

COMISSÃO DA CEDEAO



ECOWAS COMMISSION

COMMISSION DE LA CEDEAO

ECOWAS MSME CHARTER

Private Sector Directorate
ECOWAS Commission

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ECOWAS DRAFT MSME CHARTER

HEADING 1: GENERAL PROVISIONS

SECTION 1: OBJECTIVE OF THE CHARTER

Article 1: Overall Objective of the MSME Charter

The overall objective of the charter is to strengthen the ECOWAS MSME and upscale competitive capacity through:

- Regional capacity building programmes
- Building regional partnership platforms
- Regional entrepreneurship development
- Regional finance access facilitation
- Regional business promotion

The specific objectives include:

- Harmonisation of the definition of MSMEs
- Determination of the institutional framework for the promotion and development of MSMEs, the roles of various stakeholders and the monitoring framework

SECTION 2: DEFINITION AND CLASSIFICATION OF MSMEs

Article 2: Definitions

The term Micro, Small and Medium-sized Enterprise shall include any natural person or legal entity that produces goods and / or commercial services, and fully registered with the company, trade or business registry in compliance with prevailing regulations in the various countries. The entity should be totally autonomous and with:

- a workforce that does not exceed Two Hundred (200) permanent employees,
- an annual turnover excluding tax of not more than five million US Dollars (USD 5,000,000), or
- a level of investment less than or equal to two million US Dollars (USD 2,000,000).

The company must be legally registered and must maintain regular accounts.

The MSMEs include Micro Enterprises, Small-sized Enterprises, and Medium-sized Enterprises.

1st - Micro-Enterprise

A Micro-Enterprise is defined as a company that :

- constantly employs less than ten (10) people and achieves:
- a turnover excluding tax of less than or equal to Sixty thousand US Dollars (USD60,000), or
- a level of investment less than or equal to Six thousand US Dollars (USD 6,000).

2nd - Small-sized Enterprise

Small-sized Enterprise is defined as a company that:

- constantly employs less than fifty (50) people, and
- achieves a turnover excluding tax exceeding sixty thousand US Dollar(US\$ 60,000) and less than or equal to three hundred thousand US Dollars (USD300,000), and ,
- with a level of investment exceeding six thousand US Dollar (US\$6,000) and less or equal to Ten thousand US Dollars (USD10,000)..

Its accounts are kept in-house accounts or by an Authorized Management Centre or any other similar structure recognized in the Member State concerned.

3^o Medium-sized Enterprise

The Medium-sized Enterprise is defined as a company that:

- constantly employs less than two hundred (200) people, and
- achieves a turnover excluding annual tax of more than three hundred thousand US Dollars (US\$300,000) and less than or equal to two million US Dollars (USD 2,000,000),
- a level of investment exceeding ten thousand US Dollars (US\$ 10,000) and less

than or equal to five hundred thousand US Dollars (USD 500,000).

It keeps its accounts according to regulations within the ECOWAS region.

MSME classification criteria are cumulative. In case of any difficulties in classifying into any of the categories, the turnover criteria should be the determinant.

Under this Charter, for a company to move from one category to the other, (micro to small; small to medium and medium to large), it should maintain the turnover consistently for 3 years.

Article 3: Data specifying the definition of MSMEs

The autonomous company is one whose capital is not owned directly up to 25% by a large company or other public organization, with the exception of venture capital firms, public holding companies, and institutional investors.

The number of employees are computed based on full time equivalent and are expected to be under some form of employment contract

The year to be considered is the year of the last accounting year ended.

Article 4: Evolution of definition for MSMEs

The ECOWAS Commission shall change the ceilings set out for the turnover, the number of employees, the threshold amount for investments as often as necessary to take into account the economic developments in the ECOWAS region.

Member States are required to comply with the thresholds provided for in Article 2 of the Charter which shall reflect in their national legislation.

SECTION 3: SIMPLIFICATION OF PROCEDURES FOR SETTING UP COMPANIES

Article 5: Simplification of registration and setting up a company.

Member States undertake to:

- establish decentralised structures and places of completing company registration formalities and enable 'one-stop shop' for completing all processes required to effectively start a company
- facilitate the establishment of 'relay points' or 'outreach posts' in a decentralised structure; at Sub-national, Local Government or Community Development Council head offices that centralise all the documentary requirements, compliance verification and forwarding information and data to appropriate destination
- promote online company registration
- reduce transaction costs including the cost and time of setting up new companies

SECTION 4: ELIGIBILITY FOR THE STATUS OF MSME

Article 6: Acquiring the MSME status

The MSME status is conferred, upon request, on any company that satisfies the conditions set out in Article 2 of the Charter by the appropriate Government authority recognised by Law for such purpose.

HEADING 2: INSTITUTIONAL FRAMEWORK FOR THE PROMOTION OF MSMEs**SECTION1: COMMUNITY OBSERVATORY FOR MSMEs****Article 7: Setting up an Observatory for MSMEs in ECOWAS**

The purpose of ECOWAS MSME Observatory is to understand the structure and composition and to monitor economic activities and performance of MSME within the Community.

Article 8: Assignments of the Observatory for MSMEs in ECOWAS

The MSME Observatory shall publish an annual report that provides an overview of the situation of MSMEs in the ECOWAS region, using statistics, size of enterprises, total employment and production by company size, sectoral distribution, etc, to aid planning, policy formulation and decision making

Article 9: Commitment of the MSME Charter National Monitoring Committees (MSME-CMC), National Agencies for the Promotion of MSMEs, Directorates for MSMEs

A national monitoring committee of the charter shall be set up, which together with the MSME Development Agency and the MSME Directorate undertake to work closely with the Observatory for MSMEs in ECOWAS and make available upon request, all information needed.

The National Monitoring Committee of the Charter shall forward their annual report to the MSME Observatory not later than 31st of March of each year

SECTION 2: DIRECTORATES FOR MSMEs**Article 10: Establishing a Directorates for MSMEs**

The Member States undertake to establish, after the adoption of the Charter, a Directorate for MSMEs at the Ministry responsible for MSMEs

Article 11: Assignments of Directorates for MSMEs

The Directorates for MSMEs are responsible for implementing the Policy of the States in terms of development of Small- and Medium-sized Enterprises, especially the development of strategy for the promotion and guidance of MSMEs and contribute to the improvement of the environment of these MSMEs.

The Directorate of MSMEs is expected to participate in the drafting of laws and regulations appropriate and conducive to the development of MSMEs and the institutional arrangement in support of MSME development.

Directorates for MSMEs will lend their full support to MSMEs for their access to procurement contracts and the implementation of Late payment legislation.

The policy of the Member States for MSMEs, should be consistent with the one defined at Community level and must also comply with the provisions of the Charter

The MSME Directorate shall work closely and in synergy with the MSME Development Agency.

SECTION 3: MSME Development Agency

Article 12 : Establishment of MSME Development Agency in ECOWAS Member States

Member states will each establish a central MSME Development Agency with the prerequisite human, financial and technical capacity to carry out its duties.

Article 13 : Duties of the MSME Development Agency in ECOWAS Member States

The MSME Development Agency / Institutions will:

- Initiate projects and programmes for sustainable MSME Climate;
-
- Collect and collate data; evaluate risks and market conditions and opportunities in various economic sectors (including export and procurement)
- Monitor and evaluate the interventions of the MSME support institutions; and
- Provide Business Development Services, Technical Support Services and Business Mentoring Support schemes
- undertakes surveillance over all MSMEs which benefit from loans and funds from the Member State or even from financial institutions;
- collects, processes and disseminates information on and for MSMEs;
- assists MSMEs for the establishment or development of management tools and an accounting system adapted to their needs;
- organizes training for the managers and staff of MSMEs;
- provides support for the MSMEs to enable them to meet standards;
- contributes to capacity building of consultants operating within the MSMEs.

Article 14: Organization and functioning of the MSME Development Agency

Each member State determines the organization and functioning of its MSME Development Agency for the promotion of MSMEs and the resources to be provided to it, to enable it carry out its mandate satisfactorily. However, active partnership with the private sector is needed to augment government budgetary resources and ensure effective joint working

HEADING 3: ACCOMPANYING MEASURES

SECTION 1: ACCESS TO PUBLIC PROCUREMENT

Article 15 : Regional procurement directives and local content directives

ECOWAS undertakes to promote access to public procurement for MSMEs. This would be done by:

- Harmonizing existing procurement policies and practices; Developing documents on pricing standards and benchmark; Developing procurement guidelines for the

benefit of the MSMEs; and Active development of MSME Procurement Development Programmes, demand / supply side, and Business Process Outsourcing (BPO)..

The sub-region would:

- Develop Policy Framework for Local Content Development,
- Establish regional procurement directives; and,
- Establish national institutional framework to ensure the attainment of regional guideline capacity building and awareness creation

Transparency in public procurement would be maintained by:

- Ensuring publications of tender in National Dailies for public awareness and what level of procurement shall be for MSMEs; publishing the percentage price variance between contract unit price and international unit price for focus products cost; publishing the percentage of orders in compliance with contract criteria and percentage of procurement placed within standard time guidelines.

Procurement Directive will establish thresholds beyond which procurement must be advertised in Official Journal of ECOWAS or any other regional publication.

Article 16: Access by the MSMEs to national public procurements

Each member State and its institutions (Local Governments, Public Sector Enterprises and Parastatals) must open public competitive tender exclusively for MSMEs when the amount is equal to or less than One hundred thousand US Dollars (USD 100,000) without however influencing the procurement laws as a general rule.

Article 16b: Member States shall set aside a proportion of public procurements for MSMEs, particularly to those headed by women. The percentage thereof, to be determined by the Member state.

Article 17: Control of transparency in granting community and national procurements to MSMEs

The ECOWAS Commission shall specify the modalities for controlling transparency in awarding contracts to MSMEs. A directive would be issued in respect of both community and national contracts.

Article 18: Late Payment Legislation for protection of MSMEs

Late payment is the second greatest killer of business people outside natural causes. Many cases of insolvency, seizure, litigation and domestic upheaval are caused by late payment of MSMEs by the public sector. Sometimes the late payments are politically motivated.

In respect of public procurements, Member States undertake to pay default interests to

MSMEs at a rate which should not be less than BCEAO/EBID discount rate increased by one percentage point (1%).

The payment of these interests must be done without any formality as prescribed under the directive.

SECTION 2: PROMOTION OF CO-CONTRACTING/CONSORTIUM AND SUB-CONTRACTING

Article 19 : Co-contracting

To bid for a community or national public competitive bidding, MSMEs can enter into co-contracting/consortium agreements which will enable them to: pool together their human, financial and material resources; bid for contracts which individually they may not have the technical capacity to compete for; have access to bigger contracts; and increase the number and quality of their references, and do so in such an inclusive manner as to meet the needs for local content, local procurement, gender diversity and regional geo-political balance. Consortium Contracting will encourage regional labour mobility and enable the pooling of the best counterparts in the region and aggregating regional expertise/resources to tender for contracts and Public private Partnerships

Article 20 : Co-contracting /Consortium Contracting

Co-contracting/Consortium Contracting is compulsory for MSMEs which choose this mode of bidding for public contracts. The contract must contain:

the purpose, the nature of the grouping, the duration of the agreement, the distribution of services, rights and obligations of the members vis-à-vis the public client, rights and obligations of the common legal representative, the presentation of the offer, liability of members, financial modalities and insurance, deadlines and penalties, the consequences of default of a member of the group and legal representative.

Co-contracting/ Consortium Contracting can be concluded between two or several MSMEs, either in a Member State or in two or several Member States. However, to be valid in the ECOWAS Community, it must be registered at no cost at the competent Departments of a member State of the Union.

Co-contracting instrument is compulsorily attached to the tender made by the group of signatory MSMEs.

Article 21: Nature of the consortium

The co-contractors may be “joint” or “several”. Each MSME member of the consortium shall be committed to the part it executes, whereas in the joint and several liability consortiums, each member MSME is committed to the whole contract.

Article 22 : Joint legal representative

The parties to the co-contracting/ consortium are to appoint a common legal representative whose responsibilities shall be the following: present the tender, represent the group vis-à-vis the government, present draft interim settlements, claims, apportion possible penalties, receive instructions from the principal, ensure that the co-contractors/consortium members comply with obligations relating to the working conditions.

Article 23 : Sub-contracting

To enable the MSMEs to gain access to public or private contracts, Member States should encourage sub-contracting.

Article 24: Sub-contracting of public contracts to promote local content

The major national and international companies that win community or national public contracts, equal to or in excess of an amount of Four Million US Dollars (USD4,000,000) must subcontract part of that contract to MSMEs and demonstrate a commitment to do so by inclusion of local partners in the tender.

The directive, provided for in Article 23 of the Charter shall specify the control arrangements for the implementation of this provision.

Article 25: Sub-contracting of private contracts

Consistent with local procurement directives, Private sub-contracting may concern:

- Specialized domain: the contracting company without the necessary know-how to manufacture the product or execute the contract may bring on board a specialized MSME with the requisite technical capabilities and competence in that operational domain;
- Capacity : the contracting firm may bring on board an MSME, either occasionally , as a result of a high increase in activities or, where a more or less frequent incident occurs with the object of maintaining its own capacity in a specific manufacturing, it may want to use the production capacities available elsewhere ;
- Contract: the company contracts an MSME as a Project manager.

The Member States promote the emergence of a genuine sub-contracting fabric by providing support for the establishment of a Sub-contracting Exchange at the national level, the objectives of which may be to contribute as much as possible to a more rational and full use of existing capacities by projecting the actual potential of MSMEs and to assist them in the area of management and quality control to ensure that they respond favorably to sub-contracting bids of the major national and foreign companies.

Article 26: IMPLICATIONS FOR ECOWAS FREE MOVEMENT, JURISDICTION AND ARBITRATION

Amendment of the protocol on Free Movement of People, goods and services and rights of establishment to reflect the labor, goods and capital mobility, consequent upon the implementation of regional procurement contracts.

The primary jurisdiction of the contracts involving companies of other member states shall be the issuing country but ECOWAS Court of Justice may have appellate jurisdiction, in appropriate circumstances, especially when the Member State's judicial system has been substantially exhausted.

Arbitrations will follow ECOWAS guidelines on Arbitration.

SECTION 3 : PROMOTING NON FINANCIAL SERVICES

Article 27 : Developing non-financial services market

In order to improve the performance of MSMEs and enhance their competitiveness, the MSME Development Agencies should do their best to support the development of non-financial services market adapted to the needs of MSMEs.

Article 28: Non-financial services: guidance, assistance, advisory services to MSMEs

The national agencies engaged in promoting and developing MSMEs are to put together non-financial services adapted to each life cycle of MSMEs. These include, without limitation: preparation of business plans; financial coaching; establishment of strategic and financial diagnostics ..., technical assistance regarding the institution of management accounting and reporting indicators for monitoring the key performance indicators of MSMEs; training; marketing/research: surveys, assisting in marketing market products; up scaling; standardization.

They are to create electronic tool kits comprising access to useful information and management assistance tools.

Article 29: Guidance of youth entrepreneurs / Embedding business Mentoring Service

The youth entrepreneurs who receive loans as part of the plan for the creation and development of MSMEs, particularly through special funds established by the member States, must be guided by a Business Mentoring operator (consultant/consultancy service), in terms of training and monitoring of activities for at least twelve (12) months.

The operator is selected and paid, either by the fund management structure concerned or by the National MSME Promotion Agency set aside for capacity development.

Article 30: Guidance on setting up and encouraging proliferation of quality sector based and cross-sectoral BDS Service Providers

Proliferation of quality assured Sector based, cross sectoral and social enterprise BDS Service providers could assist the migration of informal to formal sectors and as well as build industrial and commercial capacities of Member States and contribute substantially to wealth creation, employment generation and sustainable poverty reduction.

Encouragement and facilitation of the emergence of a multiplicity of Private Sector based and geographically biased sector Business Development Services (BDS) to provide value chain support program along with Quality Standards and Quality Accreditation and assessment and assurance services.

Article 31: Guidance on Formation of National Association of BDS Service Providers.

The MSME Development Agency and other relevant authorities including organized private sector and sector champions shall encourage the set-up of National Association of BDS Providers

Article 32: Guidance on Formation of Regional Association of Business Development Agencies.

ECOWAS Private Sector Directorate shall cause to be established network of MSME Development Agencies of West Africa.

Article 33: Guidance on Formation of Regional Association of BDS Service Providers.

ECOWAS Private Sector Directorate shall cause to be established network of MSME Business Development Services Providers of West Africa. This will be instrumental in identifying national and regional actors along selected regional value chains.

SECTION 4 : ACCESS TO LAND, DEVELOPED SITES, BUSINESS NURSERIES AND INCUBATORS

Article 34 : Access to infrastructure, land and business/industrial premises

The Member States, Sub-national and Local Governments shall ensure the facilitation of access by MSMEs to land. In this regard, member States, Local Governments simplify the procedures for allocating land for the implementation of business activities by reserving a quota of lands to MSME, particularly in Clusters, Industrial and Commercial estates.

The Member States, Sub-national and Local Governments and other public entities shall ensure the facilitation of access by MSMEs and use best effort to meet the demand of MSMEs looking for land to carry out their business activities within a maximum period of ninety (90) days from completing the formalities.

Article 35 : Access to developed sites

The Member States, Sub-national and Local Governments undertake to develop free trade zones and Industrial and Commercial Clusters exclusively meant for business activities, provide common infrastructure and facilitate access to sites by MSMEs in terms of procedures and possible cost of access.

Article 36: Access to business nurseries and incubators and Protective Sheltered Environment

The Member States, Sub-national and Local Governments commit themselves to creating supporting business incubators and nursery structures for entrepreneurs and creators of businesses by hosting, guiding and providing various services for them.

The Member States, Sub-national/ (Decentralized Collectivities) and Local Governments also encourage the creation of business incubators through public/private partnerships. For this reason, they provide sites to private businesses desiring to create incubators and grant incentives and Social Landlord (Developer) status to such PPP Investors.

When the business incubators are created by the local governments or private businesses, an agreement will be concluded with the Member State and it will commit the local government or the private promoter to guarantee for at least twenty (20) years, the status of an incubator concerning hosting and guiding groups of MSMEs. Failure to comply with this deadline would mean that all the benefits shall be calculated and paid back.

This agreement shall determine the rights and obligations of the incubator and the benefits that it will receive.

The duration of stay for MSMEs in an incubator shall be determined by the hosting agreement, but flexible and shall normally not go beyond four (4) years.

The MSMEs hosted in an incubator manage their activities independently. They can however enjoy the common services provided by the Secretariat such as photocopying,

reception of visitors, telephone switchboard, high speed internet facilities, provision of meeting and conference halls equipped with sound systems, hiring of overhead projectors etc.). The States, through the relevant Ministries, Department and Agencies in charge of Finance and MSMEs exercise control over the activities of incubators in order to avoid diversion from the objectives.

Some specialized incubators may have access to specialized equipment for hire or leasing and could have capital intensive and highly technical equipment such Computer Aided Manufacturing (CAM), Computer Aided Design (CAD), Computer Numerically Controlled (CNC), Lathe and Spare parts drilling machines etc

The Governments shall commit themselves to the establishment of business incubators, particularly in order to promote the emergence and concrete realization of innovative business creation projects for harnessing skills and laboratory results of public research institutions and higher education.

Article 37: Access to self-help groups, co-operatives / social enterprises

Member states should stimulate the formation of self-help groups and co-operatives / social enterprises in member states, financial literacy and capacity building programmes for start-ups with special emphasis on business plan preparation and pro-active support in accessing finance should be introduced.

The formation of these groups would guarantee: ease of access to funding, technical and market opportunities; formation of enterprise clusters; enterprise sustainability; and encouraged rural economic development.

HEADING 4 : MEASURES FOR THE FACILITATION OF MSMEs MIGRATION FROM THE INFORMAL SECTOR TO THE FORMAL SECTOR

Article 38: Measures to migrate MSMEs from the informal to the formal sector

In order to promote the migration of MSMEs from the informal sector to the formal sector, the member States take measures consisting, among others, of:

- reducing the cost of establishing businesses;
- facilitating the establishment of MSMEs that formalize their operations in the business zones and incubators provided for in Articles 35, 36 and 37 of the Charter;
- create a single annual tax payable in several installments for the micro and small business enterprises as defined in Article 2 of the Charter and which take an individual form and reduce the declaration into a simplified formality;
- creating opportunity for Tax based Self-assessment and reviewing after three (3) years;
- facilitate the training of the managers of micro and small-sized businesses which formalize their operations to enable them to have simplified management tools and cause them to take advantage of monitoring and guidance at least for one year. All or part of the training costs; guidance and monitoring must be absorbed by the National MSMEs Promotion Agencies;
- Providing small grant scheme requiring opening bank account, Tax Identification number (TIN) and three (3) years Tax Clearance as access condition.

HEADING 5 : MEASURES FOR FINANCING MSMEs:**REGIONAL SMALL LOAN GUARANTEE FUND FOR MSMEs****Article 39: Enhanced access to finance**

ECOWAS in collaboration with member States shall create a conducive environment for facilitating enhanced access to Finance / credit for MSMEs. This shall be in areas of micro-credit funds, credit guarantee/risk mitigation, micro-finance institutions/credit unions, small grants schemes, insurance, leases/hire-purchases etc.

Article 40: Credit lines to MSMEs

The Member States, in collaboration with National or international monetary and financial institutions, development partners shall put in place credit lines accessible to and meant for financing investments, operating funds for MSMEs being established and developed

Article 41: Equity financing and bond market for MSMEs (MSME exchange)

Regional bodies and Member States to create equity financing and bond market for MSMEs and other suitable financial instruments (MSME exchange). Member States should develop long term financing policy and regulatory structure for MSME securities exchange; Study visits to several Asian countries that currently operate the model; develop guidelines and other necessary operational details for the setting up of MSME exchange; and conduct capacity development for MSME capital market regulators, MSME stockbrokers / dealers and MSMEs within the region.

Member States should also articulate liquidity guarantee mechanisms to ensure that the established MSME securities exchange is vibrant. Liquidity generally ensures that the number of MSME equities on offer is reasonably high to make it interesting to potential investors.

Equity / bond trading infrastructure must be in place and relevant capacity to ensure that the MSME security exchanges effectively take-off and operate as designed will be ensured.

Article 42: Special intervention Funds, Interest-free loans and Warehouse Depository System

To facilitate the creation and development of MSMEs, the Member States support the structures provided for in Article 59 of the Charter by granting them interest-free loans or low rate and without any collateral in order to boost their own internal financial resources.

Member States shall support recognition of Warehouse Depository Financing System that grants finance against the security of goods in controlled warehouses and free resources for businesses to continue trading.

Article 43 : ECOWAS Venture Capital Companies and Fund For Innovation / Women

The Member States promote the creation of venture capital companies, which aim at taking

temporary and minority shareholding in start-up companies or those in the process of being established, which operate as MSMEs according to the principles of the Charter . These companies will enjoy favorable tax concessions.

The aim of launching this Fund for Innovation is to:

- Bridge the funding gaps of start-ups;
- Create opportunities for MSME growth;
- Increase players in MSME funding, and,
- Encourage innovation.

A second Venture Capital Fund for women would also be launched, or special window within the existing Venture Capital Fund, to:

- Address the peculiar challenges of women in accessing funds for both start-up and growth;
- Reduce enterprise mortality; and,
- Increase entrepreneurial interests of women.

Article 44: Regional or Community Financing of MSMEs

The Member States may establish at the regional or national level MSME Financing Fund provided for through capital endowments by Sub-national and Local Governments, grants by Member States, credit lines or grants by development partners. Such instrument could be jointly set up and contributed to, with Development Finance Institutions and managed for the target beneficiaries.

The Funds are meant exclusively for financing the investment needs and operations of MSMEs established in the territory.

Article 45: Promotion of lease financing

The Member States pass more incentive-driven legislations and regulations geared towards the development of leasing which enables MSMEs to acquire or purchase new equipment without collateral and backed by insurance and by making 10% to 15% down payments

Article 46: Funds dedicated to MSMEs operating in specific sectors of business activities

The Member States, Sub-national and Local Governments establish within the Banks, Decentralized Financial Systems, Regional and Community Funds, credit lines and intervention funds exclusively for disbursement to MSMEs operating in sectors for the processing and manufacture of agro-allied products, fisheries, tourism, arts and crafts, and information and communication technology and other such regional priority sectors to ensure their development.

To promote the establishment of MSMEs in the rural communities, specific credit lines shall also be dedicated to the member States, Sub-national and Local Governments.

Article 47 : Special funding window for women and youth entrepreneurs

Special funding windows for women entrepreneurs shall be established to:

- Encourage entrepreneurship growth among women in general, and particularly those in the rural areas;
- Reduce poverty; and,
- Optimal utilization of local resources.

The financing is granted under attractive terms. The amounts of minimum and maximum loans, the interest rate, the duration of the loans are determined by the Acts establishing these funds.

Article 48: Small Loans Guarantee for MSMEs

In order to facilitate access to credit for MSMEs, Member States, Sub-national Government and / or local authorities, alone or in partnership with national and international financial institutions will create a Guarantee Fund that will guarantee 50 to 80% of the principal amount of loans granted to MSMEs.

Resources from the Guarantee Fund(s) may consist of:

- Budgetary allocations;
- Liquidated commission at a predetermined rate based on the amount of the guarantee provided, which is the responsibility of the loan recipient;
- Recoveries from graft, theft and misappropriations
- Income from investments made on behalf of the Guarantee Fund(s);
- Financial institutions' allocations;
- All other resources.

The procedures for access to the guarantee funds as well as their management shall be laid down by the Act that establishes them.

Article 49: Mutual Guarantee Company and Credit Unions

Member States shall take legislative or regulatory measures to promote mutual guarantee companies and Credit Unions that aim to provide, as part of a cooperative structure, a collective guarantee to one of the members within the framework of a business operation that involves a third party.

Mutual guarantee companies and Credit Unions will enable their members to access bank

loans.

The guarantee consists of a guarantee fund endowed by member payments.

SECTION 2: FUNDING NON-FINANCIAL SERVICES FOR MSMEs

Article 50: Creation of an investment advisory service for MSMEs

To enable MSMEs benefit from non-financial services provided for in Chapter 3 of Title 3, Member States create an investment advisory service for MSMEs housed within the national agency responsible for the promotion and development of MSMEs, the MSME Development Agency.

The fund is financed by grants from Member States, and / or development partners. The mission of the fund is to finance MSMEs' non-financial service needs, especially grants for consultancy activities. The fund aims to encourage MSME managers to seek the services of consulting firms in the areas of derivatives, coaching, mentoring, assistance, advice, training, research, audits, restructuring and innovation.

The finances allocated by the fund are grants that cover 70% of consultants' fees for MSME beneficiaries, who bear the cost of the remaining 30%.

Intervention funds or Development funds targeted to MSMEs should normally allow about 5% of the fund to help target and prepare MSME beneficiaries, build capacity of intermediary services organisations and support the provision of non- financial services.

Article 51: Funding of Seed Enterprises and Incubators

Member States are funding, through their own budget or with the contribution of development partners and the private sector, the creation of seed enterprises and national public incubators.

Sub-national and Local authorities, on their own, through decentralized cooperation or even through public / private partnerships, fund the creation of local incubators.

Credit lines will be put in place by Member States and / or development partners and private sectors and channelled back on favourable terms to private sector entities that want to create private seed enterprises.

Where these lines of credit exist, to access them, private entities should have a seed enterprise project approved by the Ministries in charge of MSMEs and Finance

SECTION 3: ON COMMUNITY SUPPORT FUNDS FOR MSMEs

Article 52: Community Fund to support MSMEs

The ECOWAS Commission, with support from the Development Finance Institutions and other international donors, shall seek resources to implement a community fund to support

MSMEs within the Community.

This fund is intended to finance specific programmes such as the Regional Action Plan for the promotion and financing of MSMEs in the ECOWAS region, the creation of business incubators, targeting priority regional value chains innovation and technology. Community funds will also feed into the national investment advisory service fund for MSMEs and national guarantee funds for MSMEs.

HEADING 7 : SPECIFIC COACHING AND SUPPORT MEASURES

SECTION 1: THE ROLE OF SUB-NATIONAL GOVERNMENTS AND LOCAL AUTHORITIES

Article 53: Aid and support for MSMEs

Sub-national Governments and Local authorities, in the exercise of their functions and prerogatives and to ensure a harmonious local development, undertake to introduce any measures of aid and support for the promotion and development of MSMEs within their borders.

To this end, measures must be undertaken including, but not limited to:

- Facilitating MSME access to land, developed sites, incubators, pursuant to Articles 35, 36, 37 of the Charter;
- To contribute to the establishment within their borders, of an MSME centre, provided for in Article 62 of the Charter;
- Create financial instruments to provide the necessary resources to MSMEs for the purposes of manufacturing or development;
- Provide specific support to rural MSMEs.

SECTION 2: AID MEASURES SPECIFIC TO RURAL MSMEs (RMSMEs)

Article 54: Definition of Rural

For the purposes of this Charter, rural is defined as consisting of the entire region, population, resources, located in the countryside, therefore outside of urban areas.

Article 55: Affirmative Action (Positive discrimination) in favour of RMSMEs

RMSME's experience inequalities with regards to their operations and should have better support. To this end, Member States, together with local authorities define and implement policies to promote and develop local economic initiatives in rural areas, including the initiation of a policy of affirmative action (positive discrimination in favour of RMSMEs, already located in those areas as well as those yet to be created.

Member States may therefore decide that some areas of low economic development and extreme poverty, and where there is a lack of activities or potential that can be exploited by the private sector will be considered “rural free zones” for RMSMEs located there, with the advantage of tax exemptions for a period to be determined by the Member State.

Member States, in conjunction with Sub-national and local authorities, support RMSMEs to pool their shares to market their products in urban centres.

To this end, produce conditioning; product aggregation, drying, preservation and storage premises and strategic reserves are built and made available to the RMSMEs.

Member States, in conjunction with Sub-national and local authorities, incentivise marketing, super stores, food processing companies, marketing boards and commercial farmers to engage rural farmers (RMSMEs) in out-growers schemes and integrate them to regional and global supply chains.

SECTION 3: THE ROLE OF EMPLOYERS AND PROFESSIONAL ORGANIZATIONS

Article 56: The role of employers and professional organizations

MSME employers and professional organizations are involved in the designation and implementation of aid and support measures for MSMEs.

Umbrella MSME employers (Employer Networks) and professional organizations shall benefit from programmes to strengthen their technical and organizational capacity to better educate MSME managers on the need for support services relating to the development of their businesses.

This capacity building will be accompanied by a general improvement of access to information in all areas that affect their members’ activities, including national and community legislation, sectorial policies affecting MSMEs and the policies implemented to benefit MSMEs.

SECTION 4: THE ROLE OF ORGANISED ECOWAS REGIONAL BUSINESS ASSOCIATIONS

Article 57: Role of the ECOWAS Regional Business Associations.

The ECOWAS Regional Business Association currently set up includes:

- Federation of West African Chamber of Commerce and Industry (FEWACCI)
- Federation of West Africa Manufacturers Association (FEWAMA)
- West Africa Bankers Association (WABA)
- Federation of West Africa Employers (FOPAO)

- Federation of ECOWAS Business Women Enterprises

These regional business associations work together deliver effective private sector engagement in the ECOWAS regional integration process, by:

- The participation in the advocacy and debate on the integration process and the implementation of the reforms adopted by the competent organs of the Community;
- The promotion of trade and investment in the Community;
- Technical support for national business networks and other members.

As part of the MSME promotion strategy within the Community, the regional business associations:

- Can and should take the initiative on suggestions and proposals in all areas and on all issues relating to the promotion of MSMEs;
- Will advise on improving the institutional and economic environment of MSMEs, either of its own volition or at the request of the Commission;
- Provide support to the Community's MSME Agency.

The regional business associations, in the context of MSME promotion strategy will have to undertake measures to:

- Facilitate the formalization of informal MSMEs;
- Identify, through research, niche markets to attract investment for the creation of MSMEs;
- Supporting MSMEs engaged in international operations;
- Encourage professional groupings between MSMEs and propose strategies for the development of their activities;
- Contribute to improving the management and profitability of existing MSMEs.

SECTION 5: THE ROLE OF PRIVATE MSME SUPPORT STRUCTURES

Article 58 : Establishment of Regional Associations to support MSMEs

Establishment of Regional Association of Women Entrepreneurs and strengthening the capacity of existing ones. This would lead to: strengthened and sustainable women groups; improved recognition of women as critical group of any economy; improved socio-economic and political relevance of women in the sub-region; and, exploitation of all economic opportunities.

Article 59: Creation of private structures to support MSMEs

The MSME Development Agency and relevant Government Departments and Organised Private Sector should help in setting up sectoral and cross-sectoral business development service providers to bring diversity, complementarity and wide sector coverage in business development provision, who in turn, will work with wide variety of micro-finance institutions and credit union.

Member States promote the creation of private structures: associations and foundations whose purpose is to promote the creation and development of MSMEs, at local, regional, national and community levels. Their activities may include:

- Making available to MSMEs, technical assistance, specialized advice, information and training for the creation, setting up and development of businesses, coaching and mentoring;
- Putting measures in place to facilitate the financing of MSMEs, particularly in the form of guarantee funds, investment funds, mutual guarantees or “honour loans” (unsecured and interest-free);
- Implementation of measures for land development and professional premises, creation of business incubators and seed enterprises.

These structures can play the role of operator in the framework of the implementation of programmes initiated by the National MSME promotion agencies or development partners.

Article 60: Public Interest Status

The structures provided for in Article 59 of the Charter, legally constituted and operating under their statutes, for at least three (3) years after their establishment, may apply for recognition of public utility status, in accordance with the legal and regulatory provisions of the Member State.

Notices from the MSME Directorate and the National Agency for MSME Promotion of Member States concerned are required by the government before any recognition.

SECTION 6: THE ROLE OF APPROVED MANAGEMENT CENTRES (AMCs)**Article 61: Support of MSME AMCs**

AMCs enable MSMEs to better monitor their activities and to have reliable accounting records that can be submitted to financial institutions, including banks and leasing companies.

Member States shall establish a legal framework to promote the creation and development

of Approved Management Centres, AMCs.

AMCs' mission is to assist their members in management and accounting. To this end, they develop, especially on behalf of their members, annual financial statements, and tax and social security returns.

In order to encourage MSMEs to benefit from AMC services, Member States must allow the micro and small enterprises categories as defined by the Charter to adhere to AMCs and make them eligible for substantial tax benefits.

In order to make the membership costs accessible for micro, small businesses, governments, local authorities must grant subsidies to AMCs.

SECTION 7: CREATION OF MSME CENTERS

Article 62: MSME Centres/Business Innovation Centres

The MSME Centre or Business Innovation Centre is created in each region of the Member States by the National Agency for MSME development, in partnership with local authorities, with the aim of providing technical assistance to MSMEs, project leaders as well as to entrepreneurs who, while developing a business, cannot afford private consulting services, in order to contribute to the development of a local viable MSMEs framework. The MSME Centres or Business Innovation Centres are most effective with a Board of critical stakeholders which include: MSMEDA, Chamber of Commerce; Manufacturers Association; University/Higher Technical Institution; Research and Development Agencies (including Agriculture, raw material research); Agency responsible for technology acquisition, adaptation and transfer; Women Business Association; Industry Leaders and Development Finance Institutions etc. This alignment promotes joint working, an integrated approach, partnership development and effective mobilisation of domestic resources.

Article 63: Missions of MSME Centres

MSME Centres will aim to inform, guide and support innovators and entrepreneurs within the informal and formal sector:

- Information on the legal, fiscal and social business environment, the procedures for setting up businesses, benefits and incentives aimed at them, possible settlement sites, including incubation units and industrial/commercial clusters.
- Information on business sectors, niche markets;

Information and help with packaging inventions, registering patents and trade marks, identifying markets for innovative products, matching and securing equity and joint venture partners etc

- Information on the authorizations required to implement various activities
- Orientation towards structures better adapted to the needs of the innovator or entrepreneur, particularly in terms of researching funding;
- Coaching in the project feasibility studies phase; assistance with tackling business creation procedures;
- Mobilization, by officials in neighbourhoods, of economic actors in order to encourage entrepreneurship, innovation, creativity among the general public.

SECTION 8: THE ROLE OF UNIVERSITIES, COLLEGES, AND RESEARCH ORGANIZATIONS

Article 64: The role of universities, colleges, research organizations

Member States will:

- Support applied research in colleges, professional training centres, universities and research centres to facilitate technology acquisition, adaptation and transfer to MSMEs;
- Engagement with MSME Centre/Business Innovation Centre is a clear entry route that allows higher institution innovation spin offs to find application and routes to market.
- Develop and promote meetings between research laboratories and MSMEs, including the creation of discussion platforms focusing on researchers and businesses to promote the sharing of resources;
- Strengthen technology transfer and dissemination of technology, multiplying training tailored to MSMEs to help them translate their technical needs into research projects, the linking of MSMEs with research centres;
- Increase and / or strengthen universities' research capacity and target their competence towards the creation and management of MSMEs;
- Introduce entrepreneurship spirit in education programme
- Adapt education programmes to business needs;
- Developing procedures for the integration into MSMEs of researchers of different skill levels.

SECTION 9: INNOVATION MEASURES

Article 65: Community measures in favour of innovation and technology

Strengthening the innovation capacity of MSMEs is essential to meet the challenge of competitiveness. ECOWAS Commission will work towards the development of a culture of innovation and support the efforts of MSMEs that want to innovate and access existing innovative technologies and equipment. To this end, ECOWAS Commission will set up a Community Programme for Innovation and Technology (CPIT), to support cross fertilisation of innovative ideas, investments in innovation and technology activities for MSMEs.

Article 66: National measures for innovation

Member States shall take all necessary measures to support MSMEs that want to innovate and bring innovative ideas and products to market.

Member States shall, among others, effectively use the African Intellectual Property Organization (OAPI), which includes, among others, many Member States of ECOWAS and is responsible for issuing titles of protection for human industrial Property (protection of inventions and technological innovations, brands of products and services, industrial designs, trade names) and to render services related to the protection of intellectual property rights.

The National Liaison Structure (SNL) of OAPI, under the supervision of the Ministries of Industry of Member States, will provide assistance to MSMEs to protect their innovations by:

- The provision of scientific and technical information;
- Support for the establishment of protection application files;
- The organization of training seminars for their leaders;
- The defence of their industrial property rights and ensuring their enforcement for violations from within or outside the ECOWAS Community.

The National Agencies for the promotion of MSMEs should provide support to MSMEs for the use of innovation advisory services and innovation support by covering all or part of all related costs. They should also engage appropriate agencies in Member State responsible for technology acquisition, adaptation and transfer as well as those Agencies responsible for raw material research etc

SECTION 10: MEASURES FOR THE PROMOTION OF MSMEs IN PRIORITY AREAS ECOWAS ECONOMIES

Article 67: Measures for promoting MSMEs in the primary sector

Recognized MSMEs operating in the sectors of agriculture, livestock, fishing, or fitness activities, preservation and processing of local products of plant origin, animal or aquatic resources, will benefit from, in addition to special measures, aid provided by the Charter,

from predetermined tax and customs gains in the ECOWAS directives.

Article 68: Measures promoting MSMEs in the craft sector, creative and cultural industries

Member States, Sub-national and Local Governments and local communities support micro and small enterprises in the artisanal sector according to the ECOWAS strategy for the development of the Handicraft industry.

Member States, Sub-national and Local Governments and local communities support micro and small enterprises in the Film, Music, Creative and Cultural Industries

Article 69 : Measures to Support MSMEs in Post-Conflict Areas

The member states shall support MSMEs in post conflict areas to encourage local resource development and provide funding and subsidized delivery of Business Development Services to MSMEs.

SECTION 11: SUPPORT MEASURES FOR AILING MSMEs

Article 70: The Ailing MSME

An ailing MSME is one that is not able to contain, with its own funds or its owners' funds, the losses that will almost certainly lead to its failure in the short or medium term.

MSME trouble can also come from the lack of technology upgrading or adequate equipment, lack of mastery of the manufacturing process, its leader's lack of training, market failure, inadequate fiscal protection of infant industries, monetary policy shocks, attack from foreign imports or dumping of sub-standard good, withdrawal of credit by financial institutions, etc. It could also result from public debts owed private companies, high exit barriers, rigid business transfer processes and other regulatory constraints.

Article 71: Measures to support ailing MSMEs

Member states create procedures to support the revitalization of distressed MSMEs. The strategy is built around support for restructuring / recovery and insolvencies.

When troubles arise from the lack of regulation of public debts of MSMEs, the Member State shall take the necessary measures to accelerate the payments due by the Administration or one of its branches.

When difficulties arise from the accumulation of public debt on MSMEs, in particular resulting from taxes, the Member State shall take appropriate measures (moratoria, removing penalties, suspension and tax relief...) to avoid the disappearance of the distressed MSMEs.

The National Agency for MSME Development and other relevant Agencies of Government,

will provide the distressed MSMEs with all its support and assistance in the research and implementation of solutions, including making available the necessary expertise to develop a recovery plan and possibly supporting the solicitation of funds or guarantees.

The recovery plan must restore, within a reasonable time, the long-term sustainability of the struggling MSMEs.

Member States shall activate procedure that prevent cessation of business activity in appropriate circumstance and to permit discharge of the MSME liabilities through an agreement with creditors in financial situation that is difficult but not irreparably compromised.

In all cases, the distressed MSMEs may benefit from the tax incentives provided for in this MSME Charter.

Article 72: Conditions to benefit from support measures

To benefit from the support, the distressed MSMEs must:

- Have existed for at least three years;
- Having fulfilled all its obligations under the Charter;
- Have a recovery plan approved by the National Agency for the promotion of MSMEs;
- Take the written commitment to fully implement the approved restructuring plan and observe the conditions of the license.

HEADING 8: FISCAL MEASURES

SECTION 1: TAX SUPPORT FOR MSMEs

Article 73: Tax breaks for new MSMEs

Member States grant new MSMEs, an exemption from tax or license assimilated, at least for the first year of creation, regardless of their legal structure.

Article 74: Tax incentives for distressed MSMEs

Tax and Treasury authorities of Member States give distressed MSMEs tax incentives that may include, among others, payment terms, rebates, delayed penalties, suspensions and tax breaks.

To qualify for the aid, the distressed MSME's recovery plan must be supported and managed by the National Agency for MSME development

Article 75: Tax breaks for MSMEs that joined the Chartered Management

Centres

Member States, adopting legally approved management centres in Member States of ECOWAS determine the tax benefits due members of the Approved Management Centres (AMC).

In order to encourage MSMEs, especially in the informal sector to adhere to the AMCs, States are obliged to grant substantial tax benefits to members.

Article 76: Tax incentives for MSMEs that reinvest all or part of their profits

Member States grant MSMEs a tax exemption based on the profit, which they have allocated towards investment either in research, innovation, or the purchase of new equipment.

Article 77: Tax and customs support for the establishment of seed enterprises and incubators

In order to facilitate the emergence of a framework of incubators that charge reasonable rates to MSMEs, Member States grant tax and customs facilities to public and private founders of seed enterprises and incubators, which will be founded by the granting of tax and customs benefits that may be decided upon by the ECOWAS Commission .

Article 78: Tax breaks for companies that support recognized public utility structures

Member States are obliged to make provisions to allow regarding income Tax on profits, the deductibility of donations to public utility Structures that support MSMEs as provided for in Article 61 of the Charter, and which are of public benefit.

SECTION 2: SIMPLIFIED TAX RETURNS FOR MSMEs**Article 79: Simplification of tax returns for MSMEs**

The complexity of the tax system of the Member States, cumbersome procedures, the large number of claims are part of the reason MSMEs can hardly meet their tax obligations.

Member States shall ensure that their tax administrations simplify mandatory declarations for MSMEs, set up an administrative organization adapted to the fiscal management of MSMEs that are not subject to the regime of synthetic tax or simplified tax system.

HEADING 8: LIABILITIES AND OBLIGATIONS OF MSMEs**SECTION 1: GENERAL PROVISIONS****Article 80: Compliance with commitments and obligations**

MSMEs that benefit from of the measures of facilitation and support provided by this

<p>Charter are required to comply with all the commitments and obligations which they have undertaken.</p>
<p>Article 81: Loss of benefits</p> <p>Failure by the beneficiary MSMEs to meet the commitments and obligations, may results in the loss of all benefits granted.</p>
<p>SECTION 2: TRAINING MANAGEMENT AND STAFF OF MSMEs</p>
<p>Article 82: Commitment to benefit from training</p> <p>MSMEs wishing to receive training assistance, including the management of costs related to it, under Article 52: (Creation of an investment advisory service for MSMEs) of the Charter, must respect the commitments to create a minimum number of jobs as provided for in Article 2 of the Charter</p> <p>MSMEs seeking assistance in the training of its employees must justify that they have an employment contract and wages paid to them that are at least equal to the minimum provided by the pay scales of collective agreements or Governments established minimum wage.</p>
<p>SECTION 3: ON COMMITMENT OF MSMES TO RESPECT LABOUR REGULATIONS</p>
<p>Article 83 : Respect for labour regulations</p> <p>MSMEs who are beneficiaries of the assistance measures and support provided by this Charter undertake to respect all labour regulations in the member states where they are located and also the applicable collective agreements within the region.</p>
<p>SECTION 4: ON OTHER COMMITMENTS OF MSMES</p>
<p>Article 84 : Compliance with Standards</p> <p>MSME beneficiaries of grants or support measures must meet the standards enforced by the Regional Body in their sectors.</p>
<p>Article 85 : Compliance with commitments related to financial grants</p> <p>MSMEs recognized under this charter and who received facilitation measures for access to funding, undertake to respect all commitments, including repayment of the loans by the due date.</p>
<p>SECTION 5: COMPLIANCE WITH LEGAL, FISCAL, ACCOUNTING OBLIGATIONS AND QUALITY STANDARDS & QUALITY ASSURANCE FRAMEWORK</p>
<p>Article 86 : Compliance with legal and fiscal obligations</p>

MSMEs undertake to fulfil their legal and tax obligations as required.
<p>Article 87: Compliance with accounting standards in financial reporting</p> <p>MSMEs undertake to keep regular and reliable accounts and ensure full transparency in the production of all financial statements.</p> <p>They undertake to submit a copy of their financial statements to the appropriate regulatory authority of the Member State in which they are located, at the end of each accounting year.</p>
<p>Article 88: Sanctions for non-compliance</p> <p>MSMEs that do not comply with their commitments shall be made to face the full wrath of the law of the member state in which they are located.</p>
<p>Article 89. Compliance with Quality standards and Quality Assurance Framework</p> <p>The MSME Development Agency shall cause to be established with relevant Agencies of Government, appropriate quality standards and quality assurance framework, (drawing from relevant ISO- and BS- standards specifications and international best practices), for:</p> <ul style="list-style-type: none"> • MSME Quality Initiative (Quality Framework for Business Development Service Providers) • Investor in People Status (recognition of companies that are committed to investing in their staff) <p>Organisations submitting themselves for assessment shall first carry out “self-assessment” and organise advisory visits before the full assessment. Certification is valid for 3 years before reassessment.</p>
HEADING 9: MONITORING OF THE CHARTER AND FINAL PROVISIONS
SECTION 1: ON MONITORING OF THE MSME COMMUNITY CHARTER
<p>Article 90: Creation of the MSME Charter’s National Monitoring Committee (MSME-CMC)</p> <p>In each Member State, a Charter monitoring structure designated "National MSME Charter Monitoring Committee MSME-CMC" will be created.</p> <p>The MSME-CMC will be placed under the authority and supervision of the Minister of MSMEs and will integrate MSMEs observatory of each Member State.</p>
<p>Article 91: Composition of MSME-CMC</p> <p>The MSME-CMC comprises firstly, all the governments and structures whose activities</p>

relate directly or indirectly to MSMEs, on the other hand, employers and professional organizations representing MSMEs, representatives of the National Association of Community local. The list of members is fixed by a decree of the Minister of MSMEs.

The Office of **MSME-CMC** comprises:

- Chairman: The Minister in charge of MSMEs or his representative
- Vice-Presidents:
 - The President of the Union of Chambers of Commerce, Industry and Agriculture
 - The President of Manufacturers Association
 - The President of a representative MSME employers' organization
 - The Director of the MSME Directorate
 - The President of the network of Women Business Owners
- Rapporteur: The Director General of the MSME Development Agency

Article 92: MSME-CMC Headquarters

The **MSME-CMC** will be housed in MSME Development Agency or the MSME Directorate in each Member State.

Article 93: Duties of MSME-CMC

The **MSME-CMC**'s main mission is to ensure compliance and enforcement of the provisions of the Charter. It is responsible for:

- Receipt of applications for recognition of MSMEs and the issuance of certificates of recognition; where appropriate
- Monitoring the qualitative development of MSMEs recognized by the Charter;
- The establishment and monitoring system and an information and communication plan as a basis for interaction between the government, the public, MSMEs and partners;
- Receive annual MSME financial statements;
- To provide all assistance to MSMEs in order to resolve all governmental issues;
- Initiate all consultations related to the future of MSMEs;
- Pronounce the loss of quality of MSMEs;
- Develop an annual report;
- To forward the Annual MSME Observatory Report to the Community every year.

Article 94: MSME-CMC Operations

The **MSME-CMC** meets once a month and as many times as necessary in extraordinary sessions convened by its President.

The **MSME-CMC** may use any resource person whose competence or experience is

deemed relevant.

CHAPTER 2: ON FINAL PROVISIONS

Article 95: Miscellaneous Provisions

The ECOWAS Commission undertakes to take the necessary measures to ensure that the definition of MSMEs, set out in Article 2, applies to all programmes managed by it in which MSME terms are mentioned.

For a transitional period, all current Community programmes, which define MSMEs according to different criteria from those set forth in Article 2 of this Charter, will continue to exist and benefit companies which, upon adoption of this programme, were considered MSMEs.

Any changes in this programme, in the definition of MSMEs, will be made only by adopting the definition contained in the present Charter by replacing the divergent definition with a reference to the Charter. These transitional arrangements will in principle end at the latest one (1) year after the entry into force of this Charter.

Article 96: Review of the Charter

This Charter should be reviewed and updated every five years

Article 97: Implementation of the Charter

ECOWAS Commission should ensure, in conjunction with the Member States and the Organised Private Sector, the implementation of this Charter

Article 98: Signatories to the Charter

Republic of Benin Republic of Burkina Faso Republic of Cape Verde

Republic of Cote d'Ivoire Republic of The Gambia Republic of Ghana

Republic of Guinea Republic of Guinea Bissau Republic of Liberia

Republic of Mali Republic of Niger Federal Republic of Nigeria

Republic of Senegal Republic of Sierra Leone Republic of Togo