

# POLICY FORMATION TOWARDS INFRASTRUTURE DEVELOPMENT IN ECOWAS: EVIDENCE AND RESULTS

William Kwame Eduful Dadson, Ph.D

Lincoln University of Pennsylvania, Lincoln University, Pennsylvania, USA

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**Abstract:** Infrastructure development, is an essential ingredient in economic growth, poverty reduction and ensuring broader development goals in any economy. The purpose of this paper is to assess the infrastructure policies and funding programs of ECOWAS that would enable it to achieve its economic objectives. Article 3, Section 1 of ECOWAS Treaty, stated” The aims of the Community are to promote cooperation and integration, leading to the establishment of an economic union in West Africa ; to raise the living standards of its peoples; maintain and enhance economic stability, foster relations among Member States and contribute to the progress and development of the African Continent.” Our research findings indicate that ECOWAS has established infrastructure policies and funding sources which reflect ECOWAS’ infrastructure implementation plans for Information and Communication Technology, Transport, and Energy. However, the programs fall short of Public-Private Partnerships (PPPs) imitative. The four major obstacles to infrastructure development in ECOWAS are insufficient investment financing in transport and energy sub-sectors stemming from inadequate Government budgets and prioritization; limited mobilization of potential investment financing from the vast regional natural resources base; inefficient management structures, discordant frameworks due to lack of requisite technical human resources; and limited regional dimensions to national infrastructure development. Currently, ACOWAS is receiving some funding from Infrastructure Consortium of Africa (ICA), and other sources. It is estimated that the continent’s infrastructure needs per year is \$130– 170 billion; with a financing gap in the range of \$68–\$108 billion; to bridge this gap ECOWAS will need to initiate PPPs.

**Keywords:** Infrastructure, Economic Development, Consortium, Integration, Strategically, Implementation, Cross-border, Communication, and Technology.

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## I. INTRODUCTION

Economic Communities of West African States (ECOWAS) is an economic Union of 15 West African States formed in 1975. Its main purpose at inception was to promote economic integration among its members; and strategically facilitate the development of infrastructure for the attainment of a competitive business environment and investment. It is important to note that given the complexities and sizes of the countries within ECOWAS, the group could benefit from a joint effort in an integrated infrastructure development. A provision that will increase the scale of infrastructure construction, operation, and maintenance; particularly in an attempt to achieve economies of scale in the power, transportation and Information and Communication Technologies (ICT) sectors. For instance, big hydropower projects that would not be economically viable for a single country make sense when neighbors share the costs and benefits (Ranganathan & Foster, 2011).

In their paper, Ranganathan, and Foster (2011), made the following observations about the makeup of ECOWAS. First, infrastructure within the 15 ECOWAS countries ranks consistently behind Southern Africa across a range of infrastructure indicators. However, in some areas such as access to household services—water, sanitation, and power—the differences between ECOWAS and the leading region, SADC, are not significant. On the other hand, the gaps with respect to electricity generation capacity, as well as road and telephone density, are much more substantial. Second, with its large

number of small, isolated economies, ECOWAS 'economic geography is particularly challenging. Third, of the 15 member countries, three are landlocked, 8 have fewer than 10 million people, 11 have a gross domestic product (GDP) of less than \$5 billion per year, and 6 rely on transnational river (Ranganathan,R., & Foster,V.,2011).Under these conditions, regional integration is the only likely way to overcome these handicaps and allow ECOWAS member states to participate in the global economy. Further, integrating physical infrastructure is both a precursor to and enabler of deeper economic integration, thereby allowing countries to gain scale economies and harness regional public goods; infrastructure sharing will solve problems of small scale and adverse location; while joint provision increases the scale of infrastructure construction, operation, and maintenance (Ranganathan,R., & Foster,V.,2011

On March 6, 2017, Dr Antoinette Weeks the Commissioner for Infrastructure of the ECOWAS Commission, condemned the poor transport infrastructure and services in West Africa; as well as the poor access of the population to energy at an affordable cost. He made this declaration in Dakar, Senegal at the opening of the 3rd meeting of the Steering Committee for the implementation of the Development and Financing of ECOWAS Transport and Energy Sectors (Weeks, A. FODETE-ECOWAS.2017). ECOWAS recently celebrated its 40th Anniversary and its record indicates that it has been able to restore peace, contain conflicts, dealt with rigged elections, facilitated free movement of people; however, it has failed in infrastructure development .Yet there is also a broad recognition that the initial aspirations have not been met. Overall progress in the actual implementation of ECOWAS policies in core areas such as trade, economic and monetary cooperation, energy and social development has been limited (ECOWAS, 2015). This paper examines the existing information on policies and financing programs put in place by ECOWAS to ensure its infrastructure development. The first section deals with the review of literature on regional economic integration ; second section, the State of Infrastructure in ECOWAS ;section three, ECOWAS Infrastructure policy and projects; fourth section, Sources of Funding for ECOWAS' infrastructure Development; and fifth section, PPP as a Potential Source of Funding for ECOWAS' Infrastructure Development; and finally, conclusion and recommendations

## II. REVIEW OF LITERATURE

Regional integration and cooperation have long been looked upon as means of economic development in Africa as well as been vital to tackle development challenges that cannot be solved at a national level. Literature on the role of infrastructure and its essence in the development of an economy was presented by development economists like Hirschman, Hoffman, and Rostow who have expressed their ideas about the role of infrastructure in economic development. For them, infrastructure is a pre-condition for economic development in general; and that the regional growth theories, and interrelated theories on locational aspect of development, centers round the infrastructure development of those areas (Hirschman, 1958; Rostow1964). Hirschman sees regional integration as an answer to the doctrine of unbalanced growth (Hirschman, A.O., 1958). According to him, no Low Developing country has sufficient endowment of resources to enable it to invest simultaneously in all sectors of the economy to achieve balanced growth. Further, Hirschman maintains that "investments in strategically selected industries or sectors of the economy will lead to new investment opportunities and pave the way for further economic development" (Hirschman,A.O.,1958). Hirschman identified convergent and divergent series of investments. Convergent series of investments are those projects that appropriate more external economies than they create; while divergent series create more external economies than they appropriate. Thus, a development policy should aim at the prevention of convergent series of investments and the promotion of divergent series; and for development to take place, a deliberate strategy of unbalancing the economy should be adopted. Ahluwalia, (1991) cited infrastructure as an important factor in explaining the variations in Indian manufacturing. According to her, public investment in India has not only been a major instrument for generating demand for capital goods but also its crucial importance arises from the fact that it has exclusive responsibility for the development of infrastructure(Ahluwalia, 1991).

The literature on Regional integration asserts that building regional integration blocks, bestows a series of general benefits on the economies of the member countries, chiefly, greater negotiating power; greater ability to attract international resources; better use of economies of scale in production; extension of the effective market; and less economic vulnerability in the face of external factors, among others (Cipoletta, G. T. (2009). Economic integration is also considered as a gateway to regional development and growth through infrastructure development; especially given the complexities of the countries within a grouping. This involves the leveraging of the public infrastructure financing among the members of the integrating region. Public infrastructure is accepted in the economic literature as an important component of economic development, and as such, the issue of infrastructure policy and financing are raised in this paper.

In his argument, Reungsri states that the nature of a government financed infrastructure program is critical to the country's socio-economic development, and its status among the world communities : further, in order for economic development to take place, infrastructures are basic important services that have to be put in place; without which basic infrastructure, development will be very difficult and in fact can be likened to a very scarce commodity that can only be secured at a very high price and cost(Reungsri, T., 2010). According to Federal Reserve Bank of Atlanta, developing infrastructure enhances a country's productivity, consequently making firms more competitive and boosting a region's economy; and not only does infrastructure in itself enhances the efficiency of production, transportation, and communication, but it also helps provide economic incentives to public and private sector participants; in addition, the accessibility and quality of infrastructure in a region help shape domestic firms' investment decisions and determines the region's attractiveness to foreign investors (Federal Reserve Bank of Atlanta, 2008).

Cross-border infrastructure, such as improvements in transportation and the application of modern information and communication technologies, improve the physical connectivity between countries, facilitate geographic division of production processes, and provide opportunities for individual economies to participate in international production networks. Increased regional integration also creates demand for infrastructure. Transportation and communication infrastructure, for instance, are the glue that hold regional integration together (Hanson, K.T. (ed.), 2015).

### III. INFRASTRUTURE OF ECOWAS

#### A. *The State of Infrastructure in ECOWAS*

According to Forster, recent years have witnessed significant progress in air transport connectivity within southern and eastern Africa, with strong traffic growth and the emergence of three strong regional hubs and associated major African carriers—Ethiopian, Kenyan, and South African. In contrast, in central and western Africa the sector is stagnating, with the vacuum created by the demise of several regional airlines still unfilled. Infrastructure is not at the heart of the problem. Thus, ECOWAS has to ensure that their airports are stable, and that there are enough runways to handle traffic in the near future with better scheduling and fairly modest investments in parallel taxiways and some terminal facilities (Foster, Vivien, 2009) With regards to energy, a study done by Banerjee et al in 2008, found that Sub-Saharan Africa is in the midst of a power crisis. First, the region's power generation capacity is lower than that of any other world region, and capacity growth has stagnated compared with other developing regions; because household connections to the power grid are scarcer in Sub-Saharan Africa than in any other developing region. Second, Sub-Saharan Africa has low rates of electrification; Less than 30 percent of the population of Sub-Saharan Africa has access to electricity, compared with about 65 percent in South Asia and more than 90 percent in East Asia. Third, based on current trends, fewer than 40 percent of African countries will achieve universal access to electricity by 2050 (Banerjee and others 2008).

We can look at Physical infrastructure as the manifestation of ECOWAS future economic power; which could have major impact on social capital and the standard of living of its citizens. As a new organization, ECOWAS infrastructure capital may accumulate over time or centuries, or earlier as in East Asia and the Arabian Gulf countries (Bossuyt, J., 2016). Infrastructure in all its commercial manifestations is viewed by governments as the means to attract substantial private sector investment (Reungsri, T., 2010).

#### B. *ECOWAS Infrastructure Policies and Projects*

The infrastructure policies of ECOWAS were put together and approved during the Seventieth Ordinary Session of ECOWAS Council of Ministers in Abidjan from June 20-21, 2013. The policies established as follows : REGULATION C/REG.12/06/13 RELATING TO THE ECOWAS REGIONAL INFRASTRUCTURE DEVELOPMENT PROGRAMME, THE COUNCIL OF MINISTERS:(1)MINDFUL of Articles 10,11 and 12 of the ECOWAS Treaty as amended, establishing the Council of Ministers and defining its composition and functions;(2)MINDFUL of Article 28 and 55 of the said Treaty relating to the promotion, integration and development of energy projects in the region;(3)MINDFUL of Article 33 of the Treaty relating to Posts and Telecommunications, which provides that member States undertake to develop, co-ordinate and standardize their national telecommunication networks with a view to providing reliable interconnection between member States and promoting private-sector participation in the provision of telecommunications services;(4)MINDFUL of Decision AiDEC.13/01/03 relating to the establishment of a regional transport and transit facilitation program in support of intra-Community trade and cross border movements;(5)MINDFUL of Decision AIDEC.17101/03 adopting the ECOWAS Energy Protocol, establishing the legal framework intended to

promote long term cooperation in the ECOWAS energy sector and based on complementarities and mutual benefit aimed at achieving increased investment in the energy sector and increased energy trade in the West African region;(6)MINDFUL of Supplementary Act• AISA.2/01/08 January 2008, establishing The ECOWAS Regional Electricity Regulatory Authority (ERERA); and (7) MINDFUL of Council Regulation.' C/R. E: G.27/12/07 on the composition, functions and operation of the ECOWAS Regional Electricity Regulatory Authority (ERERA): notably it's Articles 5 and 9.1: (70th-ordinary-session-of-council-of-ministers, 2013).

Following the policy establishment, ECOWAS undertook several actions. In the area of information and communications technology (ICT), ECOWAS Ministers in charge of Telecoms/ICT, adopted common minimum technical specifications for Digital Terrestrial Television (DTT) receivers in the ECOWAS region to ensure their affordability. Also adopted was a roadmap for the implementation of the DTT. In addition, up to date, eleven (11) coastal Member States have been connected to submarine cables with at least one (1) landing station while the three landlocked countries (Burkina Faso, Mali and Niger) have at least two (2) access routes to the submarine cables. Guinea Bissau is in the process of getting a landing station on ACE submarine cable with financial assistance from the United Arab Emirates (UAE). Benin Republic is also building a second landing point on ACE submarine cable and World Bank has made payments to secure Benin Republic membership for access to the ACE landing station (ECOWAS, ITC, 2016).

With regards to other infrastructures, it was detailed in 2020 vision of ECOWAS Infrastructure Development by Kalilou Traoré, ECOWAS Commission President as follows: First, ECOWAS' 2020 Vision is to better and interconnect countries; these connections mainly take place through economic and social infrastructure such as roads, telecommunication systems, and energy, as well as sea and air transport and for this purpose, ECOWAS has put in place master plans for building infrastructure in these different areas. Second, the master plan for the energy sector intends to increase the production capacity to over 10,000 megawatts by 2020; several hydraulic and thermal power stations are being built. Third, the plan also intends to increase interconnection between countries, and some programs are already in place to interconnect Cote d'Ivoire, Liberia, Sierra Leone, and Guinea. Fourth, expansion of the underwater pipeline that currently connects Nigeria to Ghana all the way to Mauritania and Morocco is also in the works. Fifth, when it comes to transport, the master plan intends to connect countries in the region from West to East, namely by building a coastal road that will connect Dakar to Lagos and a trans-Saharan road from Dakar to Kano, in northern Nigeria; several sections of these roads are already in use. Sixth, when it comes to telecommunications, a major regional project on fiber optic interconnection has almost been completed. Seventh, with regards to air transport, the rules have been harmonized to ensure transport safety. Finally, when it comes to sea transport, the region is working towards creating a regional coastal navigation services company in order to provide an alternative to road transport along the coast and to lower costs (Triode, K., 2017). This buttresses ECOWAS' infrastructure Development quest as indicated in Table 1.

**TABLE1. ECOWAS Regional INFRASTRUCTURE PROJECTS**

NO.	TRANSPORT PROJECTS	Estimated Total Cost (millions of US\$)	Implementation Period
1	Road Transport (11 projects)	4622.00	2012-2020
2.	Railways (3 Projects)	33344.00	2014-2020
3	Air Transport (8 projects)	825.00	2012-2020
4	Maritime Transport (2 projects)	2290.00	2012-2020
5	Information and communications technology (ICT) (6 projects)	1247.00	2015- Continues
6	Energy (8 projects)	64145.00	2012-2020
7	Water Resources (4 Projects)	1077.00	2012-2021
Total		107,550.00	

Source: (70th-ordinary-session-of-council-of-ministers, 2013)

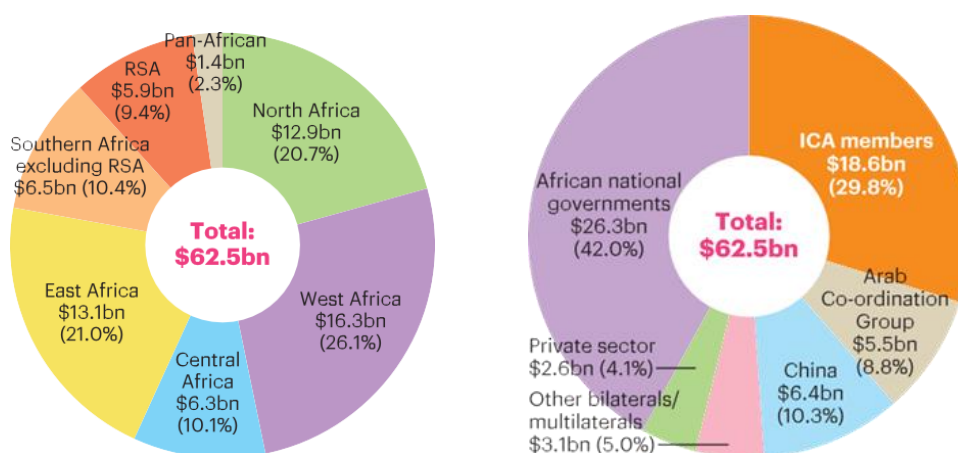
### C. Sources of Funding for ECOWAS' infrastructure Development

Our second question for the study is “Has ECOWAS put in place funding programs for its infrastructure development? The answer to this question was not clear cut; apparently, the sources of infrastructure funding for ECOWAS is interwoven with other regionally integrated organizations in Africa as well as ECOWAS own sources. Our study indicated that in order to complete and maintain ECOWAS 's regional infrastructure development, it would require sustained annual spending of \$1.5 billion dollars over the course of a decade. The basic funding that would complete the infrastructure required for full regional power trade; a complete regional road network, and fiber optic links connecting all countries to submarine cables would cost \$1.6 billion annually if implemented over a decade. To put this in perspective, the total amount of annual infrastructure spending in the ECOWAS region to fulfill both regional and national infrastructure demands amounts to \$27 billion; the regional portion accounts for only 6 percent of the overall requirement. Further, looking across sectors, the largest spending requirements in terms of investments, operations, and maintenance are in power (\$1 billion annually), followed by transport (\$375 million), and information and communication technology (ICT, \$8 million) (Ranganathan, R.and Foster, V., 2011).

The sources funding for ECOWAS infrastructure development are African National Governments, private sectors, other bilateral/multilaterals, China, and Arab coordinating Group and Infrastructure Consortium for Africa (ICA). ICA was launched at G8 Gleneables summit in 2005. ICA is the coordinator for the funding sources. The membership of ICA consists of the G8 countries, the Republic of South Africa, the World Bank Group (WBG), the African Develop Bank Group (AfDB), the European Commission (EC), the European Investment Bank (EIB) and the Development Bank of Southern Africa (DBSA). Although ICA is not a financing agency, the consortium acts as a platform to broker more financing of infrastructure projects and programs in Africa. The main objectives of the ICA can be broadly defined as follows: Increase the amount of financing going to sustainable infrastructure in Africa from public and private sources; facilitate greater co-operation between members of ICA and other important sources of financing including African stakeholders, China, India, Arab Funds and the private sector; highlight and help remove policy and technical blockages and progress; and increase knowledge of the sector through monitoring and reporting on the key trends and developments(ICA, 2017).

Infrastructure Consortium for Africa (ICA), reported a total financing for infrastructure development in 2016 was \$62.5bn, consisting of identifiable African national government budget allocations, financial commitments by ICA members, DFIs and state funders in China, Europe, India, South Korea and the Arab Funds, as well as private sector investments. This is the lowest amount recorded since 2012. The drop in financing is largely due to Chinese investments announced in 2016 totaling \$6.4bn, substantially less than the \$20.9bn reported in 2015 as well as less private sector investment. Across the regions, West Africa received the highest level of transport commitments in 2016 (\$6.6bn or 26.9% of the total), compared with 2015, when East Africa was the top region for transport with \$11.8bn, or more than one-third, of commitments. In 2016, North, Central and Southern Africa received \$4.4bn, \$2.9bn and \$2.3bn, respectively (ICA REPORT, 2016). See Figure A.

**Figure A: Funds Committed and Regional Distributions;**



SOURCE: ICA REPORT – 2016: WWW.ICAFRICA.ORG

In 2017, the funding commitments to Africa's infrastructure development rose by 22%, according to Infrastructure Consortium for Africa. The report showed the following: first, the commitments from ICA's member countries to African infrastructure projects in 2017 rose to US\$19.7 bn, an increase of 5% from the \$18.6bn reported in 2016; one of the highest commitments since the ICA began collecting data; second, the value of projects with private sector participation in 2017 totaled \$5.2bn, of which \$2.3bn (44.8%) was privately financed; third, the transport sector continued to be the largest beneficiary of infrastructure commitments in 2017, accounting for nearly 42% of all funding, followed by the energy sector (30%) and the water sector (16%)(ICA Report-2017).Of the US\$81.6bn committed to Africa's infrastructure development in 2017, West Africa received \$22bn of commitments, followed by North Africa (US\$15.9bn), East Africa (US\$15.8bn), Southern Africa, excluding South Africa (US\$12.2bn), South Africa (US\$8.7bn) and Central Africa (US\$6bn) (ICA Report-2017).

According to African Development Bank (AfBD), 2018 Report, with better strategies, sustained and inclusive growth could reduce a large infrastructure gap. It stressed that one of the key factors retarding industrialization has been the insufficient stock of productive infrastructure in power, water, and transport services that would allow firms to thrive in industries with strong comparative advantages. AfBD estimated that the continent's infrastructure needs amount to \$130–170 billion a year, with a financing gap in the range of \$68–\$108 billion and to bridge this gap, Africa has to attract private capital to accelerate the building of critical infrastructure needed to unleash its potential. But African countries do not need to wait until all financing gaps are filled before they transform their economic structures. Also, in the picture are sovereign wealth funds and market finance. African countries seeking financial resources now have a wide variety of options, well beyond foreign aid. The excess savings in many advanced countries could be channeled into financing profitable infrastructure projects in Africa. A small fraction of the excess global savings and low-yield resources would be enough to plug Africa's financing gap and finance productive and profitable infrastructure (AfDB, 2018). However, there are four major obstacles facing infrastructure development in ECOWAS :they are low or insufficient investment finance in transport and energy sub-sectors owing to inadequate Government budgets and prioritization; limited mobilization of potential investment financing from the vast regional natural resources base; inefficient management structures, discordant frameworks due to lack of requisite technical human resources; and limited regional dimensions to national infrastructure development(Kamara, David,2013).

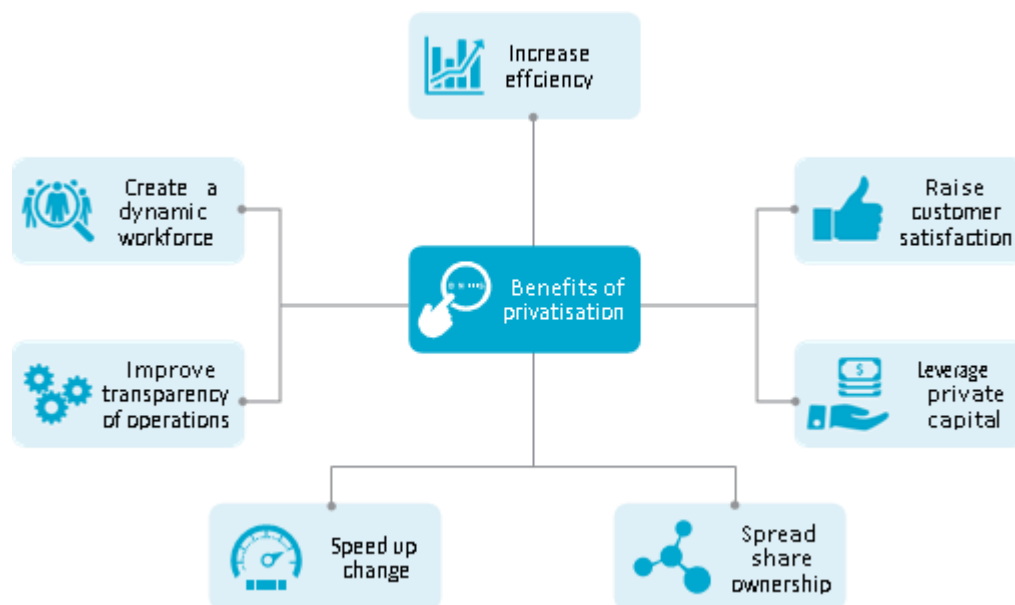
#### *D. PPP as a Potential Source of Funding for ECOWAS' Infrastructure Development.*

Although ECOWAS is receiving some funding for some of its infrastructure development, it has become apparent in our paper that it lacks financial capability to achieve its total infrastructure development objectives. This due to the inadequate Government budgets and prioritization; limited mobilization of potential investment financing from the vast regional natural resources base; inefficient management structures, discordant frameworks due to lack of requisite technical human resources; and limited regional dimensions to national infrastructure development (Kamara, David,2013). Facing these problems, ECOWAS must explore innovative means for improved infrastructure development; and different types of public-private partnerships (PPPs) PPPs are contractual relationships governing a long-term public sector acquisition and private sector provision of public works and services (Zhang, Xueqing , and Chen, (2013). According to Zhang , and Chen,(2013),PPP projects have the following common characteristics : (1) a private partner provides the design, construction, financing and operation of the infrastructure, in return for payments either from the users of the infrastructure or from the public client itself; (2) public and private partners share risks and jointly manage them through better utilization of resources and improved project control; and (3) PPP projects are usually based on a long-term contract to encourage innovations and low life cycle costs. PPPs distribute resources, risks, responsibilities and rewards between the public and private sectors, allowing Governments to overcome fiscal constraints and filling the funding gap in modern infrastructure. Reasons for encouraging PPPs include access to advanced technology and increased efficiency in project delivery, operations and management, as the private sector is expected to be more efficient as compared to the public sector. The promise that PPPs bring in terms of enhancing supply of much-needed infrastructure services – no immediate cash spending, transfer of project risks and possibility of better project designs, operation and service delivery – is an additional point of attractiveness of PPPs for Governments, especially in developing countries (UNCTAD secretariat, (2013)

For long-term infrastructure projects financing, PPPs are considered a possible alternative; especially where the State lacks the resources in sufficient amounts to undertake such projects; they have also been have also been promoted as a means to scale up investment in public infrastructure and help the State to overcome capacity constraints in project

design, construction and operation (UNCTAD secretariat,2013). According to UNCTAD Secretariat (2013), depending on the arrangement, PPPs in infrastructure may take different forms, such as build-operate-transfer, design-build-operate and lease-develop-operate. Governments take commitments to make in-kind or financial contributions to a project, whether through subsidies, guarantees, shadow fees and/or availability of payments. Public-private partnership arrangements vary across countries, sectors and projects. There is thus no standard method of public-private partnership implementation. Rather, each country adapts the process as appropriate for its own culture, economy, political climate and legal system. Taking into consideration infrastructure projects in particular, the two main benefits that could be obtained from greater private-sector participation are improved performance and increased access to capital ( Wyman,Oliver,2017).Further, Given the current tight monetary policies employed by most governments, the private sector can help ease the pressure on public finances by providing the capital required to build and expand infrastructure. In 2016, according to Wyman, the private sector committed more than US\$70 billion in infrastructure projects in emerging markets and developing economies; additionally, in most cases, private bodies allocate funds more effectively. Figure 2 illustrates the benefits of private-sector participation and highlights how it offers financial, social and economic benefits that help governments meet the needs of their people.

**Figure 2: Benefits of private-sector participation**



Source: Wyman, WEF (2014) – “Strategic Infrastructure, Steps to Operate and Maintain Infrastructure Efficiently and Effectively

#### *E. The Origins of PPP Initiatives.*

The PPPs concept was initiated the late 1970s. However, as means of providing infrastructure became popular only in the early 1990s. It began 1992 when the and can be traced to the Government of the United Kingdom of Great Britain and Northern Ireland undertook its largest projects, the Channel Tunnel, the Second Severn Crossing and the Channel Tunnel Rail Link, under PPP initiative. This was followed by the introduction of “public-private partnerships” concept in 1997 by the Labor Government. This caught the eyes of other European countries such as France, Germany, Greece and Ireland and subsequently, the issuance in 2004, a green paper in the European Union for advancing PPPs. PPP was adopted by some developing countries in the 1990s leading to investment commitments to PPPs for infrastructure; and total PPP infrastructure funding grew from US\$18 billion in 1990, to US\$782 billion in 2000; by 2011, it has reached US\$1.8(Saha ,Deblina ; Nair, Teshura; and Seong Ho Hong, Seong ,2011).According to world Bank , PPP utilization in the developing regions in terms of cumulative growth were as follows: Latin America and the Caribbean had the largest number of projects and largest amount of project investments in the period 1990–2011, with 1,586 PPPs investing US\$672 billion; followed closely by East Asia and the Pacific with almost same number of PPPs, investing US\$336 billion(World Bank,2011). In 2018, private investment commitments in energy, transport, information and

communication technologies (ICT) backbone and water infrastructure in low -and middle-income countries totaled \$90 billion across 335 projects in 41 countries (Saha, Deblina; Nair, Teshura; and Seong Ho Hong, Seong ,2018).

#### *F. Pitfalls in PPP*

According to Oliver Wyman, given the complex nature of infrastructure projects, substantial political commitment is required, particularly when aligning the interests of numerous stakeholders. In other words, sustaining such commitment can prove challenging over the longer term, because many of the political costs of public-private partnerships and privatizations are often incurred in the short term, whereas benefits are usually reaped in the long-term; for instance, labor and operational restructuring activities occur long before productivity and service quality benefits can be perceived (Wyman, Oliver, 2017). Given the long-term nature of these projects and the complexity associated, it is difficult to identify all possible contingencies during project development and events and issues may arise that were not anticipated in the documents or by the parties at the time of the contract. It is more likely than not that the parties will need to renegotiate the contract to accommodate these contingencies. It is also possible that some of the projects may fail or may be terminated prior to the projected term of the project, for a number of reasons including changes in government policy, failure by the private operator or the government to perform their obligations or indeed due to external circumstances such as force majeure. While some of these issues will be able to be addressed in the PPP agreement, it is likely that some of them will need to be managed during the course of the project (Public-Private Partnership Legal Resource Center (PPPLRC), 2016)

### IV. SUMMARY

Literature on the role of infrastructure and its importance in the development of an economy has been highlighted by development economists. The of the opinion that a pre-condition for economic development in general, the regional growth theories, and interrelated theories on locational aspect of development, centers round the infrastructure development of those areas. Regional integration theories also assert that building regional integration blocks, bestows a series of general benefits on the economies of the member countries, chiefly, greater negotiating power, greater ability to attract international resources, better use of economies of scale in production. These lead to extension of the effective market and less economic vulnerability in the face of external factors. Public infrastructure is accepted in the economic literature as an important component of economic development. Our study indicated that in order to complete and maintain ECOWAS 's regional infrastructure development, it would require sustained annual spending of \$1.5 billion dollars over the course of a decade. ECOWAS is unable to meet some of the total amount of required. This due to the inadequate Government budgets of the member states, and prioritization; limited mobilization of potential investment financing from the vast regional natural resources base; inefficient management structures, discordant frameworks due to lack of requisite technical human resources; and limited regional dimensions to national infrastructure development. Facing these problems, ECOWAS must explore innovative means for improved financing for infrastructure development. Financing such as public-private partnerships (PPPs) which are contractual relationships governing a long-term public sector acquisition and private sector pro- vision of public works and services. PPPs distribute resources, risks, responsibilities and rewards between the public and private sectors, allowing Governments to overcome fiscal constraints and filling the funding gap in modern infrastructure. Reasons for encouraging PPPs include access to advanced technology and increased efficiency in project delivery, operations and management, as the private sector is expected to be more efficient as compared to the public sector. PPPs also bring an enhancing supply of much-needed infrastructure services – no immediate cash spending, transfer of project risks and possibility of better project designs, operation and service However, the government must pay particular attention to its pitfall which can very expensive

### V. CONCLUSION

We can conclude that Based on our findings, ECOWAS is making good strides in its infrastructure development backed by solid policies and funding. The funding sources from ECOWAS and other African National Governments, private sectors, other bilateral/multilaterals, China, Arab coordinating Group and Infrastructure Consortium for Africa (ICA) is spearheading the infrastructure development in ECOWAS. The areas which have been receiving major funding are Information and Communication Technology (ICT), Transportation and Energy. The sectors of transportation which are not receiving much attention are air and railways. With regards to railways, unlike the situation in Southern Africa, according to Ranganathan and Foster, there is no real regional rail network in the ECOWAS area, nor are the rail gauges internally compatible. In fact, the national rail networks of ECOWAS's member states are mostly disconnected from each



other; this is in contrast to southern Africa, where interconnected national railway systems form a regional railway network that spans half a dozen countries and extends from the southern part of the Democratic Republic of the Congo all the way to Durban in South Africa (Ranganathan, Rwanda Foster, V., 2011).

## VI. RECOMMENDATIONS

Our recommendations are as follows: First, attention should be given to the railways and air transports not only for the convenience of the passengers also for freights within the West African subcontinent. For this reason, ECOWAS must adopt PPP approach towards infrastructure development, paying close attention to its pitfalls. Second, ECOWAS has limited resources, and it cannot spread itself too thin; thus, it should move away from spending too much on too many projects with low economic returns and little impetus for industrial growth and employment creation. It should focus on industries which could move it into a fast track economic growth and development. Third, ECOWAS and other African countries within the regional organizations must leverage their limited resources and issue bonds to raise funds to support industrial development, entrepreneurship, research and development, especially those which could lead to manufacturing and exports and technological research and development. Fourth, ECOWAS and the rest of Africa cannot solve all their infrastructure problems before embarking on industrial development in specific growth areas; finally, ECOWAS has to safeguard against issues that will bring confusion among its members and impede progress. For instance, integration in Southern Africa has been hampered by numerous challenges which have derailed their quest of regional countries to deepen integration and cooperation; and is often compounded by internal economic challenges that member states are faced with; and further, it has been difficult to entrench as member states are confronted with numerous internal challenges diverting their focus from regional matters (Victor Mlambo, V. & Mlambo, D.N. (2018).

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