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ECONOMIC COMMUNITY OF
WEST AFRICAN STATES



COMMUNAUTE ECONOMIQUE
DES ETATS DE L'AFRIQUE
DE L'OUEST



ECW/CM/XLVII/2

Original : French

**"REGIONALISM TO ENSURE WEST AFRICAN DEVELOPMENT
IN THE NEW MILLENNIUM"**



2000

ANNUAL REPORT OF
THE EXECUTIVE SECRETARY
MR. LANSANA KOUYATÉ

EXECUTIVE SECRETARIAT
ABUJA, OCTOBER 2000

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INTRODUCTION

1. The forty years that have elapsed since 1960, when most of the ECOWAS countries attained their independence, have been a particularly difficult period for West Africa. The region is entering a new century facing very many difficulties. More than half of the population subsists on less than one dollar a day; and the current economic growth level cannot bring about any significant reduction of poverty.

2. The model of development adopted in the sixties, and which was modified in the eighties under the various structural adjustment programmes, has fallen far short of expectations. Published statistics mostly gave a false picture of the economic situation, masking the fact that the vast majority of the West African population was slowly but inexorably becoming poorer.

3. The recent economic history of the West African region can thus be considered to have been, for the most part, a period of often acute economic crisis. The region must act to reverse this situation. For a long time, the debate around this issue has focused on the choice that must be made between growth and social development, between stringent management and economic recovery. The Bretton Woods institutions have been the greatest proponents of this theory which has now received short shrift. Yet, if the new pet theory- poverty reduction- were to be taken as being in opposition to growth, and the rigour which that implies, the issues involved would still not be any clearer. The fact is, one must not preclude the other. That is why West African countries must avoid such clear-cut choices and the many attendant pitfalls, failing which they will remain locked in a vicious cycle of under-development - impoverishment - armed conflict, while all efforts to curtail these phenomena will continue to fail.

4. West Africa at the present time has to grapple with the issues of development, and with the attendant problems which are many and varied. However, this new century affords a golden opportunity to end the region's marginalisation. The last decade was one of rapid political change and the result has been the advent of more responsible governments following multi-party elections. Also, there is now a broader consensus on the need to move away from the

defective economic models of yesteryears. There is now talk of development underpinned by economic reforms, improved management of public affairs, human resource development and infrastructural growth. In addition, there is a much clearer awareness of the crucial role that regional integration can play in promoting the economic growth and development of the countries in the region.

5. All these factors combine, at this turn of the century, to place West Africa in a better position than was the case a few years ago, despite the current difficulties. Conflicts and poverty are expected to give way to development and peace; economic growth, democracy and regional integration stand to be consolidated in the new millennium. All this will of course be possible only where there is an unflagging commitment to the pursuit of these cardinal values.

6. A broad consensus has also emerged around a certain number of key principles that should guide the integration process in West Africa over the coming years. Some of these principles have been sharply brought home by the constraints encountered, and by the conditions that are needed for the effective implementation of ECOWAS programmes. Among them are the need for internal political and economic stability, the need for coordination of macroeconomic policies at the regional level, and also the need to improve the operational procedures in the Community institutions. Above all, all Member States must show a political commitment to implementing the Community's priority programmes.

7. In its years of existence, ECOWAS has undertaken many cooperation and integration programmes in the key sectors of the economy, particularly with regard to trade promotion, trade liberalisation, provision of better road and telecommunications infrastructures, and the development of the agriculture, industry and energy sectors. However, such programmes have had minimal impact because most of the decisions taken by the ECOWAS policy organs are never implemented.

8. These lessons of past experience have not been lost on the Heads of State and Government who are keenly aware of the development challenges before West Africa as it responds to the imperative of globalisation. Thus, at their Lome meeting in December

1999, they reiterated their political will to strengthen ECOWAS, and again pledged to execute Community programmes, these being the catalyst for the growth and development of the West African economies. As a means to this end, they adopted a strategy designed to accelerate integration of ECOWAS through the establishment of a single regional market anchored on free trade, a common external tariff and uniform economic and financial policies.

9. The Heads of State also underscored the need to coordinate the activities of ECOWAS and UEMOA in order to avoid overlapping and a duplication of Community programmes.

10. Going even further, the Heads of State recognised the need for a double-track approach to integration. They agreed that any group of countries may take concrete, pragmatic measures to accelerate integration among themselves. Six countries have thus embarked on an initiative to set up a second monetary zone within the ECOWAS region by 2003. They aim to merge this with the CFA zone in 2004, to form a single ECOWAS monetary zone.

11. At a joint meeting in Bamako in January 2000, ministers from UEMOA and ECOWAS sought to evolve practical means of implementing the decisions taken at the Lome Summit. They expressed support for the various initiatives being taken, and established a plan of action to hasten the pace of regional integration in West Africa, essentially by streamlining the programmes of their two institutions, and through the creation of a second monetary zone by 2003.

12. The ECOWAS Executive Secretariat and the UEMOA Commission have held several working sessions since the beginning of this year to harmonise their programmes, particularly with regard to the common market and macroeconomic policy convergence.

13. At the international level, we need to fully grasp the issues raised during the negotiation of the successor agreement to the Lome Convention. The countries of the European Union have stuck to the idea of signing regional economic partnership agreements with regional economic groupings in developing countries, a clear

indication that they no longer wish to trade with or invest in countries with small markets.

14. The Authority of Heads of State and Government, meeting in Lome in December 1999, recognised ECOWAS as the appropriate framework for relations between West Africa and the European Union. It must be pointed out, however, that by the terms of these REPA, ECOWAS must be an established a customs union before it can work in partnership with the European Union.

15. Our efforts to achieve economic and customs union in West Africa must be informed by political and strategic considerations. We must build a politically and economically solid ECOWAS, capable of negotiating with other blocs in the developed countries the bases for a mutually-beneficial form of cooperation that can guarantee West Africa's access to larger markets. For its part, the region must ensure the right conditions to encourage foreign investment inflows, in the context of a single regional market within which local and international private enterprise can enjoy the benefits of economies of scale. This new arrangement affords West African countries an opportunity to consolidate their concerted effort to bring about economic and political change within a wider regional forum.

16. Clearly, therefore, the time has come to rethink the development strategy in West Africa, by adapting it to the new world economic and geopolitical realities but without losing sight of the specific features of our national economies. This can be achieved through regional integration, which is the best approach to integrating the West African economies into the world economy.

17. However, without a climate of peace, security and stability, these new elements that are so vital for a coherent regional integration strategy will be impossible to assemble. The civil strife, social ills and wars that have affected several countries in the region account, in great part, for our lacklustre economic performance and the slow pace of the regional integration process.

18. Political instability has been a characteristic feature of our region over the past few years even in hitherto stable countries. In Cote d'Ivoire, the organisation of elections, which was to be a

democratic process, exacerbated social tensions and provoked confrontations, which left many dead and many more wounded. The current tension along the borders between Guinea, Liberia and Sierra Leone is part of the fallout from the civil conflict in the Mano River Union area. When law and order breaks down in one State, the effect spills over into the adjoining states, bringing civil upheaval in its wake.

19. Unbridled personal political ambition, poverty, unemployment, and the underdevelopment evidenced by a low level of education and a political system where certain sections of the population have no say in political and economic decisions that affect them - these are the root causes of social breakdown and conflict. Similarly, civil and political crises often erupt when governments prove incapable of satisfying their citizen's most pressing needs. ECOWAS countries must break out of the vicious cycle of conflicts, that create poverty, which in turn fuels the potential for conflict. All countries in the region need to ensure peace, stability and security within their borders by establishing a stable environment conducive to good governance.

20. I must here praise the consistent and unflagging efforts of the current ECOWAS Chairman, President Alpha Oumar Konare of the Republic of Mali, and his peers who have continued, undeterred and with an iron resolve, to pursue peace and regional integration in West Africa despite the many difficulties in their path.

21. West Africa faces huge challenges in its quest for regional integration. It is my fervent hope that this current session of the Authority of Heads of State and Government will map out a path that will enable our region to improve the environment of peace, stability and development in West Africa and thus guarantee lasting growth and economic development. We need take no more new decisions or elaborate new texts; what we need now is to apply, with conviction, those decisions that have already been taken.

22. This annual report is an update of my interim report of May 2000 and contains three substantive chapters. Chapter I analyses recent economic developments in West Africa and the region's future prospects. Chapter II reviews the implementation of the Community

work programme, with an emphasis on the harmonisation of ECOWAS and UEMOA integration programmes. Chapter III focuses on the need to take account of the regional dimension in national development efforts. The last part of the report consists of remarks and conclusions.

CHAPTER I

THE REGIONAL ECONOMY - RECENT DEVELOPMENTS AND FUTURE PROSPECTS

23. The GDP growth rate of the ECOWAS Member States as a whole remained sluggish. This was due yet again to falling economic growth rate in Cote d'Ivoire and Nigeria which account for 10% and 56% respectively of the region's GDP, representing 66% of total production in West Africa. On the whole, real GDP in ECOWAS countries grew by 2.5% in 1999, down from 3.2% in 1998. This figure is slightly lower than the population growth rate, estimated at 2.7%.

24. The regional economy suffered from the sharp fall in cocoa prices and the suspension of foreign aid to Cote d'Ivoire in the first half of 1999. The situation was further worsened by the military coup d'état that took place in that country on Christmas eve 1999, the first since it became independent. Economic recovery in Cote d'Ivoire will depend largely on achieving peace and security, after the tumultuous elections held in October 2000 which brought an end to the military regime of the December coup.

25. In the case of Nigeria, the slowdown in production can be traced to structural problems related to shortages and disruptions in electricity supply, crumbling infrastructures, a deficient regulatory framework, and repeated acts of vandalism against oil installations in the Niger Delta. However, since the democratic regime took over, the Nigerian authorities have been striving hard to consolidate and deepen the economic reform process so as to reverse this negative growth trend.

26. West African countries are starting the 21st century as members of the club of least developed nations. Average per capita income in the region today is lower than it was in the early seventies. Indeed, about 118 million, or 52%, of West Africa's 210 million inhabitants have an income of less than 1 US dollar per day.

27. Our region, like other parts of the continent, continues to be beset by many development problems. These include low primary school enrolment rates, high infant mortality, and endemic diseases

especially malaria and HIV/AIDS, which constitute a heavy burden for the ECOWAS countries, and hinder their development.

28. Moreover, West Africa's share of commodity exports is declining. It has made little progress towards diversifying its production base to cover new activities. It has also been a victim of massive capital flight and brain drain. In addition, the region is currently in real danger of being bypassed by the information revolution having an insignificant share in the market of new information technology; this is a challenge that West Africa must necessarily tackle, given the impact of this dynamic sector on the world economy.

29. Many ECOWAS countries have embarked on far-reaching economic reforms in response to these obstacles to development. They have thus improved on their macro-economic performance, liberalised their markets and trade, and taken measures to increase private-sector participation in the economy. These important measures are certain to boost economic growth and generate higher income thereby reducing the poverty level. It is as a result of this that some of the countries in the region have become the focus of increasing investor interest abroad. However, in order to erase the disastrous consequences of the long period of crisis and economic decline, the new measures must be cast within a long-term perspective aimed at affecting positively those structures which meet the requirements of modern economic management.

30. The rapid demographic growth means that the countries in the sub-region will need to attain an annual growth rate of 5% (the 1999 figure was only 2.5%) simply to keep the number of the poor at current levels. In order to cut acute poverty by half between now and 2015, West Africa must record an annual growth rate of more than 7%, and ensure a more equitable income distribution. It often happens that, even with the highest growth rates, there is no discernible improvement in the people's living standards.

31. For such an improvement to take place, the West African countries must take their destiny into their own hands and implement credible programmes that are designed by themselves, and which they then implement with donor support within the framework of a long-term and coordinated partnership.

1. External environment: the international economic situation

32. According to figures released by the IMF, the world economy grew by 2.3% in 1999, as against 2.5% in 1998. This was due essentially to increased demand in the United States of America and the recovery in Asia. The exceptional growth in investment and private consumption in the US was not only beneficial to the NAFTA region but also aided recovery in Asia and, to a lesser extent, spurred production growth in Western Europe.

33. The growth rate in the major industrialised countries was estimated at 2%. In the United States, production grew by 3.3%, fuelled by high domestic demand and high levels of investment, essentially in the information technologies, the backbone of the "new economy".

34. The Japanese economy improved slightly with a growth rate of -1.4% in 1999, better than the -2.8% in 1998. This came as a result of an increase in household consumption and the restructuring of the banking system. Korea recorded an exceptionally high growth rate of 11%. In the other Asian countries, with the notable exception of Indonesia, economic growth remained high as a result of budgetary recovery measures, reconstitution of stocks, and increased demand for electronic goods on the world market.

35. The production growth rate in the Euro zone fell to 2% in 1999, following a sharp drop in domestic demand and the dull business environment. This contributed significantly to reduce the expansion in the volume of trade. The Euro and the other European currencies were weaker against the US dollar. Consequently, the dollar prices of exports and imports fell by an average of 4% in the region, causing exchange rates to stagnate in 1999.

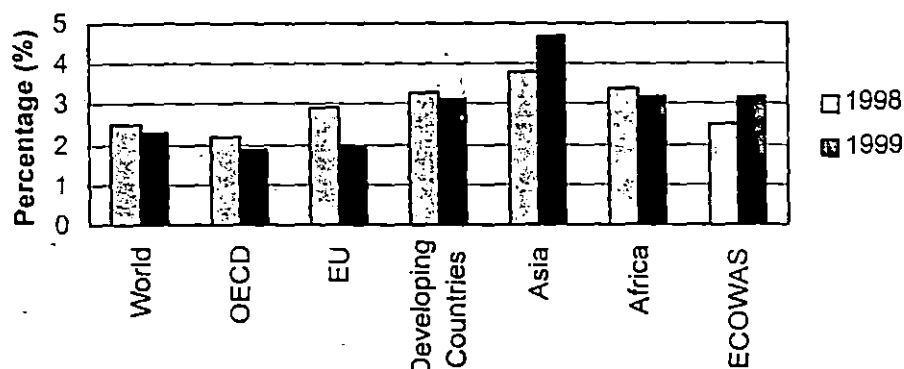


Fig. 1: GDP growth in different regions of the world

36. 1999 was marked by serious volatility on the major currency markets. The European currency, the Euro, traded for US \$ 0.88 in August 2000, hit its lowest level since it was launched in January 1999. It lost more than a quarter of its value in relation to the US dollar. The Euro also hit an unprecedented low against the yen, having exchanged for 94.32 yens during the first half of 2000.

37. West Africa has very strong economic ties with the European Union which buys 60% of the region's exports and supplies 56% of its imports. However, ECOWAS countries, as members of the ACP Group did not really fare any better on the European markets, despite being guaranteed preferential access under the Lome Convention. This led to a demand for amendments to the provisions of the cooperation agreement between the two groups during the meeting in Cotonou in June 2000, at which a new convention was signed. The ACP countries again stressed their need of preferential access to the European market. Although constrained by the limits imposed by the current WTO rules, the European Union has accepted to support the development efforts of ACP countries by maintaining the existing trade agreements for the duration of the transition period which will last until 2008. At the end of this period, it is envisaged that economic

partnership agreements will be signed, to replace the preferential trade regime. However, for these agreements to serve any meaningful purpose, they should promote unity and solidarity among ECOWAS countries and not sap the energies that should go into promoting regional economic integration.

38. The ACP countries and the European Union should form alliances within the WTO so as to be able to impose greater flexibility with regard to the interpretation and application of regulations and standards, with a view to ensuring that the special needs of ACP countries are taken adequately into account. ACP countries should also endeavour to diversify their economies in order to maximise the gains of globalisation. The benefits of the partnership agreements, and the opportunities provided by multilateral trade, will not be felt until this problem is resolved.

39. With regard to the regulatory aspects of international trade, several WTO members have, as agreed, begun progressively lowering customs duties, export subsidies, and other agricultural support measures. Many WTO members have also agreed to open up the telecommunications market. The sector is thus now open to greater competition and in many countries, government-controlled enterprises have been privatised.

40. However, issues such as reduction in tariff and non tariff barriers, environmental protection and labour laws have still not been resolved. None of the different partners is showing sufficient flexibility to indicate that there will be a speedy resumption of the negotiations.

41. The prices of the major commodity exports of ECOWAS countries (coffee, cocoa, cotton, rubber, groundnut) fell in 1999. In August 2000, the average prices of these products were at their lowest levels in ten years. It is imperative for ECOWAS to establish regional cooperation in matters of sectoral policy so as to bring together our producers and exporters and give us a chance, no matter how small, to influence the prices of these different products. The Secretariat is looking into this, and hopes to organise a meeting of Ministers of Agriculture and Trade on this issue.

42. The price of oil has tripled, from 10 US dollars per barrel in February 1999 to 35 dollars in the third quarter of 2000. Higher oil prices have boosted the budget revenue of oil-exporting countries like Nigeria. On the other hand, the high prices may cause serious macroeconomic imbalances in most of the oil-importing ECOWAS countries. It is feared that the increases of between 10% and 60% in the pump price of petrol in almost all the ECOWAS countries will fuel widespread inflation and further slow down economic activities.

2. The internal environment: the West African economy

i) General economic trends

Table 1: West Africa: Main macroeconomic indicators

INDICATORS	1990	1995	1996	1997	1998	1999
Real GDP growth rate (%)	5.0	3.5	4.8	3.7	3.2	2.5
GDP per inhabitant (US \$)	385	328	364	367	373	377
Inflation (%)	13.3	21.2	12.1	9.3	7.2	7.0
Budget surplus (% of GDP).	-2.2	-1.0	-0.9	-2.6	-5.8	-7
Gross domestic investment (% of GDP)	17.1	16.6	15.7	17.9	20.6	23.5
Gross domestic savings (% of GDP)	16.1	12.6	18.0	17.5	14.7	15
Growth in exports in real terms (%)	10.3	10.6	12.5	1.3	0.0	6.9
Trade surplus (% of GDP)	9.2	5.3	9.9	7.5	1.2	-
Current account balance (% of GDP)	9.3	-4.3	2.0	-0.7	-6.1	-8.0
Growth of terms of trade (%)	9.3	4.3	8.4	2.6	-9.4	-10.3
External debt (% of GDP)	98.0	115.5	100.0	94.1	93.3	106.3
Debt servicing (% of exports)	21.8	22.4	18.3	15.8	21.3	-

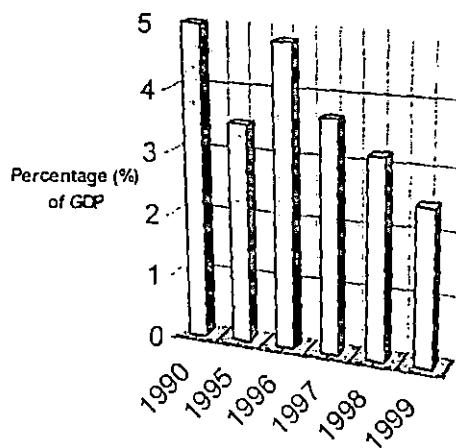
Source: ECOWAS Secretariat and ADB

43. Macro-economic performance in ECOWAS Member States showed a 2.5% real GDP growth rate in 1999, down from 4% in 1996, 4.3% in 1997, and 3.2% in 1998. Regional GDP has been on the decline for three consecutive years. This is caused by different unfavourable structural and economic factors, the most important being the continuing deterioration in the terms of trade, and the political instability in the region.

44. In spite of the rising oil prices which boosted Nigeria's export earnings considerably at the end of 1999 and in 2000, West Africa continues to suffer from deteriorating terms of trade caused by falling export prices and the effects of the currency devaluation by some of the rival countries in Asia and East Africa on the commodity export market. In addition, many ECOWAS countries experienced frequent disruptions in electricity supply, with adverse effects on the operations of the industrial sector.

45. It should also be noted that several countries in the region have been the victims of armed conflicts and political instability over the past few years, wreaking havoc on their economies. Even countries like Cote d'Ivoire, which had remained stable in the past, were affected.

46. West Africa remains a region of striking contrasts. Indeed, despite the generally unfavourable situation, some of the countries recorded remarkable economic performances, even in comparison with the rest of the world.



Graph 2: Real GDP growth rate in West Africa

Table 2:

Growth rate	1996	1997	1998	1999
Negative	Liberia * ^①	Liberia * ^①	Guinea Bissau, Sierra Leone * ^②	Sierra Leone * ^①
0% - 3%	Gambia, Guinea Bissau, Niger, Sierra Leone * ^④	Guinea Bissau, Niger, Sierra Leone * ^③	Liberia, Niger, Nigeria * ^③	Cote d'Ivoire, Liberia, Niger, Nigeria, Togo * ^⑤
3% - 6%	Burkina Faso, Cape Verde, Cote d'Ivoire, Guinea, Mali, Mauritania, Nigeria, Senegal * ^⑧	Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Mali, Mauritania, Nigeria, Senegal, Togo *(11)	Benin, Cape Verde, Cote d'Ivoire, Ghana, Guinea, Mauritania, Senegal, Togo * ^⑧	Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Mauritania, Senegal * ^⑧
Above 6%	Benin, Ghana, Togo * ^③	Cote d'Ivoire * ^①	Burkina Faso, Gambia, Mali * ^③	Guinea Bissau, Mali * ^②

(*) Number of countries within the group bracket

Source: Member States and estimates by the ECOWAS Secretariat

ii) Situation in the different countries

47. Nigeria recorded a disappointing real GDP growth rate well below its potential, with a 1.8% growth rate in 1999. This was due essentially to the dismal performance by public utilities such as telecommunications and electricity outfits. Despite the government's good intentions, the privatisation of these establishments is yet to become a reality. However, they are now scheduled for privatisation in 2001. All these factors adversely affected production and investments, and resulted in low capacity utilisation, particularly in the manufacturing sector where it stood at about 30%. The rise in oil prices, which began in the second half of 1999, and the improved

performance in the other sectors (gas and services) should herald increased production in 2000. Efforts being made by the new Nigerian authorities to combat corruption and associated ills that characterised earlier regimes deserve support from ECOWAS, Africa and the international community. Such efforts, though fraught with difficulty, enjoy broad grassroots support and there is therefore every optimism that they will yield dividends.

48. Under the combined effects of falling coffee and cocoa prices and the suspension of foreign aid, Cote d'Ivoire posted a very low GDP growth rate in 1999, a mere 1.4%. Starting from the first quarter of that year, some donor organisations, including the European Union, suspended all aid to Cote d'Ivoire, in reaction to the government's mismanagement of public affairs and lack of transparency in government accounting. Although the military coup d'état which took place in December 1999 was initially seen as the solution to an already bad situation, it soon became clear as the junta leader sought to hold on to power, that the coup was more of an obstacle to economic recovery.

49. In Ghana, real GDP grew by 4.8%, the industrial and other sectors having overcome the setbacks caused by the drought and energy crisis of 1998. The agricultural sector also performed well; it was as a result of favourable climatic conditions. However, export revenues dwindled on account of falling cocoa prices. Gold production rose, despite the fall in the price of gold ingot. Investment prospects in this sector dimmed after the Ashanti Goldfields suffered losses in its hedging operations. It should be noted that the Ghanaian economy is currently facing serious problems caused by deteriorating terms of trade, continued depreciation of the cedi and high inflation and interest rates.

50. Senegal recorded an impressive 5.3% growth rate, due essentially to increased agricultural output due to abundant rainfall, buoyant tourism and trade sectors, and an increase in public investments.

51. Guinea Bissau recorded an exceptional growth rate of 8.7% in 1999, the highest in the region, this after performing poorly in 1998.

This performance was due essentially to increased exports and consumption.

52. Mali recorded an impressive real GDP growth rate of 6.4% in 1999, a reflection of good macroeconomic performance and the result of increased agricultural output due to favourable climatic conditions.

53. In Cape Verde, the positive economic trend of previous years continued as the real GDP growth rate rose by 6% in 1999. This was primarily due to the high volume of exports and substantial investments in the tourism sector.

54. In Benin and Burkina Faso, real GDP growth rate remained at a steady 5%, despite the sharp fall in the prices of agricultural produce. This was as a result of the countries' impressive macroeconomic performance and the improvement in the energy situation, after the crisis of 1998.

55. An average economic performance was recorded in Guinea, The Gambia and Mauritania in 1999 with a 3.5% real GDP growth rate that was lower than the 1998 figure. Production was down, caused by macroeconomic imbalances that followed the fall in the prices of export commodities and the dull business environment.

56. Togo's real GDP growth rate remained at 3% in 1999. The same figure was recorded by Liberia, the highest growth rate witnessed by the country since the civil war ended there. The good result was due essentially to the growth in exports. However, Liberia is still not attracting investors, most of its infrastructure having been destroyed during the war, thereby disorganising the economy, and probably also because of the lingering sense of insecurity.

57. Niger, with a mere 2% growth rate in 1999, recorded a fall in production due essentially to the unstable macroeconomic environment and the dwindling inflow of official aid. Sierra Leone's growth rate declined by 8% because of the civil war which continues to rage in the country.

iii) Investment/savings

58. The share of gross domestic investment in GDP growth has risen over the past three years, from 17.9% in 1997 to 20.6% in 1998, and 21% in 1999. A close look at the structure of investment reveals the preponderance of private investments and a stagnation in public investments. This is due in part to the renewed activities of private economic operators who have responded positively to the privatisation and the private-sector promotion policies being implemented by ECOWAS Member States.

59. In Nigeria, most of the investments was channelled into the petroleum and gas sector; in most of the other countries the investments were essentially in the secondary sector. Rising oil prices in Nigeria and the ongoing economic reforms are expected to boost investments in the next few years.

60. The share of savings in the GDP has been diminishing since 1990, from 16.1% in 1990 to 14.7% in 1998 and 15% in 1999. That left a financing gap of 5.9% in 1998, and 6% in 1999.

61. On the whole, the savings and investment rates are lower in West Africa than in the large developing regions such as Asia and Latin America. Worse still, they are lower than the average in other regions of Africa.

62. There will be an improvement in savings and investment rates in the region when the countries record lower budget deficits, reduced inflation, stable exchange rates, improved legal and regulatory environment for enterprises, and efficiency in capital market operations.

63. The regional financial market boasts three major stock exchanges: the Regional Securities Exchange in Abidjan, the Lagos Stock Exchange and the Accra Stock Exchange. The ongoing privatisation programmes across the region have spurred greater investor interest in these financial markets.

64. On average, foreign direct investments (FDI) in West Africa amounted to more than 2 billion US dollars annually between 1994

and 1998. However, Nigeria received more than three-quarters (about 7.7 billion dollars) of that total FDI inflow, most of it invested in the petroleum and gas sector. Cote d'Ivoire, Ghana and Senegal received 1.1 billion, 600 million and 275 million dollars respectively during the same period.

65. It is estimated that, with the return of democracy to the country and the spectacular increase in oil prices, Nigeria will attract more FDI in the years to come. The region as a whole is also expected to attract a greater number of foreign investors as more advances are made in the areas of economic reforms and regional integration, and as GDP growth accelerates.

iv) Current external trade balance

66. The contribution of external trade to regional GDP growth has not been very encouraging in the last few years. West Africa's trade balance has been dwindling since 1996 (see figure 3), mainly because of the preponderance of commodity exports whose prices are unpredictable, entailing very high variations in external trade earnings. While UEMOA countries used the devaluation of the CFA franc in January 1994 to their advantage by boosting their export growth rate by 10.25% between 1995 and 1998 (as against 7.3% between 1990 and 1994), the other ECOWAS countries recorded a fall of between 4.2 and 7.48% during the same periods. Import price indices have gone up because of the higher cost of refined petroleum products and those meant for domestic consumption. The main categories of goods imported in about the same proportion by all the countries are food items, machinery, and fuel, an indication that ECOWAS countries have basically the same needs.

67. Intra-Community trade is estimated to represent only 11% of the total trade with third countries. Indications are that the situation will not improve significantly in the short term, despite the customs and trade arrangements put in place by ECOWAS.

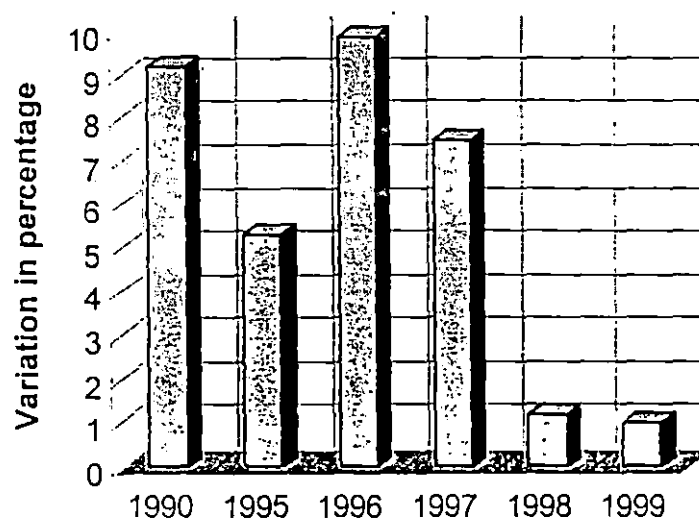


Figure 3 : Trade balance (% of GDP)

68. Tourism is fast becoming a major source of income in several ECOWAS countries. The number of visitors to West Africa rose by 12% in 1999, the main destinations being Burkina Faso, Cote d'Ivoire, Gambia, Ghana, Mali, and Senegal. Ghana's tourism growth rate is the highest in the region, with the sector representing the country's third most important source of foreign exchange earnings. Projections by the Ghana Ministry of Tourism indicate that the sector may become the biggest foreign exchange earner by 2010, with a turnover of about 1 billion US dollars.¹

69. The ratio of current payments deficits to GDP is also worsening (see figure 4). The only positive balance in the last three years was for 1996 when it was 6.1% of the GDP, as against -0.7% in 1998 and -0.5% in 1999.

¹ ADB Annual Report 2000

70. Nigeria's economy was affected by falling oil prices up to the first quarter of 1999 while Ghana's deficits can be traced to the low price of gold and cocoa on the world market. The deficits in Cote d'Ivoire were on account of the sharp fall in agricultural export prices and the suspension of foreign aid to the country.

71. The external balance of ECOWAS countries was affected by the generally poor economic situation, by the manner in which monetary and budgetary policies were implemented, and by the fluctuations in the value of the local currencies against the American dollar, the main currency in which external trade is expressed. In 1999, the Ghanaian cedi, the CFA franc, the Nigerian naira and the Guinean franc lost 49%, 16%, 15% and 29% respectively of their value against the dollar, a situation the countries could have exploited to boost their exports and improve their current account balances. They were however unable to do so, due to structural problems which affected production, and because they generally pay for their imports in dollars. The already high external debt stock further worsened the balance of payments of the ECOWAS countries.

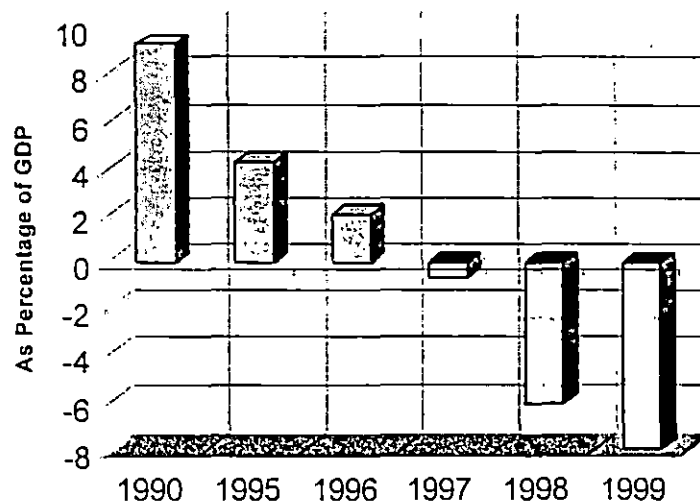


Fig. 4 : Current account balance

v) External debt

72. The external debt stock of the ECOWAS Member States is put at 70 billion US dollars, with Nigeria and Cote d'Ivoire accounting for about 70%. The countries with the highest external debts in relation to their GDP are Guinea Bissau (370%), Cote d'Ivoire (150%), and Sierra Leone (140%). Twelve out of the 16 ECOWAS countries are ranked among the highly indebted countries. Debt servicing is expected to gulp, on average, about 30% of the export earnings of West African countries. This also means that three times more resources will be allocated to debt servicing than to education and health.

73. The sustainability of the external debt stock of ECOWAS countries will depend on how soon the effects of the Highly Indebted Poor Countries (HIPC) initiative become discernible. That initiative aims to tailor debt servicing (multilateral debts included) to the countries' capabilities, to ensure that they maintain positive current trade balances.

74. The HIPC initiative contains extremely restrictive and exclusive provisions. The net present value ratio of the debt stock to exports, and the ratio of debt service to exports, constitute the fundamental indicators of viability. Under the terms of the HIPC I initiative which became operational in 1996, the debt stock can be said to be sustainable if it falls below the 200% to 250% bracket in the case of NPV/exports ratio, or below the 20 to 25% bracket in the case of debt service/export ratio. These conditions were relaxed in 1999 in the framework of the enhanced HIPC II initiative which offers more concessionary and quicker debt reduction. The limit for the NPV/export ratio has now been put at below 150% while the limit for sustainable debt servicing remains unchanged. Other factors indicating the level of vulnerability of the countries concerned have been taken into account. These include the volume and variety of exports, the burden of debt servicing on the budget, the domestic debt/GDP ratio, the balance of resources, the international reserve/import ratio, and the size of private-sector debts. Moreover, one of the conditions set out under the enhanced HIPC is that each of the countries has to prepare and implement a framework strategy for poverty reduction. It should be pointed out however that the initiative still contains extremely restrictive and exclusive provisions. Only six ECOWAS countries (Benin, Burkina Faso, Cote d'Ivoire, Mali, Mauritania and Senegal) have satisfied the conditions for eligibility under the initiative.

75. Despite concerted efforts by the HIPCs and the Bretton Woods institutions in this regard, there have been delays in implementation, due to the inability to agree on the poverty reduction strategy framework (PRSF) to be adopted when the procedures involve civil society. The criteria for eligibility should be lowered and made more flexible. Donors should also ensure greater coordination of their actions so as to avoid a duplication of the many and varied conditionalities which they apply indiscriminately to the highly indebted poor countries. Debt considerations by the Paris Club should also cover the various types of special debts, particularly those incurred by postal and hospital services, as well as the specific needs of countries with very high debt profiles, like Nigeria, and countries in conflict.

76. The IMF and the World Bank have worked quickly to determine the methods by which they could contribute to debt reduction (up to 100% reduction in the present net value of debt service, if necessary). ADB financing has become operational, with the receipt of Europe's contribution to the HIPC fund established within the World Bank. The institutions that were the most generous during HIPC I, such as the European Union, IFAD, and the Nordic Development Fund, have agreed to give as much under HIPC II. Some small sub-regional multilateral organisations such as the ECOWAS Fund have had a difficult time mobilising funds under HIPC I and these problems are likely to become even more serious under HIPC II, meaning that donors are likely to receive a greater number of funding requests.

77. With regard to the debt cancellation announced by some bilateral creditors, some of the cancellations are clearly not what they are made out to be. For example, some creditors insist that the local currency equivalent of the cancelled debts should be given to NGOs in their respective countries to enable them execute their projects. This would amount to the debt being paid in full to NGOs, and not to the governments of the creditor countries. Similarly, some cancellations take complicated forms such as the debtor countries being required to pay the debt service that is due before such countries are compensated with grants ostensibly to be used to purchase imported goods. Such a technique in effect involves no new allocation of funds and cannot in actual fact be taken as further debt alleviation. At the G8 Summit held in Okinawa in June 2000, the creditor countries did not adopt any new measures to substantially reduce the debt of the poor countries. Growth and development in ECOWAS countries, without which there can be no reduction in the poverty level, will require outright cancellation of those countries' debts.

vi) Evolution of economic policies: macroeconomic policy convergence

78. Overall, regional efforts to co ordinate national macroeconomic policies were at the heart of economic reform in West Africa in 1999.

79. In the area of public finance, most ECOWAS countries sought to trim their budget deficit and thus mitigate macroeconomic imbalances while taking care to limit Central bank financing of public debt.

80. ECOWAS countries also took measures to improve the efficiency of their public sector and improve their management of public affairs. For example, several Member States have set up anti-corruption committees.

81. At the regional level, ECOWAS has made significant efforts to harmonise the economic and financial policies of its Member States as a means of accelerating the regional integration process, in particular through the establishment of a single monetary zone by 2004. The Authority of Heads of State and Government adopted the following convergence criteria at its twenty-second session in Lome in 1999:

- **Primary criteria : mandatory operational indicators:**
 - i) ratio budget deficit excluding grants to GDP (commitments base) less than or equal to 4% by 2002
 - ii) inflation rate : 5% by 2001 and 3% by 2003
 - iii) Central bank financing of budget deficit :10% of previous years' tax revenue. Member States to comply by 2003.
 - iv) gross reserves : equal to or more than six (6) months of imports by 2003.

- **Secondary criteria : Purely analytic indicators:**
 - i) arrears : prohibition of new domestic arrears and liquidation of all existing arrears
 - ii) tax revenue/GDP ratio : equal to or more than 20%
 - iii) public capital expenditure/tax revenue ratio : equal to or more than 20%
 - iv) Stability of real exchange rate : to be maintained by each country. The exact rate shall however be determined in the framework of the ECOWAS exchange rate mechanism;
 - v) interest rates : the countries must maintain positive real interest rate.

82. In order to enable the Member States to achieve the desired harmonisation, each of them was requested to take the convergence

criteria into account when preparing and implementing their economic programmes, and to include them in discussions with international financial institutions. In addition, ECOWAS has put in place an institutional arrangement for multilateral surveillance of national economic policies and performance, and has begun work to determine methods of harmonising the macroeconomic aggregates so as to come up with comparable data.

**MEMBER STATES PERFORMANCE UNDER
MACRO-ECONOMIC CONVERGENCE CRITERIA**

Table 3 : Performance under primary convergence criteria - 1999

PRIMARY CONVERGENCE CRITERIA					
COUNTRY	Budget deficit ^① excluding grants ≤4% of GDP	Central bank borrowing by government ≤10% of previous years tax revenue	Inflation ≤5% ^②	External reserves ≥ 6 months of imports	Number of observed criteria (max. 4)
BENIN	-1.1 %	0 %	0.3 %	6.1	4
BURKINA FASO	-12.6 %	14.5 %	-1.1 %	6	2
CAP VERT	-13.8 %	N.D.	-0.7 %	2.2	2
COTE D'IVOIRE	-3.7 %	17.8 %	0.7 %	2.4	2
GAMBIA	-5.9 %	0 %	3.9 %	6	3
GHANA	-8.2 %	6.4 %	12.5 %	1.5	1
GUINEA	-5. %	17.5 %	6.4 %	2.6	0
GUINEA BISSAU	-12.9 %	14.9 %	4.6 %	3.2	1
LIBERIA	-0.2 %	0 %	2.2 %	2.2	3
MALI	-8.8 %	0 %	-1.1 %	5.2	2
MAURITANIA	N.D.	N.D.	N.D.	N.D.	-
NIGER	-7.9 %	21%	-2.6 %	1.1	1
NIGERIA	-8.4 %	18.2 %	6.6 %	6.5	1
SENEGAL	-3.5 %	9.8 %	0.8 %	3	3
SIERRA LEONE	-14.7 %	71.5 %	33.8 %	3.9	0
TOGO	-5.5 %	14.1 %	-0.1 %	2.5	0

N.A. : not available

①excluding grants on basis of commitments

②Inflation rate was calculated on a yearly average

Source: ECOWAS Secretariat

Table 4: Performance under secondary convergence criteria - 1999

SECONDARY CONVERGENCE CRITERIA					
COUNTRY	Domestic arrears = 0	Tax revenue/ GDP ≥ 20 %	Wage bill/ Tax revenue ≤ 35 %	Domestic resources for public investment/Tax revenue ≥ 20%	Real exchange rate stability
BENIN	N.A.	16.2 %	28.2 %	10 %	No
BURKINA FASO	N.A.	15 %	34.6 %	28.2 %	No
CAP VERT	N.A.	24.1 %	N.A.	N.A.	No
COTE D'IVOIRE	N.A.	18.6 %	33.5 %	16 %	No
GAMBIA	N.A.	26.8 %	28.5 %	4 %	No
GHANA	N.A.	17.2 %	34 %	28.4 %	No
GUINEA	N.A.	10.2 %	35 %	8.3 %	No
GUINEA BISSAU	N.A.	15.3 %	34 %	22 %	No
LIBERIA	N.A.	13.9 %	20.1 %	17 %	No
MALI	N.A.	15 %	26.4 %	22 %	No
MAURITANIA	N.A.	N.A.	N.A.	N.A.	No
NIGER	N.A.	8 %	50.2 %	17 %	No
NIGERIA	N.A.	28.1 %	14.2 %	33.1 %	No
SENEGAL	N.A.	17.3 %	33 %	22 %	No
SIERRA LEONE	N.A.	6.9 %	86 %	1.7 %	No
TOGO	N.A.	14.3 %	47 %	N.A.	No

N.A. : not available

Source : ECOWAS Secretariat

**Table 5 : Performance under the convergence criteria
as at 31st December 1999**

	CRITERIA	COUNTRIES SATISFYING THE CRITERIA
I) PRIMARY CONVERGENCE CRITERIA		
1	Budget deficit/GDP (hors dons - base engagements) \leq 4 %	Benin, Côte d'Ivoire, Liberia, Senegal, (4 countries)
2	Central bank borrowing by government \leq 10 % of tax revenue of previous years	Benin, Gambia, Ghana, Guinée Bissau, Liberia, Mali, Senegal (7 countries)
3	Inflation \leq 5 %	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Guinea Bissau, Liberia, Mali, Niger, Senegal, Togo, (10 countries)
4	External reserves (within the month of importation) \geq 6 months	Benin, Gambia, Burkina Faso, Nigeria (4 countries)
II) SECONDARY CONVERGENCE CRITERIA		
1	Arrears = 0	N.A.
2	Tax revenue/GDP \geq 20%	Cape Verde, Gambia, Nigeria, (3 countries)
3	Wage bill ratio/Tax revenue \leq 35%	Benin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinée, Guinea Bissau, Liberia, Mali, Nigeria, Senegal (11 countries)
4	Public investments financed by domestic resources/Tax revenue \geq 20%	Burkina Faso, Ghana, Guinea Bissau, Mali, Senegal, (5 countries)
5	Real exchange rate stability	None

N.A. not available

Source : ECOWAS Secretariat

83. Table 3 on the primary convergence criteria, (the mandatory criteria that Member States must comply with), shows Benin as being the only ECOWAS country that fully satisfies all four conditions. The country has achieved this result primarily through sound economic management based on discipline in government spending. For instance, Benin's wage bill represented only 28.2% of tax revenue, lower than the ECOWAS upper ceiling of 35% adopted as a secondary criterion. Gambia and Senegal meet three primary criteria out of four, also mainly because they have been able to introduce sound economic management policies. Gambia also meets the secondary criteria relating to tax revenue/GDP ratio (26.8%), and wage bill/tax revenue ratio (28.5%). However, Gambia needs to take measures to augment its volume of public capital expenditure which accounts for only 4% of its tax revenue although the country has a tax recovery rate of 26.8%. With regard to the secondary criteria, Senegal is within the normal range in terms of the ratio of wage bill to tax revenue (33%), and the public capital expenditure/tax revenue ratio (22%).

84. The case of Liberia which has also met three primary criteria out of the four raises the issue of the coherence of this country's macroeconomic framework. An analysis of the data for Liberia shows latent serious economic distortions characterised by huge payment arrears, especially of external arrears. This fact detracts from the country's performance.

85. Burkina Faso, Guinea-Bissau, Cote d'Ivoire and Mali comply with two of the four primary criteria. Burkina Faso must aim principally to reduce its budget deficit , currently at 12.6% of GDP. To do this will mean complying first with the secondary criteria relating to tax revenue (now at 15% of GDP) and achieving better management of the wage bill which, at 34.6% of tax revenue, is still high. As regards the primary criteria, Cote d'Ivoire must improve the level of its external reserves which is estimated at only 2.2 months of import cover. Guinea-Bissau's reserves (3.2 months) are below the Community norm of 6 months. Guinea-Bissau and Mali need to accord priority attention to improving tax revenue generation so as to reduce budget deficit excluding grants (primary criterion). The wage bill/tax revenue ratio of Guinea-Bissau ratio also needs to be improved.

86. Ghana, Nigeria and Togo have met only one of the four criteria. These countries must make sustained efforts to reduce budget deficit by applying more stringent budgetary and monetary policies. Ghana also needs to target inflation in a more systematic manner and should also seek to improve its reserves (primary criteria).

87. Nigeria's economic programme should centre around narrowing the budget deficit which has remained high at -8.4% of GDP. This should now be possible since Nigeria meets the secondary criteria relating to tax recovery (21.8% of GDP), and on wage bill which is relatively low (14.2% of tax revenue).

88. Togo meets only one criterion but it is within reach of the target for the criterion on budget deficit (-5.5% of GDP). The country must however take appropriate steps to increase its reserves, estimated at less than 2.5 months of exports.

89. Guinea, Niger and Sierra Leone do not meet any of the four primary criteria. This is because they have not as yet complied with the secondary criteria. It should also be noted that Niger and Sierra Leone recorded the lowest economic growth rates in the region. Guinea's growth rate was only average (cf. Section 2 of this Chapter on the internal economic environment). The failure of efforts by Guinea and Niger can be ascribed to an unstable macroeconomic environment, while Sierra Leone is suffering the effects of the civil war ravaging the country.

90. The prospects for macroeconomic convergence of ECOWAS countries in 2000 may be affected by the increase in oil prices and the declining price of basic agricultural and mineral raw materials. This makes it necessary for all Member States to take necessary measures to strengthen macroeconomic stability and the structural arrangements that will stimulate increased production, provide a stable and enduring foundation for economic growth, and create the conditions for a successful ECOWAS single monetary zone.

viii) Population growth and human resource development

91. The high population growth rate (2.7%), combined with the low rates of economic growth (2.5%) in 1999, constitute a major source

of concern. The high growth rate brought the population of West Africa from 40 million inhabitants in 1930 to 85 million in 1960, and stands today at 210 million. A demographic growth rate which doubles the population every 25 to 30 years is a shock that only a few other regions of the world have experienced. The shock is all the more violent in that it is accompanied by a deterioration in the region's economic conditions, at a time when the needs of the population are immense. The growth in the population can only aggravate the problems. The need to build schools, hospitals, roads, hydroelectric dams, and water pipes and to create enough jobs to accommodate this rapid population growth - these are the challenges that our countries have had to face since independence, and which they will have to face for many more years.

92. With the average fertility rate currently standing at more than 6 children for every woman, we have a situation where three (3) baby girls born in 2000 by one woman will become mothers by the year 2020. This means that a reduction in fertility cannot stop the rapid population growth rate since whatever reduction there is will be cancelled out by the increase in the number of future mothers.

93. It is likely therefore that the region will have a population of not less than 430 million inhabitants by 2020. This means in effect that the region's population will have increased tenfold in less than one hundred years.

Table 6: Fertility rate in West African countries

Country	Number of children per woman	Country	Number of children per woman
Benin	7.1	Liberia	6.8
Burkina Faso	6.5	Mali	7.1
Cape Verde	4.3	Mauritania	6.5
Cote d'Ivoire	7.4	Niger	7.1
Gambia	6.1	Nigeria	6.4
Ghana	6.0	Senegal	6.1
Guinea	7.0	Sierra Leone	6.5
Guinea Bissau	5.8	Togo	6.6

Source: Long-term perspective Study in West Africa - Club de Sahel

94. To be able to provide housing, food and work for 430 million inhabitants, West Africa will need, more than ever before, to mobilise all available energies and substantial financial resources. Poverty alleviation will therefore constitute the greatest challenge to the region in the years to come.

95. Since attaining independence, West African countries have made remarkable progress in the development of their human capital through improvements in nutrition and health. Much, however, remains to be done. The probability that a child will die before the age of five (5) years remains very high (143 deaths per 100,000 births in 1998). This is the result of malnutrition, poor sanitary conditions, and poor health services. The infant mortality rate in West Africa is about 650 per 100,000, 50% higher than the average for all the developing regions.

96. Moreover, HIV/AIDS is the greatest threat to the health of the peoples of West Africa today. The epidemic has led to a reduction in the demographic growth rate and life expectancy in several countries. Tuberculosis has returned in full force, while malaria remains one of the main causes of death in the region.

97. In the area of education, the primary school enrolment rate has remained at about 70% while the figure for secondary school

enrolment is only 30%. After a period of rapid growth between 1960 and 1980, enrolment into tertiary institutions has declined, because of financial constraints but also because of falling standards in university and professional education, and the inability of higher institutions to satisfy the demands of the labour market. Several batches of graduates are currently roaming the streets in search of jobs. In several of our countries, various reasons have led to students losing a whole year of studies. The effects of this are sure to surface in a few years time in the field of production.

98. All the above factors, combined with low per capita incomes, have given rise to particularly low human development indices (HDI) in ECOWAS countries, which are among the poorest in the world.

3. Development prospects

99. This diagnosis of the West African economy spotlights the significant improvement in the economic performance of Cote d'Ivoire and Nigeria, the dominant economies in the region. Economic recovery in Cote d'Ivoire will depend to a large extent on true democracy being restored to the country, and on greater political stability, characterised by unity among all the sons and daughters of the country, without exception. That will enable Cote d'Ivoire to come out of its period of tension and return to the path of economic growth.

100. Nigeria needs to rehabilitate its infrastructure, expedite action on privatisation, and continue its anti-corruption crusade. Since a greater share of oil revenues has now been allocated to the oil-producing states for development, there should be less tension in the Niger Delta. Economic growth in Nigeria will also depend largely on improved relations with donors. The IMF has agreed to grant the country a stand-by facility worth 1 billion US dollars.

101. With improved economic conditions and the substantial revenues from oil and gas, Nigeria can record a growth rate of between 4% and 5% in 2000 and 2001.

102. Other countries in the region are capable of achieving a 5% growth rate, except Guinea, Liberia and Sierra Leone, because of the tension along their borders.

103. Overall, given favourable climatic conditions, the region's economy should grow at a rate of about 4% in 2000 and 2001. This, however, presupposes an early end to the tension and conflicts within and between the countries of the Mano River Union (Guinea, Liberia and Sierra Leone), and in Cote d'Ivoire. Economic reforms should also be pursued and strengthened. The aim should be to promote vigorous and sustainable economic growth by implementing sound budgetary and monetary policies that could enhance macroeconomic convergence in the region. As ECOWAS countries progressively qualify for debt cancellation, there will be additional funds available to finance public investments, education and health programmes and improve the current account balance. The West African countries can also promote economic growth by strengthening the regional integration process which will, among other things, lead to the establishment of a larger market, a key ingredient for investment growth. There is thus the need to vigorously promote integration in West Africa, as this would enhance the prospects for growth and development in the region.

CHAPTER II

IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME

104. In this chapter, I shall be updating Chapter II of my interim report of May 2000. The chapter contains a review of progress made with regard to ECOWAS programmes, and highlights results obtained since the statutory meetings held in Lome in December, 1999. The chapter is in five parts, dealing with the acceleration of the integration process in West Africa, other ECOWAS socio-economic programmes, administrative and financial issues, regional peace and security, and institutional issues.

I. ACCELERATING THE INTEGRATION PROCESS IN WEST AFRICA

105. The Executive Secretariat has been according priority attention to the harmonisation of its programmes with those of UEMOA. This is in implementation of the decisions taken by the Authority of Heads of State and Government at its meeting in Lome in December 1999, as well as the guidelines given by the January 2000 UEMOA/ECOWAS Bamako ministerial meeting on accelerating the integration process in West Africa. The Secretariat is also actively involved in moves to establish a second monetary zone and to create a borderless ECOWAS zone.

A. Harmonisation of ECOWAS and UEMOA programmes

106. At a meeting between ECOWAS and UEMOA in February 2000, the two organisations drew up a programme of action in the following areas:

- common market;

- convergence of macroeconomic policies, development financing and private sector promotion;
- harmonisation of sectoral policies.

1. Common market

107. Both ECOWAS and UEMOA have plans to establish economic and monetary union in their respective zones. There will then be two customs unions side by side in the same region. This is clearly an overlapping of activities and duplication of effort which will, without doubt, undermine the regional integration process. It is absolutely necessary therefore to harmonise the mechanisms and instruments put in place by both organisations for trade liberalisation and a customs union.

1.1 ECOWAS and UEMOA trade liberalisation schemes

108. A comparative table of the trade liberalisation schemes of ECOWAS and UEMOA was drawn up at the joint meeting of the two organisations which was held in March 2000. This provided the two organisations with the basis for evolving a common viewpoint at their subsequent meeting in Lome, from 5 to 9 September 2000. At the end of this latter meeting, an agreement was reached as follows:

a) Rules of origin

109. Both organisations need to adopt new rules of origin as the existing rules are now obsolete. In addition, there is the obligation to comply with the new rules of the World Trade Organisation in order to respond to the changes in international trade and the emergence of new technologies. UEMOA, for its part, no longer supports the adoption of restrictive lists of so-called unprocessed goods and traditional handicrafts.

110. With regard to the criterion of value added, the percentages differ in the two organisations with ECOWAS having adopted 35% and UEMOA, 40%. The definition of value added, however, is basically the same.

111. ECOWAS has agreed to adopt new rules of origin as envisaged by UEMOA, and which are based on the following:

- i) the criterion of goods wholly produced locally;
- ii) the criterion of change of tariff position;
- iii) the criterion of value-added.

112. The two organisations agree to retain the standard definition of value-added, exclusive of materials obtained from the ECOWAS region.

113. The two organisations agree to adopt a value-added rate equal to 30% of ex-factory pre-tax cost price. They require, however, that these criteria be tested against current approved products in order to ascertain their suitability.

114. The adoption of the new rules of origin will be accompanied by a simplification of the approval procedure.

b) Approval procedure

- Application for approval

115. It has been observed that the standard application dossiers are identical on most points. However, it should also be noted that the forms need to be simplified and the information required limited to the strict essentials. In view of the amendments to the regulatory texts of the trade liberalisation mechanism, information such as the percentage of share capital held by nationals, the staff strength and export projections, are no longer relevant.

- Procedure

116. It was agreed to eliminate the formal approval procedure. However, during a transitional period of three years, approval will be required for products being considered under the criterion of value-added.

117. Following their discussions on the contents of application forms and approval procedure, the UEMOA Commission and the ECOWAS Secretariat concluded that :

- i) Applications for approval should contain the following items of information:**
 - identification of the enterprise, indicating location, sector of operations, legal status etc.,
 - name of the product and description of the manufacturing process involved;
 - technical specifications determining ex-factory cost price and value-added.

- ii) The two categories of products, namely locally produced goods and substantially transformed products with a change of tariff position, will be exempt from approval. A national committee will be set up in each Member State to ensure compliance with the criterion of ECOWAS origin, based on a prototype form completed by the applicants. The national committees will forward to the ECOWAS Secretariat and the UEMOA Commission, the documentary evidence justifying their classification of these products as being of ECOWAS origin. The Secretariat and the Commission will carry out post-verification of these products at regular intervals, on the basis of this documentation.**

- c) *List of operations ineligible for classification as originating products***

118. The list of such products is notably similar in the two organisations. The UEMOA Commission however is planning to remove assembled goods from its list. The Secretariat took due note and undertook to submit the issue to the appropriate authorities for decision.

d) *Products manufactured in free zones or under the terms of economic arrangements*

119. These two categories of goods are not considered as originating products in the UEMOA system. The issue is under consideration in ECOWAS. The two organisations will seek to evolve a common position in this regard.

e) *Customs documents*

– Single Customs Declaration (SCD)

120. The Council of Ministers approved a single customs declaration form in August 1999, effective from that date. The single form is presently in circulation in the Federal Republic of Nigeria only.

– Certificate of origin

121. In view of the proposed new rules of origin, the two organisations agreed that a single prototype certificate of origin should be adopted. The colour and content of the certificate will be decided by mutual consent.

122. The certificate of origin will be issued by an appropriate authority to be designated by each Member State.

123. The two organisations recommended that unprocessed goods and traditional handicrafts should be exempted from the requirement of carrying a certificate of origin. However, it was agreed that for certain sensitive items such as fish, it would be useful to require a certificate of origin from the exporting country would be useful.

f) *Preferential treatment*

124. The meeting agreed that the preferential tariffs applied to approved industrial products, unprocessed goods and traditional handicrafts, namely, total exemption from customs and import duties, were identical in both organisations. Except for the treatment of internal taxes under the UEMOA system, unapproved originating

industrial products are granted a 5% rebate on normal taxes. However, the organisation plans to eliminate this category of product.

g) Compensation

125. Implementation of the ECOWAS compensation system is problematic due to the lack of own funds at the present time for payment of compensation due. Member States have been reluctant to accord preferential tariffs for fear of not receiving the expected compensation. The meeting reached agreement on the following :

- i) UEMOA should retain its current system of reducing level of compensation until its scheduled expiry date of 2006;
- ii) ECOWAS will also adopt a reducing level of compensation along the same lines as UEMOA, with an expiry date of 2008. The amounts payable as compensation would therefore be calculated as follows :
 - 100% compensation for lost revenue from 2000 to 2002;
 - 80% compensation for lost revenue in 2003;
 - 60% compensation for lost revenue in 2004;
 - 30% compensation for lost revenue from 2005 to 2008;
 - 0% as from 1st January 2009.
- iii) It was also agreed that, in order to simplify the existing procedure, ECOWAS should adopt the UEMOA procedure and decide on payment of compensations, and submit a report to the Council of Ministers on its decisions.
- iv) ECOWAS proposes to align itself on the UEMOA example and reduce the deadline for submission of applications for compensation from 3 years to 3 months as from the end of the current financial year.
- v) The ECOWAS Secretariat is to draft the enabling texts which will facilitate implementation of the

recommendations contained in items ii, iii, and iv above, and submit them to the ECOWAS authorities for approval.

h) Community levy

126. The UEMOA solidarity community levy is fully functional within the union and the proceeds are earmarked primarily for compensation of revenue loss. Payment of contributions to the community levy is guaranteed, as the amounts due in this regard are deducted at source from any account held by the member countries with the BCEAO.

127. The ECOWAS Community levy is not yet being properly applied. Failure by all Member States to apply the mechanism has made it difficult to fund the system which has hitherto been dependent on contributions from the States. The meeting recommended the speedy and effective establishment of the Community levy within ECOWAS, and the introduction of measures to guarantee the proceeds.

1.2 Customs Union

128. UEMOA has already achieved customs union, with a common external tariff in which four rates apply: 0%, 5%, 10% and 20%. Both organisations agreed that the study which should provide the guidelines for introduction of the ECOWAS common external tariff must include the following:

- an inventory of the different duties and taxes in existence in the Member States and their classification according to type and tariff;
- a comparative table showing the above information;
- harmonisation of tax structures and tariffs;
- different scenarios for CET, to be analysed to ascertain their impact on the economy of Member States;
- identification of the sectors of the economy which will be affected by the reform;

- provision for support measures for the sectors particularly affected .

129. The ECOWAS Executive Secretariat will begin studies on its CET, over a four month period as from early January 2001.

2. **Convergence of ECOWAS and UEMOA economic and financial policies**

130. Each of the two organisations already has a programme to harmonise economic policies, primarily by achieving macroeconomic policy convergence.

131. In the case of UEMOA, provision is made for the application of a multilateral surveillance mechanism aimed at reorganising the macroeconomic structure of the Member States and strengthening their common currency.

132. In ECOWAS, convergence of the macroeconomic policies and performances of its Member States is a pre-condition for the creation of a single currency. Convergence also has to precede the creation of the ECOWAS monetary zone.

133. Adoption of the multilateral surveillance procedure in the two organisations calls for the following measures to be taken:

- definition of convergence criteria and standards, which presupposes the harmonisation, ready availability and accuracy of statistical aggregates;
- harmonisation of the legal framework, accounting procedure and statistics for public finance;
- definition of an institutional framework for the application of the multilateral surveillance procedure.

a) *Harmonisation status of convergence criteria and related standards in ECOWAS and UEMOA.*

134. The convergence criteria applicable in the UEMOA zone and in ECOWAS may be summarised as follows:

- in the two convergence systems, criteria are classified as primary and secondary according to their importance;**
- the selected indicators in the two systems do not necessarily coincide;**
- some indicators common to the two systems are classified differently and are therefore not always accorded the same degree of importance;**
- the target dates for convergence are different : 2002 for UEMOA, and 2003 for ECOWAS.**

Primary Indicators

135. The indicators of budget deficit/GDP and inflation rate are convergence criteria in both systems.

136. In the UEMOA system, the ratio of primary budget balance to nominal GDP, should be higher than or equal to 0% by 2002. In the ECOWAS system on the other hand, the ratio of budget deficit excluding grants, to GDP, should be equal to or less than 4% by 2003.

137. The UEMOA system adopts a maximum average annual inflation rate of 3%, while the ECOWAS target is a rate of 5% by 2002, calculated at an annual sliding rate.

138. The UEMOA system retains indebtedness as an indicator, the level of indebtedness measured as the ratio of current public domestic and external debt to nominal GDP is equal to or below 70%. This criterion is not explicitly applied by ECOWAS. However, during the preliminary stages of work on the definition of the reference value of the ratio of budget deficit (excluding grants) to GDP, a maximum indebtedness

ceiling of 80% was adopted, corresponding to the average public debt of the ECOWAS Member States for the period from 1995 to 1997.

139. With regard to variation of domestic and external arrears of payment, UEMOA has adopted the indicator of non accumulation of current domestic and external arrears of payment. Member States are required to liquidate arrears outstanding as at 31 December 1999 by 2002. The ECOWAS indicator on arrears of payment differs from that of UEMOA in two respects:

- arrears of external payments are not included in the ECOWAS convergence system;
- variation on arrears of domestic debt payments is classified as a secondary criterion in the ECOWAS system whereas it is considered as a primary criterion in the UEMOA system.

140. Central Bank financing of budget deficit is not one of the indicators included in the UEMOA system. In the ECOWAS system however, it is classified as a primary criterion, and must not exceed 10% of the previous year's tax revenue. Member States are to comply by 2003. It should be noted, however, that a decision of the UEMOA Council of Ministers, dated September 1998, provides for the gradual reduction of statutory financing, culminating in its total abolition by the end of 2002.

141. In the ECOWAS system, the indicator of gross reserves, equal to or higher than 6 months of imports, is classified as a primary criterion. UEMOA has not adopted this indicator. However, there is no contradiction between the systems in this regard, since the very strict compliance with the budget deficit indicator (primary budget balance/nominal GDP equal to or above 0%) demanded of the UEMOA states is designed, among other things, to consolidate foreign reserves.

Secondary criteria

142. The criteria relating to wage bill/tax revenue ratio and capital expenditure/tax revenue ratio are identical in both convergence systems.

143. Both systems have a ratio of tax revenue/nominal GDP as one of the secondary criteria, although the target figures differ. In the ECOWAS system the target is 20% by 2003, while in the UEMOA system, it is 17% by 2002. This difference is of no real importance since the figures are arbitrary, and based on the present level of fiscal levies in most ECOWAS and UEMOA member states.

144. The criterion concerning external accounts is limited to UEMOA, which has set the ratio of current external deficit (excluding grants) to GDP at 5% by 2002. This criterion is not in the ECOWAS system.

145. Real exchange rate and real interest rate are secondary criteria in ECOWAS.

146. In sum, the only problem that could arise from the coexistence of the two systems would be in regard to the balancing of the budget.

147. To ensure the harmonious coexistence of the two systems, due account must be taken of the objectives of both organisations, and the progress already achieved on the ground, particularly as concerns monetary integration. In this regard, efforts at the harmonisation of the two systems should focus primarily on statistics, the legal framework, public accounts, harmonisation of institutional arrangements, and multilateral surveillance.

148. Harmonisation of convergence criteria must be completed before the creation of a West African Monetary Union. ECOWAS and UEMOA need to agree to harmonise the following areas of statistics:

- definition of the selected statistical aggregates for convergence indicators;
- national accounts;
- consumer prices.

149. At a meeting between the ECOWAS Secretariat and UEMOA Commission in Lome on 20 and 21 July 2000, the Observatoire Economique Africaine (AFRISTAT) presented a proposal for a programme of assistance to ECOWAS in respect of multilateral surveillance. The programme focuses:

- in the short term, on consumer price indices and the harmonisation of GDP based on work already done by UEMOA;
- in the medium term, on nomenclature of activities and products, national accounts (methods of preparation, SNA 93 and ERETES), preparation of a repertoire of enterprises, and development of an indicator for industrial production, informal sector;
- in the long term, on improving the quality of databases (data on agriculture and livestock, and on household consumption).

150. The Executive Secretariat agreed with the contents of the programme but asked that forecasting modelling be added explicitly to the short term activities. The possibility of country tours by AFRISTAT was also raised, to enable an assessment of the situation on the ground in the Member States concerned (Nigeria, Ghana, Liberia, Sierra Leone, Gambia, Mauritania, Guinea and Cape Verde). This study has already been done for the UEMOA countries. The results of the missions will be useful in the preparation of terms of reference, and for assessing the cost of various actions envisaged within the programme. The Executive Secretariat is to prepare the terms of reference for these tours and evaluate the cost.

b) Harmonisation status of the legal framework, accounting procedure and statistics in ECOWAS and UEMOA.

151. The UEMOA authorities have adopted Community texts in this regard, which are currently in force in all its member countries. These texts provide for the harmonisation of budgetary nomenclature and accounting plans, and the preparation of a uniform UEMOA Table of Financial Operations (TOFE).

152. ECOWAS is yet to elaborate harmonised texts in this regard. The terms of reference for the studies are ready and have been sent to the UEMOA Commission and the IMF for comments. Meetings are scheduled

to take place between the two organisations in the first quarter of 2001, with a view to formulating harmonised texts in this domain.

c) Harmonisation status of the ECOWAS and UEMOA multilateral surveillance mechanisms.

153. The UEMOA multilateral surveillance mechanism for macroeconomic policy within UEMOA is operated by the following institutions:

- the organs established for the purpose by the UEMOA Treaty, namely, the Council of Ministers and the UEMOA Commission;
- the BCEAO (Central Bank of West African States)
- the National Economic Policy Committees (NEPC) created in each Member State;

The functions of the NEPC include:

- management of a statistical data base;
- preparation of situation reports on the evolution of the economy;
- monitoring of economic policy and transmission to the Commission and to the BCEAO of statistical data on the specific areas identified; as well as preparation of reports on the evolution of macroeconomic indicators.

154. The NEPCs comprise the heads of the ministerial departments involved in the formulation of macroeconomic policy.

155. The BCEAO works together with the UEMOA Commission to ensure the compatibility of the common monetary policy with the national economic policies and especially, budgetary policy.

156. The functions of the UEMOA Commission, which is the operations centre of the multilateral surveillance mechanism, include the following:

- management of the statistical data base;
- preparation of a quarterly report on the international environment;

- preparation, for submission to the Council of Ministers, of bi-annual activity reports on the multilateral surveillance mechanism. The reports are examined in June and December of each year.

The economic policies of the members of the Union are coordinated by the Council.

157. The institutions are also responsible for the following:

- convergence programmes;
- modalities for their implementation;
- handling of exceptional situations.

158. In the ECOWAS system, the multilateral surveillance mechanism is operated by the following organs:

- the Convergence Council, composed of the Ministers of Finance and the Governors of Central Banks of the Member States, which will carry out surveillance of macroeconomic policies and performance;
- the Technical Monitoring Committee composed of Directors of Studies of Central Banks, and representatives of the Finance Ministry. The committee will prepare bi-annual reports on the operation of the surveillance mechanism, for submission to the Convergence Council;
- the West African Monetary Agency, (WAMA) which is jointly responsible, with the ECOWAS Executive Secretariat, for ensuring coherence of all long-term convergence programmes elaborated by the Member States;
- National Coordinating Committees, whose function is to support the work of WAMA in collecting and processing the data provided by the Member States.

159. The ECOWAS National Coordinating Committees are not yet operational. The ECOWAS Secretariat has prepared a study on the organisation of the multilateral surveillance system which sets out the

composition of the committees, their functions, and the frequency of data transmission.

160. ECOWAS and UEMOA should organise consultation meetings to work out a common framework.

d) Development financing and private sector promotion

161. The President of BOAD and the ECOWAS Executive Secretary and their advisors, as well as the Acting Managing Director of the ECOWAS Fund, held a meeting in Abuja on 27 and 28 February 2000, to consider the feasibility of the request from the BOAD President that BOAD should be assimilated into the ECOWAS Fund which is to become the ECOWAS Investment Bank within a holding company.

162. Both institutions recognise that this is a relevant issue at this time when the regional integration process must be reinforced so that our region may become an effective player in the world economy. It was agreed, however, that the issue required to be studied in minute detail in order to assess the merits and disadvantages.

e) Common sectoral policies

163. The two institutions are currently moving towards developing common sectoral policies that would serve as a blueprint for programme implementation. They have therefore called for greater cooperation between ECOWAS and UEMOA, to avoid duplication of efforts.

B. ESTABLISHMENT OF A SECOND ECOWAS MONETARY ZONE AND SYNERGY WITH THE SINGLE MONETARY ZONE

164. The twenty-second ECOWAS summit having adopted a double-track approach to integration, six non-UEMOA Member States took the decision to establish a second monetary zone by 2003. This second zone will then be merged with the CFA zone to form a single ECOWAS monetary zone in 2004. Considerable progress has been made in this regard since the mini-summit held in Accra on 20 April 2000 which was attended by the ECOWAS Chairman and the six countries concerned: Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone.

165. An evaluation meeting of the Convergence Council was held in Conakry on 5 July 2000. A Work Group was established last May, made up of representatives of the six Central Banks and the Secretariat, (acting as coordinator). It will prepare the technical documents after consultations with and working visits to the relevant institutions within and outside the sub-region, mainly BCEAO, BCE, European Union and EDF. The experts' group has prepared the following documents for consideration by the technical Committee of the Convergence Council which is scheduled to meet in Banjul in November 2000:

- i) Draft Agreement of the West African Monetary Zone (WAMZ);
- ii) Statutes of the West African Monetary institute (WAMI);
- iii) Statutes of the single central bank, the West African Central Bank (WACB);
- iv) provisions relating to the Stabilisation and Cooperation Fund;
- v) West African Monetary Institute project document;
- vi) Convergence report for 1999;
- vii) Enlightenment programme.

166. To increase the chances of success of the second monetary zone, there must be synergy between the measures taken in this regard and the actions planned with respect to the single monetary zone. The Committee of Governors of Central Banks, in this connection, adopted a plan of action at their meeting in Dakar in May 2000, designed to accelerate establishment of the single monetary zone. The forty-sixth session of the Council of Ministers held in Abuja on 24 and 25 May 2000 approved the programme of action, notably the adoption of an indicator for evaluating convergence quality, such as relative exchange rate stability in relation to the West African Unit of Account (WAUA), equivalent to the Special Drawing Rights (SDR) of the IMF.

167. Council also endorsed the recommendation that the Convergence Council (Governors of Central Banks and Ministers of Finance) should be the organ empowered to carry out multilateral surveillance of Member States' economic policies. The Convergence Council will however notify the Council of Ministers of its decisions. The Executive Secretariat was invited to look into the practical modalities for the implementation of

this recommendation. In addition, Council approved the following three phases of the implementation of the ECOWAS single monetary zone:

- Phase 1: Harmonisation of rules governing economic and financial management, revitalisation of the WAMA clearing mechanism and review of eligible transactions**
- Phase 2: Review of economic adjustments and harmonisation of domestic taxation system**
- Phase 3: irrevocable fixing of parities and establishment of the single Central Bank**

C. ESTABLISHMENT OF A BORDERLESS ECOWAS ZONE

168. Following the adoption of the fast track approach by the twenty-second summit of Heads of State and Government of ECOWAS, held in Lome on 9 and 10 December 1999, seven Member States- Benin, Burkina Faso, Ghana, Mali, Niger, Nigeria and Togo - held a mini-summit Heads of State and Government in Abuja on 27 March 2000, to discuss the creation of a borderless zone between their countries. Pursuant to the mini-summit, a series of meetings was organised at expert and ministerial levels on the subject of the free trade area. The meetings assessed implementation of the decisions adopted at the various summits, particularly those pertaining to the establishment of a free trade area by 30 April 2000. It was noted that considerable efforts had been made with respect to certain aspects of free movement of persons.

169. However, for the borderless zone to succeed, the Member States concerned must have a common external tariff and they must also find solutions to the problem of transit of goods between their countries. The Executive Secretariat is taking necessary measures towards the speedy introduction of the ECOWAS CET.

170. Two meetings were held on inter-State transit, one involving national guarantors of transit operations, and the other for heads of departments involved in implementation of the ISRT. The meetings took place in Lome from 12 to 13 April 2000 and on 14 April 2000 respectively. The countries concerned, Benin, Ghana, Nigeria and Togo

were in attendance. The two meetings reviewed the implementation of the ISRT convention so far. It was noted that difficulties were still being encountered in respect of vehicle specifications, the amount of contributions to the guarantee fund, and the formalities at customs offices along the way.

171. The national guarantors coordination bureau met in Bamako in May 2000 and adopted a draft rules of procedure for national guarantors.

II. OTHER ECOWAS SOCIO-ECONOMIC PROGRAMMES

A. STATISTICAL DEVELOPMENT PROGRAMME

1. Data collection.

172. The data collection questionnaires have been amended as recommended by the meeting held in Abuja on 8 and 9 March 2000 to assess the way annual data collection on Member States is conducted. Consultants have been chosen for all Member States for 2000 and 2001, and the questionnaires have been sent out. So far, the Secretariat has received responses from six countries, Benin, Burkina Faso, Niger, Senegal, Sierra Leone, and Togo. Missions will be conducted to the other countries in November 2000.

2. Data processing and publications.

173. The three publications , on external trade, national indices, and economic and social indicators for 2000 are ready. The consultant has also finished work on the preparation of the Statistical Bulletin which he is expected to submit to ECOWAS in mid-October 2000. The bulletin serves as a publication linking the various statistics offices, as the Community statistical yearbook, and as a medium for publication of the findings of selected research on the integration process.

3. Harmonisation of statistics in Member States

174. The Executive Secretariat has made known its observations on the draft of the funding agreement for European Union statistical support which was forwarded to it for comment. The document has been finalised by the EDF management and is being processed for approval.

175. The meetings of the ad hoc committees on harmonisation of price indices were combined into one single meeting which was held in Abuja from 9 - 11 October 2000. The meeting considered the strategy to be adopted in implementing the statistical programme.

4. Statistical cooperation and policy

176. The sixth meeting of Directors of Statistics took place in Abuja from 1 to 3 November 2000 and considered the report of the ad hoc committees on national accounts and price indices.

B. TRADE PROMOTION

177. As part of its trade promotion activities during the review period, the ECOWAS Secretariat installed the SIGOA - TOPS system at the Togo Chamber of Commerce, and at the 1st fair organised by the Benin section of the West African Association of Small and Medium Enterprises.

178. The ECOWAS Executive Secretariat also signed an agreement with the executing agency of the 3rd ECOWAS trade fair.

C. ECOWAS PASSPORT

179. The Authority of Heads of State and Government, at its twenty-third meeting in Abuja on 28 and 29 May 2000, adopted and launched a uniform format passport meant to establish ECOWAS identity before the rest of the world, and to underscore the fact that we are citizens of the same Community. The ECOWAS passport shall be used in Member States alongside the ECOWAS Travel Certificate. During a transitional five year period, national passports will continue to be used side by side with the ECOWAS passport. The first samples of the passport are being amended to reflect the modifications made by the last Summit. The

ECOWAS passport in its final form is expected to be issued during the Heads of State summit in Bamako from 15 - 16 December 2000.

D. COOPERATION IN THE TRANSPORT SECTOR

Transport Sector

1. Implementation of the ECOWAS Regional Railways Master Plan

180. ECOWAS Secretariat jointly organised, with ECA and UAR, a meeting on the implementation of the interconnection of railways in West Africa project. The meeting was held at the ECOWAS Secretariat in Abuja from 22 to 25 February 2000.

181. The meeting reviewed the short, medium and long-term prospects, set priorities and defined the practical modalities for implementing the master plan on the interconnection of railways in ECOWAS Member States. A Strategy and Plan of Action were also formulated at the meeting.

182. With regard to securing funds to undertake feasibility and engineering studies for rail links, the meeting incorporated the recommendation of the Mini-Summit of Heads of State and Government on the creation of a borderless ECOWAS. The Secretariat has submitted requests for multilateral grants from ADB, World Bank and BADEA for the studies on interconnection of railways of ECOWAS States. The Secretariat has received information that ADB is processing the request.

2. Road Infrastructures

183. Project documents have been sent to donor institutions in relation to the financing of the missing sections of inter-State highways, and the maintenance of the existing roads.

184. Activities are in progress in connection with plans to organise the Third Donor's Conference on the ECOWAS Regional Road Transport Programme next year. The Secretariat was required to update the project documents with any new information or data relating to the

priority attached to a project by a Member State, status of implementation (studies etc), potential donors, implementation schedule and project costs. These inputs are required before a new date can be fixed for the donors conference.

3. Facilitation of Road Transport

185. The Executive Secretariat commissioned a study to assess the impact of the Brown Card Scheme which has been in operation since 1983. The study was undertaken by a local consultant in September 2000. The report will be made available to Member States in due course.

186. The Eleventh Meeting of the Higher Committee on Land Transport which groups together administrations, economic operators, transporters and the law enforcement agents was held in Niamey from 3 to 5 October 2000. The meeting considered the main problems inhibiting the effective implementation of the inter-State Transit Convention, such as the non-printing of documents by some Member States, delays in designating national guarantors, and lack of awareness on the part of economic operators as well as the law enforcement agents.

187. On vehicle specifications for Inter-State Transit of goods, the meeting of the Higher Committee on Land Transport concluded that there is no need to amend the provisions of the ISRT Convention on vehicle specifications. The Committee also asked the Executive Secretariat to draft a Plan of Action for the effective and rapid implementation of ECOWAS decisions on transport.

188. The Executive Secretariat is working with the European Commission on a study on the West Africa Regional Transport Strategy (Ref 8ACP ROC 022). The study will cover Burkina Faso, Côte d'Ivoire, Nigeria, Sénégal and Togo, and missions will be undertaken to these countries in October 2000. The study will come out with a blue print on an integrated system for all transport modes in the ECOWAS region.

4. Air transport

189. The Executive Secretariat continues to work with the private sector on the project to establish a sub-regional airline. At a meeting of

the project promoters in Abuja on 27 July 2000, a select steering committee was set up and given the responsibility to finalise the business plan and look for external partners.

190. The Executive Secretariat, in association with the ECA, is making efforts to expedite the liberalisation of air traffic rights by setting up a monitoring unit to pursue implementation of the Decision of the Ministers of Civil Aviation. The World Bank has just made a grant of US\$3000 000 available to the Secretariat for this purpose.

191. The Executive Secretariat organised a meeting of Directors of Civil Aviation in Banjul, in September 2000, to look into ways of introducing the new CNS/ATM air navigation system adopted by ICAO at regional level. Given the huge capital outlay that the system requires, it was decided to adopt a regional approach and to set up a common management of the airspace. The Secretariat was mandated to continue discussions with a private firm which has made an offer in this regard.

5. Maritime transport

192. The Executive Secretariat is working with a consortium of private operators in efforts to put finishing touches to the proposal to establish a regional coastal shipping line. The steering committee is drawing up the business plan, and discussions on the proposed company's capital structure will take place at a meeting to be held later. The meeting will also finalise activities for the launch of the company.

E. COOPERATION IN THE TELECOMMUNICATIONS SECTOR.

1. Feasibility study on the INTELCOM II programme

193. Work on the feasibility studies on INTELCOM II commenced in January 2000. Four experts from Benin, Cote d'Ivoire, Guinea and Nigeria were recruited for this purpose. Their main assignment was to conduct the pre-feasibility studies on the programme.

194. The second joint ECOWAS-ITU meeting, expanded to include experts from the Member States, was held in Dakar, from 17 to 20 January 2000. The meeting prepared data collection questionnaires for

use by experts from the Member States, as well as an outline of its final report. It also endorsed the duties set out in the terms of reference.

195. The third joint ECOWAS-ITU meeting was held in Lome, from 14 to 28 February 2000, at the conclusion of the missions conducted by experts to the Member States. The meeting examined and analysed the information culled from the questionnaires, and prepared the draft report of the pre-feasibility studies. It also analysed the impact of some of the major infrastructural projects, such as the West African submarine cable and the RASCOM solution, on the INTELCOM II programme.

196. ITU has finalised the draft of the pre-feasibility studies as amended by the Executive Secretariat. A copy of the final report has been sent to all Member States for their comments and also to have an indication as to their degree of commitment to the INTELCOM II programme before moving on to the subsequent phases.

197. To date, only Guinea Bissau has sent in comments on the programme for which it also expressed its full support. The final report on the preliminary study has also been sent to the ECOWAS Fund for their observations. In the following stages, it is expected that a joint ITU ECOWAS meeting will be held to evaluate the final report, and to work out the practical modalities for the recruitment of international experts who will carry out the technical and economic analysis. This meeting has been scheduled for early November 2000.

2. Restructuring of the Special Fund for Telecommunications (SFT)

198. The Executive Secretariat has been according serious attention to the restructuring of the SFT, in implementation of the decisions taken at the forty-fifth session of the ECOWAS Council of Ministers. It has prepared a draft of the terms of reference (TOF) for the study on the restructuring of the SFT. The draft a document was sent to the ECOWAS Fund, and the two institutions held a working session in Lome on 22 and 23 June 2000 to finalise the terms of reference.

199. The two institutions have also worked out practical measures for the conduct of the study on the restructuring of the SFT.

200. The terms of reference have been sent to all Member States for their comments and observations. So far, replies have been received from Nigeria and Burkina Faso only, and they have no objection to the TOR. A statement of the financial resources of the SFT as at 31 December 1999 was also sent to the Member States along with the terms of reference.

201. The Executive Secretariat prepared a draft budget for the study on restructuring, which the ECOWAS Fund has finalised and forwarded to Mali, Burkina Faso and Gambia, the three member States on the SFT management committee. They have been invited to make known their observations on the document. The budget will be discussed at the next meeting of the Fund Board of Directors. The next stages of the study will be conducted in accordance with the updated timetable.

3. Adoption of the second generation of meteorological telecommunications satellites (MTS) in Africa

202. The special team on the MTS met in Cape Town at the end of March 2000. The final documents for the project were finalised at the meeting, in conjunction with partners from the European Commission. The European Union will provide 10 million euros for the entire project which is for the deployment of MTS earth satellite receiver stations in 50 African countries. ECOWAS, like all other regional economic integration communities, is involved in the practical implementation of the project and is a member of the steering committee.

203. A meeting of the special PUMA team was also held in Kampala from 25 to 29 September 2000. The terms of reference for the international invitation for bids for the supply of equipment and for the recruitment of a management firm were finalised at this meeting. The documents will be submitted to the European Union in November 2000 in the framework of the European Development Fund.

F. COOPERATION IN THE ENERGY SECTOR

204. Acting on the recommendation of the Ministers of Energy and the Council of Ministers, the Authority of Heads of State and Government, in December 1999, took a number of vital decisions on issues which

included approval of the master plan for development of energy production facilities and the interconnection of electricity grids of Member States, and the establishment of the West African Power Pool.

1. West African gas pipeline project.

205. A number of important steps were taken in 1999 with regard to the West African gas pipeline. Three important documents were signed:

- the Memorandum of Understanding between the States and the Commercial Group, giving the latter exclusive rights to negotiate the concession agreement;**
- the joint venture agreement between the commercial partners, specifying the respective roles and common objectives;**
- the Memorandum of Understanding between ECOWAS and USAID defining the terms of their cooperation with regard to the technical assistance component of the project.**

206. Early in the year 2000, the four countries (Nigeria, Benin, Togo and Ghana) signed an Intergovernmental Agreement, in confirmation of their commitment to take all legal and regulatory measures towards the success of the project.

a) Capacity building in preparation for negotiations on the Concession Agreement

207. In the framework of the above-mentioned Protocol, a team of technical assistants from USAID organised a capacity-building programme between January and May this year for officials from Member States. The programme was coordinated by ECOWAS.

208. Following the evaluation of each country's resources and needs, a team of 53 experts nominated by the 4 governments was constituted, preparatory to the negotiations on the Concession Agreement. The team works under the authority of the Project Implementation Committee and is divided into four main working groups. Each of these is headed by a Group Leader, representing the four areas of specialisation covered

in the negotiation: i) taxation, customs and project financing; ii) technical contract design; iii) health, safety and environment; and iv) institutions, regulations and tariffs.

209. Training workshops were organised in Accra, Lome and Abuja and were attended by all the working groups. At the end of the last session, the Commercial Group was handed the comments of Member States on the draft Principal Terms of the Concession Agreement, one week ahead of schedule.

b) Negotiations on the Concession Agreement

210. The first negotiation sessions took place in Lome at the end of June and later in Abuja in early August. Other meetings between the parties are scheduled to be held before the end of the year. Each negotiation session is usually preceded by an internal meeting to consider the issues slated for negotiation, and to harmonise the viewpoints of the different countries. The conclusions of these meetings are submitted to the Project Implementation Committee for approval.

211. Both the Member States and the Commercial Group wish to see the Principal Terms of the Concession Agreement signed by October. The Concession Agreement itself will then be drafted and signed, probably early in 2001, and sent to the parliaments of the Member States for ratification. Before then, Member States are expected to have approved the structure of WAPCo, the company that will own and operate the gas pipeline and which will sign the Concession Agreement on behalf of the Commercial Group, the project developers.

212. The remaining major tasks, as they appear today, have been brought to the notice of the Ministers concerned. The concerns raised over the deadline for the Environmental Impact Study and the ratification of the Concession Agreement have been partially addressed. However, the purchase and transportation agreements need to be signed very soon if the project is not to experience serious delays. The support of Member States, Ghana in particular, will be needed in this regard.

213. If all the conditions listed above are met, the Concession Agreement may be signed before the date fixed in the Inter-Governmental Agreement (August 2001).

214. For the subsequent stages, the Project Implementation Committee will continue to represent the Member States until the Concession Agreement is signed. Thereafter, the administration of the Agreement will be the responsibility of an administrative body which will act on behalf of the countries.

215. The ECOWAS Secretariat, acting on behalf of the Project Implementation Committee, is currently negotiating an extension to the protocol on technical assistance with USAID. If the extension is approved, the consultant will be required to assist Member States during the project definition phase, on the basis of the tasks assigned to each of the countries in the Concession Agreement. More specifically, the consultant will be expected to make recommendations as to the role, structure, institutional position, financing, rules and procedures, and operations of the administrative body. The consultant will also be asked to draw up a strategy to boost the use of the gas transported by the pipeline, and analyse WAPCo's eventual needs in the area of regulation.

216. The results achieved during the course of the year indicate that considerable progress has been made in the execution of the directives issued by the Energy Ministers and the ECOWAS authorities. However, poor attendance at ECOWAS meetings impedes the rapid decision-making which is fundamental to the fast-track approach to integration, and which will sustain the interest of donors, and encourage private sector participation.

c) West African Power Pool

217. The WAPP Implementation and Steering Committees have been unable to meet this year to launch programmes and designate the different working groups responsible for their implementation. This could be due to the fact that the interested parties are not all at the same level of development, and consequently, have different priorities. In some cases, greater importance is attached to national interests than to energy sharing.

218. The ECOWAS Secretariat therefore proposes, for practical reasons, that two large groups be created as follows in order to ensure that interests of all involved are served :

Group A: Cote d'Ivoire, Burkina Faso, Ghana, Togo, Benin, Nigeria and Niger.

Group B: Mali, Mauritania, Senegal and Gambia

Group C: Guinea, Guinea Bissau, Sierra Leone and Liberia.

219. The fact that electricity links already exist or are planned between countries in the three groups is a major asset and this could facilitate the emergence of an energy market. A suitable institutional framework should be worked out based on this arrangement.

220. All the Member States should begin by concluding a more general umbrella framework agreement covering the above groups, under the larger supervision of a Steering committee comprising all ECOWAS Energy Ministers.

221. Thereafter, each group will establish a special institutional framework defined by a more detailed intergovernmental agreement. Coordination will be done by the Energy Ministers of the countries concerned.

222. Finally, the situation on the ground underlines all too clearly the fact that technical data and institutions in the electricity sub-sector are unreliable. In order to correct this state of affairs, it will be necessary to set up two working groups:

- one group which will handle technical matters such as database, standards, studies etc...**
- another group to look into institutional matters relating to the existing institutional, legal and administrative structures.**

223. The same procedures should be followed by electricity utilities which have been requested to agree upon an appropriate regulatory framework for relations with WAPP.

G. AGRICULTURAL COOPERATION PROGRAMME

1. Agricultural development strategy

224. A ministerial meeting, to be preceded by an officials meeting, is planned for the end of the year to examine a proposal for the new agricultural strategy. A grant has been obtained from the CTA to cover the study on the preparation for the meeting documents.

2. Pesticide management programme

225. Following the restoration of relations between ECOWAS and the FAO Regional Office for Africa, a decision was taken to renew production of the Pesticide Newsletter. The third edition is ready and will soon go into circulation.

3. Consultative Meeting of West African IGOs aimed at harmonising agricultural sector programmes

226. ECOWAS, UEMOA and CILSS have held two consultative meetings for the purpose of harmonising their programmes in the agricultural sector. ECOWAS is organising the third meeting planned for late October. Following decisions taken at previous meetings, a decision is expected to be taken at the October meeting on the widening of consultations in order to accommodate all other West African IGOs and development institutions/organisations involved in agriculture and rural development activities.

H. LIVESTOCK DEVELOPMENT

1. Support for activities to combat animal diseases in the sub-region

227. Within the scope of activities in connection with this programme, the Executive Secretariat is working in close collaboration with the regional coordination office of the Pan-African Project for the Epidemio-Surveillance and Control of Animal Diseases (PACE) which has been in operation since February 2000, as well as the International Office for Epizootics (IOE). ECOWAS has requested technical or financial

assistance from IOE in May 2000 towards the effective application of the regulations governing the ECOWAS international transhumance certificate. The request is under consideration.

228. With regard to the need to strengthen animal vaccine laboratories in the sub-region, an annual meeting of Heads of national veterinary services and Directors of animal vaccine laboratories in ECOWAS Member States has been institutionalised, to afford a forum for analysing the current situation and recommending actions to be taken to strengthen and improve animal health within the Community. The first meeting was held in Dakar (Senegal) from 10 to 13 October 2000.

2. Regulations governing transhumance between Member States

229. Since January 2000, the Executive Secretariat has been monitoring the initiatives and actions being taken in West Africa to ensure the effective introduction of the transhumance certificate. In this regard:

- the Secretariat participated in the workshop on strategies for the introduction of the ECOWAS international transhumance certificate organised by Nigeria in Minna (Niger State) in May 2000, and commended the initiative taken by Nigeria, which can serve as an example for other countries;
- in July 2000, the Nigerian government informed the Executive Secretariat of a decision taken by the Beninese authorities to ban trans-border transhumance from Nigeria. In an attempt to resolve the issue, the Executive Secretariat immediately contacted the authorities in the two countries in order to ascertain the veracity of the information, since such a ban would be against the spirit of the decisions taken by ECOWAS on transhumance and on free movement of persons and goods within the Community.

230. The introduction of the ECOWAS international transhumance certificate will be vigorously pursued in 2001.

I. INDUSTRIAL DEVELOPMENT PROGRAMME

231. After five (5) years of continuous efforts to implement the programme of action on the ECOWAS industrial master plan, a meeting of Ministers of Industry in the sub-region will be organised in November 2000 to assess the achievements of each of the stakeholders (ECOWAS, governments, enterprises), and to issue new directives on the Community industrial policy to be implemented in the third millennium.

232. The conclusions and recommendations of the meeting will form the basis of future Community action in the area of industrial development.

a) Sub-regional investment promotion and private-sector development programme

233. A five-year programme to promote foreign investments in West Africa (PROINVEST) is currently being negotiated with the European Union. The programme is expected to take off in 2001.

234. In addition to the programme being negotiated with the European Union, the Executive Secretariat is also providing support to non-governmental organisations to enable them organise activities aimed at boosting private investments in West Africa. For instance, the Executive Secretariat provided the technical assistance needed by a Nigerian organisation specialising in mining for the organisation of a meeting of investors in the mining sector held in London on 2 and 3 May 2000.

235. The Executive Secretariat will continue to support such actions whenever they are initiated by credible organisations which are capable of obtaining positive results that would favour project promoters in Member States.

J. ENVIRONMENT

1. Implementation of the regional floating weeds control programme

236. Within the framework of the execution of the supplementary study on the control of floating weeds, the Council of Ministers, on the

recommendation of the Tenders Board, requested the Executive Secretariat to start negotiations with the consulting firm, RAMBOLL , which scored the highest marks when the bids were considered.

237. The outcome of the negotiations was transmitted to ADB which questioned the procedure adopted in drafting and validating the offers. The ADB also decided to block the use of the residual funds from the 1992 grant.

238. Consequently, the supplementary study on floating weeds which is expected to cover the Volta basin, the internal waterways in Burkina Faso and Togo, and the Gambia and Guinea basins, has not been carried out.

239. The Executive Secretariat intends to continue negotiations with ADB in order to reach an agreement on the issue raised, and to seek financing for the study and for the global programme in which the Bank has indicated interest.

2. Implementation of the sub-regional action plan (SRAP) to combat desertification

240. ECOWAS, together with CILSS, has been mandated to contact development partners, with a view to facilitating mobilisation of resources needed to implement the SRAP.

241. A consultative meeting between ECOWAS and CILSS was organised in Abuja in April 2000 to prepare an implementation schedule for the priority actions to be undertaken. The following three areas were identified:

- shared water resources
- plant and animal resources
- energy resources

242. Requests have been sent to UNEP, the global mechanism under the desertification control convention, and to UNSO for support for SRAP.

243. The Executive Secretariat attended seminars and workshops organised to formulate trans-border natural resource management projects (Niger-Nigeria) and to endorse the national plan of action on desertification control (Niger).

244. ECOWAS was involved in the organisation of the African Ministerial Conference on the Environment, held in Abuja in April 2000, which adopted the short and medium-term programme to be coordinated by UNEP. A technical committee, of which ECOWAS is a member, was set up to implement the programme. The first meeting of the committee was held in Nairobi in July 2000. The Executive Secretariat was also represented at the conference of the parties to the convention on biological bio-diversity held in Nairobi in June 2000.

245. Within the framework of the implementation of Agenda 21 adopted by the Rio Conference, ECOWAS was designated as the focal point for the West African sub-region for activities preparatory to "Planet Earth 2000". An expanded joint secretariat comprising ECA/OAU/ADB/UNEP and African economic integration organisations has been established and charged with the responsibility of supervising actions to be undertaken in Africa preparatory to the conference. A sub-regional meeting on ensuring synergy of the Rio conventions was organised in Conakry in October 2000 with the assistance of the European Union.

3. Coordination of water resource management strategies and programmes

246. As part of efforts to monitor the programme on the development of the Fouta Djallon being implemented under the auspices of the OAU, ECOWAS, in conjunction with the Chairman of the Ministerial Conference (Mali), was mandated to mobilise the resources needed to carry out the global study on the programme. Meetings were held between the OAU and ECOWAS to explore ways and means of transferring the Fouta Djallon programme to ECOWAS.

247. Under the auspices of the Chairman of the Ministerial Conference, a meeting between the OAU, ECOWAS, Guinea, and Mali was held in Conakry in October 2000 to adopt a common position on the future of the programme. The consultative committee has drafted the terms of

reference for the global study which will be prepared with the financial assistance of UNEP/GEF

248. The Ministerial Conference on the integrated management of water resources in West Africa adopted decisions transferring to ECOWAS the role and responsibility of integrating the African plan of action on water into ECOWAS activities, and of establishing a technical unit within the Executive Secretariat to coordinate the implementation of the plan.

249. The Executive Secretariat was involved in the preparation and adoption of the regional plan of action on the integrated management of water resources. It was also involved in the "West African Vision" on water, within the framework of activities initiated by Global Water Partnership.

250. Consultations were held between ECOWAS and the temporary secretariat of the West African Technical Committee (WATAC) in Burkina Faso, with a view to monitoring implementation of the decisions.

251. ECOWAS participated in the consultative meeting between Niger and Nigeria on the implementation of trans-border water resources management projects.

4. Implementation of the meteorological programme

252. The Executive Secretariat has requested UNEP/GEF, World Bank/IDB and ADB to provide financial assistance towards the implementation of the regional meteorological programme which has been reviewed to reflect the Rio conventions.

253. UNEP/GEF and ADB have indicated their willingness to finance the segments of the programme relating to meteorological applications. The documents are under consideration.

254. The European Union has undertaken to finance the second generation METEOSTAT telecommunications segment of the programme, with a view to improving national meteorological services. The

programme will take off in January 2001 with the establishment of satellite stations in Member States, to replace existing equipment.

255. The meeting of the Committee of Directors of Meteorological Services will take place in Conakry in November 2000.

K. CULTURAL DEVELOPMENT PROGRAMME

1) Youth and sports

256. The ECOWAS Secretariat attended the Conference of West African Ministers of Youth and Sports held in Ouagadougou from 28 August to 1 September 2000. Some of the recommendations issuing from the meeting concerned the institutionalisation of the ECOWAS Games and the organisation of traditional wrestling competitions. Participants also recommended that the Conference of Ministers of Youth and Sports be made a specialised institution of ECOWAS.

2. Forum of Associations

257. The second meeting of associations having observer status in ECOWAS took place in Abuja from 26 - 28 September 2000. The meeting was held to align the activities of these NGOs with the ECOWAS cooperation programme. The ten NGOs present at the meeting recommended, among other things, that a regional project committee should be set up to work out an effective programme of activities that will be included in the ECOWAS programmes.

3. Education

258. ECOWAS and OAU organised the first regional seminar on the Decade for Education in Africa in Banjul, from 24 - 28 January 2000. The meeting sought to provide a forum for information exchange on the Education Decade, to explore ways and means of successfully implementing certain identified priority activities in the action programme, propose possible pilot projects, and reinforce cooperation initiatives and coordination mechanisms.

259. Apart from the national programmes which each Member State will undertake, 10 regional joint projects have been selected for

implementation in connection with the Decade. Coordination of these activities has been assigned to various countries or institutions.

260. A monitoring committee was set up comprising five Member States and 11 international organisations (NGOs and IGOs) that took part in the seminar. The committee, charged mainly with finalising the project profiles, plans to hold its first meeting in Dakar in the sidelines of the World Conference on Education.

L. COOPERATION IN HEALTH MATTERS

261. ECOWAS Ministers of Health met in Abuja, on 4 April 2000, during the African summit on malaria to exchange views on a regional health strategy. They stressed the crucial importance of the health sector for the socio-economic development of West African States, and resolved to draw up a programme of action that will be based on the outcome of the African summit on malaria, the fight against AIDS, and research findings in this area.

M. COOPERATION IN THE AREA OF INFORMATION

1. ECOWAS Anthem

262. The Heads of State have approved the ECOWAS anthem which they listened to at their last summit in Abuja on 28 May 2000, the 25th anniversary of ECOWAS. The competition has been launched for the lyrics and once enough entries have been received, a jury will be constituted to select the winner.

2. ECOWAS 25th anniversary

263. The following activities were organised as part of the ECOWAS twenty-fifth anniversary celebrations:

- publication of a brochure "25th Anniversary Special" detailing the organisations' objectives, fundamental principles, achievements and prospects.
- production of a radio and television programme on the achievements of ECOWAS in its twenty-five years of existence

- production of publicity items to commemorate the 25th anniversary.

3. Meeting of ECOWAS Ministers of Information and Communication

264. ECOWAS Ministers of Information and Communication met in Bamako on 2 and 3 October 2000. They adopted a new information and communication policy for ECOWAS, which has at its core:

- i) the establishment of ECOWAS information centres in all Member States**
- ii) the establishment of an ECOWAS television**
- iii) the training of journalists on issues of economic integration, peacekeeping and emerging technologies**
- iv) the joint production of programmes by the media in the sub-region**
- v) the use of national languages**
- vi) award of a prize for excellence in journalism**
- vii) cooperation with media organisations operating in West Africa and on the continent.**

265. These measures are expected to bring about a better dissemination of information about ECOWAS across the sub-region and world-wide.

4. Publicity and promotion activities

- **Advertisements**

266. Radio and television advertisements were printed and broadcast by national radio and television stations to generate public awareness on free movement of persons within ECOWAS.

- **Stickers**

267. Stickers have been printed which set out the rights and obligations of ECOWAS citizens when travelling within ECOWAS. The emphasis is on having travel documents and fighting corruption at borders.

– Feature articles

268. ECOWAS was featured in full page articles published in two magazines which enjoy wide readership across the continent. The articles helped to focus public attention on the 25th ECOWAS Summit and on our Community's activities.

5. Publications

269. Two editions of ECOWAS In Brief have been published. The first highlighted the Computer Centre and its objectives and achievements to date. The second edition focused on the mechanism for conflict prevention, management and resolution, giving a global view of the reasons behind its establishment, and its mode of operation.

– West African Bulletin

270. The 8th edition of the West African Bulletin has been published. It contains articles on ECOWAS activities since January 2000.

N. COOPERATION WITH DEVELOPMENT PARTNERS

1. Organisation of African Unity/ African Economic Community

271. The OAU/PASU support unit charged with providing support to regional economic communities has made available 119,500 US dollars to the ECOWAS Executive Secretariat for the studies on free movement of persons, the evaluation of macroeconomic convergence, and the elimination of tariff and non-tariff barriers to trade.

2. United Nations Economic Commission for Africa (ECA)

272. The Secretariat worked in close conjunction with the ECA's sub-regional Development Centre (SRDC - Niamey) to prepare a report on social and economic conditions in West Africa. The report was presented and discussed at an experts' meeting scheduled for Abuja from 2 to 5 June 2000. A delegation from the SRDC visited the Secretariat in October 2000 to discuss the terms of reference and the questionnaire prepared on the 2000 report.

3. United Nations Development Programme (UNDP)

273. The Executive Secretary has signed a funding agreement for 100,000 US dollars with UNDP (Guerrero Fund). The money is to be used for activities in connection with the harmonisation of the legal framework, accounting procedure and statistical framework of public finances of ECOWAS Member States. Preparation of the studies will commence once the funds are released to the Secretariat.

274. The UNDP has also signed a partnership agreement with the Secretariat for the planned preparation of a detailed study on human resource development in West Africa.

4. UNESCO

275. UNESCO and ECOWAS held their first joint commission meeting in Paris on 18 and 19 September 2000. The Executive Secretary and the Assistant Director-General for Africa reviewed the various areas of common interest: education, culture, science and communication. They assessed the measure of their cooperation so far and identified, in outline, the actions they would need to take in 2002 - 2003. The two organisations also revised the cooperation agreement signed between them in 1983.

276. In the specific area of education, the two organisations decided that they would pursue harmonisation of education policies and programmes and the equivalences of certificates awarded in West Africa. Centres of excellence and specialised institutions having sub-regional scope are to be established.

277. ECOWAS trilingual institutions will also be set up in order to encourage professionals to move within the three ECOWAS language zones. In the interim, UNESCO will consider granting scholarships for advanced language courses in order to promote exchange programmes between Francophone, Anglophone and Lusophone students.

278. The two institutions place great emphasis on developing a culture of peace, and on democratic principles. Both will exchange information and swap experiences in this area.

279. One of the new areas of cooperation identified was communication. UNESCO will provide assistance, through the PDIC, towards the establishment of a radio and television studio at the Secretariat in Abuja. This will be a means of educating larger sections of the public about the objectives of ECOWAS and its achievements to date. In addition, seminars will be jointly organised on issues of common interest.

280. In the course of his visit, the Executive Secretary held discussions with the Director-General of UNESCO, the Chair of the Governing Council, and with the Assistant Directors-General for the different sectors covered by the programme.

5. Provision of European Union institutional support to ECOWAS

281. Within the context of increased cooperation links between ECOWAS and the European Union, a delegation of the European Union Troika visited the Executive Secretariat on 16 October 2000, under the chairmanship of France. The two parties reiterated their wish for greater political dialogue and cooperation in the areas of peace, security, capacity building and regional integration.

282. During this meeting, the European Union Commission signed a funding agreement with the Executive Secretariat for the sum of 1 950 000 euros to be put towards capacity-building in ECOWAS. A consultant specialising in integration matters will be recruited in this regard on a long term contract of 3 - 4 years. The consultant will assist to implement the regional integration support programmes (RISP) and to prepare the studies on an ECOWAS common external tariff. It should be noted that the European Union has also provided 1.990 million euro for financing the regional Mechanism for Conflict Prevention. Another agreement is expected to be signed in the next few months, for the amount of 1,950,000 for the ECOWAS statistical development programme.

6. ACP Group

283. Consultations have been going on between ECOWAS countries, aimed at coordinating measures taken by West Africa, and strengthening regional unity within the ACP Group.

284. ECOWAS is also increasing cooperation with the General Secretariat of the ACP Group. The ECOWAS Legal Department is currently finalising the text of a cooperation framework agreement drafted by the ACP Secretariat.

285. The ECOWAS Secretariat was present at the ceremony marking the signing of the Cotonou agreements in June 2000. These agreements give a new dimension to cooperation between the ACP countries and the European Union. They set out the broad outline of the future economic partnership agreements which will replace the preferential trade regimes of the Lome conventions.

7. Africa Capacity Building Foundation (ACBF)

286. The proposed assistance of two million dollars, which will be used to boost the capacity of West African countries in multilateral trade negotiations, has been finalised. The Foundation has conducted three evaluation missions to the Secretariat. The results of their evaluation have been transmitted to the Foundation's authorities for a final decision.

8. World Bank

287. The World Bank and the Executive Secretariat have begun discussions on defining a strategy for regional assistance to West Africa. In the course of two meetings so far held, in Abuja in February, and in Washington in March, the two parties prepared the broad outline of an action plan that will ensure that Member States and the Bretton Woods institutions reflect the regional dimension of development in the national economic policies adopted. The Bank has finalised the strategy, which was considered and adopted by the Governors during the annual assemblies of the Bretton Woods institutions in Prague in September 2000. The ECOWAS Executive Secretariat, speaking during the presentation of the Bank's strategy, underlined ECOWAS strengths

and weaknesses and highlighted the prospects that will enhance the integration process in West Africa.

288. The ECOWAS Executive Secretariat received a grant of three hundred thousand dollars from the World Bank towards the liberalisation of air traffic rights in West Africa. Another 400 thousand dollars will be allocated for the take-off of the West African power pool project, and five hundred thousand for the development of the gas market in Benin, Togo and Ghana.

9. International Monetary Fund (IMF)

289. During the annual assemblies of the Bretton Woods institutions in Prague in September 2000, a delegation led by the Executive Secretary met with chief executives of the IMF to discuss ways of strengthening cooperation between the two organisations. The IMF expressed a desire to be an active player in the accelerated regional integration drive in West Africa, and to be involved particularly in the studies to be conducted. The Fund carried out a study on possible options for the second ECOWAS monetary zone. The Executive Secretariat made known its observations on the study. On the elaboration of the CET, the IMF advised that the Secretariat apply low tariffs in order to avoid creating distortions. This will involve having as few exonerations as possible since they eat into government funds and para-fiscal taxes.

10. United States Agency for International Development (USAID)

290. In February 2000, the Executive Secretariat submitted a funding request to the USAID's Regional Programming Bureau in Bamako and obtained a financing agreement for capacity building in Member States, and for technical assistance towards the setting up of the West African power pool. USAID also funded Purdue University's activities in connection with the elaboration of a model for the optimisation of energy supply and demand, which will be presented during this current meeting. In addition, USAID has opened a line of credit in the form of a grant totalling 2 million dollars for the West African gas pipeline, and 1.9 million dollars for the WAPP system.

11. Sweden

291. A delegation from the Swedish cooperation agency, SIAD, paid a working visit to the ECOWAS Secretariat on 16 October 2000 with proposals for a platform for cooperation in such diverse areas as economic research, environment, energy and agriculture. The Secretariat and SIDA have agreed to meet again to hold further discussions with a view to preparing a framework cooperation agreement.

12. Canada

292. The Canadian government has made available 300 000 Canadian dollars to the Secretariat for activities pertaining to the protection of children in conflict zones.

III. ADMINISTRATIVE AND FINANCIAL ISSUES

A. ADMINISTRATIVE ISSUES

1. Staff residences

293. Construction work on the ECOWAS staff quarters which began on 17 May 1999 is 90% completed. However, work is now at a near-standstill due to the following reasons:

- i) absence of infrastructural works in the Katampe district and the temporary semi-collective equipment promised by the Honourable Minister of the Federal Capital;
- ii) the need to seek the authorisation of the Ministerial Ad Hoc Sub-Committee to finance additional works which, as often happens in this type of project, were not included in the initial plan but which are now required in order to complete the work properly.

294. The Executive Secretariat recommends that the following urgent actions be taken to enable completion of construction works:

- i) negotiate with NAHMAN Construction to obtain as much reduction as possible in the cost of executing the additional works to avoid the Katampe housing project turning into an abandoned project;**
- ii) recommend to the Ministerial Ad Hoc Committee to approve the signing of an additional clause to the initial contract between ECOWAS and NAHMAN Construction;**
- iii) recommend to the Ministerial Ad Hoc Committee the most appropriate formula for sourcing funds for the project.**

295. An in-house committee set up in May 2000 was charged with making appropriate proposals that can offer a definitive solution to the problem of staff residences for staff in G and M categories.

296. The committee completed its work in August 2000. Its report suggests five options, among them the construction of houses at Katampe for the locally-recruited staff. The various possibilities have been submitted to the Administration and Finance Commission which will make appropriate recommendations to the session of Council.

2. Staff Service Awards Ceremony

297. One of the events organised during the celebration of the 25th anniversary from 20 - 30 May 2000 was the long service award ceremony at which medals were presented to staff who have put in over 20 years service to the Community . Two of the Founding Fathers of ECOWAS, President Gnassingbe Eyadema and Dr. Yakubu Gowon, were also presented with commemorative plaques.

3. Restructuring of the Executive Secretariat

298. Measures have been taken to restructure the Secretariat following Council's approval of the exercise. An in-house committee has been set up to oversee implementation.

299. A quorum could not be formed at the meeting of the ad hoc ministerial committee on the selection and evaluation of statutory appointees in the two institutions convened in November in Abuja. The meeting has now been fixed for November 2000 and the committee's report will be presented to Council at this current meeting.

300. Member States have been asked to publish vacancy announcements for posts in the ECOWAS observation centres. The job profiles have been sent to all national units and a number of curricula vitae have already been received by the Secretariat.

301. With regard to the staff audit which is an integral part of the restructuring exercise, the OAU has been contacted for assistance. Such assistance might fall within the scope of measures to strengthen regional economic communities precedent to the establishment of the African Economic Community. It is also covered by the protocol on relations between the OAU, the African Economic Community and the regional economic communities.

4. Computerisation of the Executive Secretariat

302. The Administration Department is working in conjunction with the Community Computer Centre on the computerisation of the Secretariat.

5. Staff identity badges

303. Arrangements have been made to issue staff members with identity cards. The necessary equipment is available at the Secretariat and some staff members have been trained in its use.

6. Staff training policy

304. A policy to provide systematic training for staff is being worked out with the different needs of departments in mind. Specialists in this area have already been contacted to provide the necessary assistance.

7. Redeployment of secretaries

305. Secretaries and typists in the Secretariat will soon be redeployed within the scope of measures designed to improve productivity. This will

henceforth be a regular exercise and is in keeping with the spirit of the ongoing restructuring, and the desire to re-invigorate our institution.

8. Other administrative issues

306. The Executive Secretariat lost a member of staff in July 2000. Two other officers handed in their resignation in June 2000.

B. FINANCIAL RESOURCES OF THE EXECUTIVE SECRETARIAT

307. As at 30 September 2000, arrears of contribution to the Executive Secretariat budget amounted to 3.5 million dollars broken down as follows:

▶	Liberia	20 years' arrears	(US\$11.5million)
▶	Mauritania	16 years' arrears	(US\$6.4 million)
▶	Gambia	11 years' arrears	(US\$2.9 million)
▶	Sierra Leone	11 years' arrears	(US\$3.7 million)
▶	Cape Verde	10 years' arrears	(US\$2.5 million)
▶	Guinea-Bissau	10 years' arrears	(US\$2.8 million)
▶	Niger	6 years' arrears	(US\$2.1 million)
▶	Guinea	5 years' arrears	(US\$2.06 million)
▶	Senegal	3 years' arrears	(US\$1.29 million)
▶	Ghana	2 years' arrears	(US\$1.97 million).

308. Mali and Togo have paid all their dues to the Executive Secretariat, including their contributions for the current year. Benin, Burkina Faso, Cote d'Ivoire, Mali and Nigeria have no other arrears apart from their dues towards the current budget (2000). Ghana and Senegal have been making sustained efforts to reduce the amount of their arrears.

309. The hopes pinned on the Community levy as the panacea to the problem of irregular payment of contributions have failed to materialise. Some Member States that apply the levy, which entered into force on 1 January 2000, do not remit the proceeds to the Executive Secretariat to offset their arrears. This attitude undermines the credibility of our organisation. Ghana, Senegal, Togo and Niger are the only countries which are applying the provisions of the protocol correctly. Bank accounts are yet to be opened in Cape Verde, Guinea Bissau and Liberia for the proceeds from the levy.

IV. REGIONAL PEACE AND SECURITY

310. The Economic Community of West African States is one of the sub-regional organisations most actively involved in conflict prevention and management. Since 1990 when the Standing Mediation Committee and the Ceasefire Monitoring Group (ECOMOG) were set up in Liberia, ECOWAS has been working relentlessly to restore peace to West Africa. Last year, the most notable development in the sub-region was the advent on the political scene of democratically elected regimes, particularly in Guinea-Bissau, Niger and Nigeria. Although there has been a democratic transition in Senegal, the situation in 2000 is not very cheering. Besides Sierra Leone, where the peace process remains frail and painstaking, the tense atmosphere prevailing between Guinea and Liberia has deteriorated to a point where armed incursions have been made into Liberia and Guinea.

311. The violence which characterised the presidential election in Cote d'Ivoire, following the military junta's bid to remain in power, raised fears for the peace and security of the country and the sub-region. However, despite these worrying developments in the three countries, the actions taken by ECOWAS have been tangible and we can only hope that they will yield dividends in the very near future.

A. COTE D'IVOIRE

312. The robust measures which the Community had been taking since December 1999 to restore peace and consolidate democracy in Cote d'Ivoire after the military takeover had not met with support from the military authorities there. After the very first meeting of the Mediation and Security Council in December 1999, the ECOWAS Chairman sent several missions to the country, to propose a schedule for the restoration of democratic institutions. If this plan had been accepted, the bloody clashes which left many dead and hundreds wounded would have been avoided. The Mediation and Security Council met at Heads of State level and made recommendations which were approved by the

Authority. The junta still did not accept these recommendations and the matter was therefore referred to the OAU at its last summit in Lome.

313. In this uneasy atmosphere, with the issue of the eligibility of candidates to the presidential elections hanging heavy on the air, the Heads of State of the OAU Committee of Ten, comprising Algeria, Djibouti, Gabon, Ghana, Mali, Nigeria, Senegal, South Africa and Togo, undertook a visit to Cote d'Ivoire on 25 September 2000. The purpose of this visit was to make proposals to the Ivorian authorities with regard to the election time-table, and a number of other mechanisms aimed at building up trust between fellow Ivorians. The proposals included the creation of an Interim Council to be presided over by President Robert Guei, in conjunction with the leaders of the main political parties, and also provided for a more extended transition period and the postponement of the presidential elections, and the holding of legislative elections.

314. The move made by the Committee of Ten was highly commended by the Ministerial meeting of the Mediation and Security Council which took place in Abuja on 4 October 2000.

315. Despite the efforts of the Committee of Ten, the Constitutional Chamber of the Supreme Court decided to disqualify 10 candidates, among them the candidates of the PDCI-RDA and the RDR.

316. It was against this background that the presidential elections were organised on 20 October 2000 with five candidates, including General Robert Guei, in the running. Midway into vote counting, General Guei dissolved the national electoral commission and proclaimed himself President. From Bamako, ECOWAS issued a press release condemning this attempt at vote rigging, and demanding that the will of the people be respected. Following this blatant show of electoral fraud, Ivorians, especially those in Abidjan, defied the security forces and the presidential guard, took to the streets and succeeded in removing General Guei from power. In the wake of this popular uprising, the national electoral commission declared that Laurent Gbagbo, the FPI candidate, had won the presidential elections with 59.36% of the votes against 32.7% for General Guei. Mr. Alassane Ouattara's party, the RDR, contested the results of the election, stating that the election process had been flawed from the start. Clashes then erupted which

unfortunately assumed ethnic and religious overtones. Dozens were killed while hundreds more were wounded.

317. Amidst the continuing tension, the ECOWAS Chairman despatched a delegation to Abidjan on 24 October 2000 comprising the Malian Minister of Foreign Affairs, Chairman of the Mediation and Security Council, and the ECOWAS Executive Secretary. They held separate meetings with His Excellency Laurent Gbagbo, who had just been sworn in as President, and with Messrs. Alassane Ouattara, the RDR Chairman, and Laurent Dona Fologo, Chairman of the PDCI-RDA. It was obvious from these three meetings that all wished :

- i) to stop the violence
- ii) to organise legislative elections in accordance with the agreed election schedule.

318. These major preoccupations were foremost on the minds of Messrs. Laurent Gbagbo and Alassane Ouattara when they met on 25 October 2000 to seek ways of ending the spiral of violence. Indeed, the gravity of the crisis was brought home even more forcefully on 26 October with the discovery of a mass grave.

319. Now that President Gbagbo has been sworn in and all the other political parties appear to have accepted the legislative election, the topmost priority for Cote d'Ivoire is to heal wounds and to mend fences. President Gbagbo and the other leaders have stated as much in their utterances. Our Community must give every support to these reconciliation efforts and take every measure to safeguard the unity of the Ivorian people.

B. GUINEA/LIBERIA/SIERRA LEONE

320. Relations between Guinea and Liberia have not really improved despite the efforts of ECOWAS and the Mano River Union. In the last few years, the two countries have, on several occasions, accused one another of harbouring large numbers of dissidents in their respective territories and supporting their subversive activities.

321. Repeated attacks by armed rebels from Sierra Leone on the Guinean villages of Massadou, Pamalap and Macenta, and on Lofa County in northern Liberia, particularly the towns of Zorzora and Voinjama, have resulted in severe loss of life and destruction of property. The victims of this violence include an official of the United Nations High Commissioner for Refugees. During one such attack, another official from the same organisation was kidnapped in Macenta in Guinea but was later released. The violence has spawned thousands of displaced persons.

322. The Guinean authorities have condemned the incursions by armed rebels from Sierra Leone into Guinean territory. Several of the attacks resulting in loss of life are suspected to be the work of armed groups from the rebel Sierra Leone Revolutionary United Front (RUF), the militia, and other groups which have infiltrated the refugee population.

323. Humanitarian organisations have relocated their bases to less exposed areas, for the protection of their field officers. This measure is likely to cause a deterioration in humanitarian services in the conflict zones, which is regrettable in view of the fact that Guinea alone shelters hundreds of thousands of refugees, indeed, the greatest number in the entire sub-region.

324. It is against this backdrop that the Ministers of Defence and Security of the member countries of the Mano River Union, meeting in Bamako on 16 September 2000, at the initiative of the current Chairman of the ECOWAS Authority, agreed on the following :

- ▶ **to desist from issuing any media reports which are likely to aggravate the situation;**
- ▶ **to refrain from any act of harassment, questioning or expulsion against groups of foreign nationals or any other acts of reprisal against these peoples;**
- ▶ **to ensure safety of life and property and guarantee free movement;**
- ▶ **to desist from launching border attacks from bases located inside Mano River Union countries;**

- ▶ to desist from any act of provocation at common borders;
- ▶ to normalise relations between the three countries;
- ▶ to treat refugees in conformity with the provisions of the Geneva Convention.

325. The Ministerial meeting of the Mano River Union, held on 16 September 2000, further recommended the following precautionary measures: removal of refugee camps from border areas; the deployment of joint border security patrols; an exchange of lists of subversives to facilitate their immediate expulsion, and speedy signature of the tripartite agreement on the reinsertion of displaced persons and repatriation of refugees to their countries of origin.

326. The 4th Ministerial meeting of the ECOWAS Security and Mediation Council, having concluded discussions on the situation between Guinea, Liberia and Sierra Leone, and anxious to find a solution to the increasingly disquieting security conditions between the three sister countries, endorsed the recommendations enumerated above, and urged that a meeting of the Joint Security Committee of the Mano River Union should be convened in Sierra Leone without delay. The Mediation and Security Council also advised that joint committee to take necessary measures to ensure, on the one hand, that the Technical Committee finalises and submits its report on the alleged attacks launched against Liberia from Guinean territory, and on the other, to investigate the allegations of attacks launched against Guinea from Liberia and Sierra Leone.

327. The 4th Ministerial meeting of the ECOWAS Mediation and Security Council further recommended to the Authority of Heads of State and Government to speedily deploy a military observer mission along the land and sea borders of Guinea and Liberia. The current ECOWAS Chairman, the President of the Republic of Guinea, and the President of the Federal Republic of Nigeria decided, on 8 October 2000, to expedite an advance team to the spot, to determine the modalities for the deployment of military observers. The Heads of State also set up an ECOWAS technical committee to carry out all the necessary investigations into the deepening of the crisis along the Guinea/Liberia

and Guinea/Sierra Leone borders. The advance party comprising 11 officers, including 5 from Nigeria, 5 from Mali and 1 from the Executive Secretariat left Abuja on 9 November 2000.

328. We are grateful for the commendable action of Gambia, Mali, Nigeria and Senegal which have undertaken to contribute troops to the observer mission. I ask all the other ECOWAS Member States to emulate the example of these countries, and appeal to the international community to provide logistical and financial assistance for this mission.

329. The Community also owes a debt of gratitude to Their Excellencies Gnassingbe Eyadema, President of the Republic of Togo and current OAU Chairman, Alpha Oumar Konare, President of the Republic of Mali and current Chairman of ECOWAS, President Ahmad Tejan Kabbah of the Republic of Sierra Leone, and President Olusegun Obasanjo of the Federal Republic of Nigeria, for their efforts in organising separate consultations with the presidents of Guinea and Liberia.

C. SIERRA LEONE

330. The 23rd session of the Authority of Heads of State and Government set up the ECOWAS Committee on Sierra Leone, in the hope of effecting a ceasefire in the country. The committee decided the actions to be undertaken in order to secure the release of the remaining hostages, and agreed to send two regional fact-finding missions to investigate the resumption of hostilities and the diamond traffic respectively.

331. A ceasefire has still not been achieved in Sierra Leone, despite the fact that it would facilitate the cessation of hostilities, the redeployment of Revolutionary United Front fighters to their positions at the date of the signing of the Lome Peace Agreement, and would permit the restitution of weapons, ammunition and equipment seized by the RUF from members of the United Nations Mission to Sierra Leone, UNAMSIL.

332. The mission to Freetown conducted by the Ceasefire Committee from 14 to 20 June 2000 yielded meagre results, mainly because of its inability to satisfy the demands presented to it, and the absence of credible representatives from the RUF, capable of giving commitments and standing by them.

333. The new RUF leader, "General" Issa Sesay, took over from the founding leader of the movement, Foday Sankoh, on 21 August 2000. The 4th meeting of the Mediation and Security Council acknowledged the need to maintain the momentum created by this new appointment at all costs and called for the immediate reactivation of the ECOWAS Ceasefire Committee.

334. Some of the equipment seized from the UNAMSIL soldiers by the RUF have been returned, and the Front has promised to return the rest without delay. As a sign of good faith, the Sierra Leonean government agreed to the release of 171 detained RUF men who were not involved in the renewed outbreak of hostilities.

335. The 21 hostages still in the hands of the RUF were released through the good offices of His Excellency Charles Ghankay Taylor, President of the Republic of Liberia. UNAMSIL, meanwhile, carried out a successful rescue operation, which ended on 17 July 2000 with the liberation of the 233 Indian blue berets who had been surrounded by the RUF fighters. I wish to seize this opportunity to commend the Blue Berets on their professionalism and their courage without which these missions could not have been successfully carried out.

336. The Mediation and Security Council has called on Member States which have not already done so to forward to the ECOWAS Executive Secretariat the names of their representatives on the regional fact-finding commissions.

337. The Heads of State and Government of the ECOWAS Committee on Sierra Leone held a joint meeting with the United Nations Secretary General on 10 July 2000, during the OAU summit. It was agreed at this meeting that a coordinating mechanism should be set up to harmonise the UN and ECOWAS strategies. Indeed, if the efforts to bring about peace in Sierra Leone are to prove successful, the Government of Sierra Leone, ECOWAS and the UN will need to work in close collaboration.

338. The coordinating mechanism held its first meeting in New York on 11 September 2000, at which time it proceeded to evaluate progress in the peace process in Sierra Leone, examine the status of humanitarian services in the country, and the modalities for resuming implementation of the Lome Peace Agreement.

339. It should be noted that preparations are in progress to establish a special Tribunal for Sierra Leone, and consultations have also been initiated between the UN and the Sierra Leone government on the draft statutes for the Tribunal.

D. RESPECT OF CHILDREN'S RIGHTS AND PROTECTION OF WAR-AFFECTED CHILDREN

340. The ongoing conflicts have led to the deaths of thousands of children while armed bandits have conscripted several thousands into their bands, thus depriving them of education and a comfortable life. The conflicts have made it impossible for tens of thousands of children in our sub-region to have access to the basic services necessary for their health or survival, and have denied them their rights.

341. The military obviously need to be educated about the rights of children before, during and after conflicts, in order to acquaint them with the United Nations Convention on the Rights of the Child and the OAU Charter on Children's Rights and Welfare. It is essential that concrete steps be taken to raise their awareness on ways of sparing children the most serious repercussions of conflicts. For this reason, a military training seminar was jointly organised in Zambakro, Republic of Cote d'Ivoire, in June 2000 by the Executive Secretariat and the non-governmental organisation, "Save the Children."

342. Following the ECOWAS ministerial meeting held in Accra on 27 and 28 April 2000, the Government of Canada organised an international conference on children's rights and the protection of children in Winnipeg on 16 and 17 September, 2000. The conference subscribed to an international programme on war-affected children based on the following principles which should guide activities in the immediate and short terms:

- our leadership should assume responsibilities for the protection of children;**
- all commitments should be met; in particular, all conventions on the protection of children in conflict situations should be signed, ratified and implemented;**

- all to assume greater responsibilities, and an end should be put to the perpetration of criminal acts with impunity; the Statutes of the International Criminal Court should be signed, ratified and implemented;
- an end to child enslavement; steps should be taken to protect children against murder, mutilation, torture, conscription, rape, exploitation, kidnapping, and any other serious violation of the fundamental freedoms and rights of children before, during and after conflicts;
- the release, disarmament, demobilisation and social reintegration of conscripted children;
- access to war-affected children ;
- emphasis to be laid on prevention of conflicts;
- elimination of sources of arms ;
- promotion of children's health, welfare and education;
- long-term concerted action by the international community through co-ordination of sustained and concrete initiatives;
- involvement of the youth in the peace process, and formulation of policies and programmes designed to ensure their re-adaptation, reintegration and education.

343. I am therefore appealing to all Member States which have not done so yet, to sign and ratify, or to accede to the United Nations Convention on the Rights of the Child, which was adopted by the General Assembly on 20 November, 1989.

344. It is my hope that Member States and the institutions of our Community will use the above-mentioned principles as guidelines for the implementation of actions to protect the welfare of the children of our sub-region and, in particular, the welfare of war-affected children.

345. Early in 2001, the Executive Secretariat, will, for its part, make every effort to set up a child protection office in its premises, with the assistance of Canada. I wish to take this occasion to reiterate our appreciation to the Swedish non-governmental organisation, "Save the Children," and to the Canadian Government for their assistance to war-affected children in our sub-region.

E. CONTROL OF ILLICIT SMALL ARMS TRAFFICKING AND PROLIFERATION

346. As part of measures to prevent conflicts and ensure a secure environment for our populations, provision has been made in the ECOWAS mechanism to combat illicit small arms trafficking and proliferation. The quantity of arms outside the control of the authorities in West Africa is estimated at eight million. Most of such arms fuel conflicts in the sub-region and encourage crime in our major cities.

347. The Moratorium on the Importation, Exportation and Manufacture of Light Weapons, declared by the Authority of Heads of State and Government on 31 October, 1998 for a renewable period of three years, was the starting point of the sub-regional crusade against illicit light weapons trafficking and proliferation.

348. Since then, my Secretariat has been working with assistance from the Programme for Co-ordination and Assistance for Security and Development, (PCASED) on actions identified within the nine priority activities adopted by the Ministers of Foreign Affairs on 27 March 1999.

349. These priority activities include the establishment, by each Member State, of a national commission on the control of illicit light weapons trafficking and proliferation, and the harmonisation of laws on such arms. So far, however, only five Member States have set up their national commissions. The other Member States which have failed to set up theirs and so do not have an appropriate structure for processing applications from individuals wishing to acquire arms and ammunition covered by the moratorium.

350. I wish to take this opportunity to renew my appeal to the Member States concerned to set up their national commissions without delay and ensure that they are made functional.

351. The various departments in the Secretariat have , on many occasions, requested Member States to forward their current legislation on arms for harmonisation. Most Member States have not done so and the harmonisation process has thus been unable to progress. I therefore urge those Member States that have not done so yet, to forward their current legislation on arms.

F. DESTRUCTION OF ARMS

352. The Executive Secretariat was pleased to have been able to witness the ceremony marking the "Flame of Peace" to which it was invited by the Government of Niger. The destruction of arms through incineration, which took place at Agadez on 25 September, 2000, was the crowning achievement of a long negotiations between the rebel groups and the central authority. You will recall that the Republic of Niger experienced four years of armed rebellion and that three agreements between the Government and the erstwhile resistance army had to be signed before peace was finally restored to the entire Niger territory. The Code of Conduct for the implementation of the ECOWAS moratorium stipulates that Member States shall destroy all arms , ammunition and spare parts collected pursuant to peace agreements.

G. IMPLEMENTATION OF THE PROTOCOL RELATING TO THE MECHANISM FOR CONFLICT PREVENTION, MANAGEMENT, RESOLUTION, PEACEKEEPING AND SECURITY

1. Ratification of the Protocol relating to the Mechanism

353. Current happenings on the political scene underscore all too clearly the crucial importance of the protocol relating to the mechanism, which the Authority of Heads of State and Government adopted on 10 December, 1999 and which entered into force, provisionally, upon signature. It is, therefore, desirable that Member States ratify it without delay to enable its definitive entry into force.

2. Mediation and Security Council.

354. The Protocol has made it possible for ECOWAS to avoid having to resort to ad hoc conflict resolution procedures. This task is now assigned to the Mediation and Security Council which has met a number of times at the ministerial level, and once at the level of Heads of State and Government . It has not yet met at the ambassadorial level because a number of Member States have not yet accredited their ambassadors to ECOWAS. In view of the fact that Mediation and Security Council meetings at the ambassadorial level are easier to convene and more frequent than ministerial meetings, this organ will undoubtedly play a crucial role in conflict prevention and management.

3. Council of Elders

355. This Council has not yet been established because a number of Member States are yet to react to my repeated appeals to them to send in the names of persons who can be included in the list of Council members.

356. In order to avoid any further delay in the establishment of the Council, I have decided to submit the names of persons already received to the forthcoming Mediation and Security Council meeting, to enable it make appropriate recommendations for consideration by the Authority of Heads of State and Government.

4. Stand-by Units

357. The inaugural meeting of the Defence and Security Commission, held in Accra on 19 and 20 July 2000, made relevant recommendations on the size of the model stand-by units provided for in the protocol relating to the mechanism, and on their training strategy. The proposals were endorsed by the fourth meeting of the Mediation and Security Council held in Abuja on 4 October 2000. I have despatched a technical team to Member States to ensure that these units are effectively put in place since they will now make up ECOMOG.

5. Visit by a United Nations Security Council Delegation to the Executive Secretariat

358. A United Nations Security Council delegation visited the Executive Secretariat on 13 October 2000 to discuss issues pertaining to peace and security in West Africa, with particular emphasis on the situation in Sierra Leone and along the Guinea/Liberia and Guinea/Sierra Leone borders. The delegation also discussed ways and means of solidifying the existing partnership between ECOWAS and the United Nations through concerted conflict resolution efforts in the sub-region. The eleven-member delegation, led by the British Ambassador to the United Nations, also included representatives of the other permanent Security Council members: the United States, France and Russia, as well as representatives of Bangladesh, Canada, Jamaica, Mali, the Netherlands and Ukraine.

H. RATIONALISATION OF THE AGREEMENT ON NON - AGGRESSION AND DEFENCE (ANAD)

359. In compliance with the various decisions of the Authority regarding the rationalisation of all IGOs within our sub-region, a meeting was held between ECOWAS and ANAD on 25 February 2000 to recommend ways and means of rationalising the activities of ANAD in order to avoid its activities clashing with those of ECOWAS.

360. That meeting proposed two options for effecting the rationalisation namely:

- a) The conversion of ANAD into a specialised Agency of ECOWAS with a specific mandate;
- b) The absorption of ANAD into the ECOWAS Secretariat.

I. SUPPORT FOR DEMOCRACY IN MEMBER STATES

361. In demonstration of the Community's commitment to the ECOWAS Declaration of Political Principles of 6 July 1991 on freedom, peoples rights and democratisation, the Executive Secretariat monitors as much as possible all pre and post election procedures in Member States:

- i) On 23 December 1999 the Secretariat witnessed the swearing in of President Tandja Mamadou of the Republic of Niger after the successful democratic elections in that State.
- ii) The Secretariat was also in the Republic of Guinea Bissau for the elections that brought President Koumba Yala Kobde Nhanca to power in February, 2000.

362. Under the leadership of President Tandja Mamadou of Niger and President Nhanca of Guinea Bissau, the economies of both countries have changed for the better, bringing an improvement in the life of their peoples.

- iii) The Secretariat was in Senegal to monitor the elections which brought in President Abdul Wade on 19 March 2000.

363. These elections were fair, peaceful and transparent, and I believe that they truly represent a triumph for democracy and the Community. I enjoin all Member States due to organise democratic elections to emulate the example set by the Republic of Senegal.

364. I cannot but praise the conduct of the presidential contestants in the elections in Senegal. The winner accepted victory with commendable modesty, while the other candidate accepted defeat with a high sense of responsibility.

V. INSTITUTIONAL ISSUES

A. WITHDRAWAL OF MAURITANIA FROM ECOWAS

365. The Executive Secretariat, on 26 December 1999, received a letter from Mauritania, withdrawing from membership of the Economic Community of West African States (ECOWAS).

366. The Secretariat replied by informing Mauritania that, under the terms of Article 91 of the Revised Treaty, a Member State wishing to withdraw from the Community is bound by the following:

- To give one year's notice to the Executive Secretary who shall inform the other Member States accordingly; the withdrawal becomes final and complete where the notice is not withdrawn, within that one year period.**
- The Member State concerned shall, within that one year period, continue to comply with the provisions of the Treaty and remains bound to discharge its obligations under the Treaty.**

367. The Secretariat wrote to all other Member States to notify them of this development. By the provision of the Treaty therefore, the Islamic Republic of Mauritania is expected to fulfil all its obligations, particularly its financial obligation, to the Community. I have received no acknowledgement of my letter from Mauritania.

B. COMMUNITY COURT OF JUSTICE

368. In compliance with the directives given to the Executive Secretariat at the last Summit of the Authority of Heads of States and Government to take necessary measures to appoint the judges for the Court of Justice in accordance with the provisions of the ECOWAS Treaty, the Secretariat sent out letters to Member States requesting nominees. The Council of Ministers met in an extraordinary session in Bamako, on 24 November 2000, to consider the names received, and made recommendations for the selection and appointment of the Judges of the court by the Authority.

C. COMMUNITY PARLIAMENT

369. It is important to note that the Protocol on the Community Parliament has entered into force having been ratified by nine Member States as prescribed in the ECOWAS Treaty.

370. Member States which have ratified the Protocol are ; Burkina Faso, The Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal and Sierra Leone.

371. I seize this opportunity to call on all other Member States that have not done so, to ratify the Protocol in order that the Parliament can be established as envisaged under the Treaty.

372. Similarly, the Authority of Heads of State and Government has called on parliaments in the Member States to elect their representatives in the Community Parliament under the terms of the provisions made in the relevant protocol for a transitional period.

D. APPEAL TO THE EUROPEAN UNION

373. As a follow-up to Resolution A/RES.4/8/99 adopted by the ECOWAS Heads of State and Government on 10 December 1999, relating to the lifting of sanctions against the Togolese Republic, letters have been despatched to the Council of Ministers of the European Union and the Commissioner for Development (DGVIII) of the European Union forwarding the text of the Authority Resolution, and making a strong appeal for the renewal of cooperation ties with the Togolese Republic in all areas of cooperation.

374. The sanctions are having a devastating effect on the lives of Togolese citizens , increasing poverty and adversely affecting its economy.

CHAPTER III

SHAPING WEST AFRICA'S FUTURE: SHIFT FROM NATIONAL TO REGIONAL FRAMEWORK

375. Through the process of regional integration, a future of hope and prosperity is being jointly shaped by government policy-makers and the West African business community. The integration process, as outlined in the preceding chapter, has recorded a measure of success and is gathering an appreciable momentum. It is important that our achievements are consolidated and improved upon. This should be our preoccupation in the coming years.

376. Many developing countries in different regions of the world have come to accept that the development of their economies and the prosperity of their peoples depend on regional cooperation and integration. The countries of the West African region, in particular, hold this belief. One is encouraged not only by the solid foundation already laid but also by the recent impetus to regional cooperation in West Africa to assert that regionalism is more than a belief. In this chapter, I shall discuss how this belief in regionalism as a development tool could be quickly translated into reality, through the ECOWAS regional integration process.

I. RECENT IMPETUS TO THE INTEGRATION PROCESS

377. The advantages of regionalism are significant and not in dispute. It is however worth highlighting a few of these advantages in order to underscore the importance and urgency of my plea for a more conscious effort at adopting a regional perspective in the conduct of national or business affairs. The pooling of resources and unrestricted access of such resources enhance the development potential of the countries involved in the integration process. The larger regional market encourages large investments employing more efficient technologies, enjoying economies of scale and thus operating at lower cost. The harmonisation of policies improves the management of national economies and makes the policies more effective because of their being mutually supportive and applied in a synchronised manner. There are

many other such important benefits of achieving a unified regional economy.

378. A number of favourable developments, particularly over the past twelve months, have not only given the integration process a much required fast momentum but also provided the basis for the future strategies that could be adopted to ensure an accelerated and sustainable integration of the national economies of the region.

379. Fast-track approach. At the Lomé summit of December 1999, the watershed decision was taken to encourage a differentiated pace of regional programme implementation. The adoption of the fast-track approach is both a recognition that the pace of integration could be quicker and an expression of the desire to achieve faster progress wherever possible. The year 2000 has seen in West Africa concrete evidence of some Member States recognising and pursuing their interest in specific regional integration programmes, and demonstrating a preparedness to embark on effective implementation of these priority programmes.

380. Commitment and regional solidarity. The introduction of the fast-track approach has brought out two factors which are critical to the integration process: commitment and solidarity. The Member States involved in the fast-track approach have been displaying deep commitment to the regional programmes concerned – the political will to let these integration programmes succeed by taking the necessary legislative and administrative measures to facilitate programme implementation. Even more than the preparedness to adopt and apply regionally-determined policies, the Member States involved have agreed to pool the proceeds of the Community levy; the resources are to be used in common to settle compensation claims (for loss of customs revenue) and to promote balanced development.

381. Donor recognition of regionalism as a development tool. In spite of the long involvement of developing countries in regional integration schemes, the donor community had largely limited its assistance to national programmes and projects. Recently, however, there has been growing acceptance by both bilateral and multilateral donor agencies to assist with regional initiatives. Notably, the European Union is placing priority attention on the regional cooperation component of its ACP-EU

arrangement. As will be seen in the latter part of this chapter, other important development partners of West Africa are reviewing their mandates and intervention strategies to reflect their growing belief and interest in the regional cooperation initiatives of West African countries. To the extent that donors, such as the Bretton Woods institutions, influence policy in West Africa and facilitate the development process, their recognition and support of ECOWAS integration initiatives is of considerable importance.

II. The ECOWAS Regional Integration Framework

382. The prospects for the success of regional integration in West Africa are enhanced by the focus and relevance of the ECOWAS integration process, and by the strategies that have been adopted. In other words, the basics have been created by ECOWAS to make West African integration a real possibility. It is worth recalling that the ECOWAS treaty has the objective of fostering economic development and raising the living standard of West Africans. The goal of ECOWAS, therefore, goes beyond the simple creation of a common market. It is to make regional integration an effective tool for the development of the participating countries. This is the focus of the changes that the regional integration process has been undergoing in ECOWAS. It is worth recalling some of these major developments which have helped to define more clearly the integration framework, and which also provide the basis for the appropriate strategies to be adopted to accelerate the integration process.

383. Revision of the ECOWAS Treaty. In adopting the revised treaty in 1993, the ECOWAS Heads of State and Government gave full meaning to the name of our organisation: the establishment of a true economic community, characterised by an economic union and a monetary union. The revision reflected their commitment to broaden and deepen the regional integration process. In order to make this ambitious undertaking possible, ECOWAS was endowed with supranationality: Member States agreed to partial surrender of national sovereignty in order to make possible the creation of a regional economic identity. ECOWAS was thus strengthened institutionally, including the establishment of the Community Court of Justice, the West African Parliament and the Economic and Social Council. Another important provision was the introduction of financial autonomy, through the

Community levy. The broadening of the ECOWAS mandate included active regional cooperation in the political and defence fields.

384. Institutional Enhancement of ECOWAS. The above fundamental modifications to the ECOWAS mandate necessitated an enhancement of the ECOWAS institutions. The Authority of Heads of State and Government has had its powers enhanced under the revised treaty; its decisions are now immediately enforceable in Member States. The ECOWAS Fund has been restructured in a fundamental way, with the possibility of non-regional participation. It is now a regional holding company (ECOWAS Bank for Investment and Development – EBID), with two arms: the ECOWAS Regional Development Bank with a commercial orientation, and the ECOWAS Regional Development Fund as a soft window. This will enable ECOWAS attract substantial non-regional capital participation in very viable regional projects, while providing for financial assistance to developmental programmes through the ERDF.

385. The Executive Secretariat has also been restructured to enhance its dual roles of fostering the harmonisation of national economic policies (as required for the establishment of an economic and monetary union) and facilitating the integration of the production base and physical infrastructures through the implementation of regional programmes and projects. The new organigram makes provision for the promotion of the private sector and coordination of regional peace and security. Recognition is also given to the need for the creation of specialised technical institutions to enhance the implementation of key sectoral programmes.

386. In order to further enhance the operational efficiency of ECOWAS and increase its credibility within and outside West Africa, concrete measures have been taken in the course of the year to ensure the take-off and effective functioning of both the Court of Justice and the West African Parliament. This will assure both Member States and all West Africans involved in the integration process that their interests and rights will be protected through proper representation in the decision-making process and a regional judicial mechanism.

387. ECOWAS Priority Programmes. The regional initiatives of ECOWAS are dictated by a dual preoccupation: relevance to current national economic priorities of Member States and contribution to the ultimate

economic union objective. This involves the extension of ECOWAS to the economic liberalisation and structural reforms of Member States, also the harmonisation of policies and the development of regional infrastructural facilities.

388. The current Community priority programme, therefore, covers the key areas of the national economies and the main concern of Member States and their development partners: liberalisation of regional trade, free movement of persons and services, establishment of a regional currency zone through the harmonisation of monetary and fiscal policies, harmonisation of business laws, development of transport, communications and energy networks, and promotion of private sector participation in the regional integration process. This obvious relevance of the ECOWAS integration programmes to current and future development priorities of its Member States augurs well for the future course of the regional integration process.

III. Shift from National Focus to Regional Framework

389. Experience from the implementation of the fast-track programme provides guidelines for the shifts and adjustments required for enhancing the integration of West African countries. It is evident that the basic foundation has already been laid for the pursuit of a regional integration strategy in West Africa. The success of future development efforts will depend on the effective translation of the foregoing ECOWAS regional initiatives into concrete reality. This process will primarily involve a conscious re-direction and shift away from the national focus and orientation of economic management. Policy-makers in both official and private business circles should begin to adopt the relevant ECOWAS initiatives as their point of reference, re-cast their policies and procedures within a regional context, and devote all the human, material and financial resources needed to make the transition possible.

390. At the Community level. It is the role of the institutions of the Community to set the stage and define the parameters for regional integration, and then ensure the smooth running of the entire process by facilitating and monitoring the implementation of Community acts and decisions. Although many of these acts and decisions have already been adopted, a comprehensive coverage has yet to be achieved in the

adoption of a regional integration framework. Furthermore, all the mechanisms for the implementation of the acts and decisions have not been established. The new structure for the Executive Secretariat adopted in December 1999 by Council reflects these tasks and related challenges that the Community has ahead of it.

391. In the immediate future, therefore, the Secretariat will focus on these fundamental issues. A primary concern is the acceleration of the process of coordination and harmonisation of macro-economic and sectoral policies of Member States. This is a priority issue because of the need for the adoption of regional policies in all the key sectors to provide the required framework for the achievement of an economic union. In addition to the macro-economic policy harmonisation programme already in progress, the Secretariat has embarked on some aspects of this task in such sectors as agriculture, industry, transport, telecommunications and energy; this is being done in close collaboration with the relevant UN and other international organisations.

392. The perennial problem of implementation starts with programme conception and design. The Secretariat would, therefore, propose a critical review of the already adopted integration programmes with the aim of facilitating their implementation. Steps will be taken to ensure that new programmes and regional projects are developed through a more rigorous process which encourages participation of all relevant stakeholders. This will enable Member States to recognise more clearly the value of such regional initiatives to them individually and thus secure greater commitment to programme implementation.

393. Also at the regional level, more needs to be done to encourage private sector participation in the integration process. Both the ECOWAS Fund and the Executive Secretariat have been given an enhanced mandate to promote the private sector. The focus of Community attention in this task will be on improving the legal framework for doing business in West Africa, fostering closer contact among the economic operators of the region, promoting the creation of regional joint ventures (cross-border investments), and facilitating contact between West African and foreign investors.

394. At the national level. The application of ECOWAS acts and decisions should affect the whole of national life – policies, instruments,

mechanisms and procedures of governments, the way the private sector approaches and conducts business, and the opportunities and expectations of the ordinary citizen. The obligations and adjustments required of the different stakeholders vary from one ECOWAS initiative to another. It is important that each regional issue or initiative is exhaustively reviewed at the national level in order to identify the specific national measures and the corresponding actors needed for its full implementation.

395. **The role of government.** Government policy in West Africa, and elsewhere in the world, shapes and influences the performance of the national economy. Additionally, in developing economies such as in West Africa, government business dominates the socio-economic scene. Given the leading role that the governments have played in the integration process, it is expected that governments will continue to be at the fore-front of the on-going transformation to a regional economy. For instance, whether in setting national goals and objectives or deciding on macro-economic policy instruments and strategies, the governments of Member States should be adopting a regional approach and be guided by a regional point of reference through the ECOWAS programme of harmonising fiscal and monetary policies. Such a regional framework has already been defined to guide macro-economic management in Member States. There should be a similar approach for the development of the different sectors of the economy.

396. **The need for coordination of economic policy and monitoring of economic performance** increases with participation in the regional integration process. Many Member States have recognised this need and are already addressing it through the creation of strong administrative bodies (a number of Member States now have a ministry for regional cooperation and integration) and the establishment of functional coordination organs. This trend must continue with the strengthening of such ministerial agencies, and greater involvement in their activities by the private sector and non-governmental organisations. As an example, the establishment of the West African gas pipeline project, and the fast-track initiatives of a second monetary zone and borderless zone have necessitated the establishment and active operation of various multi-disciplinary national committees. This ensures the required adaptation of national policies and procedures: so as to reflect ECOWAS acts and decisions, undertake legal text reviews

and pass appropriate enabling legislative and administrative texts, print and circulate regionally-adopted documents in replacement of existing national instruments, monitor and evaluate the impact of regional instruments on the national economy, etc.

397. Role of the private sector. The structural reforms and the liberalisation of the national economies being undertaken by Member States aim at creating a propitious business environment to enable the West African private sector to develop and become the main driving force of the regional economy. Continued effort must be made to improve the business climate in order to retain invested capital and attract new investments from both local and foreign sources. The investment promotion agencies of Member States have begun consultations to improve their effectiveness and encourage a regional orientation to investments and business transactions.

398. There are indications that the private sector is already rising to the challenge. However, greater effort is called for at both the national and regional levels. Even while governments are being urged to take additional policy measures to promote business, economic operators must cooperate more closely among themselves, be better organised (currently the national chambers of commerce function in only a few Member States, and both Federation of West African Chamber of Commerce (FWACC) and Federation of West African Manufacturing Associations (FEWAMA) are less than active). The economic operators should be more enterprising with the aim of expanding their horizon beyond national markets. Happily, enterprises participating in the ECOWAS trade liberalisation scheme already recognise this and have taken up the challenge. Regional project initiatives like ECOAIR, ECOMARINE and the very successful ECOBANK, illustrate the many business potentials that cross-border investments offer, as well as the West African business partnership that needs to be established to make regional integration a reality. There are indications that interactions with foreign entrepreneurs have been increasing; the organisation of foreign trade missions and industrial fora will have to become a regular feature of the West African business landscape.

IV. INCREASING REGIONAL FOCUS OF DONOR AGENCIES

399. Observers have noted a welcome trend within the international donor community: increasingly, regional cooperation is being accorded attention and the mandates, procedures and assistance programmes of donor agencies incorporating a regional component. The European Union has been a pioneer in this regard; so has the Economic Commission for Africa been an active promoter of regional integration. UNDP, which was also an early supporter of regional integration, has a crucial role of coordinator and resource mobiliser to play and it should be provided the means to enable it function effectively. The Bretton Woods institutions, in their new initiatives to enhance the capacity to meet the challenges of development and poverty reduction, are introducing regional dimensions in their programmes. A similar development has been observed within the ADB Group. It is expected that the AEC will assume a leadership role in the near future.

400. A number of bilateral agencies have appreciated the value of regionalism and are also making notable contributions to the integration process in West Africa. The African Growth and Opportunity Act of the US government manifests the priority attention that the US is giving to African development issues. The US/African partnership being promoted gives due recognition to the role and importance of regional cooperation. Already the USAID regional office in Bamako has facilitated the adoption of a "*West African Regional Programme*" – a clear support of our integration initiatives. The French government, through a number of its development agencies, has always been supportive of West African integration. So has the presence of the government agencies of Germany and the Nordic countries been appreciated. Lately, an ECOWAS regional cooperation agreement has been signed with the Japanese government.

401. It is the aim of the ECOWAS Secretariat to deepen and expand the regional cooperation arrangements with the traditional development partners of West Africa. This will be done with the aim of not only increasing the overall volume of external assistance received by West African countries, but also improving the efficacy of such assistance through effective aid coordination at the regional level.

CONCLUSION

402. West Africa is one of the poorest regions of the world. That means that West Africans have to deal with some of the greatest development challenges. Throughout the decade of the 1990s all the countries of this region undertook economic reforms in order to achieve such structural transformations as would enhance the development process. The scope and pace of the reforms differed from country to country, and the results were mixed. It is important, however, for the region as a whole that all governments have accepted the need for a structural reform and are prepared to make a sustained effort to achieve that goal.

403. The economic review indicated a modest regional growth rate of about 3% in recent years, which is far short of the 7% needed to reduce the level of absolute poverty by half over the next fifteen years. The international community agrees that the means of achieving this is through both macroeconomic stability and sustained growth. There is need for a vigorous pursuit of long-term development objectives and structural change, and not just economic growth. This significant departure from past economic management performance can only be achieved if there is greater commitment to economic development, and also a change in the development strategy of Member States.

404. Fortunately, West African countries have, through the creation of ECOWAS (and other regional organisations) demonstrated their recognition of regional integration as a development tool. That notwithstanding, for more than twenty-five years, this tool has been ignored as a viable development strategy to be fully embraced by all Member States. Hence, the poor attention paid to ECOWAS and its programmes and, consequently, the equally small impact that regional cooperation has had on the West African economy.

405. The dawning of the new millennium has produced a new spirit of regionalism, sweeping aside the age-old apathy that had plagued the regional integration process in West Africa. The amount of enthusiasm and commitment that many Member States have shown in ECOWAS programmes during this first year of the millennium gives us reason to hope that *regionalism is going to ensure the development of West Africa*. If I chose that as the theme for this annual report, it is because

the priority areas being focused on by ECOWAS, and which Member States embrace fully, cover the most vital development issues.

406. It is pertinent to recall that, for West Africa, regional integration is not an end in itself but only a catalyst and a means to achieve sustainable development. All efforts at integration will come to nought if governments' economic management policies, and the conduct of national life in general, are not development-focused. Unfortunately, quite a few features of the West African scene run counter to our development objectives. The glaring example is the persistence of the regional peace and security problem. The economic environment is also not enhanced by the problems of corruption, good governance and accountability. There are other obvious requirements yet to be met, like raising the level of socio-economic infrastructures, improving the quality of human capital and promoting a higher level of national savings. These and other related issues become priority concerns when governments set out to pursue long-term development objectives. It is heartening to note, however, that there are encouraging signs that attention is being focused on these development pre-occupations.

407. My conviction about this is also based on the discernible support that both the governments and the West African business community are giving to ECOWAS integration initiatives, which are all designed to achieve development goals. Of equal importance is the increasing evidence of the donor community's acceptance of the regional approach to development. This general support from all actors on the integration scene is crucial because regional integration, just like the development process itself, is a complex undertaking that requires the total commitment of all stakeholders.

408. The experience that the Member States involved in the fast-track approach have had during the year is quite revealing: the adoption of Community acts and decision is only a link in the long chain of vital events that must be accomplished to achieve our regional integration objectives. It has become obvious that at the national, regional and international levels, the implementation of our regional programmes requires a conscious and coordinated effort at adaptation, as well as the provision of specific resources (time, human, material and financial).

409. I am drawing particular attention to the necessary adjustments and changes that must be made at the national level in order to accommodate and render more effective the various regional initiatives. The crucial issue is the need for both governments and private operators to adopt a regional framework and perceive West Africa as their point of reference. This is more than the appeal to give priority to regional integration. It is a shift away from the traditional national focus to the wider regional dimension.

410. This is the orientation, and this is how economic activities will be conducted, when the common market status is reached. It is beginning to happen already at the government level, with the implementation of the regionally-determined criteria for macro-economic policy convergence; entrepreneurs involved in regional joint ventures or participating in the trade liberalisation scheme also have the whole West Africa as the basis for their business decisions.

411. It needs the entire West African community to act together in the creation of a truly, integrated regional economy, with each group of stakeholders performing its assigned functions. While the decision to adopt a fast-track approach has given a much needed impulse to the integration process, it is my strong belief that all Member States should be able to implement all ECOWAS acts and decisions. It is said that the Member States and private entrepreneurs currently involved in the fast-track approach are "*ready and willing*". In reality, the only outstanding feature is their willingness and commitment to the cause of integration, because there is no other special attribute that sets these "regionalists" apart from the rest of West Africa.

412. I discern a positive change in the attitude and approach in the international donor community, and a growing readiness to provide development assistance through regional integration initiatives. Given the tiny national markets of West African countries, ours is the region that stands to gain most from this sea change. There is already a favourable response ECOWAS is receiving from donors in support of the accelerated integration initiative. The momentum generated can only be maintained if all Member States show equal commitment to ECOWAS. The future of economic development depends on the effective application of a regional strategy by each government; all of us must

contribute to sustain the rapid pace that the new millennium has set for the integration process in West Africa.