

THE PROCESS OF ECOWAS INVESTMENT POLICIES HARMONIZATION

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PART 1

BASIS FOR ECOWAS COMMON INVESTMENT CODE

1. European Union Integration Model

- The successful European integration model, now in existence for over half a century, has considerable attraction and impact as an example for many other regional agreements like ECOWAS.
- It is discovered that the enlargement process of EU paved the way for a peaceful unification of the European continent based on the value of freedom, democracy, respect for human rights and fundamental liberties as well as the rule of law.

European Union Integration Model (Cont...)

- These values and social ingredients which accompanied European Unification are major prerequisites for the long-term socio-economic development of any regional community.
- Consequently, European countries currently believe that they owe it as global responsibility to “**export**” their integration model that has provided the continent the needed stability in order to avoid “**importing instability**” from external trading partners.

European Union Integration Model (Cont...)

- This is why EU is assisting ECOWAS in its harmonization of its various **national investment policies** into a regional.
- Efforts to strengthen the existing regional integration among ECOWAS therefore became critical.
- It is believed that if such arrangement is established in ECOWAS region, it will provide legal and regulatory framework for investments within the Community to operate in order to access economies of scale in preparation to compete at multilateral level.

European Union Integration Model (Cont...)

- Of course, to do this, it might be necessary to harmonize national laws of ECOWAS member States with a regional focus and consistency to make the region respond to the new international business trends in terms of cross-border exchanges of capital and trade flows.
- Such reforms would equally involve issues starting from **writing, or revising commercial codes, bankruptcy statutes, and national corporate laws** as well as updating the mandate of the various regulatory agencies in the region.
- Essentially, in doing this, it is expected that the process will permit the abolishment of uncertain and irrelevant provisions, promote transparency, and improves competitiveness of the regional economy to more actively participate in international trade in addition to becoming an attractive site for investment from outside the region.

2. Basis for Common Investment Code

- The emergence of a single ECOWAS investment market is expected to enhance **increasing intra-regional** and **extra-regional** cross border penetration of economic activities in the Community.
- While defensive FDI aimed at overcoming host market protection or to manipulate competition in final product markets through import substitution strategies of ECOWAS member nations were justified in the immediate post independent era till 1980s, the emerging regional economic integrations across the world appear to be nullifying such national import substitution motive for **intra-ECOWAS investment import substitution strategy** to evolve.

Basis for Common Investment Code (Cont...)

- With the putting in place of the regional investment code, locational choices of ECOWAS firms are now wider within an integrated regional market and investments of firms originating from non-ECOWAS member countries are now equally attracted to serve and exploit the consequent economies of scale and scope in the community.
- Henceforth, the emerging regional integration of investment laws in the Community is expected to have a positive effect on intra-ECOWAS trade that substitutes intra-ECOWAS FDI aiming at servicing protected host economies.
- The consequent free intra-firm transfer of tangible and intangible inputs for production purposes, and free trade of final products for servicing individual national markets will further enhance the economies of scale.

Basis for Common Investment Code (Cont...)

- Clearly, the subsequent regional industrial restructuring that is likely to be promoted by ECOWAS investment policy harmonization is expected to trigger **intra-regional rationalized** investment activities that involves relocation of value added activities to the most cost efficient site based on comparative advantage of individual ECOWAS nations.
- Such rationalized investment is expected also to take the form of either vertical or horizontal integration of ECOWAS firms; and its is expected to be initiated by advantages coming from inter-country differences in the supply conditions of ECOWAS productive inputs as earlier explained based on factor endowments of ECOWAS member States.

Basis for Common Investment Code (Cont...)

- ECOWAS Investment Code seeks to provide the framework for designation of ECOWAS as a single investment location and relates to both intra-ECOWAS and extra-ECOWAS investment relations with appropriate distinctions in treatment between investment by ECOWAS nationals and investment by Third Party nationals.
- The codification of the regional investment policies is equally expected to mobilize investment (foreign and regional) as a driving force for economic growth and development of ECOWAS Community.
- ❖ Clearly the codification of investment policy for ECOWAS is expected to enhance the regional investment climate by:
 - a) Strengthening the Community's capacity for designing, implementing and monitoring investment policy reforms jointly in the region;

Basis for Common Investment Code (Cont...)

- b) Creating a regional network for policy dialogue among investment policy makers with other stakeholders in the Community;
- c) Creating a favorable environment for employment creation for the increasing population of ECOWAS countries through joint regional financial sector development and an entrepreneurship culture;
- d) Improving intra-governmental policy coordination and cooperation between the various governmental agencies in ECOWAS region; and
- e) Reinforcing the impact of development initiatives supported by international, regional and bilateral funds.

PART II

UNIFORMIZATION OR HARMONIZATION PROCESS

- The harmonization processes are varied and can take various forms, from domestic, regional and multilateral levels.
- Such a process can be embodied in: the revision of national code; the creation of regional code; and the adoption of uniform private rules.
- The most radical form of investment code integration is **uniformization**, in which the legal differences between the national provisions of investment policies among ECOWAS countries are removed, in preference/or replacement with a unique and identical text for all the countries in the community.

Uniformization or Harmonization Process (Cont...)

- **Harmonization**, which is our concern is a less radical technique, as it basically consists of modifying domestic provisions from the various countries within the Community, which are not similar initially but to be made coherent, or update them with a regional reform process.
- While respecting the peculiarities of all ECOWAS countries investment policies, harmonization merely permit these countries to promote increased legal cooperation on corporate rules among themselves.
- Generally, the result of investment policy harmonization is expected to be obtained through the directives or recommendations by the regional organization (ECOWAS Commission) after extensive deliberations based on a study; which then directs its member state after the approval of the Ministerial Committee of the Community, for implementation.

Uniformization or Harmonization Process (Cont...)

- In other words, the substantive scope of the investment code will be determined not only by ECOWAS Commission alone but also by the mandate giving it by member States of the Community.
- Essentially, regional investment harmonization may cover a wide range of topics, establishing new substantive and/or procedural norms for regional economic activities to thrive well.
- Therefore many issues will arise as to the preparation as well as implementation of harmonizing the various legal instruments in investment harmonization code for the region.
- On the technical front, the procedures that will be used to elaborate and create a new investment policy framework for the region will vary from the existing situation and will depend on the institutional structure that has to be created to implement the code.

1. Preliminary Inventory on ECOWAS Countries' Investment Policy Regimes

- It was discovered that West African countries have become more accommodating towards FDI over the last two decades, as evidenced inter alia by changes in the countries regulatory regimes.
- The changing stance towards FDI has also given rise to proliferation of investment promotion agencies, special economic zones and other targeted mechanisms by which ECOWAS countries aspire to attract foreign investors.
- However, there are still considerable national differences as well as other important hurdles that needed to be overcome for most ECOWAS nations to be attractive investment sites.

Preliminary Inventory on ECOWAS Countries' Investment Policy Regimes (Cont...)

- While it is fair to conclude that in terms of regulatory and statutory regimes for investment, the region is not the most restrictive than other ACP countries, yet some obstacles demands to be addressed. Prominently among these are:
 - (a) **Land and business ownership** – where many ECOWAS countries continue to apply restrictions foreign on investors;
 - (b) **Sectoral restrictions** – with the purpose of protecting small and medium scale enterprises (SMEs), which likewise have as an unintended consequence to hold back the creation of a single market economy for the entire region, and foreign-local corporate linkages in large segments of ECOWAS countries.

Preliminary Inventory on ECOWAS Countries' Investment Policy Regimes (Cont...)

- (c) **Transparency** – of investment regulations are in many instances in doubt; as it was difficult to find detailed information from the existing regulatory regimes in some ECOWAS countries, while a number of them still apply high degree of administrative and/or political discretion to regulatory process (e.g. waiver in Nigeria under Obasanjo) without adequate consultation with national stakeholders.
- (d) **Consistency of implementation** – is very important for investors forecast and planning; but with discretionary powers the issue of integrity and consistency to policy is in doubt in many of the countries as many of those discretions are **corruptly motivated**.

PART III

METHODOLOGY OF THE HARMONIZATION

The main positive elements in ECOWAS investment harmonization should include, inter alia:

- a) private enterprise driven economies with the protection of private sector rights;
- b) the progressive elimination of discriminatory treatment of foreign investment and the absence of legal limits on financial remittances within the Community and abroad (outside the Community);
and
- c) because ECOWAS countries had, over the years, lost further market share in the global FDI flows, the region would need to adopt plans and strategies in timely manner to offset these negative trends so as to position it needly to fully benefit from new opportunities opening up in global FDI flows.

Methodology of the Harmonization (Cont...)

- ❖ From the above three elements, the methodology of harmonizing investment policy would therefore have in focus three main objectives:
 - aligning of private investment to a single ECOWAS space: that is, making of the treatment of private investments uniform/similar throughout the Community;
 - achieving an increased flow of intra-regional and extra-regional investments; and
 - improving the competitiveness of existing companies operating in the region to benefit from the new initiative.

Phases in the Investment Harmonization

- The harmonization of the investment policies in the region into a single code is to simplify the investment regulatory regime.
- Such simplification involves not only a business process but also cultural change in how ECOWAS nation states view those whom they regulate, and how those who are being regulated perceive the value and effectiveness of the regulatory processes.
- It must be pointed out here that the **simplification should not be interpreted to mean compromising standards**; but it is an act of reducing or eliminating elements of the harmonization process in order to reduce complexity and inefficiency, as well as to limiting the potential of any re-introduction of previous cumbersome or unnecessary investment regulatory requirements or steps.

Phases in the Investment Harmonization (Cont...)

- Four phases of the harmonization process however require strong political commitment and support from all ECOWAS countries; it equally entail a coherent strategic approach that organizes and prioritizes the regional goals, as well as assigning roles, and responsibilities resources and associated tasks for emerging regional regulatory institutions.

A. The Diagnostic Phase

1. Define the Purpose and Objectives of the Investment Harmonization

- Since ECOWAS member states should have the objectives of investment harmonization as opposed to mere change in procedural regulatory arrangements towards investments, the simplification should involve the following processes presented in **Table 1**.

2. Conduct Capacity Assessment

- In the course of our study, we conducted a random sampling of the capacity of some countries within ECOWAS where we visited to undertake a simplification initiative (e.g. Nigeria, Ghana, Senegal and Mali).
- We were aware that some definitional resistance were encountered in the preparation of **Supplementary Acts** on investment harmonization, such opportunity allowed us to be familiar with potential barriers in the course of the harmonization.
- Such capacity assessment will be measured under: physical capacity; human capacity; financial capacity and technology capacity.

Table 1: Simplifying Regulatory Processes

Instead of a regulatory process that...		Ensure a regulatory process that...
Is designed to eliminate risk on noncompliance...	➔	Achieves a balance between the risk and the cost of mitigating the risk and with a reasonable burden on businesses.
Has a significant administrative cost, either for the governments of ECOWAS States or the	➔	Is streamlined to the extent possible to reduce cost, time and complexity.
Has evolved without an examination of possible consequences...	➔	Has mitigated consequences, to the extent possible.
Has enforcement that is process centered...	➔	Is adaptive, results-based, and structured to address risks in order of priority.
Overlaps or conflicts with other regulatory processes or jurisdictions...	➔	Is harmonized with other processes within the ECOWAS Community, and does not place the region at a competitive disadvantage with other developing countries in terms of investment climate.

3. Conduct Detailed Analysis of Process

(a) Assessing the Impact of the Existing Regulatory Process

- One tool used in regulatory review processes is a Regulatory Impact Assessment (RIA).
- Also is the use of the questionnaire approach to obtain a strategic opinion on where changes in regulatory process may be most beneficial.

b) Mapping Existing Elements of Process

- Following the strategic review of the regulatory process a detailed analysis of the activities associated with the process in question can be conducted.
- We understood that designing a business process requires an understanding of the elements of the existing process.
- This necessitated a review of the existing regulatory process by conducting an **“as is” or “baseline”** analysis, which involves:
 - Reviewing the countries’ “Snapshot of Business Environment” and related “Doing Business” indicators and information on the. Assignment in all the counties
 - Identifying documents required to accompany the request in order to start a business process.
 - Identifying and analyzing each step in the processing of information.
 - Identifying and analyzing the activities triggered by the request.
 - Identifying and analyzing the results of the processing of information

4. Define Performance Indicators

- **Since “What gets measured gets done”.** Fundamental to the investment simplification and harmonisation process are performance targets to be measured;
- There is thus, the need to ensure that performance is measured from the very inception of the initiative to ensure that performance targets are met.
- Without accurately recording data, the region will not be able to determine whether the exercise will be meeting its goals or not.

Define Performance Indicators (Cont...)

- In order to determine whether a simplification initiative has been successful, it is necessary to conduct an evaluation, essentially taking a “**before**” and “**after**” snapshot of performance.
- To do this, the diagnostic phase should include a **benchmarking** exercise (in my second paper) to capture performance indicators prior to the process design. The following stages to be benchmarked are:
 - Start of the investment simplification initiative
 - Initial measurement at process mapping stage
 - Completion of simplification initiative
 - Audit measurement

5. Analyze Existing Legal Authority

- One important element of the diagnostic phase is a legal review, to alert on the very areas where legal reforms may be required and to ensure that contemplated steps in such redesign fall within the governing national and regional legal authorities.
- In verifying the regulatory process in ECOWAS countries, consideration will have to be given to administrative and constitutional law principles in force in the various countries in the community.
- However, some general issues should be considered:
 - What are the relevant legal authorities since all of the laws, regulations, by-laws, orders, etc., that apply to investment harmonization process under review must be identified and then examined;
 - Is there any need to create a new legal authority in each of ECOWAS country or to use existing ones?

Analyze Existing Legal Authority (Cont...)

- What is the scope of the legal authority to cover all aspects of the contemplated process design?
- What institutional mechanisms to put in place for the legal authority?
- Does any step contemplated in the harmonization process design conflict with any other requirement imposed by another legal authority in force?
- Does the legal authority have the sole and enforceable tools to make rules and or to decide compliance on a case-by-case basis?
- What are the ways and means available to the legal authority for the purposes of dealing with the particular process?
- The process of verifying the existing legal authority will permit the simplification/**harmonization team** to evaluate the legal foundations of the existing process so as to design the new one that will not negatively affect the existing one.

6. Review of Regulatory Policy Support for Investment Harmonisation

Examining the region's regulatory policy via the ECOWAS Private Sector Department of ECOWAS Commission is important in relation to the investment policy harmonisation and simplification initiative since it provides the framework that will govern any regulatory process design. Such regional regulatory policy should:

- Define the objectives of each regulatory process.
- Support the good design of regulatory processes.
- Require reviews to revise outdated steps in regulatory processes or eliminate obsolete processes.
- Ensure the effective implementation of regulatory processes.
- Provide measured, adequate and sufficient enforcement.
- Avoid conflicts with other regulatory processes

B. Common Investment Code Project Design Phase

- It is believed that once there is a clear picture of the existing regulatory process for the implementation of a common ECOWAS investment policy harmonisation, the next phase involves designing and simplifying that process based on information supplied during the diagnostic stage.
- My findings revealed that there are a number of different aspects to consider in approaching the designing stage of the simplification.
- It is important to emphasize that this phase requires a “**business process re-engineering**” approach, namely one of changing a regulatory process, or aspects of it, to improve the performance indicators that have been determined as being important to the earlier.
- I elaborate on this below under seven (7) issues.

1. Simplification of Investor Identification

- The first aspect to consider is the identification of prospective investors into each country in the ECOWAS region (comprising ECOWAS investors and non-ECOWAS investors), or in cases where the investors have multiple dealings with countries in the region, the identification of the area of investment and its association with the other investors.
- Simplifying identification facilitates the organization of a filing and documentation systems that permit staff of the investment regulatory bodies in the region to have easy access to inquiries or other relevant information in the process.
- Such simplification will ensure that documentations of each investor is correctly ascertained.

2. Examination of Time Frames

- Each step in a process takes time to complete.
- The question then becomes whether the time taken, as determined during the comprehensive review, is excessive, since one of the objectives is to reduce the time taken to complete process of committing investment into the region.
- The effects of simplification on time frames can be significant.

3. Design Process

- In addition to examining the processes for information submission, identifying prospective investors, and the time frames for completion of request on investment in any particular country, simplification involves taking a series of steps that currently exist and reducing them to the minimum number required.
- This will involve harmonizing the activities of investment promotion agencies in ECOWAS to a standard format.
- This takes substantial work and called for use of modern technology.

4. Role of Technology

- For the purposes of simplification, an important consideration is the fact that information technology can have a useful, even important, role in the design of a regulatory process.
- Indeed, the proposed implementation of new technology may serve as a catalyst to investment policy harmonisation process within ECOWAS as it will enhance how things are get done quickly in the design stage as well as during implementation.
- It should be noted that the **use of technology is not a panacea** and will not be beneficial if the associated regulatory processes are not first and foremost streamlined into singular format.

Role of Technology (Cont...)

- However, the use or non-use of technology should not dictate whether or not simplification should occur.
- It may be feasible, and desirable, to reform a regulatory process even if no change in technology is contemplated or no use of technology is even considered.
- Since the regional regulatory process involves inputs, steps and outcomes, then the use of technology is well suited to the management of inputs, steps and outcomes because they involve the communication, distribution and processing of information.
- In many parts of the world, suitable technology is readily available like the **Web Portal Approach**
- Technology may also contribute to increased transparency by permitting the widespread and easy dissemination of process requirements.

Role of Technology (Cont...)

- However a useful step in the investment policy harmonisation and simplification initiative entails investigating whether ECOWAS as an institution and its member countries have the resources to incorporate and deploy appropriate technology (e.g. The Investment Web Portal) for the assignment is crucial.
- A most pertinent question is the following: does the ECOWAS region have the capacity to plan the deployment of appropriate technology? If not, capacity building will be required to assist national institutions.
- It makes little sense to consider technology solutions if the community does not have the people to determine how to incorporate it into the business processes.
- Consultants may be used to provide a comprehensive solution but the use of experts has to be factored into the cost of the simplification initiative.
- Such Web Portal should have networking and clearing house opportunities stationed at each country and monitored at the regional regulatory agency's office.

5. Assess the Proposed Process

- The initial development of the harmonization policy was expected to have been prepared in an Investment Policy Framework (IPF) to provide a framework against which to review proposed policies and regulatory processes would be premised.
- The object is to ascertain whether the proposed investment harmonisation is consistent with the principles in the IPF.
- One tool to use in conducting this assessment is a **Regulatory Impact Assessment (RIA)** Statement; while another is a **Business Impact Test (BIT)**.
- While not panaceas, they provide useful tools to review the quality of proposed investment policy harmonisation and design changes in the regional IPF.

(a) Regulatory Impact Assessment

- A Regulatory Impact Analysis is a tool that can be used to assess both the possible implications of a proposed investment policy harmonization process and the current consequences associated with existing process.
- RIAs have been recognized and used as a tool in most OECD countries and, to a much more limited degree, in developing countries in order to understand or, at least, **gauge the economic and social impact of regulations** and associated regulatory processes.
- In order to avoid possible confusion, it should be noted that a RIA is distinct from a related tool -- the **Sustainability Impact Assessment** (SIA).
- A SIA is a process used to identify economic, social *and environmental* impacts of a proposal.
- Our focus here is to discuss the use of an RIA process to ensure the appropriateness of the proposed design of ECOWAS investment policy in the context of a simplification initiative.
- Therefore an RIA is a process to collect evidence to support decisions to be made in connection with the investment policy harmonisation process and design.

(b) Business Impact Test

- A related type of assessment, a subset of an RIA, is a **Business Impact Test (BIT)** - a tool designed to allow regional officials monitoring the investment policy harmonisation process to understand and evaluate the impact of the process on business of proposed policies or processes.
- While a RIA examines the impact on both government and private sector, a **BIT considers only the impact on the private sector**, especially where the concern relates to the impact of a policy or process change on small or medium size businesses.
- A BIT may be a preferable alternative to consider if there are questions on the capacity of ECOWAS monitoring agencies officials or their project teams to conduct an RIA on the proposed investment code.
- ❖ BITs are useful as they permit to:
 - understand how businesses respond to regulation;
 - assess alternatives;
 - identify unintended and unexpected effects; and
 - enable businesses to provide input.

Business Impact Test (Cont...)

- The main purpose of BIT is to minimize the cost for compliance with the new regulations and regulatory processes, while allowing the region to achieve its public policy objectives.
- The BIT methodology is based on conducting a survey of businesses that seeks answers to questions about:
 - a) The direct impact of the harmonization on business operations, including prices, products/services, access to markets, relations with suppliers, investments, etc;
 - b) Possible concerns with the design and structure of the policy or process, including compliance and information submission requirements recommended by the new code;
 - c) Potential operational/personnel costs and benefits, if any, to the respondents, both *ante* and *ex post*;
 - d) Views as to whether the regulations are necessary and appropriate; and
 - e) "Consider the demographic" business information (e.g., location, employment, sales, etc.) to permit analysts to examine responses based on criteria such as area within a region, a country or based on size of businesses.

Business Impact Test (Cont...)

- The harmonization of investment into a singular code process is not intended to **create another layer of bureaucracy** but rather to change the culture within government departments in all ECOWAS countries in order to develop a sense of ownership of the principles of the regulatory policy and to consider the process as a better delivery of service to guarantee better investment flows (both inflow and outflow).
- It is important to note that expectations of these regulatory analysis tools should be tempered, since even in developed countries, the practical application of the process sees few full benefit/cost analyses done, in particular regarding the direct costs which are better addressed than indirect costs.
- Despite these weaknesses, these types of processes do force officials to examine information that is valuable in making policy or process decisions.
- They also cause officials to expressly consider the impact upon all stakeholders.

6. Involve Stakeholders through Consultations

- Consultations reflect one or more processes whereby governments seek the views of individuals or groups affected by a proposed investment harmonization policy, program or service.
- Consultations also assist in framing unresolved issues or in evaluating proposed choices in the harmonization process design.
- A “stakeholder” may be considered an individual, a business or any group of individuals or businesses who may be affected by the outcome of the simplification initiative.
- Stakeholders could be individual citizens or owners of businesses having strong interest in using the proposed regulatory process for better results and for positive outcome on the simplification initiative.

Involve Stakeholders through Consultations (Cont...)

- More importantly, from a political perspective, consultations accommodate the desire of stakeholders to be consulted about new processes.
- This should be done at all stages of the simplification reforms – starting from initial design, implementation to the evaluation of the whole process.
- Such approach reflects a commitment to democratic values, and provides a means to validate the policy choices in the investment code that has been harmonized as well as validate the methods chosen to provide a framework for the application of consultation mechanisms.
- The ECOWAS Commission should consider adopting a formal **Consultation Policy** on common investment market benchmarking and monitoring

7. Finalize the Reform Implementation Plan

- As may be expected, any legislative or administrative initiative will rarely proceed “as planned.”
- Unforeseen political or technical events intervene and require adjustments to proposed process changes or timetables.
- As the design phase of ECOWAS investment policy harmonization ends and implementation begins, the regional **implementation team led by the Private Sector Department** should :
 - a) ensure that outstanding issues are managed, periodically reviewed, and resolved;
 - b) ensure that people with decision-making authority make the necessary decisions to resolve issues as promptly as possible;
 - c) ensure, where issues have been resolved , that the result is reflected in the process design and communications plan;

Finalize the Reform Implementation Plan (Cont...)

- d) ensure that residual/outstanding risks have been identified and documented for tracking with each aspect of the simplification initiative being examined for risks;
- e) construct a contingency plan and strategy for each identified risk;
- f) determine if any testing is required (e.g., in connection with the deployment of any technology);
- g) ensure that dates have been applied to all tasks (e.g., training) and that schedules have been updated;
- h) plan a “**dry run**” of the new regulatory process;
- i) communicate changes in the Implementation Plan to those involved in the implementation phase; and
- j) communicate the revised schedule to external stakeholders if changes are required in dates, resources and on other constraints.

C. Implementation

In order for the Investment Code process to be effective, “**front line**” staff or the national and regional agencies to implement it need to not only know how it will work but also be in the position to make it work. This requires the following:

1. Develop Operations Manual

- To assist regional staff in performing their day-to-day “front-line” operations once investment policy harmonisation and rules simplification reforms have been undertaken, an **Operations Manual** should be developed that clearly summarises the new policies, processes and procedures.
- The Manual should be tailored to the specific initiative being undertaken.

Develop Operations Manual (Cont...)

- An Operations Manual serves as a functional “quick reference” guide for staff as well as a key training tool for the staff members.
- A well-structured Operations Manual is a key part of creating an efficient and effective business system.
- The Operations Manual should be user friendly, contain graphical depictions of specific procedures (i.e. flow charts), standard forms and examples of completed forms, and a detailed index.

2. Train Employees at National and Regional Investment Agencies

- Implementing a design process should involve training in the operation, administration, and maintenance of the new process.
- In order for the regulatory process to be effective, and depending on the degree of changes involved, “front-line” staff need not only to know “how” the process works but also to be in a position to answer questions from investors into ECOWAS region about how the changes affect them.
- Training should be incorporated into the Implementation Plan and considered from three perspectives: the staff of Private Sector Department that are in charge in Investment as a whole; the characteristics of the relevant positions; and the needs of the individuals who hold or will hold those positions.

Train Employees at National and Regional Investment Agencies (Cont...)

- An important consideration is getting stakeholders to understand *why the change is necessary*, *what the outcome will be*, *how things will change*, and *where they stand* in any simplification initiative.
- Training serves as a vehicle to inform *all* managers and employees on the final process design choices and on their respective roles and responsibilities. It helps them to understand how things will change and where they stand.
- Training programme will be designed by the consultant and it will be made available to all the regional stakeholders

3. Make the Process Accessible and Convenient – A Regional One-Stop Shop

- The major problems in any regulatory process, including official registration, are normally related to the complexity of the process and the length of time it takes to process applications.
- In order for any regulatory process to appeal to a large number of users, it must be easily accessible and responsive.
- Achieving this objective involves consideration of the *physical location* of any process. This necessitates:
 - (1) creating central access points and
 - 2) promoting greater accessibility through “multiple” central access points at regional and national levels.

Make the Process Accessible and Convenient – A Regional One-Stop Shop (Cont...)

- Often associated with simplification efforts and successful in a number of countries, these access points are commonly known as “One-Stop Shops”.
- *An important caveat to note is that the creation of access points without an associated simplification of policy or processes may simply create another level of bureaucracy.*
- ❖ The above arguments justify the fundamental strengthening of the Private Sector Department along with the National IPAs

4. Communicate to Investors and Regional Stakeholders

- ❖ Meaningful communication between the ECOWAS Commission and stakeholders on investment harmonisation can result in a stronger, more effective regulatory process, since it permits the region to:
 - Ensure awareness, understanding and transparency;
 - Develop relationships with stakeholders;
 - Reduce the regulatory agencies and investors concerns and misunderstanding about the Code; and
 - Manage employee, stakeholder and public expectations better.
- 🌸 An important element in ECOWAS investment policy and rules simplification initiatives is addressing the issue of resistance to change.

Communicate to Investors and regional Employees (Cont..)

- Both internal participants (employees, managers, directors of the ECOWAS Commission) and external stakeholders (citizens, businesses, funding institutions) are interested in the outcome and want to know *on an on-going basis* about the initiative and how it may affect them -- whether it provides benefits or creates obligations.
- Overall support is enhanced by communicating the benefits via published periodicals.
- Accordingly, **a communications strategy** is an important component of investment simplification implementation process.

5. Organize Public Relation Events

- The importance of communicating the common investment market initiative to internal and external stakeholders cannot be overstated.
- Regional and National Officials implementing the Code should organize public relation events aimed at enlightening the stakeholders especially investors within ECOWAS as well as at overseas countries (through liaising with the regional embassies abroad of ECOWAS countries).
- Engaging in such an event will also benefit the Community by raising awareness of the investment simplified process which may further draw more business owners to become part of the initiative.
- Seminar can be organized where all interested business people and business owners can learn about the new process; and such event should be publicized in media.

D. Evaluation

- The completion of the implementation phase concludes the transition **from "old" to "new"** processes but not the end of the simplification and harmonization initiative.
- The evaluation phase is intended to measure the effectiveness of the process changes. The salient features of this phase are elaborated upon in this section below.

1. Prepare Post-Initiative Assessment Report

- The Evaluation Phase should begin with a **Post-Initiative Assessment Report**, which examines and documents the initiative's outcomes, whether the original objectives were met, and how effective the management practices were in keeping the project on track.
- A timely and comprehensive Post-Initiative Assessment Report will identify ongoing issues to monitor as well as to provide some "lessons learned" to assist officials and stakeholders in planning and managing future regulatory simplification projects.

Prepare Post-Initiative Assessment Report (Cont....)

- The preparation of this report, preferably by a third party, should occur within an appropriate period of time following the implementation of the designed process.
- Interviews and investor surveys are two tools to consider when gauging views on the revised process.
- In addition to formal reviews, **the project implementation team** should observe the implementation of the initiative on a day-to-day basis to determine whether any fine-tuning of the process may be required accordingly.
- The Post-Initiative Assessment Report should focus on two key aspects:

Prepare Post-Initiative Assessment Report (Cont....)

- - A **“gap analysis”** examining the differences between the planned requirements, schedule, and budget and what actually resulted, when it occurred and the degree of deviation from the plan;
- - A **“lessons learned” exercise** for collection and analysis of feedback on events that happened during the initiative.
- It provides an opportunity to discuss things that happened during or because of the initiative: successes, unanticipated or unintended outcomes and possible alternatives (i.e., how things might have been done differently).
- A major source of such information should be ultimate beneficiaries of these reforms – entrepreneurs. The focus should be on behaviours or tactics rather than on the actions of individuals.

2. Post-Implementation Evaluation

- There are three specific points in time where a measurement of performance indicators should be made. As previously noted, **the first** is at the diagnosis phase when the existing regulatory process managed by national investment regulatory agencies in various ECOWAS countries are initially mapped.
- **The second** measurement should occur when results can or should be expected following the implementation of the designed, simplified process of investment harmonization to become one code.
- This measurement is intended to determine whether the changes made have actually resulted in any improvements.
- **The third** measurement serves as an audit function and may occur after the implementation of the simplified process.
- This audit is intended to ascertain whether there has been any deterioration in performance since the completion of the simplification initiative and may also uncover steps or requirements that have been reintroduced into the ECOWAS investment harmonisation regulatory process.

Post-Implementation Evaluation (Cont...)

- Two key indicators may shed light on the degree of achievements or failures:

Percentage Increase in Regional Investment Inflow

- The percentage change in regional revenue as measured by a comparison of total regional fee revenue associated with a regulatory process in a fixed period following the implementation of changes resulting from the simplification of investment initiative with the corresponding period immediately preceding the implementation of changes.

Percentage Increase in Compliance

- The percentage change in investors as measured by a comparison of the total number of investors and domestic business people filing request in connection with a regulatory process in a fixed period immediately following the implementation of changes resulting from the simplification initiative with the corresponding period immediately preceding the implementation of changes.
- Reducing the time or cost of the regulatory process for investors contributes to increasing compliance. The higher the number, the more successful is the simplification initiative.

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...END...

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THANK YOU FOR LISTENING



Yemi Aremu