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PRESS STATEMENT

CBN GOVERNOR CALLS FOR RESTRUCTURING OF ECOWAS FINANCIAL INSTITUTIONS

The Governor of the Central Bank of Nigeria, CBN, Prof Charles Soludo has called for the rationalization and restructuring of the West African sub regional monetary agencies to make them more effective and efficient in their service delivery to member countries.

Prof Soludo made this charge at the just concluded Meeting of the Convergence Council of Ministers and the Governors of central banks of ECOWAS member states held in Accra, Ghana to review issues on macroeconomic convergence. The CBN Governor made it clear that the era of creating bureaucracy just for the fancy of it are long gone and that it is necessary to reappraise the modus operandi of some of the institutions such as the West African Monetary Authority, WAMA, West African Monetary Institute, WAMI, etc to ensure that they deliver value to members.

The CBN Governor also raised several questions on the nature and structure of some of the proposed institutions such as the West African Central Bank,

(WACB) and the West Africa Financial Services Authority (WAFSA). He observed that it might also be time to review their scope in view of global economic dynamics. He further raised questions on the nature of central bank that would emerge, whether to be centralized or decentralized and the type of supervisory financial institutions that should be in place, in view of the diversities within the region.

Prof Soludo explained that the integration process has reached a critical point with the December 1, 2009 deadline for the commencement of the monetary union in the region. He advised the Committee to look at these institutions, their work programme and action plans to see whether we have the right people and the resources to take it to the next level.

Professor Soludo also emphasized the centrality of trade among member states in the integration process, noting that if we don't have trade-flow, the demand for a single currency may not be desirable for now. He made it clear that trading among members cannot be created by administrative fiat. He therefore urged the Technical Committee which had examined issues on convergence to include in their subsequent report, progress on trade among member states.

The Convergence Council met in the Ghanaian capital of Accra to examine issues relating to the various elements of the work programme and strategies towards achieving macroeconomic convergence within the region. The Committee also deliberated on set targets such as payments system development, the introduction of Eco, the sensitization programme and strategies for the ratification of all the WAMZ legal instruments in member

states. The meeting was attended by Ministers of Trade, Integration and Central Bank Governors of WAMZ, comprising the Anglophone countries and Guinea, ECOWAS Executive Secretary and other officials from the sub region.

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