

Analyzing the Roles and Impacts of ECOWAS, EBID, and IMF in Western Africa: Nigeria's Perspective

Rareş Grecu
Majo Salgado
Anna Sofia Wadih

Abstract

This paper analyzes Nigeria's role and impact within the Economic Community of West African States (ECOWAS), the ECOWAS Bank for Investment and Development (EBID), and the International Monetary Fund (IMF). It delves into how these organizations contribute to Nigeria's economic stability, agricultural development, and overall socio-economic growth. The study highlights Nigeria's significant contributions to ECOWAS, detailing its influence on trade, political stability, and regional integration efforts. Through EBID, Nigeria has seen improvements in agricultural productivity and food security, driven by targeted investments in infrastructure and capacity building. The IMF's financial assistance and policy guidance have also played a pivotal role in stabilizing Nigeria's economy, promoting sustainable agricultural practices, and enhancing fiscal management. This paper provides a comparative analysis of EBID and IMF's approaches, emphasizing their strengths, challenges, and opportunities for synergies in achieving Sustainable Development Goals (SDGs) in Nigeria and the broader West African region.

I. INTRODUCTION

ECOWAS stands for Economic Community of West African States and is a regional economic union of fifteen countries in West Africa created to promote economic integration. Its headquarters are located in the Federal Capital Territory in Nigeria and was founded in Lagos, Nigeria in 1975 by the Treaty of Lagos. Later, a revised treaty was released in 1993 based on the original in 1975. Subsidiaries of ECOWAS include the West African Economic and Monetary Union (WAEMU), which has member states different from ECOWAS, and UNMIL Radio. The aims of the *community* mentioned in the Treaty of Lagos of 1975 are to promote cooperation and “development in all fields of economic activity”.¹ In addition, there were significant presidential elections in Nigeria and Burkina Faso in 2015 which has impacted Western Africa’s overall political climate.

II. ECOWAS, EBID, AND NIGERIA

There are many other global partnerships with ECOWAS such as the United Nations Office for West Africa and the Sahel (UNOWAS) which works closely with the UN and ECOWAS to prevent conflict and regional issues. For instance, sponsored by UNOWAS, there was a joint statement in October of 2023 released by ECOWAS and the UN on the electoral process in Liberia, a member state of ECOWAS. Furthermore, two of ECOWAS’ fundamental principles is the “equitable and just distribution of the costs and benefits of economic co-operation and integration.” and “promotion and consolidation of a democratic system of governance in each Member State as envisaged by the Declaration of Political Principles adopted

¹ “West African Countries: Treaty of the Economic Community of West African States.” *International Legal Materials* 14, no. 5 (September 1975). <https://doi.org/10.1017/s0020782900042479>.

in Abuja on 6 July, 1991.”¹ Regarding external trade, most West African exports, not specific to ECOWAS member states, come from extractive industries.

Moreover, exports from extractive industries are “75% of exports (excluding re-exports) and provided mainly by Nigeria (73%).” Regarding imports into Western Africa, “Nigeria and Ghana together perform 59% of the Community imports against 36% for the eight Countries of the West African Economic and Monetary Union (WAEMU). The other five Countries of the ECOWAS Member States realize only 5% of the Community imports.”² Internal trade in ECOWAS includes a Value Added Tax (VAT) which applies to goods and services at each stage of production and distribution in ECOWAS aiming to generate revenues for the community. There’s also a 0.5% community levy on goods from outside ECOWAS and they are working to implement a Common External Tariff to improve the ECOWAS Trade Liberalization Scheme (ETLS).

The ECOWAS Bank of Investment and Development (EBID) has its headquarters located in Lomé, Togolese, and was founded in 1999. It’s important to note that EBID was created almost twenty-five years after the founding of ECOWAS, as it means that the administrators needed to create a specific institution that finances the economic objectives set forth by ECOWAS. Moreover, there is no mention of the bank in the Treaty of Lagos, however, it is owned by ECOWAS and not considered a subsidiary. EBID is labeled as the finance institution and includes all fifteen member states of ECOWAS. EBID’s focus areas are financing ECOWAS projects and programs in sectors such as “transport, energy, telecommunications, industry, poverty alleviation, environment, and natural resources.”³ It has two funding windows, one of

² “Economic Community of West African States(Ecowas).” Economic Community of West African States ECOWAS, 2015. <https://ecoslate.github.io/doing-business-in-ecowas/import-and-export/index.htm>.

³ “ECOWAS Bank For Investment and Development (EBID): Economic Community of West African States (ECOWAS).” ECOWAS Bank for Investment and Development (EBID), 2024. <https://www.ecowas.int/institutions/ecowas-bank-for-investment-and-development-ebid/>.

which is to promote private sector activities and the other is for funding development in the public sector. It provides financial support such as loans⁴, bonds, and lines of credit. EBID is also involved in intra-regional trade between community member states and has goals of promoting agriculture to achieve food self-sufficiency within the Community. It also promotes financing Clean Development Mechanism (CSM) projects, helping establish the African Bio-Fuels and Renewable Energies fund (ABREC) along with the World Bank and other development partners.

ECOWAS and the West African Economic and Monetary Union (WAEMU) share the common goal of promoting economic development in West Africa. However, ECOWAS aims to promote economic integration, peace, and stability with a common market, free movement of people and goods, and cooperation in various sectors such as agriculture, industry, and energy.

WAEMU is a separate organization although ECOWAS is its parent organization, they have their own currency and their own central bank. Nigeria is not a part of it. A monetary union within ECOWAS would mean that all 15 states would mean that governments would need to transfer national politics to ECOWAS institutions which brings questions on if the member states are willing to second their national interests for regional interests. This also raises questions about whether Nigeria is willing to give up its Naira currency.

Challenges in ECOWAS include political instability and internal conflicts. To illustrate this, the three-member states Mali, Niger, and Burkina Faso have recently expressed their commitment to leave ECOWAS. This will lead to significant diplomatic, security, and economic consequences for the upcoming years. It set back member states' efforts to achieve an integrated regional market and the Community's economic development. ECOWAS lifted the sanctions imposed on the breakaway states urging them to return to the bloc and committing to solving

⁴ “The Bank intervenes in the Public Sector by issuing Direct medium and long-term concessionary or non-concessionary loans; and in the Private Sector by issuing direct short, medium and long term loans.” (EBID, 2024)

disagreements.

These countries are military-run and have not indicated that they are rethinking their decision. Nigeria is heavily involved and invested in ECOWAS. “As it accounts for half of West Africa’s population and 67 percent of its gross domestic product, Nigeria has long been the dominant power in the bloc. It provides more than 50 percent of the funding for the ECOWAS Commission, the bloc’s top administrative and executive body.”⁵ Nigeria’s capital, Abuja, holds three of the organization’s key institutions. A strong ECOWAS secures Nigeria’s power. “It is a force multiplier for Abuja and a mainstay of the region’s security architecture.” The African Union and foreign powers tended to defer to ECOWAS to manage crises in the region. Nigeria’s former vice president Atiku Abubakar described losing the three Sahel countries as “a serious diplomatic meltdown.” It shrinks Nigeria’s influence and poses a military and humanitarian concern. This could lead to serious setbacks for Nigeria and ECOWAS’ success.

	2000	2005	2009	2010	Growth rate 2009/2010	Annual average growth rate 2000/2010	Shares in total Extra EU-27 exports (2010)	in EU-27 exports to Africa (2010)	in EU-27 exports to ECOWAS (2010)
ECOWAS	12 498	13 215	18 665	22 110	18.5%	5.9%	1.64%	17.78%	100.00%
Benin	563	420	912	1 275	39.7%	8.5%	0.09%	1.03%	5.76%
Burkina Faso	225	304	390	427	9.5%	6.6%	0.03%	0.34%	1.93%
Cape Verde	247	274	397	493	24.0%	7.1%	0.04%	0.40%	2.23%
Gambia	100	104	107	113	5.2%	1.2%	0.01%	0.09%	0.51%
Ghana	1 281	1 251	1 752	2 182	24.5%	5.5%	0.16%	1.75%	9.87%
Guinea	340	372	571	583	2.1%	5.5%	0.04%	0.47%	2.64%
Guinea-Bissau	45	83	76	72	-6.2%	4.6%	0.01%	0.06%	0.32%
Côte d'Ivoire	1 443	1 127	1 503	1 744	16.0%	1.9%	0.13%	1.40%	7.89%
Liberia	2 158	441	565	714	26.4%	-10.5%	0.05%	0.57%	3.23%
Mali	335	393	508	607	19.5%	6.1%	0.05%	0.49%	2.75%
Niger	182	228	356	382	7.2%	7.7%	0.03%	0.31%	1.73%
Nigeria	4 011	5 972	9 197	10 661	15.9%	10.3%	0.79%	8.57%	48.22%
Senegal	1 032	1 486	1 628	2 167	33.0%	7.7%	0.16%	1.74%	9.80%
Sierra Leone	210	193	125	178	42.0%	-1.7%	0.01%	0.14%	0.81%
Togo	325	567	576	513	-10.9%	4.7%	0.04%	0.41%	2.32%

Eurostat, 2011⁶

⁵ Obasi, Nnamdi. “What Turmoil in ECOWAS Means for Nigeria and Regional Stability.” Q&A / Africa, March 29, 2024. <https://www.crisisgroup.org/africa/west-africa/nigeria-sahel/what-turmoil-ecowas-means-nigeria-and-regional-stability>.

Referencing the table above⁶, although it's important to bear in mind this was last updated in 2011 before Nigeria and Burkina Faso's impactful presidential elections in 2015, there is additional information about Nigeria, ECOWAS, and the EU's trade relationship. Nigeria was the largest ECOWAS export customer for the EU-27, accounting for nearly half of the total ECOWAS exports at approximately EUR 11 billion. From 2000 to 2010, there was a 6% annual average growth rate of EU-27 exports to ECOWAS. "For Nigeria, it was over 10% a year whilst Benin saw growth of 8.5%."⁶ Despite being the largest export partner, Nigeria only accounted for less than 1% of EU-27's total exports. With this, EU-27 imports from ECOWAS grew by 28% between 2010 and 2009, marking a significant rebound from the sharp decline in 2009 due to the 2008 global financial crisis.

III. THE IMF AND NIGERIA

The IMF stands for the International Monetary Fund, an international organization established in 1944 to promote global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty worldwide. As a member of the IMF, Nigeria participates in its various programs and benefits from its financial and technical assistance.

Nigeria has been a member of the IMF since March 30th, 1961. As one of the largest economies on the continent of Africa, Nigeria holds a significant role in the IMF. The country's engagement with the IMF includes participation in policy discussions, financial assistance, and benefiting from technical support and surveillance.

⁶ "Archive:ECOWAS-EU - Trade and Investment Statistics." Eurostat: Statistics Explained, June 16, 2015. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive%3AECOWAS-EU_-_trade_and_investment_statistics.

Nigeria's quota in the IMF, which determines its financial commitment, voting power, and access to IMF resources, stands at approximately SDR 2.354 billion (roughly USD 3.12 billion). This makes Nigeria one of the largest and most influential members among African countries within the IMF framework. Nigerian officials often engage in IMF consultations, contributing to global economic discussions and policy formulations that can impact the region.

Benefits of Nigeria's membership in the IMF

Financial Assistance and Support

One of Nigeria's most significant benefits from its membership in the International Monetary Fund (IMF) is access to financial assistance during periods of economic distress. The IMF provides critical financial resources that help member countries stabilize their economies when faced with adverse conditions. A notable example is the assistance Nigeria received during the COVID-19 pandemic. In April 2020, the IMF approved a Rapid Financing Instrument (RFI) for Nigeria, amounting to USD 3.4 billion. This financial assistance was instrumental in addressing urgent balance of payments needs and bolstering the country's response to the pandemic. By providing immediate liquidity, the IMF enabled Nigeria to mitigate the economic impacts of the crisis, ensuring the continuity of essential services and supporting vulnerable populations.

Technical Assistance and Capacity Building

The IMF also plays a pivotal role in strengthening Nigeria's institutional capacity through technical assistance and training. This support spans various areas, including fiscal policy, monetary policy, financial sector regulation, and statistics. By enhancing the technical expertise of Nigerian authorities, the IMF helps improve economic governance and the effectiveness of

policy implementation. For instance, training programs and workshops organized by the IMF equip Nigerian officials with the knowledge and skills needed to manage complex economic issues. This capacity-building support is essential for developing robust institutions capable of driving long-term economic growth and development.

Support for Structural Reforms

In addition to financial and technical support, the IMF actively encourages and supports Nigeria's efforts to implement structural reforms. These reforms aim to enhance economic diversification, improve public financial management, and foster a more conducive business environment. By promoting structural changes, the IMF helps Nigeria reduce its dependence on oil revenues and build a more resilient and diversified economy. Such reforms are critical for achieving sustainable development and addressing long-standing economic challenges. The IMF's support in this area includes providing expertise and resources to design and implement effective reform strategies, ensuring that the reforms have a lasting impact on the country's economic landscape.

IV. WESTERN AFRICA, AGRICULTURE, AND THE SDG INDICATORS

The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, provide a global framework for achieving a better and more sustainable future. Agriculture plays a crucial role in achieving several SDGs, particularly SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), and SDG 15 (Life on Land). These goals aim to eradicate poverty and hunger, promote sustainable economic growth, and ensure the health of terrestrial ecosystems.

SDG 1 – No Poverty:

Agriculture is a primary source of livelihood for millions of Nigerians. Indicators such as agricultural productivity, income levels of farmers, and access to land are critical for assessing progress toward poverty eradication. According to the World Bank, improving agricultural productivity is essential for raising the income levels of farmers, directly reducing poverty rates.

SDG 2 – Zero Hunger:

Nigeria has made significant strides in agricultural production, yet food insecurity remains a challenge. The FAO reports that increasing farming yields and reducing food insecurity are vital to achieving Zero Hunger. Initiatives like improved seed varieties, efficient farming practices, and investment in agricultural infrastructure drastically boost production.

SDG 8 – Decent Work and Economic Growth:

The agricultural sector is a significant employer in Nigeria, contributing substantially to the country's GDP. According to the ILO, promoting decent work within this sector is key to sustainable economic growth. Efforts to modernize agriculture and provide better employment opportunities can drive economic development and reduce poverty.

SDG 12 – Responsible Consumption and Production:

Sustainable agricultural practices are crucial for responsible consumption and production. The FAO emphasizes the importance of reducing food waste and loss, which are significant issues in Nigeria. Implementing sustainable farming techniques and efficient supply chain management can mitigate these challenges.

SDG 15 – Life on Land:

Land degradation and soil health are critical issues affecting agricultural productivity. The UNEP highlights the need for sustainable land management practices to preserve

biodiversity and maintain healthy ecosystems. Nigeria's policies focused on land conservation and soil health are essential for achieving SDG 15.

Impact of ECOWAS' EBID on Agricultural Development and SDGs

The ECOWAS Bank for Investment and Development (EBID) plays a pivotal role in financing agricultural projects in West Africa. EBID's investments in infrastructure, technology, and training have significantly impacted agricultural productivity and economic development. For instance, EBID-funded projects in Nigeria have led to improved irrigation systems, increased crop yields, and better market access for farmers. These initiatives contribute directly to achieving SDG 1, SDG 2, and SDG 8 by enhancing productivity, ensuring food security, and creating employment opportunities.

Investment in Agriculture

The ECOWAS Bank for Investment and Development (EBID) has made significant contributions to agricultural development in Nigeria through targeted financial investments and strategic initiatives. These efforts align with the Sustainable Development Goals (SDGs) by improving agricultural productivity, enhancing food security, and fostering economic growth.

EBID has allocated substantial funds to various agricultural projects. Notably, EBID financed the Transforming Irrigation Management in Nigeria (TRIMING) project, which aims to enhance productivity and market access for farmers across rehabilitated irrigation schemes such as Bakolori, Middle Rima, Kano River, and Hadejia Valley. This project involves developing value chains, providing technical assistance, and establishing Farmer Management Centers (FMCs) to ensure sustainable agricultural practices and improved market linkages.⁷

⁷ "Transforming Irrigation Management in Nigeria (TRIMING)." ACIDI/VOCA, 2024.
<https://www.acdivoca.org/projects/transforming-irrigation-management-in-nigeria-triming/>.

*Types of Investments:*⁸

- Infrastructure Development: EBID invests in constructing and upgrading irrigation systems, significantly improving water management and increasing crop yields. These projects directly contribute to SDGs related to poverty (SDG 1) and hunger (SDG 2).
- Technology and Innovation: Funding supports the adoption of modern farming technologies, including improved seed varieties and mechanized farming equipment, enhancing productivity and sustainability.
- Capacity Building: Training programs for farmers enhance skills in sustainable farming practices, financial management, and market linkages, thereby promoting economic growth (SDG 8) and responsible consumption and production (SDG 12).

Irrigation Projects:

- Bakolori Irrigation Scheme (Zamfara State): Improved irrigation infrastructure has enhanced water management, leading to increased crop yields and food security.
- Middle Rima Irrigation Scheme (Sokoto State): Rehabilitation has boosted productivity and provided better water access for irrigation.
- Kano River and Hadejia Valley Irrigation Schemes: These projects have significantly increased agricultural production and supported the livelihoods of numerous farmers by ensuring reliable water supplies.⁹

⁸“African Development Bank Approves \$50 Million and EUR 50 Million Trade Finance Transaction Line of Credit to ECOWAS Bank for Investment and Development (EBID) to Enhance Food Security and Boost Agricultural Value Chains in the Region.” African Development Bank, 2024.
<https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-approves-50-million-and-eur-50-million-trade-finance-transaction-line-credit-ecowas-bank-investment-and-development-ebid-enhance-food-security-and-boost-agricultural-value-chains-region-58630>.

⁹“The ECOWAS Bank for Investment and Development Extends EUR 30 Million to Support the Agricultural Sector in Côte d'Ivoire.” ECOWAS Bank for Investment and Development (EBID), 2024.
<https://www.bidc-ebid.org/en/the-ecowas-bank-for-investment-and-development-extends-eur-30-million-to-support-the-agricultural-sector-in-cote-divoire/>.

- Agro-Processing Units: EBID financed the establishment of agro-processing facilities in Southwestern Nigeria, enabling farmers to process their agricultural products locally. This reduces transportation costs, enhances product quality, and increases farmers' incomes, stimulating local economies.

The ECOWAS Agricultural Policy (ECOWAP) is a critical framework guiding agricultural development in West Africa. Established in 2005, ECOWAP has three main objectives. First, it defines the principles and goals for the agricultural sector within ECOWAS, providing a unified vision. Second, it guides the development of agricultural policies and initiatives, ensuring they are coordinated and aligned with regional priorities. Third, it identifies key areas of intervention, facilitating collaborative efforts among sub-regions to boost agricultural productivity and sustainability. Through these objectives, ECOWAS aims to increase agricultural productivity and competitiveness, enhance intra-regional trade, and adapt trade regimes with countries outside the region.

ECOWAP relies on three complementary mechanisms. The first mechanism is the formulation of National Agricultural Investment Plans (NAIPs) in each of the 15 ECOWAS member states. These plans are tailored to the specific needs and conditions of each country, driving national-level agricultural development. The second mechanism is the Regional Agricultural Investment Plan (RAIP), which aims to achieve ECOWAP's objectives through coordinated regional programs that address common challenges and opportunities across the member states. The third mechanism involves specific regional policies and instruments to guide operational sectors, ensuring coherence and synergy between national¹⁰.

¹⁰ "Extended Fund Facility." International Monetary Fund, 2024.
<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/37/Extended-Fund-Facility>.

Furthermore, ECOWAP aims to create a coherent framework among all member states to guide and follow the Malabo Declaration, which emphasizes agricultural growth and transformation within Africa. The Malabo Declaration, adopted in 2014, focuses on food security, poverty reduction, and economic growth, reinforcing commitments to the Sustainable Development Goals (SDGs). ECOWAP's alignment with this declaration supports sustainable practices, enhances productivity, and ensures food security, driving meaningful progress towards achieving. For this, ECOWAS created MESECOPS, a system to monitor and Evaluate the tracking of the indicators through the platform.

More specifically, the Strategy Policy Framework is divided into 4 different objectives. First, contribute to increasing agropastoral and fishery productivity. Second, promote contractual, inclusive, and competitive agricultural food value chains (international demand). Third, to improve access to food and nutrition and strengthen the resilience of vulnerable populations. Fourth, improve the business environment, governance, and funding mechanisms for the agricultural sector. Each one has between 4 to 7 measurement results from which projects are analyzed and then the four objectives are harmonized no matter which project.¹¹¹¹ This information comes from two main partners, ECOAGRIS and ReSAKS (SAKS). Although the information can work for tracking progress, it is mostly utilized for strategic planning on future projects.

More than 106 ongoing projects which range from a variety of different donors including the European Union, World Bank, and Member States themselves. The following are just two of some outcomes of projects:

¹¹ "Poverty Reduction and Growth Trust." International Monetary Fund, 2024.
<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/42/Poverty-Reduction-and-Growth-Trust>.

- Increased Crop Yields: Regions with EBID-funded irrigation and mechanization projects report yield increases of up to 30%. For instance, the Bakolori Irrigation Scheme has seen a significant rise in rice and wheat production, contributing to improved food security and farmer incomes.
- Market Access: Improved infrastructure facilitates better market access for farmers, allowing them to sell their produce at competitive prices, reducing post-harvest losses, and boosting economic stability.¹²



Map of Western African Countries and Key Cities

Case Studies and Data

This first case study covered the Bakolori Irrigation Scheme, a project centered around the Bakolori dam that aims to improve agriculture production, growth, and rural wealth in Nigeria. EBID financed the rehabilitation of the Bakolori Irrigation Scheme, focusing on enhancing water management and agricultural productivity. The project significantly increased the area of irrigated land, leading to higher crop yields and greater food security. Farmers

¹² “Nigeria: IMF-Supported Programs.” International Monetary Fund, 2024. <https://www.imf.org/en/Countries/NGA>.

reported increased incomes and improved livelihoods.¹³ Meanwhile, this second case study focuses on Agro-Processing in Southwestern Nigeria. EBID supported the establishment of agro-processing units for local processing of agriculture.¹⁴ These facilities have impacted the local region by enabling farmers to process and market their produce more efficiently, increasing their earnings and stimulating local economies.¹⁵

For productivity metrics, data from EBID-funded projects show marked improvements in agricultural productivity, with some regions reporting yield increases of up to 30%. As for the economic indicators, economic analyses indicate that regions with EBID-funded projects experience higher rates of economic growth and lower levels of poverty compared to regions without such investments.

EBID's investments and initiatives have significantly contributed to agricultural development in Nigeria. By providing financial resources for critical projects, EBID has helped improve agricultural productivity, enhance food security, and promote economic growth. The success of these projects underscores the importance of continued investment in the agricultural sector to achieve the Sustainable Development Goals in Nigeria and the broader ECOWAS region. ECOWAP is a key tool that helps ECOWAS and investors track and plan what has been done and what projects should be developed to meet all the objectives. Yet, even while implemented, it has been seen that this tool has not been fully updated in 2017, making this successful only if used. Therefore, EBID, whilst having mechanisms to analyze West Africa needs to implement projects to meet the objectives, create progress, and promote sustainable development in the West African Agricultural Sector.

¹³ "Structural Adjustment Programs." International Monetary Fund, 2024.
<https://www.imf.org/external/pubs/ft/scr/2020/cr20132.pdf>.

¹⁴ "Extended Credit Facility." International Monetary Fund, 2024.
<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/23/Extended-Credit-Facility>.

¹⁵ "Malabo Declaration on Agriculture 2014." Resakss.org, 2024.
https://www.resakss.org/sites/default/files/Malabo%20Declaration%20on%20Agriculture_2014_11%2026-.pdf.

Impact of IMF on Agricultural Sector SDGs

The International Monetary Fund (IMF) supports Nigeria's agricultural sector through various programs aimed at economic stabilization and reform. IMF's financial assistance and policy recommendations have facilitated economic reforms that indirectly benefit agriculture.

For example, IMF-supported initiatives to improve fiscal management and economic policies have created a more stable environment for agricultural investment. However, the IMF's focus on macroeconomic stability sometimes results in austerity measures that can adversely affect public spending on agriculture, posing challenges to achieving SDGs related to poverty and hunger.

Policies and Programs Supporting Agriculture

The IMF provides financial assistance to Nigeria through various programs and loans aimed at economic stabilization and development. These programs often include components that directly or indirectly benefit the agricultural sector.

The IMF's financial assistance and policy guidance help Nigeria implement economic reforms that support agricultural development. These policies typically focus on improving macroeconomic stability, enhancing fiscal management, and promoting structural reforms.

- Extended Fund Facility (EFF): The EFF offers financial support for structural reforms in Nigeria, including measures to enhance agricultural productivity and sustainability. The program emphasizes macroeconomic stability, essential for creating a favorable environment for agricultural investments.¹⁶

¹⁶ "MESECOPS: Monitoring and Evaluation System for the Comprehensive African Agriculture Development Programme (CAADP)." ECOWAS, 2024. <https://mesecops.araa.org/index.cfm>.

- Poverty Reduction and Growth Trust (PRGT): This initiative targets poverty reduction and sustainable growth, with specific projects aimed at boosting agricultural productivity and food security. The PRGT supports low-income countries like Nigeria with concessional financing and tailored policy.¹⁷
- Food Insecurity Initiatives: The IMF has focused on addressing food insecurity in Nigeria, particularly in response to global food price volatility and domestic challenges such as flooding and high fertilizer prices. These initiatives aim to stabilize food prices and enhance food security through comprehensive agricultural policies and input uses).¹⁸

Reforms and Policy Recommendations by the IMF for the Agricultural Sector

The IMF's policy recommendations for Nigeria include a range of reforms aimed at stabilizing the economy and enhancing agricultural productivity. These reforms focus on improving fiscal management, increasing access to credit for farmers, and promoting sustainable farming practices.

- Macroeconomic Reforms: The IMF recommends policies to stabilize inflation, improve fiscal balance, and strengthen financial systems. These macroeconomic reforms create a stable environment conducive to agricultural investments.¹⁹
- Agricultural Policy Reforms: The IMF advises Nigeria to enhance its agricultural policies by increasing investment in rural infrastructure, promoting the use of modern farming technologies, and improving access to markets for agricultural products.

¹⁷ "Nigeria: Staff Concluding Statement of the 2022 Article IV Mission." International Monetary Fund, 2022. <https://www.imf.org/en/News/Articles/2022/11/18/nigeria-staff-concluding-statement-of-the-2022-article-iv-mission>.

¹⁸ International Monetary Fund. *IMF Programmes and Health Spending: Case Studies in Latin America*. Washington, D.C.: International Monetary Fund, 2004. <https://www.elibrary.imf.org/display/book/9781589063617/pr001.xml>. <https://doi.org/10.5089/9781589063617.072>.
 International Monetary Fund. "How to Support Vulnerable Nations without Adding to Debt Distress." *IMF Economic Review*, 2023. <https://www.elibrary.imf.org/view/journals/018/2023/018/article-A001-en.xml>. <https://doi.org/10.5089/9798400236921.018>.

Financial Assistance and Reforms

The IMF provides various forms of financial support to Nigeria, including loans, grants, and technical assistance aimed at stabilizing the economy and supporting agricultural development. Extended Credit Facilities provide financial support to help Nigeria address balance of payments problems while implementing economic reforms to boost growth and reduce poverty.¹⁹ Rapid Financing Instruments (RFIs) offers quick financial assistance to countries facing urgent balance of payments needs, such as those caused by economic shocks or natural disasters.²⁰²¹

IMF-mandated economic reforms have had a significant impact on Nigeria's agricultural sector by improving macroeconomic stability, enhancing access to credit, and promoting sustainable farming practices. Regarding economic stability, IMF-supported reforms have helped stabilize Nigeria's economy, reducing inflation and improving fiscal management. This stability has created a more favorable environment for agricultural investments. For access to credit, reforms aimed at strengthening Nigeria's financial systems have improved access to credit for farmers, enabling them to invest in better farming techniques and technologies. Even sustainable farming practices have been improved, as the IMF's emphasis on sustainable economic policies has encouraged the adoption of sustainable farming practices, improving long-term agricultural productivity and food security.

The IMF has played a crucial role in shaping agricultural policies and outcomes in Nigeria through its financial assistance and policy recommendations, and this impact is emphasized in each of the case studies focused on in this paper. The IMF leveraged the use of

¹⁹ International Monetary Fund. "Extended Credit Facility (ECF)." *Fact Sheet*, 2023.
<https://www.imf.org/en/About/Factsheets/Sheets/2023/Extended-Credit-Facility-ECF>.

²⁰ International Monetary Fund. "Rapid Financing Instrument (RFI)." *Fact Sheet*, 2023.
<https://www.imf.org/en/About/Factsheets/Sheets/2023/Rapid-Financing-Instrument-RFI>.

²¹ International Monetary Fund. "Rapid Financing Instrument (RFI)." *Fact Sheet*, 2023.
<https://www.imf.org/en/About/Factsheets/Sheets/2023/Rapid-Financing-Instrument-RFI>.

Structural Adjustment Programs (SAPs), back in the 1980s and 1990s, to stabilize Nigeria's economy through policy reforms and economic liberalization. These programs led to the liberalization of agricultural markets, reduction of subsidies, and improved access to inputs and credit. However, they also faced criticism for causing short-term disruptions and increasing rural poverty.¹⁹ Recent IMF programs, such as the Extended Credit Facility and the Rapid Financing Instrument, have focused on supporting Nigeria through economic shocks and promoting sustainable growth. These programs have funded initiatives to improve agricultural infrastructure and promote sustainable farming practices.

Due to the IMF's involvement in Nigeria, there have been significant improvements in agricultural productivity, employment, and food security. Data from IMF-supported initiatives indicate improvements in agricultural productivity. Investments in irrigation and rural infrastructure have led to higher crop yields and more efficient farming practices. Meanwhile, IMF programs have supported job creation in the agricultural sector by improving access to credit and investing in rural infrastructure, which has enhanced farming operations and increased employment opportunities for rural populations. IMF initiatives targeting food security have contributed to reducing hunger and malnutrition. By supporting projects that improve agricultural output and access to food, the IMF has played a vital role in achieving SDG 2 in Nigeria.

The IMF's involvement in Nigeria's agricultural sector has had a significant impact on achieving SDGs related to poverty reduction, hunger eradication, and economic growth. Through financial assistance and policy reforms, the IMF has helped stabilize the economy, enhance agricultural productivity, and improve food security. These efforts underscore the importance of

continued support and collaboration to sustain agricultural development and achieve the Sustainable Development Goals in Nigeria.

V. COMPARATIVE ANALYSIS OF EBID AND IMF

Both EBID and IMF play significant roles in supporting agricultural development in Nigeria, but their approaches and impacts differ. EBID's project-based investments directly target agricultural infrastructure and capacity-building, leading to tangible improvements in productivity and food security. In contrast, the IMF's macroeconomic focus aims to create a stable economic environment that indirectly benefits agriculture. While both approaches are necessary, the comparative effectiveness of project-based investments versus policy reforms needs careful analysis. EBID's direct investments often yield quicker and more visible results, whereas the IMF's structural adjustments provide long-term economic stability but may face criticism for their immediate social impacts.

The ECOWAS Bank for Investment and Development (EBID) and the International Monetary Fund (IMF) represent two such entities with divergent strategies. EBID operates using an investment and project-based approach, while the IMF's policy and reform-based approach deals with a different time frame and integration strategy.

EBID focuses on direct investments in specific agricultural projects, such as infrastructure development (e.g., irrigation systems) and capacity-building initiatives. These projects aim to have immediate and tangible impacts on agricultural productivity and economic development. Examples entail projects like the Transforming Irrigation Management in Nigeria (TRIMING) and the establishment of agro-processing facilities in Southwestern Nigeria

highlighting EBID's emphasis on direct interventions to improve agricultural output and market access.

By contrast, the IMF focuses on macroeconomic stability and policy reforms, providing financial assistance tied to structural adjustments aimed at improving fiscal management, reducing inflation, and stabilizing the economy. These reforms create a favorable environment for agricultural investments but may not have immediate, direct impacts on agricultural activities. The Extended Fund Facility (EFF) and the Poverty Reduction and Growth Trust (PRGT) are examples of IMF programs that include components to support agricultural development indirectly through economic stabilization and policy reforms.

In looking at the success of each of these organizations' initiatives, the best approach is to see how each EBID's direct investments in agricultural infrastructure and capacity-building have led to immediate improvements in agricultural productivity and food security. Projects like TRIMING have resulted in increased crop yields, better water management, and enhanced market access for farmers. EBID-funded projects have shown marked improvements in productivity, with some regions reporting yield increases of up to 30%. These projects have also contributed to economic growth and poverty reduction by creating employment opportunities and boosting incomes for farmers.

Contrast that with the IMF's focus on macroeconomic stability and policy reforms has created a more stable economic environment conducive to agricultural investments. However, the impact on agricultural productivity and food security is more indirect and long-term. For the plan, IMF-supported economic reforms have helped stabilize Nigeria's economy, reduce inflation, and improve fiscal management. These reforms have enhanced access to credit for

farmers and promoted sustainable farming practices, contributing to long-term agricultural development and economic growth.

The long-term forecasts for both EBID and IMF are positive in securing the “bottom line” in West Africa. First, look at the improvements to efficiency for each. EBID’s direct investments in irrigation and mechanization have led to significant improvements in agricultural productivity, with increased crop yields and more efficient farming practices. The IMF’s economic stability policies and improved access to credit have indirectly boosted agricultural productivity by creating a favorable investment climate and promoting sustainable practices. Similar changes were seen with food security. Projects like the EBID’s TRIMING have directly enhanced food security by increasing agricultural output and reducing post-harvest losses. The IMF’s initiatives targeting macroeconomic stability and food security have contributed to reducing hunger and malnutrition through better economic management and support for agricultural policies. Finally, EBID and IMF have been shaping Nigeria and West Africa to become self-reliant economies. EBID is pushing investments in agricultural infrastructure and capacity-building that have stimulated local economies to create jobs and boost incomes for rural populations. The IMF is reforming its policies for stable, broader economic growth, benefiting the agricultural sector through improved market conditions and financial stability.

Challenges and Opportunities for Synergies

However, there are challenges faced by both EBID and IMF in implementing agricultural development initiatives. First, both organizations face challenges related to political instability and governance issues in Nigeria, which can hinder the implementation and effectiveness of their programs. Second, infrastructure deficits, particularly in rural areas, poses significant challenges

for agricultural development initiatives. Third, a resistance from local stakeholders and institutional inertia can impede the implementation of major economic and agricultural reforms.

Given the breadth of initiatives that are being tackled by EBID and IMF, there are several opportunities for collaboration via synergies to enhance the production of the agriculture sector in pursuit of the UN SDG targets.

- **Complementary Approaches:** Combining EBID's direct investment approach with the IMF's policy and reform focus can create a comprehensive strategy for agricultural development. EBID's projects can provide immediate impacts, while IMF's reforms ensure long-term stability and sustainability.
- **Joint Programs:** Collaborative programs leveraging EBID's funding and the IMF's policy expertise can address immediate agricultural needs and broad economic tailwinds.
- **Shared Objectives:** Both organizations aim to achieve SDGs related to poverty reduction, food security, and economic growth. By aligning their efforts and resources, they can enhance the overall impact of their initiatives on Nigeria's agricultural sector.

The comparative analysis of EBID and IMF's approaches to agricultural development highlights the strengths and weaknesses of each strategy. EBID's direct investments yield immediate benefits in productivity and food security, while the IMF's policy reforms provide long-term economic stability and sustainability. By addressing challenges and leveraging opportunities for collaboration, both organizations can enhance their contributions to achieving Sustainable Development Goals in Nigeria's agricultural sector. This synergistic approach ensures a more robust and comprehensive development strategy, fostering sustainable growth and improving the livelihoods of millions in the region.

VI. CITATIONS

“African Development Bank Approves \$50 Million and EUR 50 Million Trade Finance

Transaction Line of Credit to ECOWAS Bank for Investment and Development (EBID) to Enhance Food Security and Boost Agricultural Value Chains in the Region.” African Development Bank, 2024.

<https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-approves-50-million-and-eur-50-million-trade-finance-transaction-line-credit-ecowas-bank-investment-and-development-ebid-enhance-food-security-and-boost-agricultural-value-chains-region-58630>.

“Archive:ECOWAS-EU - Trade and Investment Statistics.” Eurostat: Statistics Explained, June 16, 2015.

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive%3AECOWAS-EU_-_trade_and_investment_statistics.

“Economic Community of West African States (ECOWAS).” Economic Community of West African States ECOWAS, 2015.

<https://ecoslate.github.io/doing-business-in-ecowas/import-and-export/index.htm>.

“ECOWAP.” ECOWAP, 2024. <https://ecowap.ecowas.int/>.

“ECOWAS Bank For Investment and Development (EBID): Economic Community of West African States (ECOWAS).” ECOWAS Bank for Investment and Development (EBID), 2024.

<https://www.ecowas.int/institutions/ecowas-bank-for-investment-and-development-ebid/>.

“Extended Credit Facility.” International Monetary Fund, 2024.

<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/23/Extended-Credit-Facility>.

“Extended Fund Facility.” International Monetary Fund, 2024.

<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/37/Extended-Fund-Facility>.

“International Monetary Fund. "Extended Credit Facility (ECF)." Fact Sheet, 2023.

<https://www.imf.org/en/About/Factsheets/Sheets/2023/Extended-Credit-Facility-ECF>.

International Monetary Fund. IMF Programmes and Health Spending: Case Studies in Latin America. Washington, D.C.: International Monetary Fund, 2004.

<https://www.elibrary.imf.org/display/book/9781589063617/pr001.xml>.

<https://doi.org/10.5089/9781589063617.072>.

International Monetary Fund. "How to Support Vulnerable Nations without Adding to Debt Distress." IMF Economic Review, 2023.

<https://www.elibrary.imf.org/view/journals/018/2023/018/article-A001-en.xml>.

<https://doi.org/10.5089/9798400236921.018>.

International Monetary Fund. "Nigeria: 2022 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Nigeria." IMF Staff Country Reports, 2022.

<https://www.elibrary.imf.org/view/journals/002/2022/034/article-A004-en.xml>.

<https://doi.org/10.5089/9798400200410.002>.

“International Monetary Fund. "Rapid Financing Instrument (RFI)." Fact Sheet, 2023.

<https://www.imf.org/en/About/Factsheets/Sheets/2023/Rapid-Financing-Instrument-RFI>.

“Malabo Declaration on Agriculture 2014.” Resakss.org, 2024.

https://www.resakss.org/sites/default/files/Malabo%20Declaration%20on%20Agriculture_2014_11%2026-.pdf.

“MESECOPS: Monitoring and Evaluation System for the Comprehensive African Agriculture Development Programme (CAADP).” ECOWAS, 2024.

<https://mesecops.araa.org/index.cfm>.

“Nigeria: IMF-Supported Programs.” International Monetary Fund, 2024.

<https://www.imf.org/en/Countries/NGA>.

“Nigeria: Staff Concluding Statement of the 2022 Article IV Mission.” International Monetary Fund, 2022.

<https://www.imf.org/en/News/Articles/2022/11/18/nigeria-staff-concluding-statement-of-the-2022-article-iv-mission>.

Obasi, Nnamdi. “What Turmoil in ECOWAS Means for Nigeria and Regional Stability.” Q&A / Africa, March 29, 2024.

<https://www.crisisgroup.org/africa/west-africa/nigeria-sahel/what-turmoil-ecowas-means-nigeria-and-regional-stability>.

“Poverty Reduction and Growth Trust.” International Monetary Fund, 2024.

<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/42/Poverty-Reduction-and-Growth-Trust>.

“Poverty Reduction and Growth Trust (PRGT).” International Monetary Fund, 2024.

<https://www.imf.org/en/Topics/PRGT>.

“Structural Adjustment Programs.” International Monetary Fund, 2024.

<https://www.imf.org/external/pubs/ft/scr/2020/cr20132.pdf>.

“The ECOWAS Bank for Investment and Development Extends EUR 30 Million to Support the Agricultural Sector in Côte d'Ivoire.” ECOWAS Bank for Investment and Development (EBID), 2024.

<https://www.bidc-ebid.org/en/the-ecowas-bank-for-investment-and-development-extends-eur-30-million-to-support-the-agricultural-sector-in-cote-divoire/>.

“Transforming Irrigation Management in Nigeria (TRIMING).” ACDI/VOCA, 2024.

<https://www.acdivoca.org/projects/transforming-irrigation-management-in-nigeria-trimming/>.

“West African Countries: Treaty of the Economic Community of West African States.”

International Legal Materials 14, no. 5 (September 1975).

<https://doi.org/10.1017/s0020782900042479>.