Nigeria;
7. Bank of Sierra Leone.

4. OBJECTIVES

The key objectives assigned to the Agency are as follows:

1. To promote the use of national currencies in trade and non-trade transactions within the sub-region;
2. To bring about savings in the use of member States' foreign reserves;
3. To encourage and promote trade and exchange liberalization among member States;
4. To enhance monetary cooperation and consultation among member States;
5. To facilitate harmonisation and coordination of monetary as well as fiscal policies and structural adjustment programmes;

6. To ensure the monitoring, coordination and implementation of the ECOWAS Monetary Cooperation Programmes;
7. To initiate and promote policies and programmes relating to monetary integration in the sub-region;
8. To ensure the establishment of a single monetary zone in West Africa, paving the way for the eventual conduct of a single monetary policy and the establishment of a single currency.

5. FUNCTIONS

In order to achieve these objectives, the Agency performs the following functions :

1. Defines policies and programmes to promote monetary and fiscal harmonisation and cooperation;
2. Serves as a channel for clearings and settlements of transactions among member Central Banks;
3. Manages the ECOWAS Credit Guarantee Fund Scheme ;
4. Undertakes studies on issues relating to monetary and fiscal cooperation and all other international economic issues affecting member States;
5. Collects, stores and disseminates statistical information for member Central Banks.

6. ORGANS

The administrative organs of the West African Monetary Agency are :

The Committee of Governors, comprising Governors of all ECOWAS Central Banks. This Committee supervises the activities of the Agency and monitors the implementation of economic and monetary integration programmes;

The Economic & Monetary Affairs Committee, comprising the Directors of Research of member Central Banks. This Committee reviews, evaluates, and monitors progress in the implementation of the ECOWAS Monetary Cooperation Programmes.

The Operations and Administration Committee, comprising Directors of Foreign Operations of member Central Banks is responsible for personnel matters and monitor WAMA's clearing and payments system for member Central Banks ;

The Directorate of the Agency, comprising the Director-General and a team of professionals who manage the affairs of the Agency under the supervision of the two Technical Committees and the Committee of Governors.

7. Financial Resources

The Agency's financial resources are derived from annual contributions from member Central Banks and such other sources as may be approved by the Committee of Governors.

8. RELATIONSHIP WITH ECOWAS AND OTHER INTERNATIONAL INSTITUTIONS

Although WAMA is an organ of ECOWAS, it is placed under the authority of the Committee of Governors of member Central Banks. However, ECOWAS and WAMA maintain close working relations through meetings of mutual interest in addition to meeting reports being reciprocally exchanged between the institutions. WAMA also maintains close collaboration with other international organisations such as the West African Bankers' Association (WABA), the international Monetary Fund (IMF), African Development Bank (ADB), Association of African Central Banks (AACB) and the World Bank.

9. IMPACT

WAMA has contributed to facilitating the settlement of transactions within the sub-region through the introduction of the West African Unit of Account (WAUA) ;

1. It manages a Clearing and Payments System among member Central Banks in West Africa;
2. It has contributed to the enhancement of monetary cooperation among ECOWAS member Central Banks;
3. In collaboration with ECOWAS member Central Banks, WAMA is also striving for the establishment of a Single Monetary Zone for the entire West Africa;
4. It is serving as a bridge to harmonise the policies between the West African Monetary Zone (WAMZ) and the Union Economique et Monétaire Ouest Africaine (UEMOA)