

June 2012

**SUPPLEMENTARY ACT A/SA.3/06/12  
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 zone 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 Articles 1 and 2 of Supplementary Protocol A/SP. 1/06/06 amending the Revised ECOWAS Treaty of 14 June 2006;

MINDFUL of Supplementary Act SP.2/02/12 instituting a macroeconomic convergence and stability Pact among the ECOWAS Member States;

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 Macroeconomic convergence and stability Pact;

CONVINCED that the establishment and operationalization 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 policies;

DESIROUS of creating necessary conditions for effective implementation of the multilateral surveillance mechanism among ECOWAS Member States;

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 organs:

- a. the Convergence Council;
- b. the Technical Committee on Macro-economic Policies;
- c. the Joint Secretariat (ECOWAS Commission), UEMOA Commission, ECOWAS Bank for Investment and Development (EBID), West African Monetary Agency (WAMA), and West African Monetary Institute (WAMI)
- d. the ECOWAS Commission; and
- e. 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 Macro-economic 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-General 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-year convergence programmes to the Convergence Council for approval.
- c. All macro-economic policy matters shall be submitted to it for consideration.

**New Article 5: Joint Secretariat**

1. The Joint Secretariat shall be composed of ECOWAS Commission, UEMOA Commission, ECOWAS Bank for Investment and Development (EBID), West African Monetary Agency (WAMA) and West African Monetary Institute (WAMI).
2. The ECOWAS Commission shall preside over the Joint Secretariat and coordinate multilateral surveillance of the ECOWAS Member States, and shall be responsible for:
  - a. managing the ECOWAS multilateral surveillance (ECOMAC) database by ensuring data consistency and comparability;
  - b. Preparing half-yearly multilateral surveillance reports based on the quarterly reports and the convergence programmes submitted by Member States; and
  - c. monitoring the Member States' macroeconomic performance with respect to

d.

3

I  
(

d.

3

I  
(

d.

3

I  
(

d.

3

I  
(

d.

3

I  
(

- convergence, and ensuring
- d. the harmonisation of economic policies and statistics.
3. The ECOWAS Commission shall be assisted by WAMA in monetary matters.

#### **New Article 6: National Coordinating Committees**

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 multi-year 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 31st 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 9 :** 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 economic policy convergence by 31 December 2016. The programme shall be on a 5-year rolling basis.
2. Convergence objectives must always be compatible and consistent with country monetary policy objectives, which take 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 Convergence Council shall ensure that each Member State complies with the convergence criteria and good performance of its 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 10 of Supplementary Act A/SP.2/02/12 instituting a Macroeconomic Convergence and Stability Pact among 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 fiscal 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 19 of the Macro-economic Convergence and Stability Pact among the ECOWAS Member States.

A situation shall be deemed exceptional where non compliance with a 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 2:**

1. All other provisions of Decision A/DEC. 17/12/01 of 21 December 2001 remain unchanged.
2. The present Supplementary Act supersedes any previous contrary provisions.

**ARTICLE 3:**

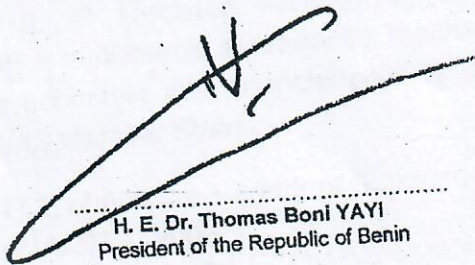
This Supplementary Act shall enter into force on the date of signature. It shall be published in the ECOWAS Official Journal within thirty (30) days of its signature by the Chairman of the Authority of Heads of State and Government. It shall also be published by each Member State in its Official Gazette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

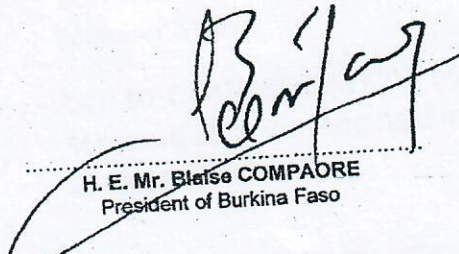
The present Supplementary Act supersedes any previous contrary provisions.

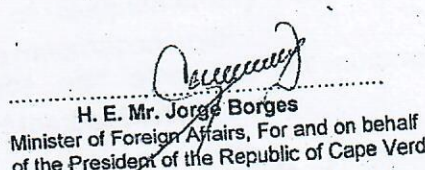
**IN FAITH WHERE OF, WE, THE HEADS OF STATE AND GOVERNMENT OF THE ECONOMIC COMMUNITY OF WESTAFRICAN STATES (ECOWAS) HAVE SIGNED THIS SUPPLEMENTARY ACT**

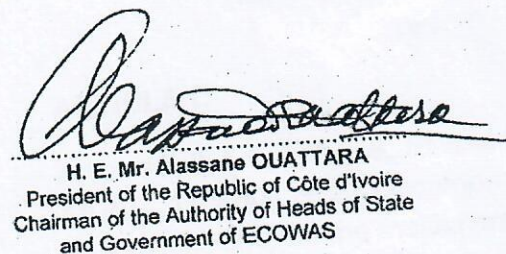
**DONE IN YAMOUSSOUKRO, THIS 29TH DAY OF JUNE, 2012**

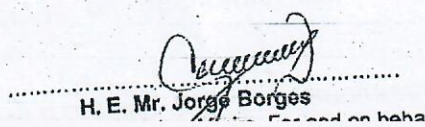
**IN SINGLE ORIGINAL, IN THE ENGLISH, FRENCH AND PORTUGUESE LANGUAGES, ALL THREE TEXTS BEING EQUALLY AUTHENTIC**

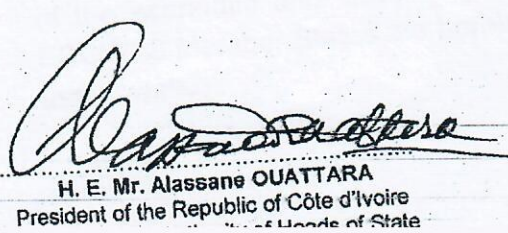
  
.....  
H. E. Dr. Thomas Boni YAYI  
President of the Republic of Benin

  
.....  
H. E. Mr. Blaise COMPAORE  
President of Burkina Faso

  
.....  
H. E. Mr. Jorge Borges  
Minister of Foreign Affairs, For and on behalf  
of the President of the Republic of Cape Verde

  
.....  
H. E. Mr. Alassane OUATTARA  
President of the Republic of Côte d'Ivoire  
Chairman of the Authority of Heads of State  
and Government of ECOWAS

  
.....  
H. E. Mr. Jorge Borges  
For and on behalf

  
.....  
H. E. Mr. Alassane OUATTARA  
President of the Republic of Côte d'Ivoire  
Chairman of the Authority of Heads of State