

COMISSÃO DA CEDEAO

ECOWAS COMMISSION



COMMISSION DE LA CEDEAO

EPAU Steering Committee Meeting

Abuja, February 28, 2011

REPORT

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THE AFRICAN CAPACITY
BUILDING FOUNDATION

FONDATION POUR LE RENFORCEMENT
DES CAPACITES EN AFRIQUE

Introduction

Members of the EPAU Steering Committee met in Abuja, Nigeria (ECOWAS Commission, Room 523), at the invitation of the Commissioner for Macroeconomic Policy to reflect on EPAU's work program and budget for approval and guidance.

The meeting was called to order by the Chairman, Commissioner of Macroeconomic Policy - Prof. Lambert Bamba - at around 11.25 am on Monday, 28th February, 2011.

1. Participants

The participants included the following:

- Commissioner Macroeconomic Policy
- Commissioner, Trade C & FM
- Project Manager , EPAU
- Director General, WAMA
- Principal Economist , WAMI
- PPO , Education ECOWAS
- EA, Trade
- Principal Programme Officer , EPAU
- Principal Programme Officer , EPAU

2. Absence with apology:

- Commissioner for Agriculture, Environment and Water Resources
- Commissioner for Infrastructure
- Commissioner for Human Development and Gender
- Commissioner for Political Affairs , Peace and Security
- Commissioner for Administration and Finance

3. Agenda of the meeting

1. 11:00 - 11:10 Arrival and Installation of Participants

2. 11:10 - 11:15 Introductory remarks by the Chair.
3. 11:15 - 11:45 Presentation of EPAU Work Programme;
4. 11.45 – 12. 30 Discussion of the Work Programme and Budget

4. Proceedings of the meeting

4.1 Introductory remarks

The Commissioner for Macroeconomic Policy, Prof. Lambert .N. Bamba, who chaired the one day meeting, welcomed participants and thereafter made a brief introductory remarks. The meeting's agenda was subsequently adopted following amendments made by the Commissioner for Trade on the item "**Discussion of the Work Programme and Budget**". Having amended the meeting's agenda, the Chairman invited the Project Manager of EPAU, Dr. Felix N'zué, to make a presentation of EPAU's Work programme and budget.

4.2 Presentation of EPAU Work Programme and Budget

On his part, the Project Manager of EPAU, Dr. N'zué, commenced his presentation by introducing his team to members of the Steering Committee (SC) in attendance. He gave a brief background of the Economic Policy Analysis Unit by re-echoing ECOWAS' Vision to create a sub-region without frontiers, a space within which people abide by the Rule of Law, good governance and healthy environment, a zone where all human beings live in dignity and benefit from fair trade and natural solidarity, and guided by shared principles. He spoke on the establishment of the Economic Policy Analysis Unit as the outcome of an ACBF sponsored study that discovered a huge capacity gap within the ECOWAS Commission, especially in the Macroeconomic Policy Directorate.

Dr. N'zué further highlighted the objectives of EPAU as that of (i) strengthening the institutional capacity of the Macroeconomic Policy Directorate, (ii) conducting policy analysis and research on regional integration in West Africa, (iii) building the capacity of ECOWAS staff and those of the National Coordinating Committees (NCCs) in the areas of macroeconomic

policy design, analysis and quantitative techniques ; and (iv) promoting the networking of regional bodies, groups and institutions.

Dr. N'zué also informed members of the SC that EPAU has so far obtained an office space but yet to procure office equipment and complete the recruitment of support staff , an issue that he had been following up with the Commissioner of Administration and Finance. He reiterated on the urgency of this matter as the lack of support staff may stall efforts in meeting the project deadlines. He however revealed that the African Capacity Building Foundation (ACBF) has so far disbursed up to the tune of USD 300,000.00 (three thousand United States dollars) as first installment of its contribution to the project. He deliberated on the need to recruit a web-master for which he had also had discussions with the Commissioner of Macroeconomic Policy.

In the area of Policy Analysis and Research, Dr. N'zué informed participants that EPAU will be focusing on three types of research activities, namely, in-house, commissioned studies and thematic research whose output will be published in the Journal of West African Integration (JWAI). With respect to the in-house research, he said that each EPAU expert is expected to make a minimum of two publications during the course of the year. Dr. N'zué further said that three broad themes have been identified for in-house research.

On the thematic research, a call for proposals has been posted on the ECOWAS web-site for interested researchers to submit proposals in various areas that are of interest to the ECOWAS integration process, for which small grants, up to the tune of \$10,000.00 (ten thousand dollars) will be provided as an incentive to a maximum of ten proposals that satisfactorily meet the requirements of the Journal of West African Integration external review process.

Dr. N'zué also informed members of the SC that, ***special studies***, whose themes will be identified by stakeholders, will be commissioned annually to various Economic Policy Analysis Units in ECOWAS member countries. In that respect, he said that EPAU will make use of ACBF sponsored Think Tanks especially for country case studies (Commissioned Studies) which may be focused on addressing research questions like why countries fail to meet ECOWAS convergence criteria. The Project Manager continued on the issue of Commissioned Research by reiterating that the theme for this year is particularly focused on Domestic Resource Mobilization (DRM) .He maintained that, inception workshops on these studies will be held with a view to

building the capacities of researchers on methodological issues for quality assurance. He also said that resources will be provided for the conduct of national validation workshops in all ECOWAS member countries where such studies are carried out, and will be followed by a regional dissemination workshop. Dr. N'zué further emphasized that the regional workshops will be vital for the purpose of knowledge sharing. He said that findings from these studies will be published in the Journal of West African Integration (JWAI).

With respect to Monitoring and Multilateral Surveillance, Dr. N'zué informed participants that EPAU is planning an exploratory mission in ECOWAS Member States with a view to establishing collaboration with NCCs, Research Institutions and ECOWAS country Units. According to him, the collaboration with NCCs will be very vital for the well functioning of EPAU so far as the NCCs will be encouraged to produce monthly reports for each Member State on actions taken by various governments that will affect the integration process. On that note, he told members of the SC that the sum of USD 500.00 (five hundred dollars) is being budgeted as an incentive for the monthly report submitted by NCCs. The essence of these monthly reports is to be able to come up with a flagship report titled "Integration Alert in West Africa".

In the area of Capacity building, Dr. N'zué informed members of the SC that his unit will carry out training needs assessment studies whose outcomes will form the basis for the conduct of short-term training programs for ECOWAS staff, NCCs, members of the ECOWAS-WAMA-WAMI Joint Secretariat and other regional Think Tanks desirous of building capacities in quantitative analysis and issues pertaining to regional integration in West Africa. To this end, Dr. N'zué maintained that EPAU will be liaising with regional Training Institutes to conduct three types of short-term capacity building training programs, namely (i) In-house training conducted by EPAU Experts (ii) Training organized by Regional Training Institutes, and (iii) In-Country Training / Regional Training conducted jointly by EPAU Experts and Regional Training Institutes for NCCs and other policy makers.

With regards to Communication, outreach and networking, Dr. N'zué told members of the SC that EPAU will be publishing Monographs, Newsletter, Policy Briefs, Monthly Integration Reports, Research Papers and Books. He also said that his unit will exert adequate efforts towards maximum utilization of available regional resources through an effective networking of experts in the ECOWAS sub-region.

Dr. N'zué also drew the attention of members of the SC on the need to establish a web-site for EPAU. He argued that the web-site will be able to create an online platform that will facilitate a wider participation of stakeholders in discussions pertaining to regional integration without necessarily having to convene a formal meeting. He also informed members that his unit will put in place an effective Management and Administration strategy that will optimally evaluate staff performance as well as carrying out a robust in-house financial management process. He also told the SC that, so far, a Technical Committee for EPAU has been constituted and had already convened its first meeting in January, 2011 to approve the 2011 work programme and budget.

In highlighting EPAU's operations to the SC, Dr. N'zué presented a logical framework of his unit's activities in the course of its first year. He deliberated on a plethora of challenges currently facing the unit and pointed out the current limitation of resources as a potential deterrent towards addressing those challenges. He also made mention of certain risk factors that may likely impede the smooth implementation of the project's objectives. Dr. N'zué again reiterated on the need for the recruitment of a web-master for which he said there is an ongoing arrangement to make use of the web-master to be recruited by the CDP.

In the area of the budget, Dr. N'zué informed the SC that the estimates as presented in the budget are based on the proposed activities of EPAU as presented in the logical framework of the unit. He maintained that the estimates made in the budget will be partly met by ACBF as spelt out in the project agreement. The other components of the budget required contributions from ECOWAS and other donor support. Although he lamented on the limited nature of resources currently available, he maintained that the unit will make use of the initial installment by the ACBF to kick start the policy research agenda – for which a call for proposals has been done. He went on streamlining the various components of the budgets and concluded the presentation by thanking members of the SC for their attention.

4.3. Discussion of the Work Programme and Budget

At this juncture, the Chairman, Prof. Bamba, called upon members of the SC to make comments on the presentation of the Work Programme and Budget made by Dr. N'zué. In response to the Chairman's invitation for comments, the Commissioner for Trade, Hon. Alhaji Mohammed

Daramy, started by thanking members of the Steering Committee present for their attendance to this very important meeting. He urged the Economic Policy Analysis Unit to go beyond its current mandate and establish collaboration with other departments, most especially the Department of Finance just like the Economic Policy Research Unit (EPRU) does in Sierra Leone with the Ministry of Finance. He strongly deliberated on the important role that EPAU has to play in enhancing the functionality of certain Departments within the ECOWAS Commission. On the current limitation of EPAU staff strength, the Commissioner for Trade extended an invitation for EPAU to start immediate collaboration with experts in the Trade Directorate. He also urged EPAU experts to review works already done by other regional institutions like WAMI and WAMA for the purpose of facilitating their jobs. The Trade Commissioner also highlighted certain areas in the “Work Programme Document” circulated prior to the SC meeting for possible corrections and amendments. He also provided a thorough critique of the budget as presented and urged EPAU’s Project Manager to make the necessary amendments as pointed out in his review. He also critiqued the allocation of the country case study grants as presented in the budget as un-proportional given the fact some countries are far larger than others in terms of both population size and land mass. In that respect, he proposed a review of the budget allocation on country case studies in such a way that larger countries get more resources than smaller countries. He thus maintained that for fairness to be done, the budget allocation for country case studies should be redistributed such that Nigeria with the biggest economy gets US \$8,500.00, other bigger economies like Ghana, Côte d’Ivoire and Senegal each getting US \$7,500.00, the remaining smaller economies getting US \$ 4,500.00 each. The Commissioner for trade also maintained that the allocation of Capacity building budget should also take into consideration differences in countries’ sizes. In laying emphasis on the issue of differences in size of various economies, the Commissioner argued that, it is due to the different nature of Members States’ economies that it will be very difficult for some countries to meet the convergence criteria as set by ECOWAS. On the issue of the Steering Committees’ meeting, he pointed out that the gap between the current meeting and the subsequent one (scheduled for July) is rather quite long.

In his contribution, the Director General of the West African Monetary Agency (WAMA), Prof. Ndiaye, thanked the Project Manager for his presentation. He emphasized on the urgent need for additional staff to be recruited in order to complement the current staff strength of the unit considering the enormous task lying ahead of EPAU. He also called for staff support from the

other departments of the ECOWAS Commission as was earlier mention by the Commissioner for Trade. He, however, went on by cautioning the newly established unit that, instead of having to work on specific thematic areas, the in-house research should be geared towards immediately responding to unforeseen developments in the sub-region as in the case of the current crisis in Côte d'Ivoire. He also told the SC that WAMA will be able to collaborate with the unit in diverse areas including the provision of macroeconomic data to the unit upon the request of the Commissioner for Macroeconomic Policy. In the area of the web-site for the unit, he impressed on the need for the unit to have a separate web-master that should be devoted exclusively for its activities. He further said that, in case a web-master is being shared with another unit, then there is a need for an assistant web-master to be stationed in the unit at all times. He concluded by thanking the Chairman, the Commissioner for Trade and the other participants for this very important meeting.

On her part, the representative for WAMI, Ms Rohey Khan, started her contribution by deliberating on the time line of the EPAU project. She also pointed to the fact that the unit should also find a way of incorporating financial sector stability studies which she said are very important for the stability of the ECOWAS sub-region. She emphasized the need for EPAU's multilateral surveillance, as detailed in the presentation, to be in line with that of WAMA and WAMI.

In his concluding remarks, the Chairman, reiterated that EPAU will be able to avail itself to all institutions within the ECOWAS operational framework. He said that most of the studies that the unit will be embarking on will be based on recommendations made by the ECOWAS Commission. He said that the issue of a web-master was not anticipated but will be soon recruited for another unit within the Macroeconomic Policy Directorate. Though the budget is currently unbalanced, he, however, promised that necessary action will be taken to procure equipment and the Vehicle for the unit to start operations. With respect to the meetings of the Steering Committee, he reiterated that when the need arises, an extraordinary meeting will be convened immediately. He however maintained that two meetings of the Steering Committee have already been scheduled for the first year. He also said that more Think Tanks will be included in the data base.

In his response to comments raised by members of the steering Committee, Dr. N'zué took note of the Commissioner's concerns and promised to make necessary amendments in the documents presented. With regards to the Steering Committee's meeting, he said that he had informed the Commissioner of Finance and Administration as well as the Director of Finance who are both included as members of the SC about today's meeting. On the issue of the recruitment of support staff, Dr. N'zué informed members of the SC that he had made a formal request and several follow-ups with the Commissioner for Finance and Administration on this matter but to date no concrete action has been taken to the effect. He also highlighted the slow pace of the procurement process that may sometimes delay the implementation of the project activities. He also thanked the DG of WAMA for the offer to make available upon request of macroeconomic data to his unit. With respect to the issue raised by the representative from WAMI, he said that a theme on financial stability studies is also included in the thematic areas of the research programme of the unit.

The meeting approved the proposed work programme and the meeting was brought to an end at 02.00pm.

LIST of PARTICIPANTS

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