

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

WEST AFRICA COMMON INDUSTRIAL POLICY (WACIP)



ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

WEST AFRICA COMMON INDUSTRIAL POLICY (WACIP)

JULY 2010

ECOWAS COMMISSION, ABUJA, NIGERIA

WEST AFRICA COMMON INDUSTRIAL POLICY (WACIP)

Published by
ECOWAS Commission, Abuja, Nigeria

July 2010

101 Yakubu Gowon Crescent,
Asokoro,
P.M.B. 401,
Abuja, NIGERIA

website: www.ecowas.int

ISBN No. 978-978-50087-5-3



CONTENTS

	Page
<i>Abbreviations and acronyms</i>	<i>v</i>
<i>Preface</i>	<i>vii</i>
EXECUTIVE SUMMARY	1
PART 1: GENERAL OVERVIEW OF WEST AFRICA	
1. CONTEXT AND JUSTIFICATION	13
2. GENERAL OVERVIEW OF THE REGION'S INDUSTRIAL SECTOR	14
3. ECONOMIC SITUATION AND PRINCIPAL CHALLENGES FACING THE REGION	16
3.1 <i>Economic situation</i>	
3.2 <i>Security</i>	
3.3 <i>Integration</i>	
3.4 <i>Governance</i>	
3.5 <i>Infrastructures development</i>	
4. ANALYSIS OF INDUSTRY'S CONTRIBUTION TO REGIONAL GDP	20
4.1 <i>Structure of the secondary sector in regional GDP</i>	
4.2 <i>Comparative analysis of the region's secondary sector with that of the emerging countries</i>	
4.3 <i>Problems of Agro-industry in West Africa</i>	
5. PRINCIPAL CONSTRAINTS OF INDUSTRIAL DEVELOPMENT	21
6. ANALYSIS OF THE SITUATION OF SME/SMIs IN THE REGION'S ECONOMY	23
7. INFORMAL SECTOR, NURSERY OF THE REGION'S INDUSTRIAL DEVELOPMENT	23
8. COMPARATIVE ADVANTAGES OF THE REGION	24
9. INTERNATIONAL CONTEXT OF THE REGION'S INDUSTRIALIZATION	25
9.1 <i>Globalization</i>	
9.2 <i>World Trade Organization and Agreements</i>	
9.3 <i>Development component of Economic Partnership Agreement (EPA) between ACP countries and the EU</i>	
9.4 <i>South - South Cooperation</i>	
10. DEVELOPMENT INITIATIVES	28
10.1 <i>Past initiatives (IDDA, LPA and AIA)</i>	
10.2 <i>NEPAD and its initiatives for industrial development</i>	
10.3 <i>AGOA (African Growth and Opportunities Act)</i>	
10.4 <i>"Everything But Arms" Initiative (EBA)</i>	
10.5 <i>Millennium Development Goals (MDGs)</i>	
10.6 <i>"One village, One product" (OVOP) Initiative</i>	
10.7 <i>Agro-business and the ECOWAS Action Plan</i>	
11. CONCLUSION	31

PART II: WEST AFRICA COMMON INDUSTRIAL POLICY (WACIP)	
1.	PLACE OF THE INDUSTRIAL POLICY IN THE ECOWAS INTEGRATION PLAN 33
2.	VISION 33
3.	GENERAL OBJECTIVES 34
4.	SPECIFIC OBJECTIVES 34
5.	MAJOR EXPECTED OUTCOMES 35
6.	POLICY MEASURES 37
	6.1 <i>Strengthening public-private partnership</i>
	6.2 <i>Strengthening the institutional framework of industrial development</i>
	6.3 <i>National policy measures</i>
	6.4 <i>Regional policy measures</i>
7.	GUIDING PRINCIPLES 39
8.	CHALLENGES 41
	8.1 <i>Developing capacities and the industrial base</i>
	8.2 <i>Competitiveness of industry</i>
9.	PROBLEM OF DISPARITIES BETWEEN MEMBER STATES 42
10.	STRATEGIES 43
	10.1 <i>Internal ECOWAS strategies</i>
	10.2 <i>Overall strategies</i>
	10.3 <i>Specific strategies of WACIP</i>
	10.4 <i>Axes of WACIP</i>
11.	PROGRAMMES 50
	11.1 <i>Development of micro-enterprises, SME/SMIs and major industries</i>
	11.2 <i>Industrial research and development programme (IR&D)</i>
	11.3 <i>Development of intellectual property rights (IPRs)</i>
	11.4 <i>Development of regional financing</i>
	11.5 <i>Business Opportunity Information Management System (ECO-BIZ)</i>
	11.6 <i>Creation of the regional industrial partnership network</i>
	11.7 <i>Infrastructural Development</i>
	11.8 <i>Standardization, Quality Assurance, Accreditation and Metrology Programme (SQAM)</i>
	11.9 <i>Managerial capacity and skills development programme</i>
	11.10 <i>Restructuring and upgrading Programme</i>
12.	INSTITUTIONAL FRAMEWORK AND IMPLEMENTATION MECHANISMS 56
	12.1 <i>Institutional framework for implementation</i>
	12.2 <i>Mechanism to support States in formulating national policies and programmes</i>
	12.3 <i>Implementation monitoring</i>
	12.4 <i>Evaluation mechanism</i>
	12.5 <i>Communication</i>
ANNEXES:	
	<i>Annex I : Data on the industrial sector of ECOWAS States (1995-2006)</i> 59
	<i>Annex II: Action plan for the WACIP 2010-2030</i> 61
	<i>Annex III : Supplementary Act ASA.2/7/10 Adopting the West Africa Common Industrial Policy (WACIP) and its Plan of Action</i> 77

ABBREVIATIONS AND ACRONYMS

AACA	African Commercial Insurance Agency
ACP	African, Caribbean and Pacific Group of States
ADB	African Development Bank
AFTA	Asian Free Trade Area
AGOA	African Growth and Opportunities Act
AIA	Alliance for the Industrialization of Africa
AIDS	Acquired Immuno-Deficiency Syndrome
APCI	Africa Productive Capacity InitiativeDevelopment
APRM	African Peer Review Mechanism
ASCRW	African Strategy for the Creation and Retention of Wealth
ASEAN	Association of South East Asian Nations
ASF	African Solidarity Fund
AU	African Union
BCEAO	Central Bank of West African States
BOT	Build, Operate and Transfer
BR	Regional Stock Exchange
BRS	Regional Solidarity Bank
BSTP	Sub-contracting and Partnership Stock Exchange
BTP	Buildings and Public Works (Construction industry)
CAMI	Conference of African Ministers of Industry
CCI	Chamber of Commerce and Industry
CET	Common External Tariffs
CEMAC	Central African Economic and Monetary Community
CIP	Common Industrial Policy
COMESA	Common Market of East and Southern Africa
EBA	Everything But Arms
EBID	ECOWAS Bank for Investment and Development
ECO-BIZ	(Business Opportunity Information Management System)
ECA	Economic Commission for Africa
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
EU	European Union
FAPI	Invention and Innovation Promotion Support Fund
FDI	Foreign Direct Investment
FOPAO	Federation of West African Employers Organizations
GDP	Gross Domestic Product
HDI	Human Development Index
ICT	Information and Communication Technology
IDDA	Industrial Development Decade for Africa
IFC	International Financial Company

IFC	International Financial Company
ILO	International Labour Office
IMF	International Monetary Fund
IPRs	Intellectual Property Rights
LDC	Least Developed Countries
LPA	Lagos Plan of Action
MDG	Millennium Development Goals
MERCOSUR	Common Market of the Latin American Zone
MFS	Micro Finance System
MIGA	Multilateral Investments Guarantee Agency
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
OAPI (AIPO)	African Intellectual Property Organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OHADA	Organization for the Harmonization of Business Law in Africa
OPA	Professional Agricultural Organization
OVOP	One Village, One product
PRSP	Poverty Reduction Strategy Paper
PTF	Technical and Financial Partner
R&D	Research and Development
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SDI	Industrialization Steering Scheme
SDDI	Industrial Development Steering Scheme
SME/SMI	Small and Medium-sized Enterprise/Small and Medium-sized Industry
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
UEMOA	West African Economic and Monetary Union
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
USD	United States Dollar (\$)
VAT	Value Added Tax
WACIP	West African Common Industrial Policy
WADB	West African Development Bank
WAWA	West African Women's Association
WTO	World Trade Organization

PREFACE

The West African Common Industrial Policy (WACIP) comes on the heels of ambitious reforms implemented by ECOWAS. The reforms associated to a large extent, Member States, Civil Society and the Private Sector because these play an important role in the integration process, through the institutions put in place at the national and regional levels. Underpinning the process is the 2020 Vision of an "ECOWAS of people", which aims to bring the region out of the poverty rut and raise each of its members to the rank of dignified citizens by the year 2020.

In 2020, West Africa will represent a market of more than 400 million consumers within a socio-economic area marked by its cultural diversity which increasingly provides strong support for regional integration. The region's efforts in strengthening the regional integration process have led to the creation of a free trade zone since 1st January 2000 and cumulated GDP growth of around 80% since the beginning of the decade. The region offers good and genuine prospects for growth in spite of the economic and financial crisis rocking the world.

The ECOWAS region which is largely open, will be even more so with the completion of reforms, abundance of raw materials and continued strengthening of its integration, supported by qualified manpower, good governance, peace, security and improved infrastructure. West Africa is looking to the development of an industrial, strong and dynamic private sector, leading to local industrial processing. This will take into account the comparative advantage and complementarities as well as development of intra-community and international trade based more and more on manufactured products of the region, job creation, technology transfer, long-term support of economic growth and the effective efforts for poverty eradication.

An important step was achieved with the additional law on investment rules, competition and the creation of a competition agency, adopted by the authority of Heads of State and Government in December 2008. This marked the launch of a common investment market, which aims at creating a common economic area for the region, within which people, capital and goods can freely circulate.

The harmonisation of investment laws of Member States, coordination of macroeconomic policy, stability and development of new approaches are the objectives sought after, with reinforced commitment and vigour in order to ultimately achieve an economic and monetary union.

WACIP, whose vision is to "**maintain a solid industrial structure which is globally competitive, environment-friendly and capable of significantly improving the living standards of the people by 2030**", falls within this new approach. It is divided into ten (10) coherent programmes centred on specific key objectives, namely the diversification and widening of the industrial production base, increasing the contribution of the industrial sector in the region's GDP from an average of 6-7% to 20% by 2030, considerably improving intra-community trade from 12% to 40% in 2030, and the exports of manufactured goods from the region to the world market (from 0.1% to 1% in 2030).

The implementation of these programmes will boost the industrialisation of the region, as it fully associates Civil Society, Private Sector and Member States in a variety of processes. These include changing the paradigm, creating wealth and promoting its retention through free re-investment, building West African skills, promoting the creation of Community and trans-border companies as well as restructuring large companies. It will also bring to fore the important reservoir of West African know-how (micro enterprises, SME/SMI, etc.) of the informal sector by adopting measures likely to foster its integration into a formal framework and resolve in a sustainable fashion, the problem of

access to the means of production, endogenous processing, distribution and exportation and in particular, energy and transport in a reliable and affordable manner.

The ECOWAS Commission with a leadership that is being increasingly enhanced will continue to support Member States, Private Sector and other actors, particularly Civil Society, regional support and finance institutions and technical and financial partners, so that they can play their respective roles in a coherent and harmonised fashion in the implementation of the WACIP.

This is the time to invest in the industrial development of ECOWAS.

The ECOWAS region remains the best destination due to its many and promising opportunities for investors, as a fresh and sure investment area which offers higher than the world average returns on investment and solutions to the challenges of international investments.

His Excellency, James Victor GBEHO
President of the ECOWAS Commission



EXECUTIVE SUMMARY

1. Context and Justification

Since its creation in 1975, the Economic Community of West African States (ECOWAS) has taken many initiatives to promote consultation and regional synergies and support the Member States in their socio-economic development efforts. It has not been able to implement regional initiatives in the area of industrial development or, if it has, the initiatives have only been partially implemented, which has not enabled the attainment of the anticipated objectives.

Each country has continued implementing its own national industrial development policy with consultation at regional level. This has proved inefficient despite the economic, social, industrial and commercial development initiatives supported by the international community for Africa, (IDDA, LPA, AIA, NEPAD, AGOA, EBAs, MDGs, OVOP, etc.). This has led to the following repercussions:

- creation of similar and competitive production units in the region (breweries, cement factories, oil mills, etc.);
- excessive dependence on imported inputs, including raw materials, capital goods, machines and human capital; and
- lack of interest in processing endogenous resources in support of the export in the raw state of raw materials whose global prices were generally attractive until 1980.

In short, West Africa's industrial fabric and industrial performance, as well as the degree of processing of the vast mineral wealth and other abundant local raw materials, have remained low. The region's industrial sector is not sufficiently diversified to produce a wide variety of intermediate and finished products. No country in the region has been able to acquire a robust industrial base, notwithstanding the thorough reforms implemented during the 90s (establishment of single investment windows; launch or accelerated privatization programmes; decision to make the private sector the engine of growth and sustainable economic development etc.).

West Africa's manufacturing industry, which is dominated by the agro industry, accounted for a mere 7.36 % of the regional GDP of 2006¹. Over four-fifths (80%) of the global manufacturing added value in 2006 came from four countries: Nigeria, Côte d'Ivoire, Ghana and Senegal, whose shares were 39.7 %, 23.4 %, 10.0 % and 9.3 %² respectively.

The region's situation in the international context is therefore marked by the rapid circulation of information, which is sustained by the development of Information and Communication Technologies (ICT), globalization, creation of the WTO and implementation of its agreements, the Economic Partnership Agreement (EPA) in negotiation between West Africa and the EU, and the increasingly tangible consolidation of South-South cooperation.

¹ - ECOWAS National Accounts - 1995 to 2006- Table 9.1, Page 39

² - op.cit

2. West African Common Industrial Policy (WACIP)

In the face of the situation of West Africa's industrial sector described above, and considering the challenges facing the region (strengthening integration, security, political, economic and social governance, infrastructure development, etc.), ECOWAS has elaborated and started the implementation of Vision 2020, which was adopted on 15 June, 2007 at Abuja (Nigeria) by the Heads of State and Government, which is particularly aimed at transforming "ECOWAS of States" into "ECOWAS of the people" by 2020, based on five pillars interlinked with industrial development in particular, namely:

- Governance;
- Infrastructures;
- The private sector;
- Women, children and the Youth; and
- Sustainable use of natural resources and the environment.

After adopting the ECOWAS Common Agricultural Policy (ECOWAP) on 19 January 2005, ECOWAS decided to formulate the West African Common Industrial Policy (WACIP) in coherence with the ECOWAP and other sector policies by taking measures to ensure the implementation of the policies in a mutually-reinforcing manner.

The West African Common Industrial Policy (WACIP) is based on a global vision to benefit from the comparative advantages of the Member States and their complementarities.

Considering the imperatives of globalization and the important role industry plays in development, the ECOWAS Member States have reiterated their will to make industrialization the medium of development and have jointly undertaken to work in partnership with the private sector for the effective and efficient implementation of the West African Common Industrial Policy. This illustrates their will to have a common regional Vision with a view to *"collectively becoming an important stakeholder in the globalization process in the framework of sustainable industrial development"*.

2.1 Vision

WACIP's vision is to *"maintain a solid industrial structure which is globally competitive, environment-friendly and capable of significantly improving the living standards of the people by 2030"*.

2.2 General objectives

The general objectives of the West African Common Industrial Policy (WACIP) are to accelerate the industrialisation of West Africa through the promotion of endogenous industrial transformation of local raw materials; development and diversification of industrial productive capacity, and strengthen regional integration and the export of manufactured goods.

2.3 Specific objectives

- # Diversify and broaden the region's industrial production base by progressively raising the local raw material processing rate from 15-20% to an average of 30 % by 2030, through support to the creation of new industrial production capacities and the development and upgrading of the existing ones;
- # Progressively increase the manufacturing industry's contribution to the regional GDP, currently at an average of 6-7 %, to an average of over 20 % in 2030;
- # Progressively increase intra-Community trade in West Africa from less than 12% to 40 % by 2030, with a 50% share of the region's trade in manufactured goods, particularly in the area of energy (equipment, electricity, petroleum products, etc.);

- # Progressively increase the volume of exports of goods manufactured in West Africa to the global market, from the current 0.1 % to 1 % by 2030, through the enhancement and development of skills, industrial competitiveness and quality infrastructure (standardisation, accreditation and certification), particularly in the areas of information, communication and transport.

These specific objectives focus on the following activity areas:

1. Development of the Private Sector through support measures aimed at boosting competitiveness;
2. Development of industrial productive capacities through increased endogenous processing of local raw materials to create more wealth and value added in value chains;
3. Development of infrastructure and support services such as infrastructure to evaluate quality and compliance, information services on technologies, trade, investment, export promotion, customs, energy, industrial areas, etc.
4. Enhancement of cooperation between the Private sectors of Member States through exchange of experiences in the area of product quality, economic information and standardization, etc.;
5. Development of regional industrial integration in the areas of intra-regional and global trade, due to its importance for economic and social development;
6. Effective implementation and application of Community rules in the area of investment and competition, adopted on 19 December 2008 by the ECOWAS Heads of State and Government;
7. Balanced economic development of different States of the region;
8. Promotion of a positive brand image of the region;
9. Putting in place suitable funding systems for regional enterprises and particularly SME/SMI;
10. Promotion of endogenous and direct foreign investments;
11. Resources mobilization and diversification of the financial instruments needed for the creation and rehabilitation of industries;
12. Rapid implementation of the ECOWAS Common External Tariff which is presently applied by some countries of the Community without it having been formally adopted due to ongoing discussions on the 5th band issue.

2.4 Major expected outcomes

Four series of results (a total of 38) linked to the specific objectives and the activities arising therefrom, are expected from the implementation of the West African Common Industrial Policy (WACIP).

Since the first series of expected outcomes relate to the first specific objective, they are defined as follows:

1. The region's industrial structure is consolidated with the creation of more manufacturing companies;
2. Job creation at national and regional level is increased tenfold;
3. Community enterprises and large companies are set up or formalized and take into account the comparative advantages and complementarities of the region;

4. The ECOWAS Agrobusiness strategy is implemented;
5. The ECOWAS CET is adopted;
6. Research findings are valorized by the private sector;
7. The region has technological and industrial parks housing the companies;
8. The FAPI is financially strengthened and contributes to broadening the region's industrial base through the creation of manufacturing companies based on West African patents;
9. All regional institutions responsible for the management of intellectual property work closely together;
10. All stakeholders are sensitised and trained in IPR protection;
11. The region's micro-enterprises and SME/SMIs and large companies have more access to funding for industrial investment;
12. The financial institution for support of West African women entrepreneurs is operational and accessible to the beneficiaries;
13. The quality of the region's manufactured products is improved;
14. Environment-friendly industrial development is strengthened;
15. There are sufficient and diverse skills and qualifications to sustain the region's industrialisation;
16. Business law is harmonised between all the Member States to improve the business environment and further promote industrial investments; and
17. Industrial companies are upgraded to have increased added value, and consolidated and diversified their markets.

The second series of expected results relating to the second WACIP specific objective are:

18. Sensitisation of the partners involved in the application of Community rules on investments and competition is carried out;
19. The Community Investment Code is adopted and enforced;
20. The harmonized system of accreditation, standardization and quality promotion is operational;
21. The regional quality policy is adopted;
22. Industrial activity in the region is re-invigorated and competitiveness strengthened.

The 3rd series of expected results relating to the 3rd WACIP specific objective are:

23. Innovative financing and guarantee mechanisms are operational and accessible;
24. The region's micro-enterprises and SME/SMIs and large companies have greater access to funding suitable for their exports;
25. West African regional integration through trade is strengthened;

26. The regional information centre on raw materials, industrial products, supply and demand of manufactured goods is operational;
27. The regional Industrial and Competitiveness Observatory is operational;
28. The system of juxtaposed operational control border posts is strengthened;
29. Impediments to intra-Community trade are removed;
30. The operationality of the regional industrial partnership network is strengthened;
31. Periodic regional industrial partnership meetings are organized;
32. The number and quality of West African infrastructures contribute to fluid intra-Community trade.
33. Infrastructure and integrating investment projects in the area of energy are developed (power generation and interconnection of electric networks, manufacturing of electrical products and petroleum products, etc);
34. ECOWAS maintains the enhanced leadership and supervisory role on energy issues within and involving West Africa;
35. The development of the region's land areas are balanced and promotes internal and intra-community trade.

The 4th series of expected outcomes relating to the 4th WACIP specific objective comprise:

36. West African manufactured products have better access to global markets;
37. Partnerships between the region's trade operators and with their counterparts throughout the world, are strengthened;
38. The number and quality of West African infrastructures contribute to trade flow between the region and the rest of the world;
39. The Supplementary Acts on ICT are implemented;
40. Goods manufactured in West Africa are of quality and certified to meet international standards;
41. A minimum of one structure is enhanced or created by the Member State for the certification and evaluation of compliance in order to ensure quality and conformity with standards of manufactured goods put on the market;
42. There are sufficient skills to sustain the region's industrialization and trade;
43. Goods manufactured in West Africa are competitive in terms of quality, standards, certification and price on the global market; and
44. Local, national, intra-African and international value and supply chains are strengthened.

2.5 Programmes

The following ten (10) regional programmes linked to the WACIP specific objectives, strategies and axes constitute the concrete articulation for the implementation of West Africa's Common Industrial Policy (WACIP):

1. Development of micro-enterprises, SME/SMIs and major industries

ECOWAS will support the Member States' governments in their efforts to establish a clear political framework suitable for the development of micro-enterprises, SME/SMIs and major companies. These national frameworks will be in harmony with the regional policies and, among other things, comprise the following aspects:

- Objectives of promoting micro-enterprises and SME/SMIs;
- Incentive and support programmes for micro-enterprises and SME/SMIs; and
- Framework for the implementation and monitoring of micro-enterprises and SME/SMIs.

The regional programme will thus develop a promotion policy model for the SME/SMIs which will serve as reference that can be adapted by each country, especially the Member States currently at the start-up stage of the development of their policy on the matter, the post-conflict countries in particular. The regional programme will strengthen the densification of the industrial fabric and job creation through each State's optimal management of nursery or incubator enterprises and cluster of companies, in particular those that develop endogenous patents or in the rural areas while relying on the One Village One Product (OVOP).

This aspect of the regional programme relating to nursery or incubator enterprises will equally be articulated in support of the progressive transition of micro-enterprises and SMEs/SMIs of the informal sector towards the modern sector, thanks to their support (structuring, taxation, training, technical support, financing, etc.).

While working on the finalisation and adoption of the Community Investments Code, the programme will support the awareness creation for governments, the private sector, the press and Civil Society in the application of Community investment and competition rules adopted on 19 December 2008 by the ECOWAS Heads of State and Government to offset the shortcomings observed and encourage private investments, especially the creation of strategic industries, particularly major companies taking due account of the comparative advantages and complementarities in the region. All the activities will be implemented with a view to adopting the ECOWAS Common External Tariff (CET) as soon as possible.

The Community Investments Code will clearly stipulate that no ECOWAS national Government may have recourse to expropriation. Furthermore, the specific bilateral agreements existing in the area of non-expropriation are some of the additional precautionary measures aimed at securing private investments. ECOWAS will adopt an innovative approach guided by the example of the African Commercial Insurance Company (AACA), either by strengthening it or creating a similar organization that will propose insurance against political risks, conflict, instability and financial support for the development of trade and investments in West Africa.

In all the aspects listed above, the programme will encourage endogenous processing and creation of added value in the sectors and circuits in which the region has high comparative advantage, such as agro-industry, mines, etc., while strengthening regional cooperation and specialisation taking due account of a balanced development of the region, (problems of disparities between Member States; development of the ECOWAS area...). In this framework, the programme will promote ECOWAS Agrobusiness, (including the Action Plan) and Community enterprises while supporting their creation or formalisation for those already existing and yet to benefit from the related advantages.

2. Industrial research and development programme (IR&D)

Dissemination of research findings within the industries and among investors is a problem of the region. The programme will provide appropriate responses by promoting the coordination of R&D activities in the entire region with a view to:

- Strengthening the link between the R & D and industry (dissemination of research findings to industries and economic operators; encouragement of industries and economic operators

to take charge of pre-assessment of the inventions and innovations; development of the region's patents; R & D support to industrial innovation; etc.);

- Encouraging the creation and development of technological and science parks.

To achieve this, the programme will establish (i) an institutional mechanism for coordinating the R&D programmes of activities; (ii) the mechanism for strengthening cooperation in priority areas such as exchange of information and joint IR&D programmes; and (iii) specific collaboration projects aimed at raising quality and productivity in the industrial sector.

The programme will also promote the privatization of public industrial site management (industrial area/zone, free zone, specialized space or industrial park...), by focusing on the advantages for the countries (flexibility, speed, transparency, valorization of local communities, etc.) and for investors (finding an appropriate, equipped and secure framework as soon as possible, e.g. in 30 days). Moreover, the programme will propose to the Member States a specific model that can be adapted to national realities for economic operators interested in realizing such investment.

Support for the industrial development of the region's patents will also make it easier for ECOWAS to mobilise the regional community and the technical and financial partners for the benefit of FAPI (a mechanism of OAPI) and any other organisation working for the attainment of this objective.

In partnership with the private sector and the technical and financial partners, ECOWAS will also facilitate the mobilization of targeted aid (quality equipment and infrastructures, competent human resources, training in the framework of South-South cooperation ...) for the region's Centres of Excellence with a view to supporting the development of technological skills and conducting pre-series tests that can provide proof of the industrial maturity of "West African" patents selected by FAPI or any other organisation. These patents will further be promoted by ECOWAS on the website and during various promotion events.

3. Development of regional intellectual property rights (IPRs)

Within UEMOA and in Guinea, there is an organization responsible for the protection of intellectual property rights. Since the region does not yet have a regional framework of intellectual property rights, ECOWAS is to work in synergy with the United Nations System (UNS) to establish such a framework embracing all stakeholders in such a way as to strengthen cooperation between regional institutions responsible for managing intellectual property.

The programme will be aimed at including other ECOWAS Member States in the organization or regional framework to ensure that there is a single window for the registration and management of IPRs in the region, as well as a regional network endowed with a database/information on the IPRs.

The programme also provides the organization of sensitization workshops, training initiatives and advocacy to promote the use and respect of the IPRs in the region.

4. Development of regional financing

The existing regional mechanism for financing industry, including exports of manufactured goods, will be encouraged to strengthen intra-regional cooperation and cooperation with African and international industrial support institutions, especially in the framework of South-South cooperation.

The programme will deepen reflections in synergy with regional, continental and global institutions and the West African private sector by capitalizing on current experiences in the region and across the world, particularly in the emerging countries, and put in place innovative financing and guarantee mechanisms for industry, particularly the micro-enterprises and SME/SMIs of the modern sectors: invigoration of local savings and stock markets; improved use of savings, deposits and guarantee funds; mobilization of credit lines at subsidized rates favourable to industrial investments and comparable to global best practices, in particular for micro-enterprises and SME/SMIs; programme-

contracts between the Governments and financing institutions (commercial Banks, decentralized financial systems, etc.).

The programme will support sensitization of the populace by organizing "Savings Days" in each member country in synergy with the public sector, the press, the Banks and financial establishments, the private sector and civil society. Without the sensitization being exhaustive, local savings will continue to be encouraged through the implementation of an endogenous savings policy harmonized at regional level with a revalorization of investments rates in the region (stock markets, purchase of bonds and shares, treasury bills, etc.).

The programme contract will be prepared in order to promote the provision by the States of long-term financial resources managed by these financing institutions with incentive interest rates for industrial investments, exclusively for national micro-enterprises and SME/SMIs. ECOWAS will facilitate the approach by proposing a model programme contract (ref. Tunisia, India, Malaysia) promoting the collateral security of the funded equipment, forced savings during reimbursement, and joint surety.

Another level of the programme will be on the activation of the project for the creation of a financial institution for support of Women entrepreneurs in West Africa. In that regard, ECOWAS will own the lessons and best practices arising from the implementation of the UEMOA's regional solidarity Bank (BRS) and some existing national solidarity banks in the region.

The programme will support the harmonization of the definition of micro-enterprise and SME/SMIs by promoting national consultations between stakeholders (public sector, parent companies and associations of professional companies, finance institutions, etc.).

Furthermore, the programme will, through different channels (media, workshops organized with the aid of consular chambers, etc.), conduct the sensitization and training of economic stakeholders in partnership development to exploit the financial resources existing in the world, and thereby avail themselves of investments opportunities in West Africa.

5. Business Opportunity Information Management System (ECO-BIZ)

Availability of adequate statistics and technical information on production, as well as their communication to users, are essential for the implementation of industrial and commercial programmes and projects. The programme will establish a regional information network on the region's raw materials with centres in the Member States. This will enable the creation and operation, in synergy with industry principals of Federation of West Africa Employers Organisations (FOPAO) and National partnership sub-contracting stock exchanges, the centre of the regional network for the exchange of information on intra-community trade, and the supply and demand of the region's manufactured goods. In that framework, it is envisaged to set up a website of data and information on the Internet to interlink the centre to the sites of regional and international industrial and commercial institutions.

Concurrent with the actions of public-private partnership reinforcement and the rationalization of the management of statistical data on the productions of member States, the programme will set up a regional Industrial and Competitiveness Observatory. ECOWAS will work with all the stakeholders in strengthening the UEMOA Observatory on abnormal practices (emcompassing the 8 Member States of the sub-region and Ghana) and the extension of its scope of intervention to the observation of industry and competitiveness. The Industry and Competitiveness Observatory will enable ECOWAS to apply penalties to countries that impede the legal movement of goods.

ECOWAS will capitalize on its own experience as well as that of UEMOA, to pursue the installation of juxtaposed control posts on the borders with a view to ensuring transparency of the controls.

6. Creation of the regional industrial partnership network

Intra-Community (or intra-regional) and international industrial partnership will enable the region to improve investment and technology flow while strengthening public-private partnership, its industrial fabric, local job creation, intra-Community trade and its presence on the global market through the constitution and strengthening of partnerships between national and foreign enterprises, especially SME/SMIs.

The magnitude and content of the regional industrial partnership network (international and intra-regional) will vary in relation to a number of factors, especially the needs and capacities of third countries, the size of their markets, as well as potential opportunities. To have a real impact, and for it to be sustainable, the programme will mobilize the energies and cooperation of all the parties (national, regional and foreign) involved in investments and technologies for West Africa. It will particularly enfold the public sector, associations and federations of enterprises (Chambers of Commerce and Industry, etc.) and companies intervening in the following areas:

- Investment climate (legal and judicial systems, corporate taxation, protection of intellectual property, protection against expropriations, trade practices, etc.);
- Technological capacities;
- Production capacities;
- Contracts;
- Sources of finance; and
- Public - private partnership; etc.

The programme will support the strengthening of the regional industrial partnership network (international and intra-regional), by laying special emphasis on business improvement in the region. From this viewpoint, it will take charge of the preoccupations that will be expressed by the network, submit them to the region's decision-making bodies and ensure the implementation of the recommended measures to improve the business environment with a view to encouraging endogenous investment, attracting foreign direct investment, and promoting job creation;

In conformity with the encouragement reiterated by the ECOWAS Heads of State and Government at the 36th session held at Abuja (Nigeria) on 22 June, 2009, the programme will pursue concrete efforts to harmonize tax on industrial and commercial profit (BIC) and direct taxation mainly related to value added tax (VAT) and Excise duty within the ECOWAS space.

7. Infrastructure development

Appropriate responses need to be found to the issue of the high cost of industrial production in the region. This is in addition to strengthening and ensuring the sustainability of quality infrastructure which were duly taken into account in a specific programme.

While capitalising on the attainment and progress made in the region, ECOWAS will speed up the implementation of transport, telecommunications and energy projects, etc., as well as the development of West African trans-regional infrastructures (roads, railways, energy, maritime transport, telecommunications, etc.) in collaboration with NEPAD so as to considerably reduce the cost of some production factors, promote intra-Community trade development, and afford national economies enhanced access to West African, African and global markets.

The ECOWAS Commission will continue working in synergy with EBID and the private sector to establish a regional fund for the development and financing of the transport and energy sectors. It will pursue efforts jointly with UEMOA to resolve the energy crisis and the consequent endowment of the support fund with resources for the development of infrastructures in the sector.

The special attention accorded by ECOWAS to the energy issue will also be seen by the accelerated implementation of its own initiatives as well as its enhanced support of economic and social development initiatives. These initiatives will involve the private sector and different partners, particularly in the development of renewable energy (solar, biofuels, etc), electricity generation projects (gas, carbon, nuclear, hydroelectric plants, etc.) and interconnection of electric networks.

It will pursue efforts and implement innovative mechanisms to further involve the West African people and private and foreign sectors in the financing, creation and management of infrastructures (BOT mechanisms, acquisition of holdings, debenture loans, etc.).

The programme will support the implementation of the additional acts on Information and Communication Technologies (ICT).

8. Standardization, Quality Assurance, Accreditation and Metrology Programme (SQAM)

Adoption of high-level industrial standards and guarantee of acceptable product quality are of capital importance for expanding regional trade, just like for exports outside the region.

The SQAM programme has been initiated and its implementation will be accelerated by capitalising on the lessons and attainments of the Quality Component 2 programme, to contribute to strengthening and ensuring the durability of quality infrastructures in the region by consolidating the legal framework, human resource training and establishment or strengthening of the technical capacities of structures for evaluating compliance in order to ensure quality and conformity with standards for manufactured products put on the market.

This programme's activities will be equally centred on the mitigation of the harmful effects of industrialization on the environment.

Furthermore, the programme will focus on the elaboration of, and the endowment of West Africa with a quality regional policy in keeping with the region's ambitions.

9. Managerial capacity and skills development programme

Training and education programmes for the industrial sector will be developed in West Africa in collaboration with the private sector (professional organizations, employers, etc.) and the regional and international networks (ILO, SFI, etc.). These programmes will cover a vast array of skills required for industrial development, especially technical, managerial, and entrepreneurial skills.

These activities will not be confined to traditional training but will also relate to continuing corporate training and attachment of staff to other companies within and outside the region. The programme will capitalize on the success of existing mechanisms in the region for funding and continuing corporate training and share its experience and best practices with the other Member States.

Emphasis will be laid on practical training, strengthening of the skills acquired and technological improvement for actual involvement in management, production, marketing and commercial activities with a view to improving corporate competitiveness.

The programme will equally focus on developing national and regional capacities, especially with regard to the public sector and civil society. It will cover policy and reform implementation and deepening of dialogue in the framework of public-private partnership, as well as the conduct of political, economic and social governance.

Internalization of the enterprise culture and spirit will be duly taken into account in the programme, especially in training programmes (colleges, universities and professional institutions) as well as the use of the media and accredited civil society organizations (workshops for setting up micro-projects, etc.).

The programme will also strive to improve the business environment (legal and judicial system, review of the countries' labour codes (laws), etc.), by supporting the harmonization of business law between all ECOWAS Member States, while ensuring compatibility with the objectives of industrialization induced by the private sector, globalization of the economy and the development of entrepreneurship, without compromising job security.

10. Industry restructuring and rehabilitation programme

Within the framework of the EPA negotiations, and in conformity with the objective defined in the Cotonou Agreement, West Africa and the EU have agreed on the importance of a programme to upgrade and restructure the production sectors concerned in the implementation of the EPA. Indeed the countries of the West African region should be assisted to adjust their economies to the liberalization process with a view to ensuring the development dimension of the EPA in areas likely to face internal constraints and difficulties as a result of the integration process in West Africa, the implementation of the Agreement, or the region's integration into the global economy.

The ECOWAS restructuring and upgrading programme firstly concerns industries and connected services. It has been validated by the regional authorities and will be implemented with the technical assistance of UNIDO and EU financial support. It will capitalize on the experience of the UEMOA programme and be implemented in coherence and consonance with this programme and existing national programmes.

It will specifically target the restructuring and upgrading of enterprises with a view to making them competitive, the upgrading of technical support structures and re-invigoration of industrial activities by strengthening economic information, development of export promotion consortiums/networks, promotion of partnership and mentoring, the establishment of a system of traceability, informal sector support, etc. It will help improve the business environment and enhance the coordination of the interventions of the technical and financial partners for industry.



PART 1: GENERAL OVERVIEW OF WEST AFRICA

1. CONTEXT AND JUSTIFICATION

The Economic Community of West African States (ECOWAS) with an area of about 5,112,903 km²³, comprised fifteen Member States, namely Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

The total population of all these States was estimated in 2008 at 290 million inhabitants⁴ (148 million inhabitants for Nigeria which alone, as per the "**Population Reference Bureau**" constitute 51 % of the total ECOWAS population). This huge market is characterized by parity in the number of men and women and an annual growth rate of 2.2 % since 2000, lower than the average rate in Africa which is pegged at about 3 %. The age pyramid elucidates the young nature of the population since it accounts for over 50 % of the population.

The average density, which was 56.7 inhabitants per km² in 2008, conceals considerable disparities between the Sahel zones, which are less populated, and those of the coast of the Atlantic Ocean, which have a high human density.

ECOWAS was established in 1975 comprised 16 Member States, prior to the announcement in 2002 of Mauritania's withdrawal from the Community. It aims at promoting cooperation and integration for the creation of a West African Economic Union with a view to raising the standard of living of its populations. To strengthen integration in the West African region, the Community in 1983 adopted a cooperation policy aimed at industrial development. Subsequently in 1986, it adopted a 5-year (1987-1991) Industrial Development Plan. The decision-making bodies of the Community elaborated and adopted in 1994 the broad lines of the policy and a medium and long-term Plan of Action to promote the accelerated industrialization of West Africa. The Plan was designated West Africa's Industrial Blueprint.

Actually, the Blueprint was not implemented, which led the authorities to re-examine the question of regional integration through industrialization in the light of the revised Treaty. Thus, on 1 January 2000, an ECOWAS free zone was harmonized with the West African Economic and Monetary Union (UEMOA).

The ECOWAS industrial development strategy was partially successful and encountered problems.

Partial success

- West Africa's Industrial Blueprint was prepared and adopted by the Community in 1994;
- The framework for a common industrial policy was prepared;
- The question of the collection, processing and dissemination of industrial information was settled by the creation of Business Opportunities System (SIGOA-TOPS);
- Agreements were signed with the European Union (EU) and other regional groups with a view to promoting investments in the region. It was further agreed to organize an ECOWAS fair on a regular basis, once every four years;

³ - ECOWAS Vision Document: ECOWAS of people - Towards a democratic and prosperous community - page 2. ECOWAS Commission, March 2009.

⁴ - op.cit

- The ECOWAS free-trade area was harmonized with UEMOA on 1 January, 2000;
- Efforts were made on standardization and quality assurance activities conducted to promote a quality culture.

Failures

- Lack of capacity to concretely address the priorities of an industrial cooperation to encourage the following industries:
 - Agro-industries (food, agro-chemical, timber industries, etc.);
 - Mechanized agriculture;
 - Construction equipment industry;
 - Communications and electronic industries;
 - Pharmaceutical industries;
 - Steel-making industries;
 - Automobile construction industries and associated industries.
- A few achievements were concretized in the area of training, research and development (R&D);
- Mobilization of development partners in the industrial sectors still remains inadequate;
- No major effort has been devoted to SME/SMIs development, whereas it is acknowledged that informal sectors such as those of art and the crafts industry represent the unexploited areas with a high potential for the expansion of SME/SMIs;
- No concerted efforts at regional level for the promotion of subcontracting and partnerships.

In 1999, UEMOA countries adopted the Common Industrial Policy (CIP) of that region aimed at getting industry in particular to serve as an engine to propel growth and sustainable economic development.

At the general level of West Africa, one is compelled to observe that the efforts made by the Member States towards industrial development have not enabled the achievement of the expected results. The industrial fabric and industrial performance of the region, as well as the degree of local raw materials processing, have remained inadequate.

2. GENERAL OVERVIEW OF THE REGION'S INDUSTRIAL SECTOR

The political choice generally made in the region after independence (except Liberia), bore on import substitution with a view to laying a national industrial base, particularly through high State involvement in the productive sector. This choice, which was made without consultation at regional level led, among other things, to:

- The creation of similar and competitive production units in the region (breweries, cement factories, oil mills/factories, etc.);
- Excessive dependence on important inputs, including raw materials, capital goods machines and human capital; and
- Lack of interest in the processing of endogenous products to the benefit of exports in the raw state of commodities, whose global prices were generally attractive until 1980.

These situations enabled the establishment of a robust industrial base, although deep reforms had been implemented during the 90s (establishment of single windows, launch or accelerated privatization programmes, and the choice of the private sector as the engine of growth and sustainable economic development, etc.).

All in all, the ECOWAS industrial sector is still embryonic and therefore not sufficiently diversified to produce a wide variety of intermediary and finished products. The manufacturing industry dominated by the agro-industry accounted for a mere 7.36 % of the 2006⁵ GDP. Over 4/5 of the region's overall manufacturing added value in 2006 came from four countries, namely, Nigeria, Côte d'Ivoire, Ghana and Senegal whose shares in them were 39.7 %, 23.4 %, 10.0 % and 9.3 %⁶ respectively.

West Africa also has a vast wealth of untapped mineral resources, which locally undergo elementary processing. It has the largest reserves worldwide of bauxite (in Guinea, etc), uranium (Niger), richest Iron (65% content in Guinea, Liberia, etc.), gold deposits with very high mineral content (Burkina Faso, Cote d'Ivoire, Ghana, Mali, etc.), diamonds (Guinea, Liberia, Sierra Leone, etc), petrol and natural gas (Cote d'Ivoire, Ghana, Niger, Nigeria, etc.), phosphate (Senegal, Togo, etc.) as well as considerable reserves of several other minerals (carbon, limestone, manganese, marble, platinum, etc.)

ECOWAS, on taking this innovative step of acquiring a regional Investment Code applied to the mining sector, intends to attract endogenous and foreign investment to this sector, enforce transparency and good governance and make available to the people the fruits from harnessing the wealth contained in their lands, while preserving the environment and safeguarding future generations.

Currently, no ECOWAS country has a robust and solidly productive secondary sector to transform the national economy and join the global competition. All in all, the results of the embryonic industry in ECOWAS are modest or even insignificant in the face of global industrial production, for its share of the added value, which was a mere 0.1 % according to UNIDO (Report of 2002/2003 on industrial development), has practically not changed.

At the level of the utilization of existing capacities, over half of the industrial units in West Africa operate at less than 50 % of their capacities. The situation varies enormously according to the geographical spheres, which is exacerbated in the landlocked countries (Mali, Burkina Faso, Niger) and those bedeviled by serious power outages (Guinea, Guinea Bissau, Gambia, Sierra Leone and Liberia).

Besides the under-utilization of the existing capacities, the region's industrial park is insufficiently integrated as a result of lack of complementarity between the industrial units and lack of whole sections in the industrial fabric. Thus, the packaging and agricultural equipment sectors constitute support industries that are almost unavailable within ECOWAS. Production is well-nigh inexistent as far as industrial capital goods, medical equipment, electronic, telecommunications, IT and office automation and household equipment are concerned. Except for Nigeria, the region has no petrochemical industry. All the industries are however registered as priority in the regional industrial cooperation policy defined by ECOWAS.

Note: Annex I presents the situation of the industrial sector in each ECOWAS member country.

⁵ - ECOWAS National Accounts - 1995 to 2006- Table 9.1, Page 39

⁶ - op.cit

3. ECONOMIC SITUATION AND PRINCIPAL CHALLENGES FACING THE REGION

3.1 Economic situation

During the period 1991-2001, all ECOWAS Member States recorded a 2.8 % annual economic growth associated with a low rise of 0.3 % of GDP per capita and a low industrial growth rate (-1.5 % to 2.0 %), significantly lower than the region's population growth. The region recorded a GDP growth in constant decline, of 6.7 % in 2003, 6 % in 2005; 5.7 % in 2006; 5.6 % in 2007 and 5.1 % in 2008. At the same time, inflation eroded the little economic progress of the region with a rate of 4.2 % in 2000, attaining 8 % in 2001; an average of 9.9 % over the period 1999-2003; 7.1 % in 2006 and 6.3 % in 2008⁷.

Generally, the region's economic performance remains too inadequate (low GDP growth rate, extremely high inflation, etc.) to hope to have positive impact on the socio-economic conditions of the populations. The economy of ECOWAS during the 1999-2006 period was mainly drawn by the recovery of the first economy of the region, i.e., Nigeria. This economy was particularly stimulated by the high cost of oil between 2001 and 2006, and by an appreciable growth of some national economies (Benin, Cape Verde, Ghana and Senegal).

As regards industrial development, the secondary sector contributed 30.3 % to GDP in 2006 as against 35.5 % in 2001, with the dominating sub-sectors of oil (Nigeria) mining (Guinea) at the expense of the manufacturing industry. In 2006, the manufacturing industry's share accounted for a mere 7.4 % of GDP estimated at USD 170.32 billion⁸.

Intra-regional ECOWAS trade averagely evaluated at USD 20 billion a year during the period 1995-2001, progressed from 2001 to 2007, increasing by 11 % almost 15 % of total trade with third countries. The trends were propitious for a significant increase in the region's trade, despite the impediments to the establishment of ECOWAS customs union and commercial arrangements since 2000. There is high economic integration between some States, which have led to relatively high trade, fluctuating between 60 and 80 %. That is the case between Côte d'Ivoire and Burkina Faso, between Côte d'Ivoire and Mali, between Senegal and Mali, between Nigeria and Benin, and between Nigeria and Niger.

As can be seen, these are border countries whose populations have over centuries woven a tradition of trade. The volume of this trade is however limited by administrative red tape and customs and police harassments in the trade corridors. During the 1995-2006 period, ECOWAS exports to other African countries was 14 % whilst those to the European Union were pegged at 40 %.

These poor results, worsened by inadequate development of human resources, infrastructures and lack of maintenance, constitute the ingredients of worsening under-industrialization and poverty in West Africa.

Indeed, according to the UNDP global human development report (2009 edition based on 2007 figures), West Africa has 12 countries among those with the lowest human development indices (HDI = less than 0.500). Cape Verde (HDI = 0.708), Ghana (HDI = 0.526) and Nigeria (HDI = 0.511) are the only countries in the region with HDIs above average.

Not only is poverty high in the region (60 % of people live on USD 1 a day, according to the ECOWAS Commission), but it comprises a gender-specific dimension insofar as almost 80 % of the poor are women, whereas they constitute the highest driving force, particularly in the rural areas. Finally, the secondary sector, particularly the manufacturing industry sub-sector, should serve as an engine to propel the growth and economic development of the region. For economic growth to attain the requisite 7 to 8 % and thus durably sustain development, West Africa (Africa in general) must stimulate productive investment with a view to raising it to around 30 % of GDP.

⁷ - ECOWAS – Financial data. Table 3: ECOWAS States, inflation rate (by end of period). 1999-2003

⁸ - *Op.cit.*

3.2 Security

The multiplicity of civil wars since the 90s with their corollary of population displacements (refugees) and destruction of the socio-economic fabric and resources in Liberia, Sierra Leone, Guinea Bissau and Côte d'Ivoire, has undermined peace and security and heightened risk in the region's countries, leading to a withdrawal of investment, private in particular, and compromised West Africa's integration and economic and social development efforts.

Furthermore, continued drought in several countries in the region, especially the Sahel region, has entailed successive migratory waves that have become destabilizing factors and generated conflicts between host and foreign populations. Besides, conflicts between farmers and groups of shepherds during their periodic transhumance in search of water and pasture are increasingly worsening pressure on the land in the humid regions.

All these assertions pushed for the reconfiguration of the vast array of objectives of the ECOWAS, which is now endowed with a Peace-keeping force and a new institutional framework referred to as the Committee of Wise Men, as a conflict prevention resolution mechanism.

3.3 Integration

Notwithstanding the difficulties, ECOWAS has recorded considerable progress in the movement of persons, construction of regional roads (inter-State), development of telecommunication links between the States, and the maintenance of regional peace and security.

However, the Community's efforts have been most frustrating in the area of market integration. Indeed, the trade liberalization scheme is not yet operational as reflected by inadequate intra regional trade (< 12 %). Besides, the ECOWAS Common External Tariff has not yet seen the day, although the process has recorded some progress, and the economic and financial policies are not harmonized despite the fact that a framework has been defined.

The problems encountered by ECOWAS in strengthening the regional integration process in West Africa are rife. Some of the most serious are political instability and bad governance, which have marked the history of several countries, deficient and inadequate diversification of the national economies, the absence of viable road, telecommunications and energy infrastructures, inadequate political will manifested by some Member States, bad economic policies in some cases, proliferation of regional integration organizations with the same objectives, irregular payment of financial contributions to the institutions' budgets, consistently low involvement of civil society, the private sector and mass movements in the integration process, and integration mechanisms which are defective in some cases.

Although, the results of the integration efforts made in West Africa in the framework of ECOWAS have overall been significantly below expectation, there are promising signs that pave the way to better prospects, without however concealing the region's other major development challenges which, among other things, are: (i) economic and financial policies that are not harmonized; (ii) inadequate and/or inefficient government policies; (iii) inadequate judicial and legal systems; and (iv) high cost of production factors. These challenges can be regrouped and treated in two themes, i.e., governance and infrastructure development.

3.4 Governance

Good governance, understood to be good public administration or judicious use of resources based on transparency and accountability⁹, constitutes a universal reference concept, a vital necessity whose advantages enable the optimization of the possibilities for the States, particularly in West Africa, to lead to an equitable and sustainable level of development.

⁹ - Accountability is the duty or obligation imposed on authorities and citizens subjected to performance criteria to render account of their management to their fellow citizens. From this viewpoint, accountability both requires the existence of mechanisms for control, surveillance and sanctions.

West Africa has been encountering difficulties on this path of construction, and this requires that the Member States and the ECOWAS Commission should further strive together to internalize in the region the values of transparency, opening, efficiency, rigour and accountability in political, economic and social decision-making in due respect of the commitments made, and to be accountable. In the final analysis, while strengthening the mechanisms of transparency, accountability, control and sanction and respect of the law, the necessary and dissociable links should be established between good public affairs management, participatory and equitable development, respect of human rights and democratization, thereby creating conditions for the Rule of Law and consolidation of regional integration.

Thus, at the core of all the effective strategies of wealth creation is political and economic good governance¹⁰. Revitalization of the economy, especially industry in the West African countries, is being undertaken without high regional orientation. This leads to inadequate account being taken of the policies and measures adopted at regional level, and economic and financial policies not being harmonized, as well as weakness and ineffectiveness in government policies and inadequate exercise of multilateral surveillance.

Lack of respect of State commitments is characterized for instance by lack of will to align national policies on the ECOWAS Protocol relating to the free movement of people, which should promote the acceleration of regional integration. Since 1999, ECOWAS has been pursuing an ambitious programme of creating a Customs union, a Common Market and a monetary union. The ECOWAS Treaty provides for the liberalization of trade in services, free movement of capital and persons, which have been effective for some years now.

However, in view of the complaints, it is worth observing that, so far, the liberalization of trade in originating industrial products has not been effective within the community.

In the face of this assertion, the ECOWAS Commission has conducted sensitization of the private sector and national public administrations, and has involved Member States in the harmonization and simplification of customs procedures. ECOWAS Commission is committed to move on to the stage of taking pecuniary sanctions against countries whose administrations and civil servants impede the free legal movement of goods, with a view to eliminating tariff and non-tariff obstacles in intra-Community trade.

Furthermore, although considerable efforts have been made at national and regional levels to improve the business environment, West Africa's legal system and legal apparatus still constitutes a major obstacle to endogenous investment and foreign direct investment, mainly due to administrative red tape, complex nature and opacity of court decisions. This situation increases the costs, neutralizes the region's comparative advantage, and discourages investors in the competitive international environment marked by several areas of transparency and equity where the latter can avail itself of business opportunities.

To promote the development of the private sector as the engine of growth and integration, the ECOWAS Commission has created a Private Sector Department with a view to facilitating the creation of professional associations and business at regional level, encouraging cross-border investments, business partnerships and SME/SMIs, and creating an enabling environment both for endogenous investments and foreign direct investments. ECOWAS will increase its efforts to strengthen and provide consistent resources for the initiatives and the regional institutions responsible for the promotion and monitoring of good governance in the region.

3.5 Infrastructure Development

The development of infrastructures, which are the medium of growth and industrialization, becomes indispensable in any strategy aimed at efficiency in the development of productive capacities, as well

¹⁰ - including making consistent and synergizing national and regional policies in the areas of agriculture, industry, trade, energy infrastructures, training, research and innovation, finance, investments and territorial development.

as in the implementation of measures aimed at economic transformation. It plays a very important role in the creation of a common market for goods and services with a view to increasing the volume of intra-Community trade, as well as for the latter to have more access to global markets.

The assertion is that in West Africa, the cost of production factor is high and destroys companies' efforts at competitiveness. An analysis of the chain of industrial production (supply, acquisition of technologies, processing and marketing), demonstrates that their access (industrial plots, energy, financial resources, transport, circulation of information, technologies), is globally an impediment due to their cost and generally low quality. This situation accounts for the weaknesses or/and lack of infrastructures, the administrative red tape, difficult access and high cost of financial services (prohibitive interest rates, etc.), and inadequacy or lack of information on the market, etc.

Furthermore, the global market is characterized by high competition and an increasingly high requirement for the quality as well as for environmental protection and consumer protection measures. For West Africa, agriculture and the agro-industrial sector conceal the highest development potential; but they are the most affected by the SPS measures and the EU technical regulations.

In the face of this series of assertions, encouragement should be given to the implementation of the current policies in West Africa aimed at satisfactorily addressing the structural problems impeding the region's development, especially the creation of transport and communication infrastructures, standardization, certification and the supply of other services (public administration, financial services, etc.).

At the moment, the infrastructure projects undertaken by ECOWAS have become a reality. Ecobank has become a Pan African institution of global dimensions and of competitive support to the private sector, especially in trade. The Intelcom I programme connecting the Member States' capitals through telephone networks is a success which has generated the launch of Intelcom II to meet the needs in telecommunication infrastructures. The West African gas pipeline on the seacoast from Nigeria, has reached Ghana, enabling the free-flow of gas from Nigeria to Takoradi (Ghana). The improvement of road and commercial infrastructures is ongoing as an essential element of the region's economic development and growth.

For some years, the results of the ECOWAS quality programme are tangible with the improvement of the environment promoting exports through the strengthening of infrastructures and services in the areas of development and harmonization of standards and conformity assessment (tests, metrology, inspection, corporate certification, accreditation, etc.) aimed at their international recognition.

However, the creation of infrastructures in the region is still hesitant for it to be endowed with resources to meet the challenge posed by technological progress, liberalization, and reduction of economic distances. Several studies on physical infrastructures in particular have been undertaken on the basis of which guiding principles and development plans are available. What is lacking is a pragmatic approach to meet the region's infrastructural requirements. ECOWAS strategy, spelt out in Vision 2020, is to endow the region with a financial facility as soon as possible for accelerating, in collaboration with West African professionals, the implementation of the infrastructure development agenda in the region.

It is in that regard that the ECOWAS Commission is working in synergy with EBID and the private sector to set up a regional fund to develop and finance the transport and energy sector. Similarly, the joint ECOWAS/UEMOA plan is implemented to resolve the energy crisis and the creation of an infrastructural development support fund in the sector.

4. ANALYSIS OF INDUSTRY'S CONTRIBUTION TO REGIONAL GDP

4.1 Structure of the secondary sector in the regional GDP

The primary activities of the ECOWAS economy, as attested mainly by 2006 data, are those of the tertiary sector (40.5 % of GDP) and the primary sector (29.2 % of GDP) as compared with those of the secondary sector (30.3 % of GDP). This situation renders the region's economy dependent on several endogenous (variable climatic conditions in the Sahel countries, armed conflicts, etc.) and exogenous factors (subsidies to farmers in Europe and North America, global prices of raw materials, global trade rules, etc.), on which it has neither control nor grasp.

The West African secondary sector (industry-manufacturing, mining, energy and construction) which provides employment for a mere 2 to 10 % of the active population according to the country, in 2006 contributed 30.3 % to the GDP with Nigeria in the lead (40.7 %) and Gambia (8.9 %) and Sierra Leone (8.6 %) at the rear. This low contribution to GDP formation reflects the low added value confirmed by the contribution of a mere 7.4 % of the manufacturing industry to the region's GDP. This demonstrates that the region's natural resources, especially agricultural productions, are not valorized.

As regards the contribution of mining which was 19.3 % of GDP in 2006, it was marked by increasingly high productions (including oil and gas) which unfortunately are inadequately processed at local level. Thus, during the same year (2006), the energy sub-sector (oil, gas, electricity and water) contributed over 20 % to the regional GDP formation due to oil production in Nigeria which alone accounted for 19.9 % of West Africa GDP. The Construction industry sector (BTP) accounted for a mere 2.8 % of regional GDP in 2006.

4.2 Comparative analysis of the region's secondary sector with that of the emerging countries

Contrary to the ECOWAS Member States' situation, the secondary sector of South Africa, Malaysia, Mauritius and Tunisia, contribute highly to the GDP formation (34 % to 47 % of these countries' GDP against an average 30 % within ECOWAS), as a result of the high industrial valorization of primary, especially agricultural products, and the development of the high-tech sub-sectors (biotechnologies, ICT, etc.). This led to the manufacturing industry's high contribution to GDP of 20 % to 33 % in these countries as against 6% to 7 % for ECOWAS.

Furthermore, the secondary sector in some of these countries is supported by commercial exports of finished and semi-finished products. The tertiary sector is becoming modernized (contrasted with ECOWAS, where the informal sector is predominant in the services sector). In Malaysia, the secondary sector and tertiary sectors are practically at par (47 % and 43 % respectively) and are the most efficient sectors of these emerging countries.

4.3 Problems of agro-industry in West Africa

West Africa is a major producer of agricultural products. Côte d'Ivoire and Ghana are the first and second global cocoa producers, with an average of 1 200 000 tonnes /yr and 700 000 tonnes/yr respectively during the 1999-2009 decade. Endogenous processing of this product does not exceed 20 %. All the countries in the region produce cotton at various degrees. Mali is the highest African producer with an average of 600 000 tonnes per year during the 1999-2009 decade, but processes only 2 % of its production.

Whilst the region processes less than 5 % of its cotton, India locally processes 100 % of its production, Turkey 100 %, China 91 %, the US 62 %, Greece 43 % and Uzbekistan 18 % (with a vast local fiber processing programme under way. Countries like Brazil (15 %) and Australia 144 % process their local production as well as imports.

West Africa is the world's sixth producer of cotton with an average of almost 2 million cotton seeds a year during the 1999-2009 decade. Cotton from the region is acknowledged to be of a good and competitive quality, and accounts for 50 % of the cost of cotton thread production, which appears as a trigger that promotes the emergence and development of other industrial segments.

The specific situation of cocoa and cotton is valid for all the region's natural products, including agricultural and minerals. Finally, the situation of cotton reveals distortions in the secondary sector of the West African economy.

Furthermore, coastal countries, such as Senegal, Côte d'Ivoire and Nigeria have potentialities in deep-sea trawling, coastal fishing and shrimp fishing. This sector needs to be strengthened under the integration programme.

Several factors including the lack of a declared will and incentive strategy for local valorization concerted at community level, account for the situation of the agro-food industry in West Africa. It is worth mentioning the inadequate economic infrastructures (excessive cost and/or poor quality) as well as lack of sufficiently developed logistical transport networks, etc.

By way of illustration, a thorough analysis has been made, which reveals that for industrialization of the cotton sector to become attractive and confirm the competitiveness of the availability of raw materials, the cost of the electricity supplied to the manufacturing sector should be CFAF 30/kWh (\$0.06/kWh) maximum. Only Nigeria and Ghana fulfil this condition. These countries' fixed prices have long attained half the threshold referred to above (\$ 0.03/kWh). These two countries are however, not major cotton producers within the Community.

Pending such a measure, the value of the ECOWAS textile market was evaluated at CFAF 2100 billion (USD 4.2 billion) in 2002: a share lower than 20% is allotted to the region's industries; 50% accounts for the share of fraudulent exports; 17% for the share of second-hand clothes, and 13% that of legal imports.

The hope could have been consolidated but the different assertions outlined an ambitious vision of the textile industry, solely by leaning on UEMOA, such that nowhere does ECOWAS involvement in the process of strategic definition of processing West African fibre visibly appear. It is feared that this "discarding" of ECOWAS could be an impediment to the realization of a global strategic vision of industrial valorization of cotton in West Africa.

5. PRINCIPAL CONSTRAINTS OF INDUSTRIAL DEVELOPMENT OF THE REGION

Industrial development within ECOWAS is confronted with a multitude of constraints which, beyond the socio-political instability of these past years, are essentially:

- The fiscal, legal and judicial environment. It has the corollary of corruption, fraud and political uncertainty, which weakens existing companies and makes the countries unfriendly to investment, leading to inadequacy of domestic and foreign direct investment;
- Underutilization of installed capacities is illustrated by the fact that two-thirds of the industries operate at less than 50 % of their capacities, a situation that is exacerbated in some countries;
- Low competitiveness of existing industrial capacities and similarity of manufacturing activities;
- Insufficient infrastructures, excessively high costs and/or poor quality of factors of production (electricity, water, etc.) and basic infrastructures (industrial areas, roads, railways, ICT, etc.). The difficulties experienced by the region's industries in accessing energy services have been amplified over the years amid successive crises, without the improvements promised by ECOWAS and national authorities. Meanwhile, significant investment and/or industrial development cannot occur without access to quality energy services at competitive prices;

- Difficulty in accessing funding for investment in industry. Despite progress achieved in the region over the past years in the area of private sector financing (stocks and shares of UEMOA, new financial establishments, financial sector restructuring, etc.), the main problems remain inadequate long-term financial resources, requirements of over-dimensioned guarantee, limitation of the range of available financial instruments and prohibitive interest rates;
- Insufficient information on available sources of funding across the world, particularly for private investment in Africa, contributes in worsening the difficulties in obtaining funding for investment in industry in the region;
- Insufficient industrial and sub-contracting services, even in the four countries in which a subcontracting stock exchange have been created, whose capacities must be developed with a view to consolidating the links between principal enterprises and the other companies of the industrial structure;
- Difficult access to efficient technologies (acquisition, maintenance) which are elements of differentiation and therefore of competitiveness. This situation is mainly linked to lack of technological information;
- Inadequate national markets whose integration is thwarted by administrative red tapeism, and customs and police harassment along the trade corridors;
- Limited circulation of information in relation to the inadequate basic infrastructures does not enable trade operators to avail themselves of all the opportunities available at national and regional levels, as well as at African and international levels.

In addition to these major constraints is the no less important poor support of SME/SMIs and the informal sector which includes traditional processing, both essential levers for the industrial development of West Africa. While SME/SMIs in West Africa are not the sole engine of growth, they have proven to be key drivers, allowing the expansion (however, small) of the industrial production base, strengthening of Civil Society and the emergence of local entrepreneurs.

According to a 2007 World Bank Study, the informal sector in West Africa represents 60% of global value added and is of great socioeconomic importance in the region. It contributes in resolving major problems which include low savings assignable to investment in production, under-employment and unemployment, low incomes, poor training and an over-concentration of activities in capitals and large cities. This sector definitely not only includes micro-entreprises and SME/SMIs, but also actors with considerable financial resources who due to their structure and management have unfortunately remained informal.

In West Africa, the paradigm should be changed such that the system creates wealth rather than merely using wealth as has been the case up to the present time. For promoters of SME/SMIs and enterprises still operating in the informal sector, the problems are linked more to sustaining and developing their companies due to constraints from outside the company on the one hand, and on the other hand, to their vulnerability due to the way they are organised which facilitates their collapse. It is necessary to work towards raking the informal sector out of this context and placing it within a formal framework.

6. ANALYSIS OF THE SITUATION OF THE SME/SMIs IN THE REGION'S ECONOMY

In almost all ECOWAS countries, the private sector is mainly constituted by SME/SMIs, which contributes considerably to national economies (added value, employment etc.). These enterprises further constitute the sole component where the region's trade operators are in the majority whereas the major companies are mainly controlled by foreign interests or are subsidiaries of multinationals.

Despite the performances recorded, SME/SMIs in West Africa do not give the full measure of their capacities. Indeed, it is worth stressing that they encounter considerable delays in the payment of credits due by the States, as well as a constraining or overly complex legal and administrative environment. Other no less serious constraints impede the development of SME/SMIs in West Africa. They are:

- Low enterprise culture in West African countries. Generally, businessmen do not possess sufficient managerial skills. They lack experience and have no control over the corporate governance concept;
- Lack of coordination of SME/SMI promotion. There exist in ECOWAS Member States a number of financial support programmes/structures (or others) for the development of SME/SMIs. However, these mechanisms are not well coordinated. Very often they produce off-specification results which do not meet expectations and are highly prejudicial to the efficiency of the promotion of the sector;
- Lack of harmonized typology: at national and regional levels, the SME/SMI concept is still not well defined. Definitions of SME/SMIs vary from country to country in the region and are only the privilege of a few sector specialists. Consequently, there is no reference that can serve as a basis in the elaboration of a common policy for the promotion of this vital sector;
- Deficient financial intermediation. The Banks' lack of zeal in financing SME/SMIs projects due to their quality and their viability, which leaves much to be desired, is often called into question, as well as the lack of sufficient guarantee. Coupled with this, is the inadequate financing available for SME/SMIs requirements.

7. THE INFORMAL SECTOR, NURSERY OF THE REGION'S INDUSTRIAL DEVELOPMENT

Countries in the region have encountered difficult years due to the combined effects of macro-economic policies and economic crisis. Moreover, some have encountered negative militaro-political crises. This situation has led to reduced vitality of the modern private sector and for some countries, the development of their economy in an informal economy. The informal sector in all these countries is characterized by lack of organization. However, this sector will long remain the largest employment provider in West Africa and should therefore be given attention in any development programme.

In the present circumstances of worsening unemployment and poverty, the informal sector appears to be the only "anti-poverty" structure behind which the people seek shelter to respond to their basic needs, and which therefore constitutes non-structured or semi-structured initiatives that create over 80 % urban and rural jobs, 49 % of which are occupied by men and 52 % by women. The informal sector absorbs over 60 % of the active population in West Africa and produces 20 to 30 % of GDP according to the country, with a reservoir of know-how and skills which ensure training through apprenticeship and job creation linked to its flexibility and adaptation capacity.

The economic operators of the sector are mainly in trade (55 %) and production micro-enterprises (20 %). The latter link constitutes cottage industries which are positioning themselves today in the countries of the Community, as a real engine of economic growth. It thus appears to informed experts and observers as a laboratory or learning nursery. It is actually there that some modern ECOWAS companies acquired the necessary enterprise culture and experience. However, the challenge that should be met is how to evolve and become a modern private sector.

Unfortunately, in most of the countries in the region, the crafts industry does not retain the expected attention and does not benefit from the necessary support for its improvement. Attention is rather concentrated on tax gains (high and multifaceted taxation) which the informal sector provides to feed to national budgets. However, the changeover from informal sector enterprises to the modern sector will, over time, be significantly more beneficial to the economies, particularly public finance.

It is consequently a matter of necessity for cottage industry to remain a constant source of preoccupation on the part of governments and the ECOWAS Commission so that, apart from tax assessment, the sector could be the subject of reflection and proposal for constant improvement. The consensus is established that the informal sector in the region should be organized and supported to enable it progressively switch to the modern sector and fully play its role in the region's economy.

8. COMPARATIVE ADVANTAGES OF THE REGION

Despite the current difficulties, West Africa has comparative advantages in all areas, especially abundant raw materials, relatively high cost of labour, and a large regional market to be exploited.

Special of note is the awareness of the need to strengthen a Community space offering investors real possibilities, especially in agro-industry and the agricultural-related industrial activities (production of fertilizers, seeds, agricultural machines, etc.) as well as various processing of mineral products (oil, iron, bauxite, etc.).

It is observed that the events that recently occurred in the entire West African political and economic landscape will contribute to surely overcoming the principal obstacles to integration, and, subsequently, industrial development. Some of the events are:

- The advent of democracy in most ECOWAS countries strengthening investments;
- Gradual State disengagement from the productive sectors and awareness of the fact that the private sector should serve as an engine of growth and economic integration, must be supported (sovereign role of the State, public- private partnership ...) or even gradually supplemented in some sectors by the States with a view to giving the necessary impetus to wealth creation;
- Adoption of the ECOWAS integration process acceleration strategy with a view to creating a single regional market based on trade liberalization, establishment of a Common External Tariff, and the harmonization of economic and financial policies;
- Acknowledgement of the relevance of the differentiated approach in the march toward integration with the initiative of non-UEMOA countries to create a second monetary zone in West Africa, which will merge with the UEMOA zone to give birth to the single ECOWAS monetary zone in the near future;
- Harmonization of ECOWAS and UEMOA programmes in the framework of the accelerated integrated process in West Africa (single monetary zone; CET, etc.);
- Strengthening of ECOWAS Commission to improve its operational procedures and efficient programme implementation;
- Transformation in January 2003 of ECOWAS Fund into the ECOWAS Bank of Investment and Development (EBID);
- Strengthening of West Africa Development Bank (WADB) interventions, especially in the area of private sector and infrastructure development; and
- Creation of the UEMOA regional solidarity Bank (BRS) to support the creation of micro- and small enterprises, particularly those promoted by the youth.

Furthermore, the development component of the Economic Partnership Agreement (EPA) presently being negotiated with the European Union, will have the effect of opening up the European market to products manufactured in West Africa which meet international standards in areas of production and quality.

9. INTERNATIONAL CONTEXT OF THE REGION'S INDUSTRIALIZATION

9.1 Globalization

Since the acceleration of globalization, there have been significant changes in trade. Transport, telecommunications, advertisements, tourism, bilateral, regional and international trade agreements, as well as new economic policies, have been the key factors at the base of the sudden increase of trade at international or global level.

On the other hand, a number of countries benefit from globalization to increase the volume of their exports while trying to simultaneously protect the consumer and the environment, safeguard measures, national security, etc.

In the framework of the former General Agreement on tariffs and trade (GATT), replaced by the World Trade Organization (WTO), the Member States negotiated on a multilateral basis with a view to reducing tariffs and eliminating the distortionary measures that hamper greater trade freedom.

As has been demonstrated by the multilateral trade negotiations which were held in the framework of the current Doha Development Round, it is a matter of urgency to overcome the remaining considerable obstacles in order to achieve free and fair trade as provided for by the Cotonou Agreement in 2000 between the EU and the ACP countries in conformity with WTO rules, particularly between the industrialized countries and emerging countries, and in development.

Meanwhile, developing countries should take all the relevant measures for the realization of the objectives within their reach. These objectives ranging from the macro-economic aspect to the development of enterprises should lead to the reinforcement of South-South cooperation, namely: promotion of productive investments and programmes for the training of national skills, strengthening of physical and technological infrastructures and improvement of their competitiveness, the search for new openings, increase in added value through increased endogenous processing of local raw materials...

Several experiences have already demonstrated that regional organizations - i.e., the case of NAFTA, MERCOSUR, EU, ASEAN, UEMOA and SADC- enable a more rapid and easier resolution of the problem of access to international and regional trade. West Africa has appraised the stakes and embarked on addressing them through the ECOWAS Commission in the framework of the WTO and the Partnership Agreement between West Africa and the EU.

On that score, West Africa has undertaken the application of a harmonized customs regime through the Common External Tariff (CET) and the implementation of a Community industrial policy to promote productive investment and industrial development. As a reminder, the ECOWAS CET based on that of UEMOA, was adopted in Niamey (Niger) on 12 January, 2006 by the 29th ordinary session of the Authority of Heads of State and Government ¹¹. It comprises customs duties and an additional taxation. CET activities are still ongoing.

The ECOWAS CET and WACIP constitute concerted responses to national and regional realities, which will be used as a leverage to further process local productions locally and have more added values on the region's productions. Over time, that will make the West Africa economy more efficient

¹¹ - Decision A/DEC.17/1/08, adopting the ECOWAS Common External Tariff.

and not submitted to the hazards of raw materials price fluctuation of which it is one of the principal producers. Wealth production through that process will ensure its sustainable human development and will confer on it a new significant status in Community, intra-African and global trade.

9.2 World Trade Organization (WTO) and agreements

There are two WTO agreements mainly linked to trade facilitation. They are the Agreement on Technical Barriers to Trade (TBT) and the Sanitary and Phytosanitary Agreement (SPS). Besides the fact that industrialized countries and regions such as the US and European Union can influence the WTO, this multilateral forum constitutes for developing countries or their regional organizations a forum where they can submit their request and obtain support. On several occasions, African and South-American countries have thus obtained satisfaction for their requests submitted on the basis of the WTO-TBT.

Thus, active national involvement and regional coordination on the WTO and its Committees have become essential.

In the framework of the elaboration of a national or regional policy of orientation aimed at increasing international and regional trade, as is the case of West African Common Industrial Policy, the region should take due account of practical implications linked to the materialization of this trade amplification. ECOWAS should therefore examine the following subjects which are linked to the difficulties encountered in the implementation of WTO Agreements, namely:

- Lack of capacity to make proposals during negotiations with regards to the constraints faced by the region;
- Lack of coordination and insufficient dialogue at national and regional levels between private sector negotiators and those of the public sector who attend WTO meetings;
- Lack of capacities for implementing WTO such as TBT, SPS, TRIPS, TRIMS, etc. which are in direct link with the development of industry.

Consequently, capacity building is necessary for the negotiations as well as for the WTO Agreements, and should therefore be at the core of West Africa's Common Industrial Policy. The Agreements stipulate the need for industrialized countries to provide assistance to development which has so far proved inadequate. This technical assistance, which West Africa can also obtain under South-South cooperation and also bring to the fore in the framework of EPA development with the European Union, is particularly recommended for the development of productive capacities, infrastructures and standardization services (infrastructures and services of laboratories that evaluate product conformity, development of enterprise advisory capacities, etc.).

9.3 Development Component of the EPA between ACP countries and the EU

The new Economic Partnership Agreement being negotiated between the ACP countries and the EU should replace the Cotonou Agreement which expired in 2007. Unlike the latter, the EPA will enable the creation of a Free-Trade Area between the ACP countries and the European Union on the basis of reciprocity. This means that several ACP regions will benefit from free access to European Union markets, and that European countries will also be granted tax-free access to the markets of ACP countries and, by the same token, to the ECOWAS market.

Considering the disparity in the levels of development of ECOWAS and the European Union, such an agreement will represent a considerable challenge for West African industrialization prospects. Indeed, ECOWAS' weak industrial sector will find it difficult facing up to the competition of the industrial sector of the European Union with its advanced technology, which can entail a de-industrialisation of the region.

It is therefore essential that the West African Common Industrial Policy (WACIP) take up the challenge with a firm resolve and immediately adopt measures to mitigate the risks and promote productive

investment for an increased endogenous processing of its products with a view to generating more wealth. This will be the concrete evidence of the region's will to make industrialization the engine of its development.

Moreover, in the context of the "multilateral trading system", West Africa's Common Industrial Policy should enable the region to create more manufacturing added value and avail itself of the benefits of duty and quota exemption initiatives such as AGOA, the EU's EBA, or the other initiatives taken by other countries such New Zealand, Canada, Japan, Norway etc. To profit from these initiatives, the region should acquire competitive productive capacities liable to produce according to the requirements (technical standards and regulations) of the client markets.

Its Community industrial policy should also enable it to acquire recognized infrastructures and services for evaluating conformity and best connections to global markets, especially through a reduction of transaction costs. That is particularly relevant for the cross-border trade flow in West Africa, which is currently 3 to 4 times higher than trade between the industrialized countries.

9.4 South-South Cooperation

South-South cooperation is developing and accelerating with the evolution of the global environment. At the same time, African countries in particular, do not have the critical mass and necessary technological infrastructure to meet the challenges of a global market in perpetual change and increasingly competitive. Even in traditional industries such as textiles and clothing, the need to increase competitiveness has led to a rapid increase in the intensity of knowledge in the production process including; research and development (R&D), design, implementation, engineering, maintenance, management and marketing.

However, most African countries, particularly in West Africa are not prepared to meet the challenges of a constantly changing technological environment. The capacities of their national institutions to perceive the possibilities and constraints and articulate them into new effective policies of change are limited. Financing and the indispensable skills of innovation, adaptation and diversification, are equally extremely rare in those countries.

It is therefore at regional level, especially ECOWAS level that many South-South cooperation experiences deserve to be pursued and diversified by capitalizing on the successes that have enabled similar challenges and difficulties to be addressed, admittedly at a different level but in Africa, as well as Asia and South America. Furthermore, the South-South cooperation to be borne by ECOWAS will be more profitable when West African enterprises and businessmen have access to a wide range of technological choices in addition to forging links with local universities and manage research and development projects resulting from this collaboration.

More and more initiatives are being developed with a view to promoting South-South cooperation in trade, investment, finance, technology, development experience-sharing and acquisition of capacities and going beyond mere regional cooperation. They are: The IBSA trilateral Commission (Dialogue forum enfoldng South Africa, Brazil and India); Banque du Sud, created in 2008 by seven Latin American countries...

South-South cooperation is a real complementarity first between the countries of the South or developing countries. Subsequently, it does not constitute an alternative to North-South cooperation, since it supplements it, especially as public development aid of the historic contributing countries has stagnated or reduced and adopted an unforeseeable character.

West Africa would have much to gain from the intensified cooperation with the rest of Africa and other regions of the Southern hemisphere. With the rest of Africa, West Africa's economy is slightly linked (15 % of the region's trade with third world countries against 40 % with Europe) and it would be in the region's increasing interest to promote intra-African cooperation in the area of industrial development, trade and economic integration, based on dynamic competitiveness and innovation (greater attention to technological progress, enhanced use of information systems, etc.), strengthening

the pooling of potentialities, infrastructure development and elimination of obstacles that would contribute to facilitating the creation of a free-trade area progressively, and the efficiency gained would render the region more attractive for endogenous African and foreign productive investments.

West Africa should no longer be preoccupied solely with providing a defensive response to globalization pressures. Rather, it should resolutely adopt the rationale of enhanced and dynamic South-South cooperation that would enable it finally progress towards industrialization objectives and increased creation of added value, wealth and decent jobs.

10. DEVELOPMENT INITIATIVES

10.1 Past initiatives (IDDA, LPA and AIA)

Past initiatives in the area of industrial development or with a component of industrial development of Africa (IDDA, LPA and AIA), have not been individually and collectively up to expectation in view of the results obtained after over twenty-five (25) years.

Despite West Africa's comparative advantages in quite a few areas, (production of raw materials, etc.), neither the Lagos Plan of Action (LPA, adopted in 1980), nor any of the two Industrial Development Decades for Africa (IDDA I, 1982-1992; and IDDA II, 1993-2003) has led to the attainment of tangible results. None of these initiatives were able to train and maintain in Africa the critical mass of human skills and capital and mobilize financial resources and investment to endow West Africa, in particular, with the material and technical institutional means and infrastructures necessary to sustain industrial development.

The Conference of African Ministers of Industry (CAMI) carried out an evaluation of IDDA I before launching IDDA II which was abandoned halfway through its implementation due to the lack of tangible results. These different initiatives were carried out in conjunction with UNIDO, the ECA and the secretariat of the former OAU. The contributions of these various agencies did not lead to the attainment of the expected results.

At the end of the IDDA II, the combination of several favourable factors in 2000 (change in the ruling class in African countries, etc.) facilitated the creation of the New African Initiative (NAI) which was adopted by African Heads of State at their Summit in Lusaka. On 23 October, 2001 in Lagos, the African Heads of State changed the NAI into the "New Partnership for Africa's Development" (NEPAD).

10.2 NEPAD and its industrial development initiatives

Drawing lessons from the previous development initiatives, NEPAD required that each region adopt a territorial vision, and that of West Africa's implementation was entrusted to ECOWAS. These efforts were aimed at consolidating an economy of scale and good governance practices, greater involvement in the private sector in the realization of the integrating investments in consonance with public sector interventions.

It is within this framework that African Ministries of Industry decided to launch the initiative for developing productive capacities in Africa (APCI) which was adopted by the AU Summit of Heads of State and Government, as part of the industrial aspect of NEPAD. It relates to:

- Launching the structural change process in Africa;
- Promoting economic know-how and sustainable development;
- Promoting intra-regional trade and the organization of production at regional level while highlighting the agri-food and cotton/textile sectors, as well as the establishment of a financial facility.

Furthermore, the Initiative for Access to the NEPAD market mainly aroused considerable interest within the international development Community and organizations, especially UNIDO, which launched initiatives in the framework of the development of commercial capacities with a view to supporting developing countries in their efforts for enhanced access to the global market. Consequently, it became necessary to forge close cooperation between NEPAD and regional and international organizations such as UNIDO, to coordinate these initiatives of developing production capacities and trade development. These initiatives will thus enable the challenge of developing production capacities to be met in concerted fashion with a view to an enhanced access and increased involvement in global trade.

In the meantime, APCI and the Market Access Initiative have not had the desired effects although progress has been observed in West Africa in the area of quality, standards and certification, as well as the upgrading of some industrial enterprises.

10.3 AGOA (African Growth and Opportunities Act)

The African Growth and Opportunities Act (AGOA), which came into force on 18 May 2000, encourages American companies to invest in Africa and enables some African States (declared eligible by the US Government) to export to the US tax and quota-free products¹² to impact favourably in the economic growth of these partners. Signed on 18 May, 2000, for 4 years, it was amended in 2002 until end of 2008; but was extended until 2015. In 2008, forty-one (41) African countries were eligible for AGOA, including, 14 ECOWAS Member States, apart from Côte d'Ivoire¹³.

To provide support for the implementation of AGOA, the creation of the Overseas Private Investment Cooperation is an example which gives US companies access to loans, guarantees and insurance covering the political risks inherent in the projects they conduct in Africa.

However, AGOA as a new US economic cooperation instrument for Sub-Saharan African countries encompasses a much wider area, extending from that of a trade agreement to economic, political and social good governance, market economy, Rule of Law, multi-party system, elimination of impediments to American investment, protection of intellectual property, the fight against corruption, existence of a legal and judicial, healthy and equitable business environment, abolition of some forms of child labour, etc. Every year, the countries are evaluated and eligibility is renewed (December) by the US Government.

The establishment of AGOA has a positive effect on the exports of the eligible countries, especially on the increase of the export of non-traditional products and foreign direct investments (FDI) in particular to oil-producing countries such as Nigeria. The American report on the development of trade between the US and Africa emphasizes that, in 2008, American imports from Africa were USD 66.3 billion including 92.3 % due to petroleum products, on the rise by 29.8 % as compared to 2007.

In West Africa, Nigeria was the only country to actually benefit from AGOA as a result of its position as the major global producer of oil. Its exports to the American market thus increased by 16.8 % in 2008. All the other countries of the region, which have neither oil nor minerals that are on high demand by the economy, find it really difficult to penetrate the American market. In that regard, all exports from Ghana to the USA under AGOA, declined from USD 68.6 million in 2007 to USD 42.2 million in 2008, thus reducing by 38.4 %. In 2008, Senegalese exports to the American market were only USD 18.1 million which was significantly the same as the previous year. In the same vein, Mali's exports were USD 31 million in 2008, i.e., a USD 2.2 million decrease in relation to 2007.

In summary, Africa and particularly West Africa in its trade relations with the United States, has remained in its traditional position of exporter of raw materials for the industrial development of the developed countries.

¹² - Over 6 400 African products are involved, in addition to other products authorized for export to the US under the Generalized System of Preferences (GSP).

¹³ - www.agoa.gov

What is more, AGOA did not have any significant influence on GDP growth per capita of the eligible countries. The results of AGOA were therefore mixed according to several observers, especially civil society organizations in Africa and the SME/SMIs. Since the latter did not benefit from AGOA as they should have, due to lack of information but especially because most African countries have limited trade infrastructure which does not help local producers to offer goods in consonance with American market standards.

In West Africa, there is the awareness that the regional supply should be of raw mineral or agricultural products and further on processed products with optimum added value and quality. Nonetheless, although efforts are made in that regard and there are in the present context West African export products that meet foreign competition, the customs exemption they enjoy under AGOA is not sufficient to adequately open up the American market.

10.4 "Everything But Arms" (EBAS) Initiative

The "Everything But Arms" initiative or EBAS was launched in 2001, constitutes an important aspect of the implementation of the Cotonou Agreement and aims at tax and quota-free access to the EU market, of imports¹⁴ from Least Developed Countries (LDC), with the exception of arms and ammunitions. It constitutes an extremely useful instrument for facilitating and increasing trade, particularly between West Africa and the EU, because ECOWAS countries are directly beneficiaries with the exception of Côte d'Ivoire, Ghana and Nigeria which are not LDC.

10.5 Millennium Development Goals (MDGs)

The MDGs were adopted by 189 countries after the UN General Assembly referred to as the Millennium Assembly, in September 2000 in New York. The objectives are the reduction of extreme poverty by 2015, education for all, improvement of health and environmental preservation. The United Nations Member States undertook to:

1. Eradicate extreme poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equality and women's autonomy;
4. Reduce infant mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria and other diseases;
7. Ensure environmental sustainability; and
8. Develop a global partnership for development.

In these different axes, the MDGs articulated around poverty reduction aim at strengthening the development of human, technical and technological capacities because social development and industrialization (substantial contribution to economic development) should go hand-in-hand and be supplemented dynamically. Indeed, the development of productive industrial capacities, as well as measures for economic transformation is indispensable in the poverty reduction strategy.

That is why it is illusory to dissociate industrialization from poverty, for the fact that it contributes to economic growth, job creation and eradication of hunger, for instance. Consequently, the attainment of the MDGs and their sustainability depend to a large extent on development and the nature and vigour of the productive industrial sector. In West Africa particularly, to ensure a smooth involvement of industry in wealth creation in the value chain, the structural problems of micro-enterprises and informal SME/SMIs which dominate the region's economic structure, should be resolved.

¹⁴ - Three products considered by the EU as the most sensitive, i.e., fresh bananas, rice and sugar were gradually liberalized through 20 % reduction from 1 September 2002 to 1 January 2006, in respect of fresh bananas, from 1 September 2006 to 1 September 2009, for rice, and between 1 July 2006 and 1 July 2009, for sugar.

However, it is now certain, as the United Nations System acknowledges that no Sub-Saharan African country, particularly in West Africa, can attain the MDGs by 2015.

10.6 The "One village, One Product" Initiative (OVOP)

OVOP is a Japanese initiative that encourages local businessmen to process local commodities into competitive products and grant these products market access to the Japanese commercial windows established in all Japanese international airports.

This approach, which has yielded tangible results in Japan, where it was launched in the 70s, is propagated slowly but surely, globally. It is supported by a number of regional and local development officials who consider it necessary to promote the systematic valorization of the assets of the environment to arouse local initiatives and generate a fabric of new companies and consequently implement a territorial dynamic of innovation.

However, extremely few West African countries have subscribed to the initiative or have benefitted from it. ECOWAS will ensure leadership of the initiative in the region in partnership with the countries, Japan and other technical and financial partners who adhere to its implementation.

10.7 Agrobusiness and ECOWAS Action Plan

ECOWAS shall promote the development of agrobusiness as a tool for integration and diversification of the region's economy in order to create and retain wealth. To this end, the action plan centres on establishing partnerships and training stakeholders in the agricultural sector by strengthening private - public partnership. This is in order to develop research activities, work to meet the needs of agricultural sub-sectors (crop production, livestock farming, fishing and aquaculture, natural resources), and disseminate the current achievements of the results of research.

Capitalising on the African Strategy for the Creation and Retention of Wealth (ASCRW) of the ECA, involves placing emphasis on the production of improved seeds as a key tool for all agricultural production sub-sectors. It also involves training farmers on new technologies in order to improve the sector's productivity. The achievement of these objectives requires providing assistance to countries, the private sector, regional institutions, agricultural and farmer civil society groups, and enhancing South - South cooperation in such a way as to benefit from the good practices of some emerging countries and the SONGHAI Centre in Porto Novo, Benin, with a view to making it a regional centre of excellence for learning and training in agricultural entrepreneurship.

In the same vein, the Agrobusiness Action Plan provides for the conduct and dissemination of studies on financial and economic profitability of the different sub-sectors. It also provides for the establishment of strategies for developing mechanisms on securing land tenure, waste management (activities to promote irrigation and strengthen basin agencies, etc.), and suitable funding for agro-industry and the agricultural sector.

11. CONCLUSION

In order to create a regional Community space, the rules should be harmonized and common sector policies implemented synergistically. Thus, after adopting the West African Common Agricultural Policy (ECOWAP) on 19 January 2005, ECOWAS decided to formulate the West African Common Industrial Policy (WACIP) in coherence with ECOWAP and the other sector policies by taking measures for these policies to be synergized.

ECOWAS decided to adopt a West African Common Industrial Policy (WACIP) based on a global regional vision that benefits from the Member States' comparative advantage and complementarities.

Considering the imperatives of globalization and the important role industry plays in development, the ECOWAS Member States reiterate their will to make industrialization the medium of development. The Governments of the ECOWAS Member States and the private sector undertake to work in partnership for the effective and efficient implementation of the West African Common Industrial Policy.

PART II:

WEST AFRICA COMMON INDUSTRIAL POLICY (WACIP)

1. PLACE OF THE INDUSTRIAL POLICY IN THE ECOWAS INTEGRATION PLAN

ECOWAS is working towards promoting cooperation and regional integration and the socioeconomic development of West Africa by implementing activities aimed at creating a single economic area (customs union, common market and monetary union). Within this common area, Community citizens may conduct business and live in dignity and peace based on the principles of the Rule of Law and Good Governance. In spite of the obstacles, integration in West Africa is being achieved, built not only on trade and the mobility of citizens, but also on the development of infrastructures and the private sector.

Regarding development of the private sector, the strategy adopted for promoting an integrated production system, required the ECOWAS authorities to adopt Community policies and programmes in the areas of agriculture and industry as well as regional sectoral codes (competition, investment, mines, etc.). Thus, after the adoption of the cooperation policy aimed at industrial development in 1983 and the Five-year Industrial Development Plan (1987 - 1991), ECOWAS in 1994 adopted an industrial plan which presents a strategy aimed at optimising industrial integration. This plan essentially offered the industrial sector the possibility of becoming standardised by the creation of new platforms which will allow entrepreneurs and professionals to communicate, meet and more generally, interact.

Furthermore, ECOWAS Vision 2020, which was adopted on 15 June 2007 at Abuja (Nigeria) by the Heads of State and Government, which particularly aims at transforming an "ECOWAS of States" to an "ECOWAS of peoples" by 2020, is based on the five pillars interrelated to industrial development in particular, i.e., governance, infrastructures, private sector; women, children and the youth, and sustainable use of natural resources and the environment.

It is therefore a matter of course, in furtherance of activities in its ambitious plan of regional integration, for ECOWAS to adopt and implement a West African Common Industrial Policy (WACIP), taking due account of the following points:

- Global trends characterized by the low cost of commodities, particularly those exported by African countries;
- The need for West Africa to enhance the endogenous processing of its commodities to enable the generation of goods and services with added value, which is the only way of creating more wealth and contributing significantly to sustainable growth capable of ensuring sustainable social and economic development of the region (job creation, poverty eradication, etc.);
- The context of globalization, which requires the region's involvement in global trade by supplying quality services and manufactured products to the market in sufficient quantities.

2. VISION

In conformity with principles established since its creation, and considering the international context, especially WTO Agreements, the Millennium Development Goals, NEPAD, AGOA, etc., and the need to upgrade the former industrial development measures, the ECOWAS Member States have decided

to institute a West African Common Industrial Policy, referred to as WACIP. This illustrates their will to have a common vision of their industrialization, with a view to **"collectively becoming an important player in the globalization process in the framework of a sustainable industrial development"**.

The WACIP vision is to *maintain a solid industrial structure, which is globally competitive, environment-friendly and capable of significantly improving the living standards of the people by 2030.*

3. GENERAL OBJECTIVES

The general objectives of the West African Common Industrial Policy (WACIP) to accelerate the industrialisation of West Africa through the promotion of endogenous industrial transformation of local raw materials; development and diversification of industrial productive capacity and strengthen regional integration and export of manufactured goods.

WACIP will serve as a vehicle for the region and its Member States to attain the following aims:

- Creating more wealth and added value through increased industrial processing of local commodities;
- Strengthening market access for the region's manufactured products;
- Creating competitive value chains;
- Sustaining and strengthening the regional integration process; and
- Integrating industrial policy and trade policy into the global development and economic growth policy of the States in the region.

4. SPECIFIC OBJECTIVES

Specifically:

- Diversify and broaden the region's industrial production base by progressively raising the local raw material processing rate from 15-20% to an average of 30 % by 2030, through support to the creation of new industrial production capacities and the development and upgrading of the existing ones;
- Progressively increase the manufacturing industry's contribution to the regional GDP, currently at an average of 6-7 %, to an average of over 20 % in 2030;
- Progressively increase intra-Community trade in West Africa from less than 12% to 40 % by 2030, with a 50% share of the region's trade in manufactured goods, particularly in the area of energy (equipment, electricity, petroleum products, etc.);
- Progressively increase the volume of exports of goods manufactured in West Africa to the global market, from the current 0.1 % to 1 % by 2030, through the enhancement and development of skills, industrial competitiveness and quality infrastructure (standardisation, accreditation and certification), particularly in the areas of information, communication and transport.

These specific objectives will rely on the following areas of intervention:

1. Private sector development through support measures to enhance competitiveness;
2. Development of industrial production capacities through increased endogenous processing of local commodities to create more wealth and added value in value chains;

3. Development of infrastructures and support services such as quality and conformity assessment infrastructures, technological, information services, trade, investments, export promotion, customs, energy, industrial areas, etc.
4. Strengthening cooperation between the respective private sectors of the Member States through exchange of experience on product quality, economic and standardization information;
5. Development of regional industrial integration in the areas of intra-regional and global trade due to its importance for economic and social development;
6. Effective implementation of Community Investment and Competition rules and their application, adopted on 19 December 2008 by the ECOWAS Heads of State and Government;
7. Balanced economic development of the various States in the regions;
8. Promotion of a positive image for the region;
9. Establishment of suitable financing systems for regional enterprises, especially the SME/SMIs;
10. Promotion of endogenous and foreign direct investments; and
11. Mobilisation of resources and diversification of the financial instruments required for the creation and upgrading of industries.
12. Prompt implementation of the ECOWAS Common External Tarrif which is presently enforced by some countries of the Community, without its having been fomally adopted due to ongoing discussions on the 5th band issue.

5. MAJOR EXPECTED OUTCOMES

Four series of results (38 in all) linked to the specific objectives and the activities arising from them, are expected from the implementation of the West African Common Industrial Policy (WACIP).

The first series of expected outcomes relating to the first specific objective are:

1. The region's industrial structure will be consolidated with the creation of more manufacturing companies;
2. Job creation at national and regional levels will increase tenfold;
3. Community enterprises and large companies will be set up and formalised and take into account the comparative advantages and complementarities of the region;
4. The ECOWAS Agrobusiness strategy is implemented;
5. The ECOWAS CET is adopted;
6. Research results are developed by the private sector;
7. The region will be endowed with technological and industrial parks where the enterprises will be constructed;
8. FAPI and any other resource contributing to the expansion of the region's industrial base through the creation of manufacturing enterprises based on West African patents;
9. All regional institutions responsible for managing intellectual property work together closely;
10. All stakeholders will be sensitized and trained in IPR protection;

11. Micro-enterprises, SME/SMIs and large companies in the region have greater access financing for investment in industry;
12. The financial institution for support of West African women entrepreneurs is operational and accessible to the beneficiaries;
13. The quality of the region's manufactured products will improve;
14. Environment-friendly industrial development will be strengthened;
15. There will be sufficient and diverse skills and qualifications to sustain the region's industrialisation;
16. Business law will become harmonized between all Member States thereby improving the business environment and further promoting industrial investments;
17. Industrial enterprises will be rehabilitated, their added value increased, industrial products diversified and their markets consolidated and diversified.

The second series of results anticipated relating to the WACIP's second specific objective is as follows:

18. Sensitization of the partners involved in the application of community investment and competition rules will be achieved;
19. The Community Investment Code will be adopted and applied;
20. The harmonized system of accreditation, standardization and quality promotion will become operational;
21. The regional quality policy will be adopted; and
22. Industrial activity in the region will be reinvigorated and competitiveness strengthened.

The 3rd series of expected outcomes relating to the 3rd WACIP specific objective are as follows:

23. Innovative financing and guarantee mechanisms will be operational and accessible;
24. The region's micro-enterprises, SME/SMIs and large companies will have enhanced access to suitable financing for their exports;
25. West African regional integration through trade will be strengthened;
26. The Regional Information Centre on raw materials, industrial products, demand and supply of manufactured goods will be operational;
27. Regional Industry and Competitiveness Observatory will be operational;
28. The operational juxtaposed border control posts system will be strengthened;
29. Impediments to intra-Community trade will be eliminated;
30. The operability of regional industrial partnership networks will be strengthened;
31. Periodic meetings of the regional industrial partnership network will be organized;
32. The number and quality of infrastructures in West Africa will contribute to the flow of intra-Community trade.
33. Infrastructures and integrating investment projects in the area of energy are developed (power generation and interconnection of electric networks, manufacture of electrical appliances and petroleum products, etc.);
34. ECOWAS will ensure the enhanced leadership and supervisory role on energy issues within and involving West Africa;

35. Development of the region's land areas is balanced and promote internal and intra-Community trade.

The 4th series of expected outcomes relating to the 4th WACIP specific objective are:

36. Manufactured West African products will have enhanced access to global markets;
37. Partnerships between the region's economic operators and with their counterparts worldwide will be strengthened;
38. The number and quality of infrastructures in West Africa will contribute to the trade flow between the region and the rest of the world;
39. The Supplementary Acts on ICT will be implemented;
40. Goods manufactured in West Africa are quality certified and meet international standards;
41. A minimum of one structure is created or strengthened by Member States to be in charge of certification and evaluation of compliance to ensure quality and conformity with standards for manufactured goods offered for sale;
42. There will be a sufficient number of skills to sustain industrialization and trade in the region;
43. Goods manufactured in West Africa will become competitive in terms of quality, standards, certification and global markets prices; and
44. Value chains and local, national, intra-African and international supplies will be strengthened.

6. POLICY MEASURES

6.1 Strengthening public-private partnership

West Africa aspires to become a balanced, unified, integrated space to the rest of the African continent, promoting the principles of political, economic and social good governance, as well as the respect of commitments made, solidarity and cooperation between Member States. Consequently, the West African Common Industrial Policy (WACIP) will be equally based on a mechanism of dialogue between the various stakeholders, with the essential condition of strengthening public-private partnership, associating civil society organizations (workers unions, professional organizations, etc.) to make the best use of this modality. The stakeholders and their roles are:

- The State, which will elaborate strategic plans and create an enabling environment for enterprise development;
- The private sector, which should be the principal wealth creator to promote national and regional consumption, while providing a response to consumption needs at international level;
- Civil society (workers unions, professional organizations, reflection centres, consultancy firms, etc.), which will be involved in national and regional governance, in order to promote broadly-shared consensual progress; and
- The partners, who should sustain the region's industrialization efforts.

In order to embark on the path of industrialization, it is necessary to acquire a harmonized industrialization strategy that takes due account of national industrial capacities at all levels of processing. This harmonization could result in the creation of chains of complementarity and specialization within the region. The overall objectives should comprise capacity building, market access, implementation of joint development programmes, the launch of group or triangular growth initiatives, training, and development financing.

Industrial development induced by exports and supplemented with increased local imports from the region, should be encouraged. It is necessary to put in place clear and consistent policies that promote endogenous investment as well as sustainable and non-speculative foreign direct investment.

A number of ECOWAS countries are still suffering from acute supply and marketing difficulties and low competitiveness in a number of export and production sectors. These difficulties prevent the countries from exploiting the opportunities of the market that could be obtained through economic integration mechanisms. Thus, economic integration does not discharge the Member States and producers of the responsibility of accelerating the implementation of measures to remove the obstacles to supply and attain international competitiveness. An increase in investments to increase and diversify export capacities as well as investments in infrastructures will be crucial. Strategies to encourage endogenous investment, attract foreign investments, develop human resources and take advantage of technology, should be strengthened.

At institutional level, ECOWAS should conclude appropriate institutional arrangements to guide and facilitate industrial development in the region. To attain the expected results, it is indispensable to make a clear distinction between policies and strategies that may be reserved for the national level and those that may be necessary for a regional approach. This has always been, and will certainly continue to be, the greatest stumbling block to regional industrial development.

6.2 Strengthening the institutional framework and industrial development

Industry is a complex technical, socio-cultural and political construct, at the core of which are the enterprise and technology, bearers of specific cultural values. This implies socio-political stability at national level, a vision and a collective resolve of the future and an institutional framework within which industrial development must operate, integrating the sovereign role of the State as devolved upon the dedicated Ministry.

The assertion in each West African country is that many Ministries have part of the prerogatives of the Ministry of Industry. When it is not services that are detached from other Ministries, they are entire departments attached to the Prime Minister of the Presidency of the State. This dispersal leads to antagonisms which engender paralysis or inertia against the background of the opacity of some operations and inadequate appraisal of the dossiers of various industrial projects.

Coupled with that is the consequent lack of human, technical and materials resources of Ministries responsible for industrial development to effectively play the sovereign role of the State, especially in the area of control, promotion and development, particularly in public-private partnership reinforcement, which plays a key role in economic and industrial planning by strengthening the factors of competitiveness and improving the economic climate and the institutional framework. Indeed, policy promotion activities can only yield good results when based on long-term global strategies comprising measures for the improvement of the investment climate whose elaboration and implementation is undertaken by all the stakeholders of the public and private sectors.

Other strategic questions deserve fine results-based analysis and a better institutional positioning to the Ministries in charge of industrial development in West Africa. Indeed, faced with intensified international competition and increased mobility of factors of production and enterprises themselves, the competitiveness of the national and regional economy and attractiveness of West Africa, require at national level, an improved institutional positioning as well as a better visibility of the consequent resources of the Ministry responsible for industrial development. At regional level, they require the strengthening of the human and material resources of the ECOWAS Commission department responsible for industry.

As part of the implementation of the West African Common Industrial Policy (WACIP), the ECOWAS Commission will be endowed with consistent resources to provide the relevant responses to these strategic questions: strengthening the resources of the Commission department responsible for industry; support countries to strengthen their institutional infrastructure dedicated to industrial

development, particularly post-conflict countries, to ensure that payment of compensation by ECOWAS to the States is equally used for industrial development; strengthening the efficient institutional framework due to the success of exports is a good sign for potential investors; institutional positioning or government articulation due to the fact that investment promotion is linked to trade due to the inherent synergy between these two activities, etc.

6.3 National policy measures

- Elaborate market-based regimes to encourage exports, strengthen links upstream and downstream in the industrial and other sectors, increase industrial efficiency and ensure that public and private sector decisions reflect the competitive positions of the Member States at regional and international levels;
- Pursue effective policies to curb inflation and stabilize foreign exchange;
- Elaborate policies likely to ensure price stability and a predictable tax structure, that can encourage private investment (local and foreign);
- Encourage and practice good governance and a transparent and reliable legal and justice system by excluding State interventionism in commercial transactions relating to project approval procedures, labour relations and striving generally to promote an efficient public administration devoid of red tape and corruption.

6.4 Regional policy measures

- Elaborate and implement policies for increasing trade in the area of technology and strengthen the development of human resources at regional level;
- Elaborate and implement policies to sustain healthy and sustainable environmental practices at national and regional levels;
- Encourage investment in an appropriate infrastructural environment to sustain industrial development, particularly for post-conflict countries;
- Harmonize and implement incentive measures and legislative frameworks, especially the liberalization of capital movements at regional level (particularly as regards investments), while taking due account particularly of the needs of some countries of the region, especially the landlocked and post-crisis countries;
- Promote policies safeguarding the dissemination of adequate information on the economic and investment potentialities, on resource availability or on regulatory measures with businessmen; and
- Harmonize the implementation of the ECOWAS Trade Protocol with regional industrial development strategies and programmes; improved market access should result in new investment opportunities.

7. GUIDING PRINCIPLES

Public and private sector stakeholders of ECOWAS agree to adopt a vision necessary for their future, taking due account of the fact that industrialization policies are evaluated over the long term, hence the need to fix the timeframe for the attainment of the specific objectives to not less than twenty years from 2010.

Obviously, for the West African vision to be effective, it should be based on the private sector, particularly the SME/SMIs which constitute, and will for a long time constitute, the base of the region's industrial

structure. These SME/SMIs should be highly integrated to become competitive, which will enable them in turn to win new shares of the market, especially the export market.

With the creation of ECOWAS, and particularly with the elaboration of West Africa's Common Industrial Policy, the Member States are in a position to reverse the scenario of the marginalization of their economies in the context of globalization. Consequently, ECOWAS Member States have opted for a shared and ambitious vision of their future marked by a common desire to regroup as a sole significant player in the globalization process, in the framework of a sustainable industrial development.

They should therefore be convinced of the private sector's role in economic growth. The role devolving upon them is therefore to regulate and impel the re-invigoration of the production sectors. In that regard, not only should they support the private sector as an engine of economic development and particularly industrial growth; they should equally play an active role in the creation of productive capacities by capitalizing on the lessons learnt from past experiences, while strengthening good governance in their approach.

The elaboration of a West African Common Industrial Policy (WACIP) is guided by four major principles for meeting the challenges, namely, principles of competition, solidarity and cooperation and principle of industry as the engine for the social and economic development of the region.

- **Principle of competition** presupposes the consolidation of the rule of law through the respect and the application of the rules governing competition, and enables the business environment in the region to encourage endogenous investment, foreign direct investment, and job creation. Also, it must be ensured that some practices such as sector agreements, concentrations and the dominant positions acquired by some monopolies or oligopolies do not constitute impediments to the market economy. Public institutions should be made to respect competition laws and promote the development of adequate reconciliation and arbitration mechanisms with a view to adopting practices meeting international standards;
- **Principle of solidarity** implies the development of a community spirit around a common ideal. This principle must safeguard the efficiency of a policy of organizing a well-balanced territory in addition to taking account of the specific problems of the least advantaged countries (landlocked and post-conflict countries). This principle must be visible first through the use of structural capital, and also guide the axes of West African Common Industrial Policy;
- **Principle of cooperation** should enable the integration of the Member States' industrial policies into the WACIP framework, and the mobilization of all resources for a maximum exploitation of the comparative advantages. This cooperation should be significantly improved in order to strengthen the output of the enterprises, while preventing illegal agreements and unlawful practices. On the basis of this principle, ECOWAS should encourage partnerships, promote trade agreements with the rest of the world and help improve the Member States' image at global level.
- **Principle of Industry** as the engine of economic and social development of the region should lead to the consolidation and diversification of the industrial structure by the presence of competitive West African industries in the global market, while preserving the environment, creating jobs, income and wealth, promoting technology transfer, supporting long-term economic growth, effectively contributing to stability and social justice, fighting poverty, utilising other productive activities and new related activities which themselves are capable of engendering sustainable development (conservation of the environment, creation of jobs and value added, etc.)

8. CHALLENGES

The fundamental question is: how do you create more wealth through endogenous processing of local commodities and make the industrial unit competitive in the context of globalization and the respect of the rules of free competition? The West African Common Industrial Policy (WACIP) needs to answer this key question and serve as a dynamic integrating instrument in keeping with its vision, its mission and its specific objectives of meeting the principal challenges relating thereto. They are, in particular:

- Developing capacities and the industrial base; and
- Competitiveness of industry.

8.1 Developing capacities and the industrial base

In addition to difficulties relating to infrastructures, the business environment and other exogenous factors, West African companies are bedeviled by internal constraints such as bad governance, managerial deficiencies, poor manpower quality (low training and qualification of available human resources) and poor attitudes of the workers who induce the under-utilization of existing productive capacities.

Several countries in the region have embarked on healthy reforms to resolve these constraints through training by strengthening its direct link with the needs of the different sectors of the economies and an enhanced human resource valorization for industry, public services (public administrations, legal and judicial services, etc.) and improvement of the business environment. This encourages endogenous and foreign direct investments while promoting the broadening of the productive base through the creation of several SME/SMIs in the different sectors, especially agro-industry, services, activities, and industry support.

Several agricultural products as well as their derivatives for which potentials exist, or local commodities (minerals and iron ore) constitute industrial raw materials that are not locally valorized for want of logistical collection chains, transport, storage, initial processing, etc. All these sectors should be developed and promoted to constitute a leverage of development and broadening the West African industrial base. For that purpose, the SME/SMIs dynamic support policy, the policy for the creation endogenous resource-based sub-contracting industries will be strengthened, particularly as regards the organization and support of the informal sector to enable it move progressively into the modern sector and fully play its role in the region's economy.

Furthermore, capacity building is necessary for the negotiations as well as for the implementation of WTO Agreements, and is therefore at the core of West Africa's Common Industrial Policy. The Agreements stipulate the need for the industrialized countries to provide assistance to development, which has so far been inadequate. This technical assistance which West Africa can also obtain under South-South cooperation and also bring to the fore under the EPA development aspect with the European Union is particularly appropriate for the development of productive capacities, infrastructures and services.

8.2 Competitiveness of industry

In the present context of Common Market creation and opening of markets to global competition, competitiveness becomes the sole weapon, not only for success but also for company survival. The rules of the game characterizing this competitiveness have changed, with the dazzling trend of technology. In a nutshell, when competition is globalized and technology evolves very rapidly, competitiveness no longer depends on productivity or on a country's capacity to produce enormously. This new order obliges the region's companies, particularly producers, to accept the change and adapt to it. It equally requires considerable State competence, thorough dialogue between the private sector and public sector with a view to channeling all energies towards the same objective, namely greater competitiveness.

Capacity building, improvement of the business environment, upgrading of companies and services, regional integration of the goods market, infrastructure services and factors of production, are transformed into concrete activities in the West African Common Industrial Policy that should contribute significantly to reducing production costs and improving competitiveness of the region's industry.

9. PROBLEM OF DISPARITIES BETWEEN MEMBER STATES

The freedom for citizens to travel without visas was a catalysing factor of regional integration in West Africa. This is even more so because significant disparities within and between Member States have always been at the root of migratory movements, very strong in some cases, within the sub-region. Combined efforts must be made to enhance the free movement of persons and goods, while decisively working to gradually reduce the internal and intra-regional differences.

The cultural, climatic and environmental differences which characterise the region, have certainly led to the development of some specific agricultural ventures and the development of some mineral deposits and hydroelectric capacities. However, low level infrastructure has made it impossible to fully benefit from the region's vast potentials, particularly in the areas of balanced development of its land areas, promotion of local industrial processing and industrial development as well as internal and intra-community trade, while taking into account the comparative advantages and complementarities.

The low level of physical infrastructure, following the unbalanced development among administrative centres in each country, as well as bad governance and failure to effectively manage migratory trends have, among other things, led in many parts of the region, to inter-ethnic conflicts linked particularly to land issues, national identity, etc.

Building on the lessons derived, the elimination or reduction of disparities between Member States can be tackled with two categories of instruments. These are in particular, an integrated policy framework based on a harmonised industrial strategy and the use of funding mechanisms for development, to mitigate factors contributing to these disparities. Funding for development involves promoting investment in public services and infrastructure as well as funding of industrial projects. Account should also be taken of the methods and lessons learnt from the EU Structural Fund and inter-regional development programmes in resolving problems non-industrialized and deprived areas within ECOWAS.

The highly concentrated markets within the ECOWAS region can be broken up with the adoption of rigorous policies and strategies which endorse the role of market forces. In this regard, an institutional framework should be established to ensure the application of market laws and discourage monopoly and cartel operations.

The laws on product origin should also be enforced and Customs controls more strictly applied to prevent losses in sale, contraband and false customs declarations, which may compromise regional cooperation. Similarly, responsibility for deficiencies in national productions should not be blamed on regional integration. Support mechanisms should be put in place to encourage entrepreneurship, overcome supply-side constraints and promote technological development. Regional trade policies should sustain value added trade rather than channel the flow of raw materials from least developed countries in ECOWAS to more developed Member States for processing.

10. STRATEGIES

The Community industrial development strategy should be practical, flexible and sustainable to enable it derive benefit from market globalization while generating the type of growth and development necessary for improving the standard of living of the region's populations.

To attain the region's aims and objectives, specific far-reaching strategies have been adopted to take account of the disparities between the countries in terms of development of their industrial sector, their wealth and resources. The strategies are carefully chosen to stimulate industrial development in the region and can be implemented domestically within the Member States, and regionally, particularly between ECOWAS and the world at large.

10.1 Internal ECOWAS strategies

- Remedy the low level of industrialisation through the adoption of joint measures with the Member States, especially the removal of tariff and non-tariff barriers, promotion of cross-border investments, harmonization of incentive measures for investments and improvement and development of infrastructures, as well as regional technical skills;
- Provide, on a continuing basis and at the appropriate time, information on opportunities and threats facing industrial development in the region and promote business contacts through institutional development, establishment of networks and exchange of information with a view to strengthening industrial development;
- Remove the impediments to the physical movement of goods and persons in the region, thereby reducing industrial product distribution costs;
- Make considerable efforts to reduce development polarization and encourage equitable industrial development in the region, through the harmonization of national development policies and the use of development finance mechanisms to promote growth in areas affected by polarization;
- Promote territory-related industrial development by encouraging development around structured projects based on comparative advantages or around the appropriate infrastructures of a zone;
- Encourage industrial development focal points with a view to attracting auxiliary services, making economies of scale and multiplier effects by promoting labour-intensive SMEs;
- Encourage strategies aimed at creating industrial poles to benefit from the cluster of industries at given sites. Sustain, for instance, the small companies established in an ECOWAS country that provide components or spare parts to major groups situated in another member country;
- Support competitive transfer of technology, encourage research and development (R&D) in the framework of the industrial process through exchanges and know-how in the region;
- Strengthen efforts of coordination and investment in the development of the required human resources by establishing training Centres and promoting the development of managerial and specialized technical skills.

10.2 Overall strategies

- Attract foreign industries to set up in the ECOWAS space by establishing competitive regional platforms based on attractive production, distribution and marketing costs;

- Adopt measures against dumping, unfair trade practices and the abuse of investment incentives at regional level;
- Adopt measures to improve the business environment with a view to encouraging endogenous investment, attracting foreign direct investment, and promoting job creation; and
- Promote the ECOWAS space as an investments area through information campaigns and specific promotion activities.

10.3 Specific strategies of WACIP

The following are the specific strategies envisaged:

1. Strengthen the application of the principle of subsidiarity;
2. Promote private investments to give new impetus to the region's industrialization with not only the support required in collaboration with the States, but also their active involvement in the creation of productive capacities by capitalizing on the lessons learnt from past experiences while strengthening good governance in the approach;
3. Promote endogenous processing and the creation of value added in the sectors and sub-sectors where the region enjoys high comparative advantage (mining and agricultural products processing industries), while strengthening regional cooperation and specialization taking account of balanced development of the region (problems of disparities within and between Member States; development of ECOWAS land areas, etc.);
4. Develop community industries, cross-border investments and regional and international partnerships;
5. Develop the enterprise spirit and technical skills for Community citizens;
6. Develop micro-enterprises, SME/SMIs and promote subcontracting and partnerships and particularly organize and support the informal sector to enable it gradually move to the modern sector and play its full role in the region's economy;
7. Develop endogenous patents, research and development;
8. Promote the competitiveness of the industries and the national and regional industrial sectors by upgrading them and building technical capacities in enterprise financing, technological transfer and innovation;
9. Promote the quality and respect of standards;
10. Develop infrastructures and support services, including Information and Communication Technologies (ICT);
11. Promote industrial development finance mechanisms;
12. Strengthen intra-Community trade;
13. Promote export by especially undertaking commercial prospection for the region's industrial products; and
14. Integrate programmes into the global trade system (WTO, AGOA, ACP/EU, OVOP, etc.).

10.4. Axes of WACIP

In keeping with the vision, specific objectives, expected outcomes and above-mentioned strategies, and in order to meet the challenges, ten strategic axes have been defined under WACIP.

It is worth recalling, as specified in the guiding principles above, that West African countries must regulate and impel the re-invigoration of the productive sectors. In that regard, they should not only support the private sector as the engine of economic development and particularly of industrial growth; they should equally play an active part in the creation of productive capacities by capitalizing on the lessons learnt from past experience while strengthening good governance in their approach.

This principle will guide the promotion of private investments, community enterprises, quality and standards, as well as the development of infrastructures and support services, micro-enterprises and SME/SMIs, the development of endogenous patents and research-development, improvement of competitiveness and development of the technical skills of the enterprises, strengthening and innovation of finance mechanisms (including export financing) and intra-Community trade.

1st AXIS: Promotion of private investments

The business environment often complains about the high cost of production factors and the excessive delays bedeviling them in West Africa. It is therefore necessary, in the context of regional integration, to elaborate and implement a private sector promotion strategy for eliminating the obstacles and securing investments at legal and judicial levels. This strategy should also be based on the principles of innovation, research, managerial capacity and institutional development that should propose management training linked to the professional employer organizations and to regional and international networks.

A single-window agency responsible for providing especially information on investment opportunities, company registration rules, the legal framework of the investment, will be established in each Member State that does not have it, particularly post-crisis countries whose institutional mechanisms have been destroyed. Pending the adoption of the Community Investment Code under preparation, provisions should be made for the application of Community rules on investment and competition, adopted in December 2008 by ECOWAS Heads of State, to offset the deficiencies observed and encourage private investments.

Community investments and competition rules, just as the Community Investment Code that will be adopted constitute for investors, a coherent regional framework better suited to the dynamics of globalization. They serve as a reference framework to the other member countries and harmonize incentive measures guided by practices in emerging countries. The Community Investment Code which will revisit and deepen Community rules on investment and competition will, inter alia, enable VAT rates and tax measures to be normalized between the countries, promote competitive anti-dumping codes, facilitate the company registration procedure, and encourage the privatization of the management of industrial sites or to protect the private sector from possible risk of expropriation.

The adoption and application of an ECOWAS liberalization scheme will strengthen intra-Community trade liberalization. Several studies, indeed, such as UEMOA's example, revealed that the adoption of the Common External Tariff (CET) would enable an increase in intra-Community trade due to the simplification of the administrative rules it will entail. This is why all activities will be enhanced to facilitate the early adoption of the ECOWAS CET. Concurrently, efforts will equally be made to pursue micro-economic stability, launch anti-inflationary measures, such as the reinforcement of exchange rates between foreign exchanges.

2nd AXIS: Promotion of Community enterprises

Several ECOWAS Member States have considerable raw materials that are not exploited. By their geographical position, some countries are better placed than others to house some types of enterprises. Indeed, some countries are endowed with raw materials and facilities such as sea ports that do not exist elsewhere and which could be the subject of joint development while ensuring the balanced development of the region.

It is possible that the private sector of a given country may not alone be in a position to exploit its potentialities. This represents an investment opportunity for all private sectors in the region. The private sector of each country should therefore be encouraged to create enterprises in co-participation with a view to exploiting the existing raw materials.

Furthermore, it is worth emphasizing that the creation of enterprises by citizens of at least two ECOWAS member countries is altogether in conformity with the Protocol on Community enterprises, adopted by ECOWAS Heads of State and Government since 1984, and it is time to promote and apply especially the Community Investment and Competition rules containing specific measures favouring this type of community projects.

3rd AXIS: Development of the corporate spirit and the technical capacities of Community citizens

The modern enterprise spirit should be promoted within the Community with a view to increasing in the long run, the proportion of citizens who create modern industrial companies. For that to happen, the Governments should continue to sustain education and continuing training while promoting an enterprise culture indispensable for the ownership of the industrial sector by a generation of informed and more aggressive businessmen.

On that score, one of ECOWAS' tasks will be the promotion of the enterprise culture and spirit in training programmes (schools, universities and colleges) as well as the use of the media to reinforce the enterprise culture. In the same vein, support will be accorded the West African Association of Women and other private entrepreneurship promotion organizations to promote the development of entrepreneurship in national educational systems (student micro-project establishment workshops, etc.).

ECOWAS has supported the harmonization of business law of the Anglophone Member States. Since this exercise is completed, ECOWAS will get involved with OHADA (in charge of the harmonization of business codes in Africa) to harmonize business law between the Member States. This harmonization will be conducted by ensuring compatibility with the industrialization objectives induced by the private sector, globalization of the economy and entrepreneurship development, without compromising job security: recourse to the work contract for a determined unlimited period or a limitation longer than what appears at present in the countries' codes, fixing of remuneration on the basis of productivity, etc.

4th AXIS: Development of micro-enterprises and SME/SMIs and promotion of sub-contracting and partnership

The creation of SME/SMIs should be integrated to respond to a double challenge. First, is to respond effectively and profitably to a significant part of regional and local demand. Subsequently, in a context of globalization of the economy, concrete efforts have to be made in the areas in which the region can develop a comparative advantage on foreign markets.

The development of micro-enterprises and SME/SMIs depends on considerable support to the informal sector, particularly the cottage industry, which constitutes in West Africa a nursery for modern enterprises. Furthermore, it is necessary to find suitable solutions to the thorny issue of access to financing and the valorization of inter-sectoral links in the industrial structure.

It would therefore be necessary to promote the transition of micro enterprises and SME/SMIs towards the modern sector (or sustainable integration of the informal sector into the modern sector) through the elaboration and implementation of blueprints for the organization and support (structuring, taxation, training, technical support, financing, etc..) of the informal sector with a view to facilitating its gradual entry into the modern sector to fully play its role in the region's economy.

To support the development of SME/SMIs, the Member States are called upon to reduce tariff in the short term the acquisition of IT tools and equipment in the framework of the advantages they accord local enterprises for the production of computer and telecommunication components.

The possibility of strengthening partnerships will be explored through the establishment of links of cooperation between the region's SME/SMIs and those of the other regions of Africa and elsewhere, especially the OECD, so as to facilitate access to global markets. Furthermore, the appearance in each State of nursery enterprises, particularly those that develop patents (see 5th axis) will be a powerful medium for the creation of SME/SMIs. A model micro-enterprise and SME/SMIs development policy that can be adapted by each country to national realities will be prepared and provided.

The mechanisms will supplement the actions underway within ECOWAS relating to the collection, processing and dissemination of industrial information by the computerized system of business opportunity management (SIGOA - TOPS) which will be enlarged to data on industrial activities in West Africa; economic information; orders expressed by industrial principals in synergy with FOPAO (Federation of West African Employers Organizations) and national subcontracting or partnership stock markets where its creation will be gradually extended to places where they do not yet exist.

5th AXIS: Development of endogenous patents and research-development

Several patents held by ECOWAS nationals have attained a sufficient level of maturity that enables their development to be envisaged; i.e., pre-series tests whose conclusive results will attract investments for industrial production.

In order to succeed, this policy requires ECOWAS support to WIPO's Invention and Innovation Promotion Support Fund (FAPI). Furthermore, it should aid the Centres of Excellence to release the initial inputs to guarantee the establishment of local production (quality equipments and infrastructures, competent human resources ...) to enable them carry out pre-series tests of the patents retained by FAPI. These patents will further benefit from promotion by ECOWAS on its website and during various promotion events.

6th AXIS: Strengthening and innovation of financing mechanisms, including export financing

Industrial sector financing (including the exports of semi-finished and finished products) will be based on local savings, existing sources of finance throughout the world from which private operators can derive profit, and the implementation of innovative instruments to supplement what already exists in the region.

In that framework, ECOWAS should, in consultation with regional, continental and global institutions ((WADB, EBID, BRS ADB, BADEA, FSA, World Bank/SFI, IDB, etc.), deepen reflection on other innovative industrial finance mechanisms and their implementation in the region by capitalizing on existing experiences and endogenous sources of financing (BRVM, stock markets of Ghana and Nigeria, savings fund and consignment, guarantee fund, etc.).

Sensitization and training of economic actors in partnership development to exploit existing financial resources in the world and thus seize the opportunity of investments in West Africa will be conducted through different channels (media, workshops organized with the support of Consular Chambers, etc.).

7th AXIS: Strengthening intra-Community trade

Intra-Community trade facilitation on West Africa's vast market will benefit from the financing mechanisms referred to above (6th Axis). However, ECOWAS will lay emphasis on removing the constraints identified by reinforcing sensitization and policy dialogue with the Member States (public administrations and private sector) to harmonize and simplify customs procedures. These actions will be conducted in consultation between the public sector and the private sector. They will be the subject of continuous analysis in partnership with national bodies with a view to gradually eliminating the useless and obsolete procedures and rules.

The public-private consultation dynamics will be consolidated by the reinforcement of the existing mechanism of consultation between the public sector and the private sector at the regional level (under the leadership or arbitration of ECOWAS) with the establishment of a Community Observatory of practices between the public and private sectors. The quarterly or half-yearly assessment meetings especially affecting intra-Community trade will analyze and review national provisions constituting impediments to be removed in conformity with the desired harmonization with the Community texts. FOPAO could house this Observatory and contribute to the recording of good and bad practices.

Concurrently, by capitalizing on its own experience and that of UEMOA, the ECOWAS Commission will pursue the installation of juxtaposed control posts on the borders to ensure the transparency of the controls.

Furthermore, it will get the Heads of State and Government to adopt and apply sanctions against countries (through payment of fines) whose administrations and agents hinder the legal movement of goods, with a view to eliminating tariff and non-tariff obstacles in intra-community trade.

8th AXIS: Promotion of quality and standards

West Africa in particular is facing marginalization in the global economy, measured by the yardstick of its extremely low share of manufactured goods in global exports. One of the major challenges the region must face is to sustain competition through the quantity and quality of its products. The competitive position should be improved while overcoming the constraints weighing on the quality of its goods.

The implementation of quality programme I within UEMOA (support to the competitiveness and harmonization of WTO and SPS measures) during the 2001-2005 period, has given conclusive results that have led the partners to extend quality programme II to the entire West African region over the 2007-2010 period, always with UNIDO technical assistance.

ECOWAS will elaborate and implement an advanced quality assurance programme that will capitalize on quality programmes I and II, while ensuring its coherence with existing or future national programmes that aim at certification, upgrade of enterprises, standardization of products, etc.

Removal of non-tariff barriers (quality, standardization, etc.) should lead to competitiveness. Consequently, ECOWAS approach will be voluntary and equally strengthen quality infrastructure in the region through the consolidation of the legal framework, human resources, training and the technical capacities of the organizations responsible for quality control (standardization, certification and metrology) by ensuring their certification with international organizations (ISO, etc.) as well as through the provision of technical assistance to enterprises in the establishment of quality and certification systems. The region will acquire structures for certification and evaluation of conformity to ensure quality and conformity with standards for manufactured products put on the market.

The principal objective of its quality and standards promotion efforts is to achieve competitively the growth of intra-community trade and easy access to manufactured goods and products from West Africa on regional and international markets. In relation with its efforts, West Africa should be endowed with a regional quality policy.

9th AXIS: Development of infrastructures and support services

Infrastructure development is a major challenge in West Africa's economic and social development because they constitute production factors for several industries, but they produce multiple positive externalities for the entire productive system. Energy will receive special attention in the context of infrastructural development, in order to ensure its availability and accessibility for the development of industrial capacities.

Benefit should therefore be drawn from ECOWAS success in the development of infrastructures and industrial development support services (Ecobank, West African Gas Pipeline, West Africa Power Pool, etc.) and efforts pursued to enhance private sector involvement.

Consequently, trans-regional infrastructural development (roads, railways, energy, sea, telecommunications, etc.) will be at the core of the actions conducted in collaboration with NEPAD. Concomitantly, the implementation of Community programmes, especially the "West African Power Pool", the "Ecomarine" Project, the road transport project and that on Communications will lead to speeding up production cost reduction. The Community should also promote the creation of industrial areas. Generally, ECOWAS will see to it that endogenous private investment and foreign investment are further promoted in infrastructure, under various forms, including finance, realization and management (BOT mechanisms, etc.).

Recent major technological advancements, especially in the areas of Information and Communication Technology (ICT), open up tremendous prospects of socio-economic development and afford the ECOWAS countries an opportunity to create a borderless economy that promotes the acceleration of their industrialization process while facilitating their integration into the global economy. The Internet, which is a global communication tool, a source of knowledge and a platform for promotion and interaction with clients, suppliers, principals, is a classic symbol of this type of modern information-based economy.

Other technologies such as automated/computerized financial markets, electronic mail, electronic data exchange and bank operations by telephone lead us on the path to an information-oriented borderless economy.

Finally, industrial competitiveness equally depends on the quality of the information infrastructure. Some ECOWAS countries have a blueprint for ICT development, but it is up to ECOWAS to pursue the coordination of efforts on the issue aimed at stimulating coherent and compatible development of national networks, and interconnection of international, regional and international networks. This can be done through the implementation of the ECOWAS Supplementary Acts on ICT.

10th AXIS: Improvement of competitiveness and development of technical capacities of enterprises, restructuring, upgrading, transfer of technologies and innovation

The West African Common Industrial Policy will ensure the promotion of factors determining the degree of competitiveness, i.e., questions relating to productivity, the value chain, an enabling environment, a technological content and their acquisition, infrastructures and support institutions. The means for implementation will be the upgrade of industrial companies and connected services, whether or not they belong to the modern sector, and no matter their size.

The upgrade tool is already in use in West Africa, especially in Senegal and UEMOA which has since 2007 been implementing a regional upgrading and restructuring programme with UNIDO technical assistance. The objective is to upgrade nearly one thousand industrial companies in the deployment phase, which was planned for 2010 and articulated around eight (8) national restructuring and upgrade programmes for implementation by the Member States.

The ECOWAS programme for upgrading industry and related services will capitalize on the experience of the UEMOA programme and be implemented in coherence and in harmony with this programme and existing national programmes. It will be implemented with UNIDO technical assistance and the support of financial partners including the EU, and will specifically aim at supporting the region's

enterprises to become competitive and re-invigorate industrial activities and those of support services whose capacities will be equally strengthened.

Generally, in West Africa, monitoring and knowledge of the industry sector is inadequate, especially the manufacturing industries at the level of official institutions, and that of support associations and structures, including the Ministries, technical centres, professional associations, Chambers of Commerce, etc. Systems of information, relevant statistics or databases are either inexistent or in a state of disuse.

The several personnel training needs of these institutions will be taken into account, as well as their own upgrade (upgrading of buildings, where necessary, and equipment, training, etc.) with a view to giving them a new lease of life. This could comprise especially a change in status to be determined or adapted according to the case studies. It will actually be inadequate or even non-productive to become confined to the provision of new equipment to existing laboratories and technical centres without inviting them to adhere to the upgrading approach.

11. PROGRAMMES

The following ten (10) regional programmes linked to the specific objectives, strategies and axes of WACIP below, constitute the concrete articulation of the implementation of West Africa's Common Industrial Policy (WACIP):

11.1 Development of micro-enterprises, SME/SMIs and major industries

ECOWAS will support the Member States' governments in their efforts to put in place a clear political framework suitable for the development of micro-enterprises, SME/SMIs and major enterprises. The national frameworks will be consistent with the regional policies and comprise, among other things, the following aspects:

- micro-enterprise and SME/SMI promotion objectives;
- micro-enterprise and SME/SMI incentive support programmes; and
- micro-enterprise and SME/SMI implementation and monitoring framework.

The regional programme will thus develop a model SME/SMIs promotion policy that will serve as a reference adaptable by each country, especially Member States presently at the start-up stage of their policy development, particularly post-conflict countries. The regional programme will strengthen the densification of the industrial structure and job creation through the creation and optimal management in each State of nursery or incubator enterprises and cluster enterprises, in particular those that develop endogenous patents or in the rural areas by supporting the OVOP initiative.

This aspect of the regional programme relating to nursery or incubator enterprises will also be articulated in support to the gradual transition of micro enterprises and SME/SMIs of the informal sector towards the modern sector, thanks to their support (structuring, taxation, training, technical support and financing, etc.).

While striving to finalize and adopt the Community Investment Code¹⁵, the programme will support the sensitization of governments, the private sector, the press and civil society to apply the Community rules on investments and competition adopted on 19 December 2008 by the ECOWAS Heads of State and Government to alleviate the deficiencies and encourage private investments, especially the creation of strategic industries, particularly major enterprises, taking account of the comparative advantages and complementarities in the region. All activities will be implemented in view of an early adoption of the ECOWAS CET.

¹⁵ - The Community Investments Code will include the progress made in Community rules on Investments adopted in December 2008.

The Community Investment Code will clearly stipulate that no national government of the ECOWAS Member States can resort to expropriation. Furthermore, specific bilateral agreements existing in the area of non-expropriation will appear among the supplementary precautionary measures to secure private investments. ECOWAS will adopt an innovative approach guided by the example of the African Commercial Assurance Agency (AACA), either to strengthen it or create a similar organization that will propose an insurance against political risks, conflict and instability and a financial support to the development of trade in investments in West Africa.

In all the aspects listed above, the programme will encourage the endogenous processing and creation of added value in the sectors and channels for which the region has high comparative advantages (agro-industry, mines, etc.), while strengthening regional cooperation and specialization taking due account of balanced development of the region (problems of disparities between Member States; development of the ECOWAS space, etc). In this framework, the programme will promote Community enterprises and support their creation, or the formalisation of those that exist already but are yet to benefit from the attached advantages.

11.2 Industrial research and development Programme (IR&D)

The dissemination of the research findings within industries and to investors is a problem in the region. The programme will provide suitable responses by promoting R&D coordination activities in the region with a view to:

- Strengthening the link between the R & D and industry (dissemination of research findings to the industries and economic operators; encouraging industries and economic operators to take charge of the pre-series tests of inventions and innovations; developing the region's patents; R & D support to innovation in industry; etc.); and
- Encouraging the creation and development of technology and science parks.

To achieve this, the programme shall put in place (i) an institutional mechanism for the coordination of R&D activity programmes; (ii) mechanisms to strengthen cooperation in the priority areas such as information exchange and joint IR&D programmes; and (iii) specific collaboration projects with a view to raising quality and productivity in the industrial sector.

The programme will also promote the privatization of public industrial site management (industrial area, free zone, specialized industrial areas or parks...), while focusing on the advantages for the countries (flexibility, clarity, transparency, valorization of local communities, etc.) and for the investors (finding a suitable framework, equipped and secured as soon as possible, for instance 30 calendar days). Moreover, the programme will propose to the Member States model specifications that can be adapted to national realities for economic operators interested in making such an investment.

Support for the industrial development of the region's patents will be seen in the ease with which ECOWAS mobilises the regional Community and technical and financial partners for the WIPO Invention and Innovation Fund (FAPI) and any other organisation working towards this objective.

In partnership with the private sector and technical and financial partners, ECOWAS will also facilitate the mobilization of targeted aid (quality equipment and infrastructures, competent human resources, training in the framework of South-South cooperation ...) for the region's Centres of Excellence with a view to supporting the development of technological capacities and realization of pre-series tests, liable to provide evidence of the industrial maturity of West African patents selected by the FAPI and any other organisation. The patents will further benefit from ECOWAS promotion on its website and during various promotion events.

11.3 Development of regional intellectual property rights (IPRs)

Within UEMOA and in Guinea, there is an organization for the management and protection of intellectual property rights. So far, the region has no regional intellectual property framework, and

ECOWAS is working in synergy with the United Nations System (UNS) to put such a framework in place by associating all actors in a way as to enhance cooperation between regional institutions responsible for managing intellectual property.

The programme will aim at including other ECOWAS Member States in this regional body or framework with a view to establishing a single window for the registration and management of the region's IPRs as well as a regional network endowed with a data bank/information on the IPRs.

The programme will equally provide for the organization of awareness workshops, training initiatives and advocacy for promoting the use and respect of the region's IPRs.

11.4 Development of regional financing

The existing regional mechanism for financing industry, including exports and manufactured goods, will be encouraged to strengthen cooperation within the region and with African and international industry support institutions, especially in the framework of South-South cooperation.

The programme will deepen reflections in synergy with regional, continental and global institutions, the West African public and private sectors, while capitalizing on ongoing experience within the region and across the world, in particular in the emerging countries. It will put in place innovative finance and guarantee mechanisms for industry, in particular micro enterprises and SME/SMIs of the modern and informal sectors: invigoration of local savings and the stock market; improved use of savings, deposit and guarantee funds, mobilization of credit lines with subsidized rates conducive to industrial investment and comparable to global best practices, in particular for micro-enterprises and SME/SMIs; programme-contracts between governments and finance institutions (commercial banks, decentralized financial systems, etc.).

The programme will support the sensitization of the people through "Savings Days" in each member country in synergy with the public sector, the press, the banks and financial establishments, the private sector and civil society. Without the sensitization being exhaustive, local savings will continue to be encouraged through the implementation of an endogenous savings policy harmonized at regional level with a revalorization of the investment rates in the region (stocks market, purchase of bonds and shares, treasury bills, etc.).

The programme-contracts will be prepared to encourage the provision by States of long-term financial resources managed by financing institutions with incentive interest rates for industrial investment and destined exclusively to micro enterprises and national SME/SMIs. ECOWAS will facilitate the demand by proposing a model programme-contract (ref. Tunisia, India, Malaysia) promoting the collateral security of the equipment financed, compulsory savings on refund and joint sureties.

Another aspect of the programme will involve the creation of financial support institution for the West African women entrepreneurs. In that regard, ECOWAS will own the information and best practices arising from the implementation of UEMOA's Regional Solidarity Bank (BRS) and some national solidarity banks existing in the region.

The programme will support the harmonization of the definition of micro-enterprise and SME/SMIs while promoting national consultations between the stakeholders (public sector, parent organizations and professional associations of enterprises, finance institutions, etc.).

Furthermore, the programme will, through the different channels (media, workshops organized with the help of Consular Chambers, etc.), sensitize and train economic players in the development of partnerships to exploit the financial resources existing in the world, thereby availing themselves of the investments opportunities in West Africa.

11.5 Business Opportunity Information Management System (ECO-BIZ)

Availability of adequate statistics and technical information on production, as well as their communication to users, are essential for implementing industrial and commercial programmes and projects. The programme will put in place a regional network of information on the region's raw materials with Centres in the Member States. It will enable the creation and operation, in synergy with the industrial principals, of the FOPAO and national partnership and subcontracting stock exchanges, the Centre of the regional network for exchange of information on intra-Community trade, and supplies and demands of the region's manufactured goods. In that framework, it is envisaged to create a website of data and information on the Internet, which will interconnect the Centre with the sites of industrial and commercial institutions (regional and international).

Concurrent with the actions of public- private partnership reinforcement and rationalization of the management of statistical data on the productions of the States above, the programme will set up a regional Industrial and Competitiveness Observatory. ECOWAS will work with all the stakeholders in strengthening the UEMOA Observatory on abnormal practices (involving the 8 Member States of the sub-region and Ghana) and in the extension of its scope of intervention to the observation of industry and competitiveness. The Industry and Competitiveness Observatory will enable ECOWAS to apply penalties to countries that impede the legal movement of goods.

ECOWAS will capitalize on its own experience as well as that of UEMOA, in pursuing the installation of juxtaposed control posts on the borders with a view to ensuring transparency of the controls.

11.6 Creation of the regional industrial partnership network

The intra-Community (or intra regional) and international industrial partnership will enable the region to improve investment and technological flow while strengthening public-private partnership, its industrial fabric, local job creation, intra-Community trade and its presence on the global market through the constitution and strengthening of partnerships between national and foreign enterprises, especially SMEs/SMIs.

The scope and content of the regional industrial partnership network (international and intra-regional) will vary in relation to a number of factors, especially the needs and capacities of third world countries, the size of their markets, as well as potential opportunities.

In order to have actual and durable impact, the programme will pool energies and the cooperation of all stakeholders (national, regional and foreign) interested in investments and transfer of technologies in West Africa. It will particularly enfold the public sector, associations and federations of enterprises (Chambers of Commerce and Industry, etc.) and companies intervening in the following areas:

- Investment climate (legal and judicial systems, corporate taxation, protection of intellectual property, protection against expropriations, trade practices, etc.);
- Technological capacities;
- Production capacities;
- Contracts;
- Sources of finance; and
- Public - private partnership; etc

The programme will support the strengthening of regional (international and intra-regional) industrial partnership network, by laying special emphasis on the improvement of the business environment in the region. From this viewpoint, it will take charge of the preoccupations that will be expressed by the network, submit them to the region's decision-making bodies, and ensure the implementation of the measures that will be adopted to improve the business environment with a view to encouraging endogenous investment, attracting foreign direct investment, and promoting job creation;

In conformity with the encouragement reiterated by the ECOWAS Heads of State and Government at the 36th session of their Conference held at Abuja, Nigeria, on 22 June 2009, the programme will pursue concerted efforts to harmonize industrial and commercial profit tax (BIC) and indirect taxation mainly on Value Added Tax (VAT) and excise duty within ECOWAS.

11.7 Infrastructural Development

Appropriate responses need to be found to the issue of the high cost of industrial production factors in the region through the implementation of WACIP. This is in addition to strengthening and ensuring the sustainability of quality infrastructure which were duly taken into account in a specific programme.

While capitalising on the experience and progress recorded in the region, ECOWAS will accelerate the implementation of transport, telecommunications and energy projects, etc. as well as the development of West African trans-regional infrastructures (roads, railways, energy, maritime transport, telecommunications, etc.) in collaboration with NEPAD with a view to a significant reduction of the cost of production factors, promotion of the development of intra-Community trade and afford the national economies enhanced access to West African, and global markets.

The ECOWAS Commission will continue working in synergy with EBID and the private sector, for the establishment of a regional fund for the development and financing of the transport and energy sectors. It will pursue efforts jointly with UEMOA to resolve the energy crisis and endowment in consequent resources of the infrastructure development support fund in the sector.

The special attention accorded by ECOWAS to the energy issue will also be seen by the accelerated implementation of its own initiatives as well as its enhanced support of economic and social development initiatives. These initiatives will involve the private sector and different partners, particularly in the development of renewable energy (solar¹⁶, biofuels, etc), electricity generation projects (gas, carbon, nuclear, hydroelectric plants, biomass cogeneration, etc.) and interconnection of electric networks.

It will pursue efforts and implement innovative mechanisms with a view to further involving the West African population and West African private and foreign private sectors in financing, the realization and management of infrastructures (BOT mechanisms, share acquisition, debentures, etc.)

The programme will support the implementation of the additional acts on Information and Communication Technologies (ICT).

11.8 Standardization, Quality Assurance, Accreditation and Metrology Programme (SQAM)

The adoption of high-level industrial standards and guarantee of acceptable product quality are of capital importance for the expansion of regional trade, just as for exports outside the region.

The SQAM programme has been initiated and its implementation will be accelerated while capitalizing on the lessons learnt and the attainments of the Quality Component 2 programme. This will help strength and sustain the quality infrastructure in the region through the consolidation of the legal framework, and training of human resources in the establishment or strengthening of the technical capacities of the structures to certify and evaluate compliance in order to ensure quality and conformity with standards for manufactured products offered for sale.

This programme's activities will be equally centred on the reduction of the harmful effects of industrialization on the environment.

¹⁶ - The ECOWAS Commission will reinforce its participation to the discussions on DESERTEC initiative which concerns at least three ECOWAS member States (Burkina Faso, Mali and Niger) and all other initiatives in the region.

Furthermore, the programme will focus on elaborating and providing West Africa with a quality regional policy in keeping with the region's ambitions.

11.9 Managerial capacity and skills development Programme

Training and education programmes for the industrial sector will be developed in West Africa in collaboration with the private sector (professional organizations, employers, etc.) and the regional and international networks (ILO, SFI, etc.). These programmes will cover a vast array of skills required for industrial development, especially the technical, managerial, and entrepreneurial skills. These activities will not be confined to traditional training but will also bear on continuing enterprise training and detachment of personnel to other companies within and outside the region. The programme will capitalize on the successes of existing mechanisms in the region to finance continuing corporate training in enterprise, and will share its experiences and best practices with the other Member States.

Emphasis will be placed on practical training, consolidation of acquired skills, and technological improvement for a real participation in the management, production, marketing and commercial activities, so as to improve corporate competitiveness.

The programme will strive to build national and regional capacities, especially with regard to the public sector and civil society. It will cover the implementation of policies and reforms and deepening of dialogue in the framework of public-private partnership, as well as the conduct of political, economic and social governance.

Internalization of the enterprise culture and spirit will be taken into account by the programme, especially in the training programmes (colleges, universities and major schools) as well as through the use of the media and accredited civil society organizations (workshops on the setting up of micro-projects, etc.).

The programme will also work to improve the business environment (legal and judicial system, review of the countries' labour codes (laws), etc.), based on the harmonization of business law between all ECOWAS Member States, and ensuring compatibility with the industrialization objectives induced by the private sector, globalization of the economy and the development of entrepreneurship, without compromising job security.

11.10 Industry restructuring and upgrading programme

In the framework of the EPA negotiation and in keeping with the objective defined in the Cotonou Agreement¹⁷, West Africa and the EU have agreed on the need for a restructuring and upgrading programme of the production sectors involved in the implementation of the EPA. Indeed the countries in the West African region must be assisted to adjust their economies to the liberalization process to ensure that the development dimension of the EPA is included in areas likely to encounter domestic constraints and difficulties, either due to the integration process in West Africa, the implementation of the Agreement, or the region's integration into the global economy.

The ECOWAS restructuring and upgrading programme first bears on industries and connected services. It has been validated by the regional authorities and will be implemented with the UNIDO technical assistance and EU financial assistance. It will capitalize on the experience of the UEMOA programme and implemented in coherence and consonance with this programme and the existing national programmes.

It will specifically aim at restructuring and upgrading enterprises to enable them become competitive, the upgrading of technical support structures and invigoration of industrial activities by strengthening

¹⁷ - The EPA should "Promote and accelerate the economic, cultural and social development of the ACP States, contribute to peace and security, and promote a stable and democratic political environment".

economic information, the development of export consortiums/export promotion networks, promotion of partnership and mentoring, establishment of a system of traceability, support to the informal sector, etc. It will help improve the business environment and facilitate the reinforcement of the coordination of technical and financial partners' interventions in industry.

12. INSTITUTIONAL FRAMEWORK AND IMPLEMENTATION MECHANISMS

Considering the nature of the objectives, strategies and programmes making up West Africa's Common Industrial Policy (WACIP), an adequate institutional framework will be put in place, as well as an effective implementation mechanism. These elements are indispensable for the success of the policy and industrial strategies.

12.1 Institutional framework of implementation

The following institutions are acknowledged as having the capacity to implement at national level the programmes of the West African Common Industrial Policy:

- a. Industry associations;
- b. Chambers of Commerce and Industry
- c. Export promotion Councils;
- d. Investment promotion Councils;
- e. Ministerial departments and relevant Government agencies;
- f. Financial establishments;
- g. Training institutions;
- h. Research institutions
- i. Standard organisations, etc.

Previous ECOWAS programmes were mainly focused on public sector projects with the aim of creating infrastructure platforms for industrial development. The success of WACIP will depend on the private sector's active involvement in its implementation. The strategy will consist in establishing a mechanism for consultation and implementation at national and regional level between the public and private sectors. This strategy equally acknowledges the need to identify the national institutions likely to play a role in WACIP implementation, without forgetting the coordinating role to be played by ECOWAS.

WACIP implementation will be guided by best international practices, which will promote the cooperation of international development partners possessing specific skills in industrial and commercial development.

12.2 Mechanism to support the States in formulating national policies and programmes

Several countries in the region, especially those that have been bedeviled by a long period of socio-political crisis, have a low national institutional capacity as far as industrial development (human, technical and material resources ...) is concerned. In its implementation, the West African Common Industrial Policy (WACIP) provides for institutional capacity building for countries that so request:

- Technical assistance for the formulation of industrial development policies and coherent industrial reconstruction and growth strategies;
- Assistance for the institutional rehabilitation and reconstruction of micro enterprise and SME/SMI support organizations, particularly to operationalize the advisory services to businessmen and economic operators of the sectors in relation with their specific needs for reconstruction; and

- Emergency institutional capacity building support for government organizations and private sector, including the training of their officials for industrial reconstruction and development.

12.3 Implementation monitoring

West Africa's Common Industrial Policy (WACIP) is a dynamic political instrument whose implementation will take account of the changes caused by globalization and will be based on national and regional realities. The relevant ECOWAS mechanisms (Ministerial Commission of the Member States responsible for the industrial sector, Committee of National Experts for the industrial sector) will pursue its implementation and produce annual monitoring reports.

Furthermore, annual reports on the region's industrial development will be prepared and published by ECOWAS. The analyses of these annual assessments will be made available to the Community authorities for them to act where necessary to pursue the acceleration of the region's industrialization.

12.4 Evaluation mechanism

Policy implementation must be monitored through the regular control and performance assessment on the basis of measurable criteria. The West African Common Industrial Policy (WACIP) will be implemented over a 20-year period.

Evaluations will therefore be conducted after 5, 10 and 15 years to appraise the progress made (5-year monitoring-evaluation reporting), and a final evaluation at 20 years (final evaluation report), beginning from the date the WACIP Protocol is adopted and ratified by the Member States in keeping with the quantifiable and regional objectives reiterated as follows:

- Diversification and enlargement of the region's industrial production base by increasing the local raw material processing rate from 15-20% to 30 % by 2030, through support to the creation of new industrial production capacities, and the development and upgrading of the existing ones;
- Increase in the contribution of manufacturing production to the regional GDP, from the current average of 6-7 % to an average of over 20 % by 2030;
- Growth of West African intra-Community trade from less than 12% to 40 % by 2030, with the region's manufactured goods having a 50 % share of the trade; and
- Increase in the export rate on the global market of West African finished and semi-finished products from the current 0.1 % to 1 % by 2030 through the development and reinforcement capacities, industrial competitiveness and quality infrastructures (standardization, accreditation and certification), information, communication and, especially transport.

Monitoring and evaluation indicators such as job creation and poverty reduction and the savings and investment/GDP ratio, will equally be used at national and regional levels to have complete view of the effects and impact of the implementation of the West African Common Industrial Policy.

ECOWAS Member States should individually and collectively ensure that all the elements constituting an appropriate business environment are put in place. It is up to the States to take the initiative and adopt measures relating, among other things, to the following points:

- Maintain the stability of basic macro-economic data;
- Implement legal and regulatory reforms in keeping with best practices as part of measures for the creation of a suitable environment;
- Consolidate good political, economic and social governance, especially political stability, the rule of law and property rights;

- Develop adequate socio-economic infrastructures to provide reliable support services; and
- Strengthen adequate education and health services and develop skills in the framework of human capital development.

12.5 Communication

The West African Common Industrial Policy (WACIP) is a policy instrument whose ownership is a sine qua non in all the Member States and for the citizens of the region. Besides, it should be known by the international community and investors.

Once adopted by the ECOWAS authorities, WACIP will be the subject of:

- Official publication in all ECOWAS Member States in conformity with the procedures in force;
- Wide dissemination via various media (websites, mini CDs, printed version ...);
- several information actions and capacity building in the public sector, National Assemblies, Economic and Social Councils, local councillors, the private sector, the press, civil society, etc., through the organization of workshops, media campaigns, chanceries, trade missions, investment promotion Centres and fora and fairs.

ANNEX I

DATA ON ECOWAS MEMBER STATES' INDUSTRIAL SECTOR (1995-2006)

N	COUNTRY	SITUATION (1995-2006)	POTENTIALITES
1	BENIN	The secondary sector contributes 14 % to GDP; manufacturing industry: 8.3 %; mining: 5 %; and cotton: 15 %. Utilization ratio of industrial capacities: about 50 %.	Ore (limestone...), fishing, cotton/textile, food crops, beverages.
2	BURKINA FASO	The secondary sector contributes 18 % to GDP; manufacturing industry: 9 %; mining: 5 %; and cotton 15 %. Utilization ratio of industrial capacities: about 60 %.	Ore (gold...), cotton/textile, mango, beverages, oily plants (shea tree...), sugar cane, cereals (millet, maize...) and food crops, cattle, milk and dairy products, leather & skins, poultry farming
3	CAPE VERDE	The industrial sector contributes 18 % to GDP; manufacturing industry: 12 %; and mining 4 %. Utilization ratio of industrial capacities: about 50 %.	Fishing, salt, beverages, shipyards
4	CÔTE D'IVOIRE	The industrial sector contributes 22 % to GDP; manufacturing industry: 18 % including 4.5 % for the agro-food sub-sector; Energy, BTP and mining for a total 4 %. Utilization ratio of industrial capacities: about 80 %.	Cocoa, coffee, rubber tree, oil palm tree, banana, pineapple, cashew nut, cassava, yam, oily plants (shea tree...), sugar cane and other food crops, poultry farming, energy (oil and gas), petrochemistry, Information and Communication Technologies (ICT),
5	GAMBIA	The industrial sector contributes 9 % to GDP; manufacturing industry: 4 %; mining: 2 %; energy and BTP for a total 2.3% Utilization ratio of industrial: capacities: about 40 %.	Fishing, salt, groundnuts and leather & skins.
6	GHANA	The secondary sector contributes 23.5 % to GDP; manufacturing industry: 8.3 %; mining: 7 %; energy: 4.2 %; and BTP 4 %. Utilization ratio of industrial capacities: about 90 %.	Ore (gold, diamond, manganese, bauxite); energy (oil, gas and hydroelectric energy); petrochemistry, cocoa, salt, cassava and other food crops, timber, paper, Information and Communication Technologies (ICT), mechanical industries,
7	GUINEA	The secondary sector contributes 31 % to GDP; mining: 17 %, BTP: 9 %; manufacturing industry: 4%; and energy 1 %. Utilization ratio of industrial capacities: about 40 %.	Ore (bauxite, gold, diamond), palm oil tree, bananas, pineapple, fishing, salt, timber, fonio and energy (hydroelectric energy).

N	COUNTRY	SITUATION (1995-2006)	POTENTIALITES
8	GUINEA BISSAU	The secondary sector contributes 10 % to GDP; manufacturing industry: 5 %; BTP: 2 %; energy: 1.9 %; and mining: 1.1 %. Utilization ratio of industrial capacities: about 30 %.	Ore (phosphates, bauxite), fishing, cashew nut, groundnuts, food crops
9	LIBERIA (2004 to 2006 Data)	The secondary sector contributes 10 % to GDP; manufacturing industry: 5 %; BTP: 3 %; mining: 1 %; and energy: 1 %. Utilization ratio of industrial capacities: about 30 %.	Ore (iron, diamond, gold...), rubber trees, timber, food crops and energy
10	MALI	The secondary sector contributes 20 % to GDP; mining: 10 %; manufacturing industry: 6,5 %, BTP: 2 %; and energy: 1.5% Utilization ratio of industrial capacities: about 60 %.	Ore (gold), cotton/textile, mango, beverages, cereals (rice, etc.), oily plants (shea tree...), sugar cane, cattle, milk and dairy products, leather & skins, energy (oil and hydroelectric energy).
11	NIGER	The secondary sector contributes 16 % to GDP; mining: 9 %; manufacturing industry: 5.5 %; and energy: 1.5 %. Ratio of utilization of capacities: below 50%.	Ore (uranium, coal, gold, phosphate, salt..), energy (oil), cattle, milk and dairy products, leather & skins, onion,
12	NIGERIA	Nigeria contributes over 50 % to the region's GDP. The secondary sector contributes 40 % to the country's GDP; energy: 20 %; (mainly oil production); mining: 10 %; manufacturing industry: 6 % and BTP: 4 %. Ratio of utilization of capacities: below 50%.	Ore (iron...), energy (oil, gas and hydroelectric energy), petrochemistry, fishing, cattle, leather & skins, milk and dairy products, cassava, oil palm tree, sugar cane, cotton/textile, timber, paper, mechanic industries, Information and Communication Technologies (ICT)
13	SENEGAL	The secondary sector contributes 22 % to GDP; manufacturing industry: 15 %; BTP: 4 %; energy: 2 % and mining: 1 %. Utilization ratio of industrial capacities: about 80 %.	Fishing, salt, groundnuts and other oily plants, ore (gold, phosphates, iron), milk and dairy products
14	SIERRA LEONE (2004 to 2006 Data)	The secondary sector contributes 9.6 % to GDP; mining: 5.2 %; manufacturing industry: 2.2 %; BTP: 2 %; and energy: 0.2 %. Utilization ratio of industrial capacities: about 30 %.	Ore (iron, diamond, gold...), timber, oil palm tree, food crops and energy (oil, hydroelectric energy),
15	TOGO	The secondary sector contributes 17 % to GDP; manufacturing industry: 8 %; mining: 4 %; energy: 2.8 %; and BTP: 2.2 %. Utilization ratio of industrial capacities: about 50 %.	Ore (phosphates, limestone), cotton/textile, beverages, food crops, cattle and poultry farming

Source: ECOWAS National Accounts, 1995 to 2006-

Table 6. - Distribution of GDP per activity in each country at 2001 constant price.

ANNEX II

ACTION PLAN FOR THE WEST AFRICA COMMON INDUSTRIAL POLICY (WACIP)

2010-2030



<p>Industrial Research and Development Programme (IR&D)</p>	<p>5. Strengthen the links between R & D and industry through the promotion of cooperation between the private sector and research structures.</p> <p>6. Encourage the creation of technological and science parks.</p> <p>7. Mobilise resources for the industrial development of West African patents.</p>	<p>6. Research results are developed by the private sector</p> <p>7. The region has technological and industrial parks housing enterprises.</p> <p>8. The FAPI and any other resource contributing to the widening of the industrial base by the creation of manufacturing companies based on West African patents.</p>	<p>7. Number of manufacturing companies created per year from “West African” patents.</p> <p>8. Number of technological and science parks created each year.</p> <p>9. Level of processing is achieved yearly for each local raw material.</p> <p>10. Rate of processing achieved yearly for each raw material.</p>	<p>3. Five-year Monitoring/ Evaluation Report (ECOWAS)</p>	<p>ECOWAS Commission, Member States, private sector, FAPI (ARIPO), emerging countries of the south and PTF.</p>
<p>Preparation of the regional intellectual property rights (IPR)</p>	<p>8. Strengthen and foster partnerships between regional institutions responsible for managing intellectual property.</p> <p>9. Train and sensitise Civil Society, press and private and public sectors on the protection of IPR</p>	<p>9. All regional institutions responsible for managing intellectual property work closely together.</p> <p>10. All actors are sensitised and trained on IPR</p>	<p>11. Number of meetings and workshops organised in the sub-region to sensitise and inform people on IPR.</p> <p>12. Percentage of decision makers among different actors sensitised in IPR.</p>	<p>4. Final Evaluation Report (ECOWAS)</p>	<p>ECOWAS Commission, Member States and PTF</p> <p>ECOWAS Commission, Member States, private sector, the press and civil society.</p>

Programmes	Activities	Expected outcomes	Operational Indicators	Method of verification	Sources of financing	Major implementation agencies
Development of regional financing	<p>10. Support the establishment of innovating financing mechanisms and guarantee for industry.</p> <p>11. Support the creation of a financial institution for West African Women</p>	<p>11. Micro-enterprises and large companies of the region have more access to funds for industrial investment.</p> <p>12. The West African Women Financial Institutional is operational and accessible to the beneficiaries.</p>	<p>13. Annual changes in the level of industrial investment in relation to national and regional GDP.</p> <p>14. Number of manufacturing companies created and managed by West African women with the support of the financial institution.</p>		<p>ECOWAS Commission, Member States, EBID, BOAD, RSB, ASF, ADB, emerging countries of the south, commercial banks, local savings, deposit and consignment office, guarantee fund, other private sector and PTF institutions</p>	<p>ECOWAS Commission, Member States, EBID, BOAD, BRS and private sector</p>
Standardisation, quality assurance, accreditation and metrology programme.	<p>12. Support enhanced and sustained quality infrastructure</p> <p>13. Assist enterprises in the protection of environment and quality certification of their manufactured products.</p>	<p>13. The quality of manufactured goods from the region is improved</p> <p>14. Environment friendly industrial development is enhanced</p>	<p>15. Number of quality infrastructure enhanced each year.</p>		<p>ECOWAS Commission, Member States, private sector, the EU and other PTF.</p>	<p>ECOWAS Commission, Member States, private sector, EU, UNIDO and other PTF</p>

<p>Managerial and skills development programme</p>	<p>14. Support the preliminary and continuing training in technical, managerial and commercial skills, etc. With the assistance of the private sector, employers' professional organisations and regional and international networks (ILO, IFC, etc).As 3: Promote the Agrobusiness strategy and the ECOWAS Action Plan.</p> <p>15. Support the internalisation of corporate culture and ethics in schools and universities.</p> <p>16. Support the harmonisation of business laws among Member States for the improvement of the business environment of the region.</p>	<p>15. Skills and qualifications are diverse and available in sufficient numbers to sustain the industrialisation of the region.</p> <p>16. Business law is harmonised among Member States, thus improving the business environment and encouraging more industrial investments.</p>	<p>16. Number of skills and qualifications created annually by the jobs in the manufacturing industry.</p> <p>17. Annual changes in the skill level West Africans in the management of manufacturing companies.</p> <p>18. Number of training and learning centres created and made functional based on the SONGHAL centre model.</p> <p>19. Number of Agrobusiness entrepreneurs in West Africa trained and set up with the support of the SONGHAI centre and similar centres.</p>	<p>ECOWAS Commission, Member States, training institutions, other private sector actors and the PTF.</p>	<p>ECOWAS Commission, Member States, training institutions, other private sector actors and the PTF.</p>	<p>ECOWAS Commission, Member States, training institutions, other private sector actors, the press, civil society, apprentices, and the PTF.</p>
-----------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------

Programmes	Activities	Expected outcomes	Operational Indicators	Method of verification	Sources of financing	Major implementation agencies
Industry restructuring and rehabilitation programme	<p>17. Restructure and rehabilitate industrial enterprises and related services.</p> <p>18. Develop technical support structures.</p>	<p>17. Improved industrial enterprises increased value added, diversified their industrial products and consolidated and diversified their markets.</p>	<p>20. Number of companies receiving support for rehabilitation which have diversified their manufacturing output.</p>		<p>ECOWAS Commission, Member States, banks and financial institutions, guarantee funds, private sector, EU and other PTF.</p>	<p>ECOWAS Commission, Member States, private sector, EU, UNIDO and other PTF</p>

- **Specific Objective 2: Increase the contribution of manufacturing output to regional GDP, from the current average (6 – 7%) to an average of more than 20% by 2030.**

Strategic Performance Indicator: The contribution of the manufacturing industry to regional GDP gradually increases and reaches 20% by 2030.

Programmes	Activities	Expected outcomes	Operational Indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
Development of micro-enterprises, SME/SMI and big industries	<p>19. Sensitise the public and private sectors and the civil society in the application of Community investment and competition rules adopted in December 2008.</p> <p>20. Make the Community Investment Code adopted and ensure its application.</p>	<p>18. Sensitisation exercise successful involving the partners involved.</p> <p>19. The Community Investment Code is adopted and applied.</p>	<p>21. Percentage of decision makers among the different actors sensitised on the application of Community regulations in the area of investment and trade.</p> <p>22. Annual changes in the part of manufacturing output to the GDP of the region.</p> <p>23. Number of member States enforcing the adopted Community Investment Code.</p>	<p>1. Annual Evaluation Reports (ECOWAS appropriate mechanisms).</p> <p>2. Annual Reports on the Industrial Development of the Region (ECOWAS)</p> <p>3. Five-year Report of the Monitoring/Evaluation (ECOWAS)</p>	<p>1. 2010 to 2015</p> <p>2. 2010 to 2030</p>	<p>ECOWAS Commission, Member States, private sector.</p>	<p>ECOWAS Commission, Member States, private sector, the press and civil society.</p>
Standardisation, quality assurance, accreditation and metrology programme.	<p>21. Establish a harmonised system of quality accreditation, standardisation and promotion.</p> <p>22. Prepare the regional quality policy and ensure its adoption</p>	<p>20. The harmonised system of accreditation, standardisation and quality promotion is functional</p> <p>21. The regional quality policy is adopted.</p>	<p>24. Availability of a quality regional policy paper.</p> <p>25. Number of countries applying the quality regional policy</p> <p>26. Status of functioning of regional centre on documentation of technical standards and regulations.</p>		<p>2010 to 2030</p>	<p>ECOWAS Commission, Member States, private sector, EU, UNIDO and other PTF</p>	<p>ECOWAS Commission, Member States, private sector, EU, UNIDO and other</p>

Programmes	Activities	Expected outcomes	Operational Indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
Industry restructuring and rehabilitation programme	23. Develop industrial enterprises and related services, including technical support structure.	22. Industrial activity in the region is revived and competitiveness is boosted.	27. Annual changes in the value added of rehabilitated manufacturing companies	4. Final Evaluation Report (ECOWAS)	2010 to 2030	ECOWAS Commission, Member States, banks and Financial establishments, Guarantee Funds, private sector, EU, and other PTF	ECOWAS Commission, Member State, private sector, EU, UNIDO and other PTF

- **Specific Objective 3: Gradually increase intra-Community trade in West Africa from less than 12% to 40% in 2030, with regional manufactured goods making up 50% of trade, particularly in the area of energy (equipment, electricity, petroleum products, etc.)**
 - # **Strategic Performance Indicator 1:** Intra-Community trade gradually increases and reaches 40% by 2030;
 - # **Strategic Performance Indicator 2:** Volume of goods manufactured in the region increases in intra-Community trade particularly in the area of energy (equipment, electricity, petroleum products, etc.) and reaches 50% by 2030.

Programmes	Activities	Expected outcomes	Operational Indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
Development of regional financing	24. Promote the establishment of innovating financing and guarantee mechanisms for the industry.	23. Innovating financing and guarantee mechanisms are in place and accessible. 24. Micro-enterprises, SME/SMI and large companies of the region have funding more suited to their exports. 25. West African regional integration through trade is enhanced.	28. Number of innovating funding and guarantee mechanisms available and accessible in the market (national and regional). 29. Annual Changes in intra-community trade (flow of trade between countries). 30. Annual changes in manufactured goods in intra-community trade. 31. Annual changes in market value of intra-community trade. 32. Amount of funding given each year by the national and regional financial system to intra-community trade.	1. Annual Evaluation Reports (ECOWAS appropriate mechanisms). 2. Annual Reports on the Industrial Development of the Region (ECOWAS)	2011-2015	ECOWAS Commission, Member States, EBID, BOAD, RSF, ASF, ADB, emerging countries of the south, commercial banks, local savings, deposit and consignment office, guarantee fund, other private sector and PTF institutions	ECOWAS Commission, Member States, EBID, BOAD, BRS and private sector

Programmes	Activities	Expected outcomes	Operational Indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
Trade Opportunities Management System (SIGAO-TOP)	<p>25. Set up a regional information network on raw materials industrial products, demand and supply of manufactured goods of the region.</p> <p>26. Establish an industry and competition observatory.</p> <p>27. Apply sanctions to countries that obstruct the legal circulation of goods.</p> <p>28. Install joint border posts across the borders to ensure monitoring transparency.</p>	<p>26. The regional information centre on raw materials, industrial products, demand and supply of manufactured goods is operational.</p> <p>27. The regional industry and competition observatory is in place.</p> <p>28. The system of operational Joint border posts is strengthened.</p> <p>29. Obstacles to intra community trade are removed.</p>	<p>33. Level of functioning of regional information centres</p> <p>34. Number of requests received annually by the regional information centre</p> <p>35. Number of joint border posts operational per year in the region</p> <p>36. Number of times per year matters are referred to the regional industry and competition observatory.</p> <p>37. Number of countries per year accused of placing obstacles to legal movement of goods.</p>	<p>3. Five-year Monitoring/Evaluation Report (ECOWAS)</p>	2010-2030	ECOWAS Commission, Member States, private sector, the EU and other PTF.	ECOWAS Commission, Member States, private sector

<p>Create regional industrial partnership network.</p>	<p>29. Strengthen the intra regional and international industrial partnership network. 30. Encourage the organisation of annual meetings of the intra regional and international industrial cooperation network</p>	<p>30. The functioning of the regional partnership network is enhanced. 31. Annual meetings of the network are organised</p>	<p>38. Number of analysis papers presented every year by the intra-regional and international network for industrial partnership 39. Number of periodic meetings organised by the industrial partnership network.</p>	<p>2010-2030</p>	<p>ECOWAS Commission, Member States, private sector</p>
<p>Development of infrastructure</p>	<p>31. Engage in efforts for the realisation of NEPAD regional and trans-regional infrastructure. 32. Establish innovating mechanisms for the participation of the population and the private sector to finance and manage infrastructure. (ILO agencies, cost of participation, bond debt, etc)</p>	<p>32. The number and quality of infrastructure in West Africa promote the flow of intra Community. 33. Infrastructures and integrating investment projects in the energy sector are developed (power generation, interconnection of</p>	<p>40. Annual level of investments by Member States, private operators and regional and international partners in transport logistics and infrastructure (roads, railways, air, sea, waterways transport)</p>	<p>2010-2030</p>	<p>ECOWAS Commission, Member States, private sector and NEPAD</p>

4. Final Evaluation Report (ECOWAS)

Programmes	Activities	Expected outcomes	Operational Indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
	<p>33. Accelerate the establishment of infrastructures and the implementation of integrating investment projects in the energy sector.</p> <p>34. Promote the balanced development of land areas, by fostering local industrial processing as well as internal and intra-community trade while taking into account the comparative advantages and complementarities.</p>	<p>electric networks, manufacture of electrical goods and petroleum products).</p> <p>34. ECOWAS maintains its leadership and supervisory role in energy matters in or involving West Africa</p> <p>35. Land development in the sub-region is balanced and fosters internal and intra-community trade.</p>	<p>41. Number of kilometres of tarred inter-State roads per year.</p> <p>42. Number of kilometres of built or rehabilitated railway tracks each year.</p> <p>43. Number of innovating mechanisms available and open to the participation of people and the endogenous private sector in the funding and management of infrastructures.</p> <p>44. Number and features of integrating investment projects developed per year in the energy area.</p>				



- Specific objective 4: Gradually increase the volume of export manufactured goods from West Africa in the global market, from 0.1% presently to 1% by 2030 through the enhancement and development of skills, competitiveness of industry and quality infrastructure (standardisation, accreditation, certification) especially in the areas of information, communication and transport.

Strategic Performance Indicator: West Africa's contribution in world trade of manufactures goods gradually increases and reaches 1% by

Programmes	Activities	Expected results	Performance indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
Create regional industrial partnership network.	35. Improve cooperation between economic operators within the region and with their counterparts in the rest of the world	36. Semi-finished products and finished products of West Africa have better access to international markets 37. Cooperation between economic operators within the region and with their counterparts in the rest of the world is enhanced.	45. Annual changes in exports of regional manufactured goods (volume and percentage) in international markets. 46. Number of partnerships among economic operators 47. Number of partnerships between economic operators in the region and their counterparts in the rest of the world in the exports of goods manufactured in West Africa. 48. Changes in the level of participation (number, manufactured products, turnover) of industrial economic operators of the region at industrial and trade fairs organised by ECOWAS and worldwide.	1. Annual Evaluation Reports (appropriate ECOWAS mechanisms). 2. Annual Reports on the Industrial Development of the Region (ECOWAS)	2010-2015	ECOWAS Commission, Member States, private sector	ECOWAS Commission, Member States, private sector

Programmes	Activities	Expected results	Performance indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
Development of infrastructure	<p>36. Continue efforts for the establishment of NEPAD regional and trans-regional infrastructure.</p> <p>37. Accelerate the implementation of ECOWAS transport, telecommunication projects</p> <p>38. Support the adoption of the ECOWAS protocol on ICTs.</p> <p>As in 34: Promote the balanced development of land areas, by fostering local industrial processing as well as internal and intra-community trade while taking into account the comparative advantages and complementarities.</p>	<p>38. The number and quality of infrastructure in West Africa promote the flow of trade between the region and the rest of the world.39. ECOWAS protocol on ITC is adopted</p>	<p>49. Annual level of investment of Member States, Private Sector and regional and international partners in the logistics and infrastructures of international transport (air and maritime) and ICTs.</p> <p>50. Annual changes in the market penetration of ICTs in Member States (teledensity, etc.)</p>	3. Five-year Monitoring/Evaluation Report (ECOWAS)	2010-2030	ECOWAS Commission, Member States, private sector and NEPAD	ECOWAS Commission, Member States, private sector and NEPAD
Standardisation, quality assurance, accreditation and metrology programme.	<p>As in 12: Promote strengthened and sustained quality infrastructure.</p> <p>As in 13: Assist enterprises in the protection of environment and quality certification of their manufactured products.</p>	<p>40. West African manufactured goods meet the standards.</p> <p>41. The minimum of a structure is enhanced or created by Member States for the certification</p>	<p>51. Number of national and regional structures (laboratories and bodies) assisted in the areas of accreditation and standardisation.</p>	4. Final Evaluation Report (ECOWAS)	2010-2030	ECOWAS Commission, Member States, private sector, EU and other PTF	ECOWAS Commission, Member States, private sector, EU, UNIDO and other PTF

				<p>52. Number of West African skills trained in the areas of accreditation, standardisation and certification.</p> <p>53. Number of enterprises assisted each year in the area of environmental protection.</p> <p>54. Number of enterprises assisted each year in the quality certification of their manufactured products.</p> <p>55. Number of manufactured products from the region to obtain quality certification each year.</p> <p>56. Number of partnerships signed for training of technical, managerial, trade, etc, skills.</p>	<p>and evaluation of compliance in order to ensure quality and conformity with standards of manufactured goods in the market.</p> <p>42. There are sufficient skills to sustain industrialisation and trade in the region.</p>	<p>As in 14. Support the preliminary and continuing training of technical, managerial and commercial skills, etc with the collaboration of the private sector,</p>	<p>Managerial and skills development programme</p>
	<p>ECOWAS Commission, Member States, training institutions, other private</p>	<p>2010-2030</p>					<p>ECOWAS Commission, Member States, training institutions, other private</p>



Programmes	Activities	Expected results	Performance indicators	verification Methods	Activity Impl. Period	Sources of financing	Major implementation agencies
	employers' professional organisations and regional and international networks (ILO, IFC, etc). As in 15: Support internalisation of corporate culture and business ethics in schools and universities.		57. Number of skills and qualifications acquired annually. 58. Availability and distribution in schools and universities of training material on entrepreneurship. 59. Number of schools and universities where training and sensitisation on entrepreneurship is provided.			sector actors and the PTF	sector actors, the press, civil society, apprentices and PTF
Industry Restructuring and Rehabilitation programme	As in 17: Restructure and rehabilitate industrial enterprises and related services. As in 18: Upgrade technical support structures.	43. Manufactured goods in West Africa are competitive in terms of quality and price on the world market. 44. Local, national, intra-African and international value and distribution chains are boosted.	60. Number of enterprises rehabilitated. 61. Number of enterprises rehabilitated which have become exporters of manufactured products. 62. Number of companies rehabilitated which have at least doubled their turnover for the international export of manufactured goods.		2010-2030	ECOWAS Commission, Member States, banks and financial institutions, guarantee funds, private sector, EU and other PTF.	ECOWAS Commission, Member States, private sector, EU, UNIDO and other PTF



ANNEX III

SUPPLEMENTARY ACT ASA.2/7/10 ADOPTING THE WEST AFRICAN COMMON INDUSTRIAL POLICY (WACIP) AND ITS PLAN OF ACTION

THE HIGH CONTRACTING PARTIES,

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

MINDFUL of provisions of Article 26 of the said ECOWAS Treaty relating notably to the harmonization of Member States' industrialization policies for the purpose of promoting regional industrial development and integrating their economies;

MINDFUL of the Declaration of 2nd February 2008 of the Summit of the African Union – Doc. Ex.CI/379 (XII) ;

MINDFUL of Supplementary Act 05/99 of 8th December 1999 of the UEMOA adopting the UEMOA Common Industrial Policy ;

MINDFUL of Decision C/DEC.2/11/86 of the Council of Ministers relating to the adoption of the 1987-1991 industrial development programme;

MINDFUL of Decision C/DEC. 4/11/86 of the Council of Ministers relating to the adoption of the West African Economic Recovery Programme, in its item V entitled « Industrial Restoration Programme » which stipulates national and community measures for industrial restoration and cooperation ;

CONSIDERING the commitment of Member States to promote cooperation and integration to achieve Economic Union in West Africa through the adoption of common policies, notably in the industrial sector;

CONCERNED by the level of harmonization of economic, financial and industrial policies, the low competitiveness of existing industries, the high costs of production factors;

CONVINCED of the need to take into account ongoing industrial programmes in some Member States and at the level of UEMOA as well as past experiences;

RECALLING that in order to make the ECOWAS common industrial policy effective and pragmatic, it is imperative to attach to it a coherent and realistic action plan and ensure the development of a capacity building programme;

CONSCIOUS of the importance of the informal sector, the need to effectively take it into account in the West African Common Industrial Policy and integrate it into the formal sector with a view to making it play fully its role in the region's economy;

ANXIOUS to promote a harmonized development and to better organize the West African industrial sector in order to make it more modern and competitive, and to have an appropriate funding mechanism adapted to the industrial sector of the region;

DESIROUS of adopting a West African Common Industrial Policy in order to make the region's industrial sector more performing in line with international standards and accessible to the most demanding markets;

ON THE PROPOSAL of the meeting of ECOWAS Member States' Ministers in charge of Industry held in Abuja from 22nd to 23rd April, 2010;

ON THE RECOMMENDATION of the Sixty-fourth Ordinary Session of the Council of Ministers which took place in Abuja from 31st May to 2nd June, 2010;

HAVING CONSIDERED THE OPINION of the ECOWAS Parliament;

HEREBY AGREE AS FOLLOWS:

ARTICLE 1:

By this Supplementary Act, the West African Common Industrial Policy and its Plan of Action are hereby adopted.

ARTICLE 2:

The general vision of the West African Common Industrial Policy shall be to promote a concentrated, integrated and competitive regional industrial fabric on the international scene, which is environmentally friendly and capable of significantly improving the living standard of the West African people by 2030.

ARTICLE 3:

The overall objective of the West African Common Industrial Policy shall be to accelerate West Africa's industrialization process, by supporting endogenous industrial transformation of local raw materials, developing and diversifying industrial production capacities, as well as strengthening regional integration and exports of manufactured goods.

ARTICLE 4:

Member States shall ensure the harmonization of their national industrial policies with the West African Common Industrial Policy referred to in Article 1 of this Supplementary Act.

ARTICLE 5:

The ECOWAS Commission shall make necessary arrangements in order to diligently implement the West African Common Industrial Policy (WACIP) and its Plan of action.

ARTICLE 6:

This Supplementary Act shall be published by the ECOWAS Commission in the Official Journal of the Community within thirty (30) days after its signature. It shall also be published by each Member State in its Official Gazette thirty (30) days after its notification by the Commission.

ARTICLE 7:

1. This Supplementary Act shall enter into force upon its publication. Consequently, signatory Member States undertake to commence the implementation of its provisions on its entry into force.
2. This Supplementary Act shall be attached as an annex to the ECOWAS Treaty of which it forms an integral part.



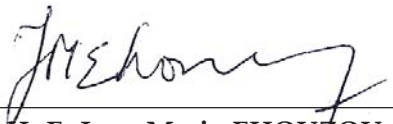
ARTICLE 8:

This Supplementary Act shall be deposited with the Commission which shall submit certified true copies thereof to all Member States and shall register it with the African Union, the United Nations and such other organizations as Council may determine.

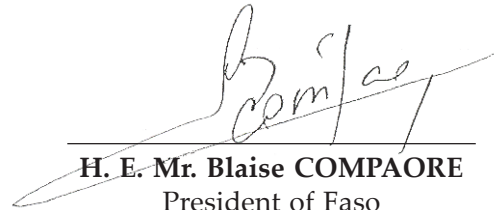
IN WITNESS WHEREOF, WE HEADS OF STATE AND GOVERNMENT OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES, HAVE SIGNED THIS SUPPLEMENTARY ACT

**DONE AT SAL,
THIS 2ND DAY OF JULY, 2010**

**IN SINGLE ORIGINAL IN THE
ENGLISH, FRENCH AND PORTUGUESE LANGUAGES,
ALL THREE (3) TEXTS BEING EQUALLY AUTHENTIC.**



H. E. Jean-Marie EHOUZOU
For and on behalf of the
President of the Republic of Benin
Head of State, Head of Government



H. E. Mr. Blaise COMPAORE
President of Faso



H.E. Jose Maria PEREIRA NEVES
Prime Minister of the Republic of
Cape Verde



H.E. Laurant GBAGBO
President of the Republic of Côte d'Ivoire



H.E. Aja Dr. Isatou Njie SAIDY
Vice President of the Republic of the Gambia
For and on behalf of the President of the
Republic of the Gambia



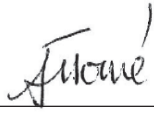
H.E. Prof. John Evans Atta MILLS
President of the Republic of Ghana



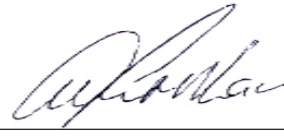
H.E. Malam Bacai SANHA
President of the Republic of Guinea Bissau



H. E. Mrs. Ellen JOHNSON-SIRLEAF
President of the Republic of Liberia



H.E. Amodou Toumani TOURE
President of the Republic of Mali



H. E. Dr. Goodluck Ebele Johnathan
President of the Federal Republic of
Nigeria and Commander-In-Chief of the
Armed Forces of the Federal Republic of
Nigeria, Chairman of Authority of Heads of
State and Government of ECOWAS



H. E. Maitre ABDOULAYE WADE
President of the Republic of Senegal

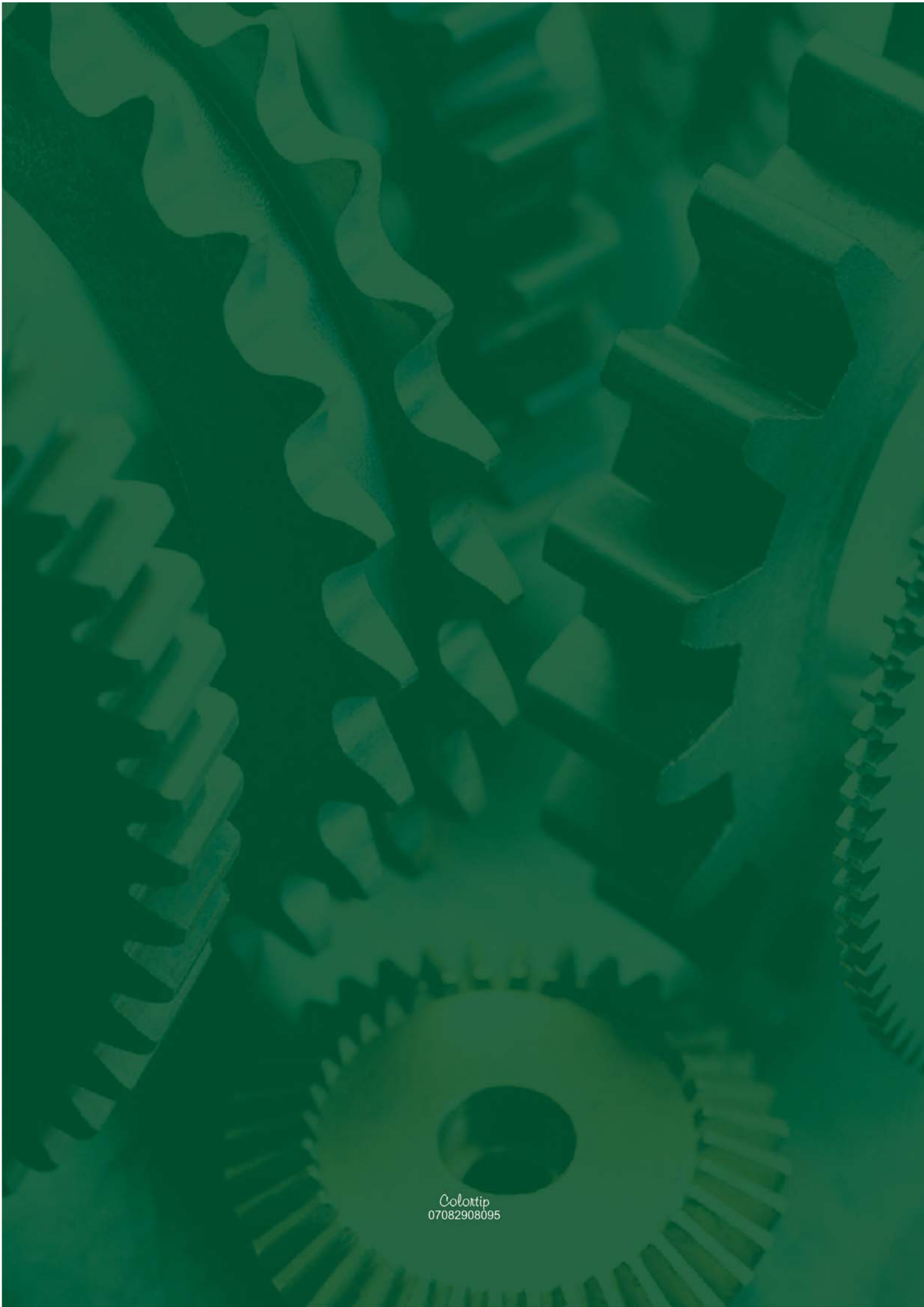


H. E. Ernest Bai KOROMA, GCRSL
President of the Republic of Sierra Leone



H. E. Koffi ESAW
For and on behalf of the President of the Togolese Republic





Colottip
07082908095