

Economic Community of West African States (ECOWAS)



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Description



Consists of 15 West African countries

Was founded on 28 May 1975 with the signing of the Treaty of Lagos

Its mission is to promote economic integration across the region

Economy

At the beginning of the 21st century, West Africa was **the world's poorest region**

- Every ECOWAS member state except Nigeria and Cape Verde was among the world's poorest 50 countries per capita in both nominal and purchasing power parity terms
- *The absolute majority of the regional population lived on less than one dollar per day, with over 80% living on less than two dollars per day.*
- Within ECOWAS, there are few real outliers from this pervasive poverty. Only Cape Verde, Ghana, Côte d'Ivoire and Nigeria are classified as above Least Developed Country status

Structure

**Conference of Heads
of State and
Government**

**Council of
Ministers**

**Community
Tribunal**

**Community Court of
Justice**

**Executive
Secretariat**

**ECOWAS
Parliament**

**Specialized
Commissions**

Food and Agriculture

Industry, Science and
Technology

Energy

Environment and
Natural
Resources

Transport,
Communications and
Tourism

Trade, Customs,
Taxation, Statistics

Political and
Legal Affairs

Regional
Security and
Immigration

Overview

Goals	<ul style="list-style-type: none">• Struggle against poverty• Provision of peace and security, battle against crime, contraband and distribution of small-arms weapon
Already done	<ul style="list-style-type: none">• Creation of transport and energy infrastructure (construction of railroads, highways, gas pipelines)• Moratorium on export and import of small-arms weapon• Implementation of tourist's checks which can be accepted in all the banks of the society
To be done	<ul style="list-style-type: none">• Creation of the federation of West African States• Implementation of the unified passport (single citizenship)• Usage of single currency ('ECO')• Standardization of university diploma's
Challenges	<ul style="list-style-type: none">• Absence of an effective payment system• Lack of coordination among customs instructions• Lack of political stability• Most of the requirements of the alliance (for example, budget deficit should be less than 4% of GDP) are hard to achieve for most of the countries

West African Economic and Monetary Union

The West African Economic and Monetary Union (also known as **UEMOA** from its name in French, Union économique et monétaire ouest-africaine) is an organization of **eight West African states**

OBJECTIVES

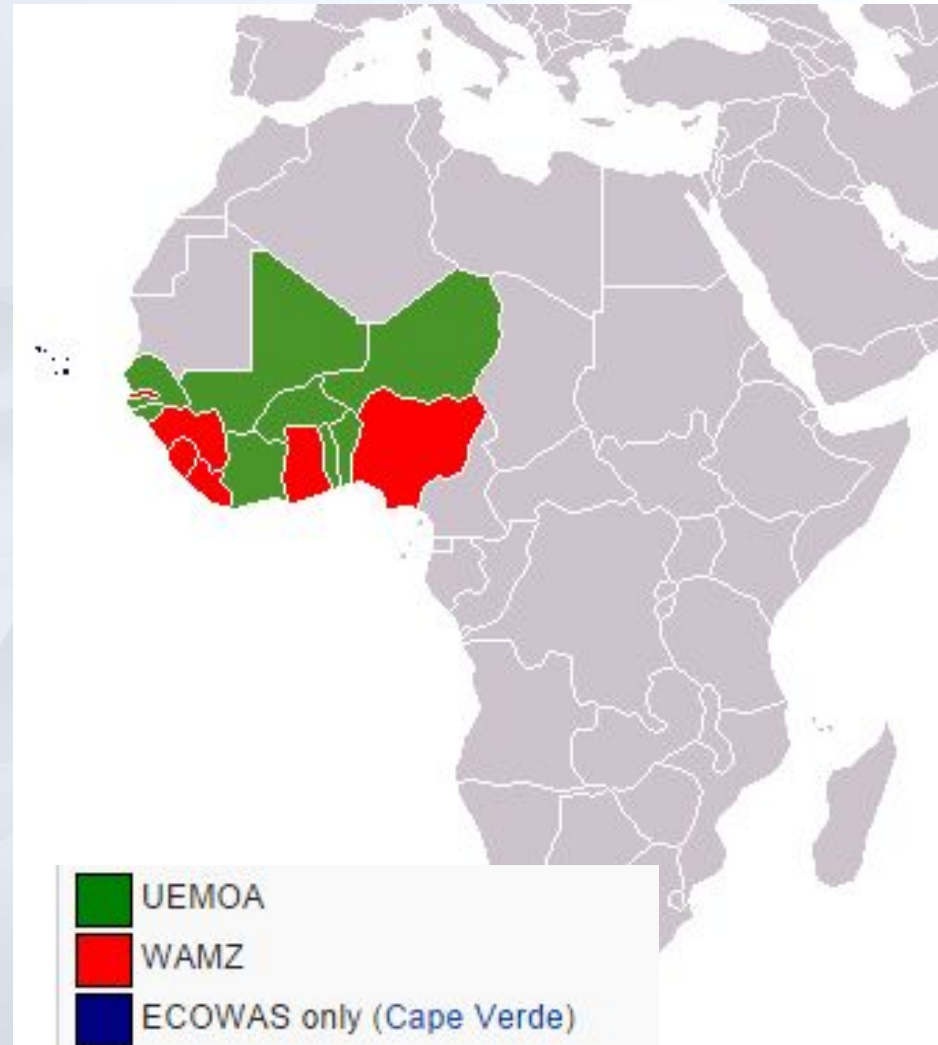
- Greater economic competitiveness, through open markets, in addition to the rationalization and harmonization of the legal environment
- The convergence of macro-economic policies and indicators
- The creation of a common market
- The coordination of sectoral policies
- The harmonization of fiscal policies

	Benin (Founding Member)
	Burkina Faso (Founding Member)
	Ivory Coast (Founding Member)
	Guinea-Bissau (Joined on 2 May 1997)
	Mali (Founding Member)
	Niger (Founding Member)
	Senegal (Founding Member)
	Togo (Founding Member)

West African Monetary Zone

Formed in 2000, the West African Monetary Zone (WAMZ) is a **group of six** countries within ECOWAS that plan to introduce a common currency, the Eco, by the year 2015.

-  Gambia (Founding Member)
-  Ghana (Founding Member)
-  Guinea (Founding Member)
-  Liberia (Joined on 16 February 2010)
-  Nigeria (Founding Member)
-  Sierra Leone (Founding Member)



ECO (currency)

For the Eco to be implemented, **ten criteria**, set out by the West Africa Monetary Institute (WAMI), must be met.

1. A single-digit inflation rate at the end of each year
2. A fiscal deficit of no more than 4% of the GDP
3. A central bank deficit-financing of no more than 10% of the previous year's tax revenues
4. Gross external reserves that can give import cover for a minimum of three months.
5. Prohibition of new domestic default payments and liquidation of existing ones.
6. Tax revenue should be equal to or greater than 20 percent of the GDP.
7. Wage bill to tax revenue equal to or less than 35 percent.
8. Public investment to tax revenue equal to or greater than 20 percent.
9. A stable real exchange rate.
10. A positive real interest rate.

Up to the fiscal year 2011, only Ghana have been able to meet all the primary criteria in any single fiscal year

Thank you for your attention!