



*WAMZ/STA/WAMI/1/REV.1*

**THE STATUTES OF THE WEST AFRICAN  
MONETARY INSTITUTE (WAMI)**

**December 2000**

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*WAMZ/STA/WAMI/1/REV.1*

## **THE STATUTES OF THE WEST AFRICAN MONETARY INSTITUTE (WAMI)**

### **THE HIGH CONTRACTING PARTIES**

DESIRING to establish the West African Monetary Institute (WAMI) as provided for in the West African Monetary Zone Agreement.

HAVE AGREED upon the following provisions for establishing the West African Monetary Institute.

### **PART I**

#### **DEFINITIONS**

##### **Article 1**

##### **1.1 For the purpose of this Agreement:**

“**Authority**” means the Authority of the Heads of State and Government of Member States of West African Monetary Zone.

“**Council**” means the Convergence Council of the West African Monetary Zone.

“**Court of Justice**” means the Court of Justice of ECOWAS established under Article 56 of the Treaty.

“**ECOWAS**” means Economic Community of West African States established under Article 2 of the Treaty.

“**Member State**” or “**Member States**” means a Member State or Member States of the WAMZ.

“**NCB**” means National Central Bank.

“**Secretariat**” means the Executive Secretariat of ECOWAS established under Article 8 paragraph 1 of the Treaty.

“**Technical Committee**” means the Technical Committee established under Article 6.1 of the WAMZ.

“**Third Country**” means any State other than a Member State of the WAMZ.

“**Treaty**” means the Revised Treaty of the Economic Community of West African States signed in Cotonou on 24<sup>th</sup> July 1993.

“**WACB**” means the West African Central Bank.

“**WAMI**” means the West African Monetary Institute.

“**WAMZ**” means the West African Monetary Zone.

## **PART II**

### **ESTABLISHMENT, GENERAL PRINCIPLES, OBJECTIVES AND FUNCTIONS OF WAMI**

#### **Article 2**

##### **Establishment**

- 2.1 The West African Monetary Institute (WAMI) established under the Agreement of the West African Monetary Zone shall perform its functions and carry out its activities in accordance with the WAMZ Agreement and of these Statutes.
- 2.2 The members of the WAMI shall be the central banks of the Member States (National Central Banks).

#### **Article 3**

##### **General Principles**

- 3.1 As a transitional measure, WAMI shall carry out functions leading to the establishment of the WACB without prejudice to the responsibility of the competent authorities of the Member States to conduct their monetary policies.

#### **Article 4**

##### **Objectives**

- 4.1 The WAMI in collaboration with the Technical Committee shall have the responsibility of managing the stages of implementation of the WAMZ up to the commencement of the WACB namely:

- i) undertake all the preparations necessary for the take-off of the West African Central Bank (WACB);
- ii) monitor and assess compliance with the convergence criteria;
- iii) adopt price stability as its central objective and strengthen the coordination of monetary policies in order to achieve that objective;
- iv) make the necessary preparations for the conduct of a common monetary policy;
- v) make preparations for the issue of a common currency; and
- vi) supervise the development of an Exchange Rate Mechanism and a West African Monetary Unit for settlements in the Zone.

## **Article 5**

### **Functions**

5.1 WAMI shall undertake the functions stated in Article 5, 6 and 7 over a period of two years.

### **Period January – December 2001**

5.1.1 During this period WAMI shall undertake the following tasks:

- i) monitoring and assessing convergence programme of economic and monetary policy which shall include the observance of ratios of budget deficit to the gross domestic product, the rate of inflation, ceiling on central bank credit to government and reserve to import cover;
- ii) negotiations on the institutional, administrative and legal framework for establishing the West African Central Bank;
- iii) modalities for designation of headquarters, and name of common currency;
- iv) finalisation of operational activities including:
  - (a) exchange rate mechanism;
  - (b) modalities for appointment of key officers of the WACB;
  - (c) development of strategies to strengthen cooperation between national central banks;
  - (d) strengthening of the coordination of monetary policies and practices of the Member States;
  - (e) sensitization of the public on the common currency;
  - (f) monitoring of all aspects of the programme of the WAMZ;
  - (g) promoting consultations, discussions and meetings on issues falling within the competence of central banks that affect financial institutions and markets in the Member States;
  - (h) encouraging the development and the smooth functioning of the payments system;
  - (i) development of a macroeconomic database; and

- (j) establishment of harmonized rules for the collection, compilation and distribution of statistics from Member States relating to the monitoring of the operation of a common monetary policy.

## **5.2 Period January – December, 2002**

5.2.1 During the period, WAMI shall undertake the following tasks aimed at the preparation of documents and procedures for the implementation of WAMZ:

- i) complete the preparation of those instruments and procedures required for the carrying out of a common monetary policy;
- ii) establish the rules for the procedures and operations to be undertaken by the central banks within the framework of WAMZ;
- iii) refine the efficiency of the payments system of the Zone;
- iv) specify the regulatory, organizational and logistical framework for the WACB to commence its work, including the supervision of the technical establishment of the common central bank and the technical preparation of the banknotes of the common currency;
- v) make final assessment to determine the eligibility of countries to participate in the Zone in accordance with the convergence criteria.

5.2.2 The Heads of State and Government as the supreme authority of the WAMZ, shall by unanimous decision, on the recommendation of the Council, confirm which Member States fulfill the necessary conditions for the adoption of the common currency and confirm the date for the commencement.

## **Article 6**

### **Advisory Functions**

- 6.1 The Management of the WAMI may make recommendations or offer opinion concerning the monetary and exchange rate policy and related measures in each Member State.
- 6.2 The WAMI may make recommendations or offer opinions to governments of Member States and to the Council on such policies as might affect the internal or external monetary situation in the Zone and as they affect the WAMZ programme and the Zone's exchange rate system.
- 6.3 The Management of the WAMI may also make recommendations to the monetary authorities of the Member States concerning the conduct of their monetary policy.
- 6.4 Member States and their authorities shall consult with WAMI on any draft legislative provision or related legislation falling within the areas of competence of WAMI.

## **Article 7**

### **Monitoring and other Tasks**

- 7.1 WAMI shall present to the Council, every three months, a report on the progress that has been made on the tasks prescribed.
- 7.2 WAMI shall present to the Council twice a year, a report on the state of overall preparedness toward the introduction of the common currency. This Report shall cover the following items:
- i) an assessment of the progress relating to the convergence indicators;
  - ii) the progress made by monetary institutions on the adoption of monetary instruments designed for monetary policy harmonization;
  - iii) the preparation and adoption of procedures by Member States and their monetary authorities, necessary for the carrying out of a common monetary policy;
  - iv) the preparation and adoption of the statutory and regulatory requirements necessary for the national central banks to become part of the WAMZ.

## **PART III**

### **ORGANISATION OF WAMI**

## **Article 8**

### **Powers and Composition**

- 8.1 The WAMI shall be directed by a Management Board.
- 8.2 The Management Board shall consist of a Director-General and Directors.
- 8.3 The Director-General shall be appointed by the Authority on the recommendation of the Council. The Director-General shall be selected from among persons of recognised standing and professional experience in monetary, financial or banking matters. Only nationals of Member States may be appointed Director-General of the WAMI. The Director-General shall be appointed for a term of two years.
- 8.4 The Director-General shall perform his duties on a full time basis. He/She shall not engage in any other gainful occupation.
- 8.5 The Director-General shall be responsible for the day-to-day management of the WAMI. He/She shall prepare and chair the meetings of the Management Board of the WAMI. He/She shall present the views of the WAMI in the Zone and externally.

- 8.6 In the absence of the Director-General, his duties shall be performed by one of the Directors designated by the Director-General.
- 8.7 The terms and conditions of employment of the Director-General, in particular his salary and other benefits, shall be the subject of contract with the WAMI and shall be determined by the Council.
- 8.8 If the Director-General no longer fulfills the conditions required for the performance of his/her duties or he/she has been adjudged guilty of serious misconduct, the Council, may recommend his removal to the Authority.
- 8.9 The Management Board of the WAMI shall adopt the rules and regulations of the WAMI.

## **Article 9**

### **Independence**

- 9.1 WAMI shall be expected to act according to its responsibility. Subject to Article 8.1 of the WAMZ Agreement, the Management shall not seek or take any instructions from institutions or bodies of the Zone or governments of Member States in the performance of its duties. The institutions and bodies of the Zone as well as the governments of the Member States undertake to respect this principle and not to seek to influence the Management of WAMI in the performance of its duties.

## **Article 10**

### **Meetings of the Management Board of the WAMI**

- 10.1 The Management Board shall meet at the Headquarters of the WAMI or any other place as it may decide.
- 10.2 The Management Board shall meet at least once every month, or as often as necessary, or on the initiative of the Director-General of the WAMI. The proceedings of the Management Board shall be confidential.

## **Article 11**

### **Administration**

- 11.1 Prior to the commencement of its work, the Council shall consider and approve the administrative structure of WAMI laid before it by the Technical Committee.
- 11.2 The Council shall prescribe the terms and conditions of employment of the Director-General and Directors of WAMI.



## **Article 12**

### **Loyalty**

12.1 The Director-General, other officers and staff of the WAMI, in the discharge of their duties, owe their allegiance and loyalty to the WAMI. Each Member State shall respect the international character of this allegiance and loyalty, and shall refrain from any attempt to influence the Director-General, any officer and staff in the discharge of his/her duties.

## **Article 13**

### **Budget**

- 13.1 There shall be established, for each financial year, a budget for the WAMI.
- 13.2 The Council shall consider the draft budget prepared and submitted by the Director-General for each financial year for approval.
- 13.3 Resources of the budget shall be derived from the annual contributions of Member States and such other sources as may be approved by the Council.
- 13.4 The contributions to the budget of the WAMI shall be in accordance with the ECOWAS budgetary contribution formula.
- 13.5 All investments and extra-budgetary expenditure shall be contributed by the Member States in accordance with Article 13.4.
- 13.6 The Financial Year of the WAMI shall start from the first day of January and end on the last day of December.

## **Article 14**

### **Accounts and Reports**

- 14.1 The Director-General shall ensure that proper accounts and records are kept of all activities of the WAMI. Such accounts shall be audited, in respect of each financial year, by external auditors appointed by the Council.
- 14.2 The Director-General shall prepare and submit to the Council an annual report containing an audited statement of accounts.
- 14.3 All reports, recommendations and proposals of the Management Board shall be presented to the Council by the Director-General.

## **Article 15**

### **Financial Regulations**

- 15.1 The WAMI shall be governed by the Internal Financial Regulations approved by the Management Board.

## **PART IV**

### **RELATIONS WITH THE EXECUTIVE SECRETARIAT OF ECOWAS AND OTHER INTERNATIONAL ORGANISATIONS**

## **Article 16**

### **Relations with the Executive Secretariat of ECOWAS**

- 16.1 The WAMI's relationship with the Executive Secretariat shall be in accordance with the provisions of these Statutes and shall be within the context of the overall economic and monetary integration of ECOWAS.
- 16.2 The Secretariat and the WAMI may invite each other to participate in their meetings.
- 16.3 The Secretariat and the WAMI may propose items for inclusion in the provisional agenda of each other's meetings.
- 16.4 The Secretariat and the WAMI shall send to each other regular reports on the activities of their respective institutions.

## **Article 17**

### **Relations with other International Organisations and Agencies**

- 17.1 The WAMI shall establish relations and cooperate with such other international organizations and agencies as may be desirable. Any agreement to be entered into by WAMI with such organisations and agencies shall be submitted to the Council for approval.

## **PART V**

### **FINAL AND GENERAL PROVISIONS**

#### **Article 18**

##### **Headquarters**

18.1 The Authority on the recommendation of the Council, shall decide on the location of the Headquarters of WAMI.

#### **Article 19**

##### **Working Languages**

19.1 The working languages of the WAMI shall be English and French.

#### **Article 20**

##### **Status, Privileges and Immunities**

20.1 The WAMI, as a forerunner of the WACB, shall enjoy legal personality.

It shall have in the territory of each Member State:

- i) the legal capacity required for the performance of its functions under these statutes; and
- ii) power to acquire, hold or dispose of movable and immovable property.

20.2 In the exercise of its legal personality under this Article, the WAMI shall be represented by the Director-General.

20.3 Member States shall grant, in their respective territories, such privileges and immunities to the officials and property of the WAMI as are granted to the officials and property of the ECOWAS as provided for in the General Convention on Privileges and Immunities of ECOWAS and in Article 88 of the Treaty.

#### **Article 21**

##### **Amendment Procedure**

21.1 A proposal for the amendment of these Statutes shall be made by the Council on a unanimous vote on a recommendation by the Management Board.

21.2 Amendments may be adopted by the Authority and shall enter into force in accordance with the provisions of Article 24.

## **Article 22**

### **Disputes**

22.1 Any dispute arising from the interpretation or the application of the provisions of these Statutes shall be amicably settled without prejudice to the provisions of the Treaty and of the WAMZ Agreement.

22.2 Failing this, either party or the Management Board or any Member State(s) may refer the matter to the Court of Justice whose decision shall be final and shall not be subject to appeal.

## **Article 23**

### **Liquidation of WAMI**

23.1 Upon the take-off of the WACB, the Director-General of the WAMI shall relinquish his office and the WACB shall liquidate the WAMI.

## **Article 24**

### **Entry into Force**

24.1 These statutes shall enter into force upon signature by at least two Member States.

24.2 These statutes shall be deposited with the Secretariat which shall transmit certified true copies to all Member States informing them of the dates on which the statutes were signed.

24.3 The statutes shall be annexed to and shall form an integral part of the WAMZ Agreement.

IN FAITH WHEREOF, WE, THE HEADS OF STATE AND  
GOVERNMENT OF THE MEMBER STATES OF THE WEST AFRICAN  
MONETARY ZONE (WAMZ) HAVE SIGNED THIS AGREEMENT ON  
THIS 15TH DAY OF DECEMBER, 2000 IN SINGLE ORIGINAL IN THE  
ENGLISH AND FRENCH LANGUAGES ALL TEXTS BEING  
EQUALLY AUTHENTIC.

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For the Republic of The Gambia  
His Excellency Col (Rtd) Alhaji Dr. Yahya A.J.J. JAMMEH  
President of the Republic of The Gambia

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For the Republic of Ghana  
His Excellency Flt. Lt. Jerry John RAWLINGS  
President of the Republic of Ghana

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For the Republic of Guinea  
His Excellency General Lansana CONTE  
President of the Republic of Guinea

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For the Republic of Liberia  
His Excellency Dahkpanah Dr. Charles Ghankey TAYLOR  
President of the Republic of Liberia

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For the Federal Republic of Nigeria  
His Excellency Olusegun OBASANJO  
President, Commander-in-Chief of the Armed Forces  
of the Federal Republic of Nigeria

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For the Republic of Sierra Leone  
His Excellency Ahmad Tejan KABBAH  
President of the Republic of Sierra Leone

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For ECOWAS  
His Excellency Alpha Oumar KONARE  
Chairman of the ECOWAS Authority of  
Heads of State and Government  
President of the Republic of Mali