

**CONSOLIDATED TENTH PROTOCOL TO THE MANO
RIVER DECLARATION**
**THE PRINCIPLES AND POLICY FOR THE
PROMOTION OF UNION INDUSTRIES**

WE, THE HEADS OF STATE AND GOVERNMENT OF THE MEMBER STATES OF THE MANO RIVER UNION:

IN FURTHERANCE of the aims and objectives of the Mano River Union;

CONSEQUENT on the decision as recorded in the Eighth Article of the MANO RIVER DECLARATION;

RECOGNISING the need to formulate a comprehensive framework for the proper functioning of industries utilizing the joint markets of the Member States;

DESIRING to promote the industrial development of the Union;

DO HEREBY ESTABLISH THIS PROTOCOL TO THE DECLARATION:

FIRST, That to qualify as a Union Industry, any manufacturer establishment must be one as defined by the International Standard Industrial Classification of the United Nations (I.S.I.C.) and which must be located in one of the Member States; and such other conditions as the Union Ministerial Council may prescribe.

SECOND, That in accordance with this Protocol, Union Industries shall have been approved by the Union Technical Commission on Trade and Industry (hereinafter referred to as “the Commission”) upon such terms and conditions as pertain to the making of applications for the status of an Approved Investment.

THIRD, That the status of a Union Industry shall confer on the sponsor certain benefits to enable a rapid expansion of the Industry in the utilization of the markets of the Member States, which benefits shall be established in the appropriate national legislations in the Member States.

- FOURTH,** That the Commission shall ensure that each Member State derives as equitably as possible the benefits from the distribution of Union Industries.
- FIFTH,** That where land is required for the purpose of an Approved Investment Project the Minister responsible for Trade and/or Industry in the Member State concerned shall take all necessary steps for making such land available in accordance with nationally applicable procedures.
- SIXTH,** That where there are several sponsors of an Investment Incentive Project, their liabilities under the Investment Incentive Contract shall be joint and several.
- SEVENTH,** That the Member States through the Commission ensure that the objectives and purposes of this Protocol shall be realized and that the Commission in particular shall perform the following functions:
1. to determine the location of Union Industries;
 2. to review from time to time industrial patterns with a view to preventing industrial imbalances, and in cases where imbalances occur, to propose measures for achieving a proper balance;
 3. to propose to the Council actions regarding quality and pricing control of Union products;
 4. to review from time to time, investment incentives applicable to Union Industries and to recommend to the Council any appropriate measures;
 5. to seek where necessary, the cooperation of the

respective National Administrations of the Member States in implementing the Union Investment Incentive granted under Investment Incentive Contracts;

6. to recommend to the Council for proposal to the Member States additional legislation or other Governmental action beneficial to and necessary for the success of a particular Project Proposal;
7. to promote active collaboration among the Member States in the administration of their Investment Incentive Codes;
8. to investigate schemes and make recommendations for the improvement of infrastructure, including transportation, communications, education and social services which are of benefit to Union Industry;
9. to coordinate and propose to the Member States through the Council measures relating to labour, including those pertaining to wages, training and labour-management disputes;
10. to work towards the re-organization of procurement obligations of concessions where the manufacture and sale of locally produced goods can replace imports;
11. to give special attention to facilitating the expansion of domestic industries into Union Industries through any appropriate means;
12. to investigate and approve applications for Licenses, Guarantees and Investment Incentive Contracts within the Union with due regard to any objection that may be raised by inviting the sponsor and any objector to be present or represented during any hearing;

13. to ensure that the provisions of this Protocol are implemented by the appropriate national authorities where necessary;
14. to undertake an annual review of each Investment Incentive Contract and to make recommendations if necessary, for the cancellation of any investment Incentive Contract issued in accordance with this Protocol; and
15. to prepare an Annual Report which shall be based on the information received under paragraph “C” of sub-section (i) of Article THIRTEEN and an opinion as to whether the operation of each Approved Investment Project is substantially in compliance with the Investment Incentive Contract.

EIGHTH,

That the functions of the Union Secretariat, on behalf of and under the direction of the Commission, shall include the following:

1. to take any and all actions determined by the Commission to be necessary or desirable in implementing the directives and proposals of the Council or the Commission;
2. to identify, investigate and suggest action and measures for the establishment, implementation, maintenance, and management of viable Union Industries including the initiation of and construction of Industrial Estates for subsequent leasing to Union Industries within the overall strategy of Union economic development;
3. to evaluate and cooperate with the national authorities in the evaluation of any Project Proposal in order to determine the viability of the business and assess its potential for compliance with contractual commitments;

4. to provide, through the relevant national authorities to private and Government entities, at their request and expense, technical assistance such as financial planning analysis, cost and general accounting, management planning, training and also aid in obtaining international assistance for specialized technical help;
5. to recommend to the Commission actions concerning equity participation in Union Enterprises;
6. to assist Approved Investment Projects in any or all of the following ways:
 - a. to provide information when required on employment and labour relations within the Member States and to assist foreign personnel in obtaining work permit;
 - b. to advise on production and the market potentials within the Member States;
 - c. to explore the possibility of securing financing for Approved Investment Incentive Projects from the Union and/or external source.
7. to administer the provisions of this Protocol and recommend, if necessary, changes to the Commission.

NINTH,

That the application procedure for a Licence, a Guarantee and for Investment Incentive shall be as follows:

1. any person or organization within the limitations prescribed by the Union Ministerial Council may apply for a Licence under this Protocol and simultaneously for investment incentives if such person

or organization undertakes projects in the Union that process, fabricates, or manufacture finished and semi-finished goods.

2. incentives may also be granted to sponsors undertaking other projects in the Union, that including but not limited to the following sectors:
 - a. agriculture
 - b. forestry and fisheries
 - c. electricity, gas and water to the extent that they are reserved to the Member States;
 - d. mining and quarrying;
 - e. building and construction;
 - f. transportation and communications;
 - g. those sub-sectors of the services sector which provide technical services to the sectors listed in Sub-section 1 of this Article in paragraph “a” to “f” of this Sub-section;
 - h. tourism; and
 - i. any combination of the sectors and sub-sectors listed in paragraphs “a” to “h” of this sub-section.
3. an Investment Project may become an Approved Investment Project whether the Project is a completely new enterprise or a major expansion of an existing enterprise. An expansion shall mean an increase in substantial employment of Union manpower and the enlargement of existing facilities.
4. the holder of a Licence or an applicant for a Licence who desires to obtain a Guarantee or the renewal of a Guarantee from the Commission, that no other Licence to manufacture for sale, or to erect, establish or operate any factory for the

manufacture for sale shall be granted, may apply to the Commission in such form as the Commission may specify and shall furnish such information as the Commission may require;

5. no person or organization shall be granted a Guarantee or an Investment Incentive Contract without having received a valid Licence. An Investment Incentive Contract shall, subject to Article FOURTEEN hereof, not be granted for a period of more than six years.

TENTH, That a Licence or an Investment Incentive Contract issued in conjunction therewith shall not be assigned except with the written consent of the Commission.

ELEVENTH, That Sponsors that are granted Investment Incentive Contracts shall be entitled to Union Incentives.

1. The Union Incentive shall be as follows:
 - a. Union tariff protection when necessary for the period of the Investment Incentive Contract;
 - b. unrestricted transfer of funds within and outside of the Union for normal commercial purposes;
 - c. drawback of import duties paid in respect of goods exported from the Union or Warehoused for exportation;
 - d. unrestricted movement of factors of production within the Union;
 - e. when available and suitable, use of industrial Estates;
 - f. exemption from Income Tax for a period

to be determined by the Commission and specified in the Investment Incentive Contract;

- g. approved Imports of machinery and equipment to be used in establishing the Approved Investment Project shall be exempt from Import Duty up to 90% of the dutiable value of such Imports;
 - h. approved Imports of raw materials and semi-processed products used in the productive process of the Approved Investment Project shall be exempted from Import Duty up to 90% of the dutiable value of such Imports;
 - i. any other Incentive(s) negotiated with the Commission; and
 - j. compensation as provided for in sub-section 2 of this Article if and when applicable, provided that a Union Industry shall, after the expiration of an Investment Incentive Contract, retain the benefits granted under paragraphs “b” to “e” of this sub-section until such time as the Commission determines that the Union Industry is unable to supply such products or services at the qualities and the quantities as were specified in the Investment Incentive Contract, upon which time the Commission shall give notice 12 months before the termination of the Industry’s Union status shall become effective.
2. The Commission may propose to the Sponsor a location other than the location suggested by the Sponsor in his application. Should the Sponsor accept the location proposed by the Union, such Incentive of sub-section 1 hereof shall be granted as a means of compensation for any economic

disadvantage that may result.

TWELFTH,

That a Sponsor shall be deemed to be in default:

1. If in the opinion of the Commission, a Sponsor has:
 - a. failed to comply with any condition attached to his Licence; or
 - b. committed mis-representation, fraud or other illegal acts in obtaining the Approved Investment Project or the Investment Incentive Contract; or
 - c. misused the import duty exemption privilege; or
 - d. failed to submit a report pursuant to paragraph “c” of sub-section 1 of Article THIRTEEN hereof, provided, that if the Sponsor submits the required report within Ninety (90) days after receiving notice of default, the requirement shall be deemed to have been fulfilled; or
 - e. liquidated the investment; or
 - f. failed to commence operations within the time stipulated in the Investment Incentive Contract, save for the provision of Article FOURTEEN hereof; or
 - g. should a Sponsor fail to fulfill the terms and conditions specified in the Licence or Guarantee or Investment Incentive Contract. The Commission may suspend or terminate any of the facilities granted under this Protocol and amended.

2. To be a valid Licence, Guarantee or an Investment Incentive Contract, it must bear the signature of the Secretary-General for the Union and the appropriate authority in the Member State in which the Project is located.

THIRTEENTH, That the obligations of the Sponsor shall be as follows:

1. The Sponsor of an Approved Investment Project shall in addition to receiving the Licence, execute an Investment Incentive Contract for which he shall undertake among others the following obligations:
 - a. to implement the project substantially as described in the Approved Investment Project and in compliance with the terms of the Investment Incentive Contract;
 - b. to permit such audits as from time to time may be necessary to ascertain compliance with the terms of the Investment Incentive Contract;
 - c. to submit, at the time of filing, the annual tax returns, to the Secretariat:
 - i) such reports as are necessary for determining the compliance of the sponsor with the conditions of his Investment Incentive Contract including changes in pricing and quality;
 - ii) a copy of the latest balance sheet;
 - iii) a copy of the relevant profit and loss statement; and

- iv) a statement from the Chief Executive Officer of the Approved Investment Incentive Project on the compliance or lack of compliance with the Investment Incentive Contract;
2. All reports submitted in accordance with paragraph “c” of sub-section 1 of this Article shall be considered confidential and inviolate.

FOURTEENTH, That an extension of a Licence and of an Investment Incentive Contract shall be granted only in the event that extenuating circumstances cause unavoidable delays in beginning production. A Licence and an Investment Incentive Contract may be extended by the Commission in part or in whole after a written statement has been submitted to the Commission certifying that unavoidable extenuating circumstances have delayed the start of the project provided:

1. that the extension shall be viewed a prolongation of the total period of the Investment Incentive Contract;
2. that no extension shall be made for a period of more than two years;
3. that an evaluation of the original Approved Investment Project, the actual operation, and the plan for the period of the extension indicates that the sponsor will be able to operate economically after the expiration of the extension; and
4. that only one extension can be given.

FIFTEENTH, That the terms below shall have the following meaning:

“Approved Imports” means capital, plant equipment and

machinery not available within Member States at comparable prices and quality and imported for use in the creation of facilities for an Approved Investment Project; furthermore, raw materials, semi-finished materials and other supplies not available within the Union at comparable prices and quality required in the production processes for the final product;

“Approved Investment Project” means a Project which has been granted a Union Industry status;

“Guarantee” means a guarantee made by the Commission upon an application under sub-section 4 of Article NINE;

“Incentives” means those benefits set forth in Article ELEVEN, offered by the Union to enterprises of Approved Investment Projects for the purpose of promoting the economic growth and development of the Union;

“Investment Incentive Contract” means a contract between the Commission on behalf of the Union and the Sponsor of an Approved Investment Project setting out the Investment benefits (Incentive) granted by the Union in respect of an Approved Investment Project;

“Licence” means a Licence issued by and on behalf of the Commission;

“Major Expansion” means a substantial increase in employment of Union manpower and the enlargement of existing facilities;

“Manufacturing” means the mechanical or chemical transformation of inorganic or organic substances into new products.

“Project Proposal” means the final plan or the feasibility study of the project.

“Sponsor” means one or more person(s), Partnership(s) Corporation(s) or other entity (entities) or any combination thereof that undertake, finance and operate an Approved Investment Project in the Union.

IN WITNESS WHEREOF, We, the Heads of State and Government of the Member States of the Mano River Union have hereunto affixed our respective signatures:

DONE at.....

this.....day of.....in the year

One Thousand Nine Hundred and Eighty

in three Originals, two in the English Language and one in the French Language, each text being equally authentic.

FOR THE REPUBLIC
OF SIERRA LEONE

FOR THE REPUBLIC
OF LIBERIA

FOR THE PEOPLE’S
REVOLUTIONARY
REPUBLIC OF
GUINEA