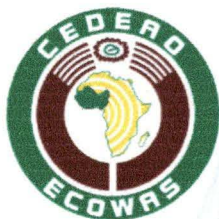
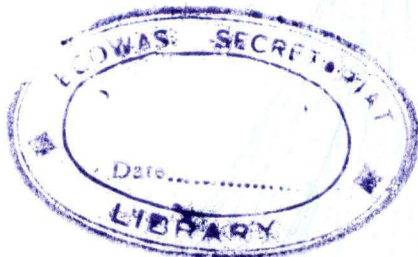


ECONOMIC COMMUNITY OF
WEST AFRICAN STATES

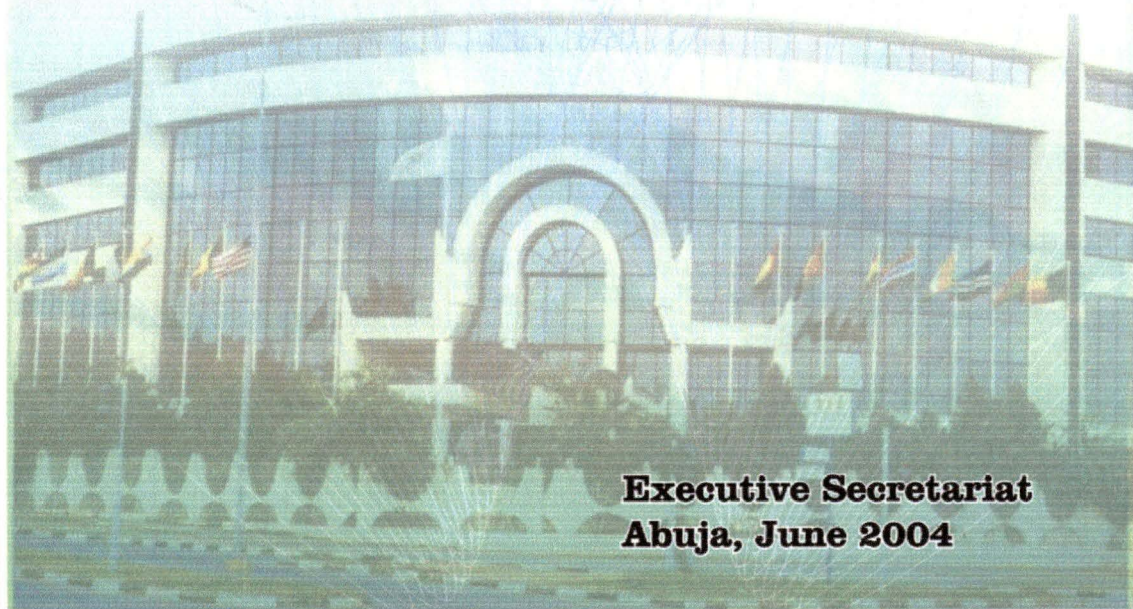


COMMUNAUTE ECONOMIQUE
DES ETATS DE L'AFRIQUE
DE L'OUEST



2004 INTERIM REPORT OF THE EXECUTIVE SECRETARY

DR. MOHAMED IBN CHAMBAS



**Executive Secretariat
Abuja, June 2004**

**ECONOMIC COMMUNITY OF
WEST AFRICAN STATES**



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TABLE OF CONTENTS

INTRODUCTION	2 - 4
CHAPTER I - THE WEST AFRICAN ECONOMIC SITUATION	5 - 8
1. The World Economy	5
2. Growth Performance of the African Economy	5
3. Performance of the West African Economy	6
4. Current Account Developments	7
5. Concluding Notes	8
CHAPTER II - IMPLEMENTATION STATUS OF THE COMMUNITY WORK PROGRAMME	9 - 49
I) SOCIO-ECONOMIC PROGRAMMES	9
- NEPAD Implementation in West Africa	9
- Formulation of Regional Poverty Reduction Strategy Paper (PRSP)	11
- Multilateral Surveillance Mechanism	11
- Statistical Harmonisation Programme	14
- Creation of ECOWAS Customs Union	15
- West Africa-EU Negotiation of EPA	18
- ECOWAS Trade Negotiation Capacity Building Project	19
- Information and Communication Technology	20
- Gender Development Programme	22
- Youth Development Programme	22
- Health Development	23
- Partnership with Civil Society Organisations	23
- Education Programme	24
- Transport Sector	26
- Telecommunications Programme	27
- Industrial Promotion	29
- West African Power Pool	29
- Agricultural Cooperation	32
- Communication Programme	34
II) REGIONAL PEACE AND SECURITY	36
- Monitoring the security situation	37
- Regional approach to crime prevention	40
- Functioning of the ECOWAS Mechanism on Conflict Prevention	41
- Free Movement of Persons	43
III) ADMINISTRATIVE ISSUES	44 - 46
IV) FINANCES OF ECOWAS SECRETARIAT	46 - 49
CONCLUSION	50 - 52
ANNEXES	50 - 52

INTRODUCTION

1. We concluded the ECOWAS activities for 2003 with the annual summit in December, and set ourselves many important targets for 2004. These short-term goals were in response to the recent events and challenges that had hampered the implementation of ECOWAS programmes and the renewed desire of the Authority to accelerate the integration and development of the region. The civil conflicts and political instability had a toll on the social and economic lives of West Africans. There was particular apprehension about both the short and longer-term effects of the Ivoirian crisis on the regional economy. This fear was heightened by the observed poor country performances towards the achievement of the millennium development goals (MDGs). That is, on the basis of past performance, there was the high risk of increased impoverishment.

2. In order to make the regional integration process more relevant to and create maximum synergy with national economic policies, the 2004 Community work programme was aligned with the main objectives of the NEPAD initiative, the development framework within which each African country is expected to manage its economy. This current Community work programme included the following 2004 targets: consolidation of the status of free trade area, the completion of the design and the adoption of the ECOWAS common external tariff, effective application of the Community levy, sustained drive towards macro-economic convergence, particularly among the Member States of the second monetary zone (2004 being the last full year, before their July 2005 target date).

3. In setting these targets, the Authority was conscious of the over-riding need to achieve sustained regional peace and security, and provide a stable environment to make normal life possible in West Africa. This defined a critical role in 2004 for the Chairman of the ECOWAS Authority, other members of the Mediation and Security Council, the Council of Elders and all those who had been involved in the various ECOWAS peace plans for the countries managing conflict situations.

4. I am happy to report that the ECOWAS Chairman, His Excellency John A. Kufuor, President of the Republic of Ghana has spared no effort in his search for durable peace in the region. His many personal contributions to the peace process have included convening several top-level meetings in Accra and elsewhere, making himself available to all the parties involved in the various conflicts, ensuring that constant dialogue is maintained with his peers, and involving the international community in the ECOWAS peace initiatives. It is with a sense of pride that I express the gratitude of the entire Community to the ECOWAS Chairman and the West African leadership in their show of solidarity and commitment to the search for regional peace and stability.

5. The Community is equally grateful to His Excellency General Abdulsalami Abubakar for his admirable role as ECOWAS Mediator in Liberia during the past months. The dedication of the Ghana Minister of Foreign Affairs, Nana Akufo-Addo and his ministerial colleagues to the regional cause has been equally impressive. Either as the co-chairman of the International Contact Group on Liberia (ICGL) or the Chairman of the ministerial level Mediation and Security Council, the Honourable Minister has competently and successfully led many ECOWAS peace missions during the review period.

6. The review period also saw a continuation of the increasing involvement of members of the Council of Ministers in the actual running of the integration process. It was gratifying to secure the active participation of the Chairman of Council, Honourable Dr K.K. Apraku, in many ECOWAS events, including the opening session of the ECOWAS Parliament in May 2004. ECOWAS Ministers of Trade and Finance have sustained their interest in the on-going West Africa-European Union negotiation of a regional economic partnership agreement. Of equal importance is the regional solidarity shown by ECOWAS ministers at various international fora, (such as at the annual meetings of the ADB Group and ECA), as they speak with one voice and outline ECOWAS best practices for the benefit of other African regions.

7. I wish to acknowledge the growing interest of the West African development partners in the integration process. I have noticed a genuine effort on the part of the donor community to interact with ECOWAS institutions to maximise the contribution of external assistance to the integration process. For example, I can still recall the following request of Mr James Wolfensohn, President of the World Bank to ECOWAS Heads of State when they met at Accra in March 2004: *I wish to learn from Your Excellencies what have been set as regional priorities so that the World Bank can respond appropriately to the needs of West Africa.*

8. The interest of the donor community is dictated by the recognition that regional integration can serve as an effective channel for economic development and the ending of poverty. I believe also that the special interest being shown in ECOWAS integration efforts stems from the coherence of the Community integration programmes and the overall seriousness with which West African countries have approached the integration agenda. This better than average performance of West Africa needs to be recognised and applauded. In the sections contained in this Interim Report, I shall indicate the progress that has been made during the review period.

9. My presentation of the Community performance will be cast against the background of the 2004 targets that we set ourselves and what I deem to be the potential of the various stakeholders to move forward the integration agenda. Thus, as we go through the report, there should be at the back of our minds, such questions as: how impressive has been the beginning of the first full year of complete reliance on the Community levy for financing the integration process? How seriously has the directive of the special session of Council (issued at Cotonou in September 2003) been taken regarding

measures to be adopted to consolidate and make effective in 2004 the free trade area status? Have the parties directly involved in the different civil conflicts shown sufficient understanding and commitment to the search for lasting peace?

10. As this is only an interim report, it will be a brief presentation of salient events within or concerning the West Africa region. In Chapter I, which follows this introductory section, there will be a summary account of the West African economic situation, based on the latest available estimates for economic performance in 2003. Chapter II will dwell on the implementation of the 2004 Community work programme; in doing this, a link is established with the point to which the 2003 activities had brought each of the integration programmes. The report will end with some concluding remarks, focusing on what more needs to be done in the coming months to sustain, and indeed increase the momentum of the regional integration process.

CHAPTER 1

THE WEST AFRICAN ECONOMIC SITUATION

Introduction

11. This chapter presents a brief account of the performance of the West African economy in 2003; the presentation is set against the 2002 economic out-turn for the region and is also cast within the context of the evolution of the global economy over the past two years. The analysis gives an indication of the significant influence that developments in the international economy have always had on West African countries, with economies that have a relatively large external sector. On the basis of some trends that were discernible in 2003 and recent policy pronouncements, an attempt is made at the end of the chapter to gauge the likely economic performance for the current year and the prospects for 2005¹.

1. The World Economy

12. The improvement recorded in 2002 in the performance of the world economy continued in 2003. However, it was still a slow recovery from the sharp slow down experienced in 2001 by the developed countries (arising mainly from the internet bubble and 9-11). The growth rate in 2001 for the OECD zone fell below 1% but recovered in 2002 and 2003 to 1.8% and 2% respectively. The OECD Secretariat puts the 2003 growth rate of the global economy at 3.9% as compared with 3% in 2002. Positive developments in the US economy and a 2% growth rate in the Japanese economy (after its long stagnation) contributed to the increased pace of recovery of the world economy. However, the greater contribution to the recovery came from the 5% growth of developing economies in 2003 – there was very strong growth in China, an annual average of 6.4% growth rate for the South and East Asian countries, and high growth also in the transition economies of Europe and Central Asia.

2. Growth performance of the African economy

13. The performance of the African economy improved significantly in 2003. Growing at 3.6% in 2003, the economy recorded a significant improvement over the 2.7% in 2002, and achieved the highest rate for the past four years. Although the economies of Africa's principal trading partners (Europe, Japan and North America) did not grow as fast, the two-year recovery was enough to stimulate increased demand for key African export commodities. As will be seen in the next section, good prices were received for many agricultural, energy and mineral exports. There were also positive changes in the flow of capital – particularly official development assistance – following the G8 support

¹ Data and information derived from 2004 publications of WAMA and WAMI (their macro-economic convergence reports), ADB (African Development Report), ECA (Economic and Social Conditions in West Africa), OECD (African Economic Outlook) and World Bank (World Development Report).

expressed for the New Partnership for Africa's Development (NEPAD) initiative and the commitments made at the 2002 Monterrey conference on financing for development.

14. Another contributory factor to the improved performance of African economies, and of particular significance for the goal of achieving strong growth and economic stability, was the influence of sounder macro-economic policies. These helped to improve the economic fundamentals of a number of countries. The enhanced overall performance was also due in part to the cessation of hostilities and restoration of peace in parts of the continent where civil conflict had been disrupting the normal functioning of national economies.

15. It is noted that the performance of the regional economies was uneven. Both North and West Africa recorded growth rates higher in 2003 (4.7% and 4.5% respectively) than they did in 2002. In spite of its oil boom (particularly in Equatorial Guinea and Chad), Central Africa witnessed a decline in the regional growth rate in 2003 over the previous year (3.7% and 4% respectively). Poor climatic conditions in Ethiopia and a decline in the construction sector of Uganda partly account for the continued sluggish growth rate of East Africa (1.7% in 2002 and 2.4% in 2003). The much slower growth rate of 1.8% in Southern Africa in 2003 (compared to 3.3% in 2002) can be attributed to the drought experienced in the region and the tightening of the monetary policy of South Africa, the largest economy not only in that region but in the whole continent.

16. While applauding the improved performance of the African economy, it is noted that the 3.6% growth achieved in 2003 is barely half the rate that must be sustained on an annual basis to be able to reduce by half in 2015 the proportion of the African population living in absolute poverty. With the forecast of only a slow rebound of the economies of Africa's main trading partners - the OECD countries (3% in 2004 and 3.1% in 2005), it is not expected that the pace of economic growth in Africa would become much more vigorous than 4% by 2005. Africa would have to explore beyond the traditional means hitherto employed for generating growth in order to approach the 7% growth rate and the other millennium development goals.

3. Performance of the West African economy

17. In spite of the effects of the Ivorian political crisis, which took a turn for the worse in September 2002, the overall economic performance of the region in 2003 was the best in recent years. Economic growth is estimated to have accelerated from about 1.5% in 2002 to between 4% and 4.5%² in 2003. This performance is attributed to the favourable commodity prices for West African exports - giving rise to the high growth (5%) recorded by Nigeria on account of oil export earnings, a 4.7% growth rate in Ghana due to higher cocoa and gold export revenue, 5.5% growth of the Benin economy based on good cotton prices, (a 31% price increase in 2003), etc. Part of the good performance was

² The respective estimates of ADB and OECD.

also due to good weather conditions and the application of sounder economic policies.

4. Current Account Developments

18. The West Africa external position in 2003 was a marked improvement over the 2002 performance. The current account deficit declined to 1.7 percent of GDP, against a yearly average of 2.6 percent for the 1992-2002 decade. The overall picture was greatly influenced by Nigeria, whose exports accounted for 63.9 percent of the region's exports in 2003. The region's export base is poorly diversified and most countries continue to rely on agricultural and/or non-oil mineral exports. Côte d'Ivoire is the only country that exports manufactured goods (including petroleum products), mostly to the region. The regions's terms of trade improved in dollar terms in 2003. The main gainers in 2003 were cotton and gold exporting countries.

19. **Cocoa.** Cocoa prices fell marginally in 2003 to \$1.75/kg, down from \$1.78/kg in 2002. The slight price decrease was a result of a greater supply from Brazil, of increased production in Indonesia and the effect of the recent European directive authorising the use of up to 5% of vegetable fats other than that of cocoa. However, a deficit is to be expected during the growing season of 2003/2004 owing partly to poor rainfall.

20. **Coffee.** After a stable market during the first three months of 2003, coffee prices fell and, by June had reached their lowest levels for eight months. Prices rallied during the second half but only moderately to record \$0.82/kg for robusta and \$1/42/kg for Arabica in 2003. A relative stability in prices in 2003/2004 is envisaged owing to the lower ratio of stocks/consumption in 2002/2003 and the downturn in Brazilian production.

21. **Cotton.** Cotton prices increased from \$1.01/kg in 2002 to \$1.38/kg in 2003. The price rise of 25% over the period was due to the projected drop in production of the main producers such as China, the United States, India and Pakistan. The price increase is expected to continue in 2004 and 2005 at \$1.5/kg and \$1.65/kg respectively.

22. **Oilseeds.** Generally, oilseed prices rose between 2002 and 2003. Peanut oil rose from \$0.75/kg to \$0.98/kg. As a result of strong Chinese demand, the price of soybean oil rose from \$0.21/kg to \$0.26/kg, and this trend also pushed up palm oil prices from \$0.39/kg to \$0.44/kg. The deficit of oil-seed production in India and the lowest level of its national stocks since 1997 could be the main cause of a continued rising trend through 2004.

23. **Petroleum.** The prices of crude oil rose to \$28.90 a barrel in 2003 from \$25.10 in 2002, an increase of 15%. A sharp drop during the first quarter was followed by a rise which stabilised at around \$28 a barrel. In January 2004, a cold spell, associated with unusually low stocks in the United States, pushed the price of a barrel to a level unequalled for nine months. Since then, largely because of the very unsettled Middle East situation, the rise has continued with

a record high (since 1992) of more than \$40 a barrel during the second half of May 2004.

24. **Gold.** Between January and December 2003, gold prices rose by 17% to reach \$413 an ounce, a record level not equalled since March 1996. This meant an average annual price of \$363/kg in 2003. The upward pressure was due to geopolitical tensions, economic uncertainties, reversals on the shares markets and the weak dollar. On the basis of those developments, analysts were expecting the price to reach \$440 an ounce by the end of the first quarter of 2004. However, the rise was not sustained and the price of gold had dropped to \$390 at the end of May 2004.

5. Concluding Notes

25. The relatively tight national monetary and fiscal policies have ensured a fairly low annual average regional inflation rate of 5.4% for the 1999-2002 period and 6.5% in 2003 which was 4.7 percentage points below the 2003 continental average. This, however, obscures the poor performance (double-digit inflation figures) of Ghana and Nigeria, even if inflation has been on a downward trend in both countries. It is important that all Member States continue to pursue improved budget discipline, as part of the ECOWAS programme of macro-economic policy convergence (see relevant section in the next chapter on the harmonisation of national macro-economic policies).

26. It should be noted here that the pursuit of sound monetary and financial policies in the past few years has contributed to the rising regional growth rate. The growth forecast for 2004 of about 4% assumed that the tight fiscal policy would continue, the weather would be favourable and the recovery of the global economy would sustain higher commodity prices.

27. While it was hoped that gains at the end of 2003 in the Ivorian peace process would continue into 2004 and halt the recession of 2002 and 2003, the political instability witnessed so far in the year is once more dampening the economic performance of Côte d'Ivoire and its Sahelian neighbours. On the other hand, the predicted slower growth of the Nigerian economy, due to an expected drop in oil price after the high figures in 2003 is not likely to materialise. On the contrary, the instability in the Gulf region has ensured record oil prices, and the windfall oil revenue, coupled with sounder economic policies under the National Economic Empowerment and Development Strategy (NEEDS) initiative, the Nigerian economy is likely to grow even faster in 2004. This could result in a higher regional growth rate, depending on how the higher import prices of oil products are managed by the countries.

CHAPTER II

IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME

28. The Community work programme reflects not only the critical stage that the West African integration process has reached, but also the importance of NEPAD to the development of the region. Since 2003, the Executive Secretariat has been focusing on creating the necessary synergy between NEPAD and ECOWAS programmes, while advancing the market integration process. In line with the 1999 decision of the Authority to accelerate and consolidate the regional integration process, much emphasis has been given in the recent past to the harmonisation of the national macro-economic and sectoral policies of Member States. This has been done to complement and strengthen the national economic reforms programmes in the region.

29. This chapter records the performance of the duties assigned the Executive Secretariat under the Community work programme since the December 2003 statutory meetings. The account is set against the performance during 2003 in order to establish the context in which some of the recent activities have been undertaken. In this way, a better appreciation is gained, for example, of the institutional capacity building activities recorded in recent months, which is in continuation of the re-structuring exercise and reflecting the drive to meet the challenge of an expanded mandate (particularly NEPAD, regional peace and security, and deepening of the integration process).

30. The presentations in this chapter depict the comprehensive approach to regional integration. The account includes the implementation of NEPAD, the formulation of a regional poverty reduction strategy paper (PRSP), harmonisation of macro-economic and sectoral policies, regional trade liberalisation, infrastructural development, regional peace and security. Of equal significance is the account given of the activities in the institutional capacity building, regarding administrative and financial issues.

I) SOCIO-ECONOMIC PROGRAMMES

1. NEPAD implementation in West Africa

31. The plan of action adopted at the ECOWAS extraordinary summit at Yamoussoukro in May 2002 has formed the basis for regional activities towards NEPAD implementation in West Africa. Beginning with the 2003 Community Work Programme, the ECOWAS Secretariat has been revising the ECOWAS integration programmes to create the necessary synergy with the NEPAD plans of action. This has enabled the region to embark on effective implementation of NEPAD programmes and projects in the areas of road transport, telecommunications, energy, monetary and fiscal policies, agriculture and food

security, intra-regional trade development and external market access, as well as in the area of political governance (regional peace and security).

32. ECOWAS Ministerial Session. A meeting of ECOWAS Ministers responsible for NEPAD implementation was held in Niamey on 19 and 20 February 2004 to evaluate the level of performance of the region on the NEPAD agenda. The Ministerial meeting recommended that, in the short term, particular focus should be put on trade issues, infrastructural development, regional peace and security and institutional capacity building. These areas formed the basis of the ECOWAS proposals for strengthening our cooperation arrangements with the World Bank and other development partners when the President of the World Bank met ECOWAS Heads of State at an extraordinary summit in Accra on 19 and 20 March 2004.

33. ECOWAS/World Bank Summit on NEPAD. The Accra summit gave the West African leadership the opportunity to reaffirm the ECOWAS Authority's commitment to the effective implementation of NEPAD programmes in key integration sectors. The President of the World Bank undertook to make available more resources under its regional assistance programme for West Africa. The summit also served as a forum for calling on the other development partners to increase their support to the ECOWAS and NEPAD programmes in West Africa. In line with that particular recommendation, a regional task force (comprising the World Bank, ADB, EU, ECOWAS and selected consultants), has been established to facilitate the preparation of NEPAD infrastructural projects. A first meeting of the task force was held at the ADB interim headquarters in Tunis on 7 April 2004.

34. Study on ECOWAS and NEPAD focal points. A study was commissioned during the review period on possible ways of strengthening national institutional arrangements for the implementation of ECOWAS and NEPAD programmes. The study, which is being financed by the World Bank is identifying the location and assessing the capacity of the national units established by each Member State for NEPAD and regional integration (ECOWAS national units). The draft consultants report has been reviewed by the Executive Secretariat and is being finalised, in preparation for a review meeting at the end of June on its findings and recommendations.

35. Recruitment of NEPAD consultants. The Secretariat invited thirty-four applicants to an interview in April for the eleven positions of NEPAD consultants (NEPAD coordinator, corporate strategic planner, two trade economists, macro economist, private sector specialist, telecommunications specialist, transport facilitations specialist, agricultural policy specialist, poverty and human development specialist, political governance specialist). These positions had been agreed upon by ECOWAS and a number of development partners which had offered to finance the hiring of NEPAD consultants for a three-year period. These recruitments will enhance the capacity of the Secretariat, as the regional NEPAD focal point, to facilitate and monitor the implementation of NEPAD in West Africa. The consultants will assume duty very shortly.

2. Formulation of Regional Poverty Reduction Strategy Paper (PRSP)

36. Member States have been addressing the problem of poverty, which affects more than half of the West African population under the highly indebted poor country (HIPC) arrangement and the poverty reduction strategy paper (PRSP) initiative. The ECOWAS Secretariat received a mandate from the Council of Ministers in December 2001 to complement the national efforts by initiating a regional approach to poverty reduction. A joint ECOWAS/UEMOA task force has been set up to formulate a regional PRSP, in collaboration with the World Bank. The regional PRSP will focus on how to maximize, through concerted effort, the contribution of both national and regional actions to poverty eradication in West Africa. The aim is:

- to improve the design, content and implementation of the national PRSPs through the interactions of national and regional officials;
- to enhance the design and focus of regional programmes to address more directly the problems of the poor;
- to harmonise and coordinate the national PRSPs and determine the most appropriate set of policy measures for alleviating poverty;
- to incorporate the regional dimensions of poverty into national policies;
- to re-orient regional programme to complement the national PRSPs, and directly address poverty issues in areas where a regional approach has a decided advantage.

37. A preliminary draft of the regional PRSP was presented to a regional workshop in November 2003 at Accra. The workshop, which brought together for the first time senior officials in charge of national PRSPs in Member States endorsed the initiative and made a number of recommendations. One recommendation was the creation of a West Africa Poverty Forum for networking, exchange of information and experience, learning from best practices, and discussion of common issues. Since then, the joint ECOWAS/UEMOA Task Force has been revising the draft document along the lines of the recommendations made at the review meeting. It is envisaged that a final draft regional PRSP would be submitted to a second forum at the end of June for endorsement before its presentation to the ECOWAS Council of Ministers.

3. Multilateral Surveillance Mechanism

38. The programme for the harmonization of macro-economic policies of Member States serves the general objective of achieving a sound and stable performance of the national economies. The more specific objective of the programme is to achieve convergence of key macro-economic policies to form the basis for the establishment of a convertible regional currency. Since the convergence criteria were adopted by the Authority in December 1999, the management of the macro-economic sector of each Member State is expected

to be guided by these targets. To ensure conformity and facilitate compliance, the Authority adopted a multilateral surveillance mechanism which defines the mechanism, creates its organs and assigns responsibilities of each actor within the mechanism.

39. Operation of the surveillance mechanism. The multilateral surveillance mechanism relies heavily on the preparation of quarterly country performance reports by national coordinating committees. Each country is to prepare a pluri-annual programme which provides the required framework for advancing towards full convergence over the agreed period. These country performance reports are synthesized into regional reports which are produced twice a year, assessing performance of individual countries on the convergence criteria and the general direction of the macro-economic policy convergence. The regional reports are reviewed first by a technical committee then by the Convergence Council (made up of Ministers of Finance and Governors of Central Banks). The Convergence Council adopts directives and proposals in the form of corrective measures that are to be adopted by the countries concerned to improve upon areas where performance fell short of targets.

40. A problem has been the establishment and effective functioning of the national coordinating committee (NCC), in each Member State. These committees already exist as CNPEs (National Committee on Economic Policy) in the UEMOA countries and the Authority decision designated them as such. Where they exist, there is the problem of inadequate capacity (personnel, equipment, organisational structure, etc). During the period under review, the Secretariat initiated action to enhance the capacity of the NCCs. First, it convened in November 2003 at Abuja a meeting of key national officials of NCCs (where they exist) or officials involved in macro-economic policy formulation. The meeting reviewed the functioning of the three surveillance mechanisms in the region (UEMOA, ECOWAS and WAMI), and specifically the current status of the NCCs. A second meeting was held in Freetown in May 2004 to determine the requirements of the NCCs so that a project document could be prepared for presentation to selected development partners.

41. Evaluation of policy convergence. During the review period, two sets of performance evaluation were undertaken: the regional policy harmonisation programme based on the ECOWAS convergence criteria, and the second West African monetary zone (WAMZ) initiative based on the WAMZ criteria. The overall evaluation performed by the WAMA Secretariat on the basis of questionnaires sent to all Member States at the beginning of the year, sets country performances in 2003 against performance in the two previous years. The table that follows indicates that the level of performance has been falling over the 2001 - 2003 period. Performance under the primary criteria fell in 2003 but continued to be better than under the secondary criteria.

42. For the second consecutive year since 2001, the overall level of macro-economic convergence deteriorated. The table below shows that the overall achievement rate, which is estimated by the average number of countries that

met each of the ten convergence criteria, dropped from 52.0 percent in 2001 to 48.9 percent in 2002 and 44.2 percent in 2003.

**Performance under ECOWAS Convergence Criteria
(2001 - 2003)**

Country	Total		2003		
	2001	2002	2003	Primary criteria	Secondary criteria
Bénin	6	6	6	3	3
Burkina Faso	5	5	5	3	2
Cape Verde	3	5	3	2	1
Côte d'Ivoire	5	5	5	4	1
The Gambia	3	1	1	0	1
Ghana	1	0	3	1	2
Guinea	3	3	1	0	1
Guinea Bissau	5	5	4	3	1
Liberia	4	4	4	2	2
Mali	5	5	6	3	3
Niger	4	4	5	3	2
Nigeria	6	5	4	2	2
Senegal	8	7	6	3	3
Sierra Leone	3	4	0	0	0
Togo	5	5	5	4	1

Source: WAMA Secretariat

43. In 2003, as can be seen from Annex 1, only two countries (Côte d'Ivoire and Togo) met all the four primary criteria. They were also among the four countries to have done so in the two previous years; the other two were Bénin and Sénégal both of which missed the budget over the three-year period, the budget deficit/GDP ratio has proved the most difficult criterion to satisfy. At the other extreme end, two countries (Gambia and Guinea) missed all the four primary criteria in 2003, just as two countries did in 2002 (Ghana and Guinea). It is noted that no country missed all the four criteria in 2001 when the exercise began.

44. The secondary criteria, although not mandatory, support the achievement of the primary criteria. They relate mostly to fiscal policies and the poor performance on this score has led to the persistent call for greater fiscal discipline. In order to curb the recurring budget deficits, for example, the Committee of Governors of ECOWAS central banks has been urging for higher levels of domestic resource mobilisation (performance under the tax receipt/GDP ratio, is the poorest on any of the criteria), while rationalising further government expenditure. It would be noted from Annex II, relating to the secondary criteria, that the sixth criterion (non-accumulation of debt arrears) does not feature in the table. The reason is that Member States were

not able to provide WAMA (and WAMI also) with the required data, especially on domestic debt. This is a pointer to how well the question is mastered and managed, to be able to control its adverse effect on the aspects of the economy.

45. It is to be recalled that the introduction of the second regional currency has been postponed to July 2005. The WAMZ group has, therefore, been monitoring very closely the performance of its members on both the primary and secondary convergence criteria. It was disappointing, therefore, to conclude at the end of the meeting of the WAMZ Convergence Council in May 2004 at Freetown that the group was farther away from the convergence targets in 2003 than in the two preceding years. While noting that economic policies were generally in the right direction, there was a call for greater effort at sustaining the implementation of sound macro-economic policies. Much would depend on the 2004 performance of each country and the group as a whole. For this reason, special attention would be paid to the preparation of the end-of-year sessions of the Convergence Council by both WAMZ and the entire ECOWAS body.

4. Statistical harmonisation programme

46. The harmonised statistical aggregates required for the operation of the ECOWAS multilateral surveillance mechanism relate to the national accounts, consumer price indices, external trade, balance of payments, and public finance. The ECOWAS statistical harmonisation programmes (ECOSTAT), covers the first three areas and is being financed by the European Commission. The programme has been running since the beginning of 2003, following the adoption by Council in January 2003 of the two sets of short and medium-term action plans for the harmonisation of national accounts and consumer price indices respectively. The ECOSTAT programme and information on the related ECOWAS multilateral surveillance mechanism can be accessed on the internet at www.ecostat.org.

47. **Harmonisation of National Accounts.** A meeting of ECOWAS Directors of Statistics and Forecasting Experts at Accra in December 2003 adopted a common platform for the presentation of the ECOWAS national accounts. Following this, two consultants (one National Accounts specialist and one Statistical Forecasting specialist) have been recruited in each non-UEMOA Member State to work with AFRISTAT officials on updating the national accounts situation report of 2001 and on transcribing the current GDP format into the adopted common platform. A meeting which was held in Accra from 21 to 23 April 2004 to assess progress has scheduled the finalisation of this phase of the harmonisation work for September 2004. A regional review meeting of all Member States will be held at the end of the year to assess the work done. This would be in preparation for its formal approval at a session of the ECOWAS Directors of Statistics in the first quarter of 2005.

48. **Harmonisation of Consumer Price Indices.** The ECOWAS Directors of Statistics, meeting with specialists of consumer price indices in December 2003 at Accra adopted a common platform based on the 12-function COICOP for household final consumption. As in the case of the national accounts, a national consultant on price indices in each non-UEMOA country and an AFRISTAT official are updating the 2001 report on price indices and transcribing the present national price indices into the common platform. The same schedule for the national accounts for the finalisation and the formal adoption procedure has been agreed upon here, too.

49. **External trade statistics.** A consultant was recruited during the review period to update the 1986 framework for the presentation of external trade statistics. The report of the consultant will be presented to a regional meeting of experts for a technical review prior to its adoption by the ECOWAS Directors of Statistics. Another aspect of external trade statistics receiving attention under the ECOSTAT programme is the installation of the new version of the EUROTRACE software in all Member States. The appropriate ECOWAS and UEMOA officials underwent a trainers' training programme at EUROSTAT (Luxembourg), to prepare the way for the training of national officials and the installation of the software in Member States during the course of this year.

5. Creation of ECOWAS Customs Union

50. Following the Authority decision in December 1999 to take necessary measures to accelerate the integration process, ECOWAS Secretariat and the UEMOA Commission proceeded with the harmonisation of key programmes such as their trade liberalisation schemes. In January 2003, the ECOWAS Authority adopted the new elements of the harmonised scheme (revised rules of origin, single customs declaration form, simplified approval procedure, revised compensation scheme). It was decided at the summit of December 2003 that Member States would endeavour to apply fully the provisions of the scheme to achieve in 2004 the consolidation of the free trade area status established in the region since January 2000.

51. **Consolidation of free trade area.** The above decision taken by the Authority in 2003 gave a much needed impetus to the liberalisation of intra-regional trade. Some Member States which had hitherto shown no interest in the scheme have started to participate in it. Since June 1988 when the scheme took off, there have been 2433 approvals of originating industrial products and 774 enterprises of twelve Member States. The three countries that are yet to submit industrial products for approval are Cape Verde, Liberia and The Gambia. It is noted that 42% of the approved industrial goods were submitted by Nigeria, 30% by Ghana and 16% by Côte d'Ivoire; this, generally, reflects the degrees of industrialisation of ECOWAS countries.

52. It is expected that the simplified approval procedure and the accelerated compensation mechanism would encourage a much higher level of participation in the scheme. Since the beginning of the year, the Secretariat has conducted sensitisation seminars in Nigeria (twice), in Mali and in Ghana. It is certain

that many more industrial products qualify under the ECOWAS rules of origin, and every effort should be made to get such products to benefit from the scheme. It should be noted that, from the monitoring exercise conducted by the Secretariat and the information obtained, only eight Member States (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Nigeria, Senegal and Togo) apply the scheme correctly. More sensitisation seminars are to be organised in the other Member States, in collaboration with the national units created to promote the integration process. The seminars are directed at the relevant government officials, economic operators, civil society and the general public.

53. I must draw attention here to the Council directive at the special session in September 2003 at Cotonou requesting the enforcement of the provisions of the origin protocol (AP1/1/03). The new ECOWAS rules of origin (Article 7) makes ineligible for the scheme goods produced in industrial free zones or under similar special customs exemption arrangements. This has duly been communicated to all Member States with the request that the enterprises so affected should be notified, a list of those enterprises should be forwarded to the Secretariat and there should be no further approval of such enterprises.

54. In view of the different levels of development and resource endowment, it has always been the desire of the ECOWAS Authority to establish a Community facility that would be used to promote the balanced development of the entire region. The terms of reference for a study on the creation of a structural fund to serve that purpose have been drafted and the Secretariat has embarked on the recruitment of a consultancy firm to conduct the study. Another issue related to the liberalisation of intra-regional trade is the required harmonisation of internal indirect taxes, to avoid discrimination against imported ECOWAS products. A study is being planned accordingly; it would also make proposals on the harmonisation of legislations on value added tax (VAT) and excise duty. This will address the issue of alternative sources of revenue after 2007 – the end of the compensation scheme for loss of customs revenue.

55. As more Member States participate in the scheme and as the proportion of compensated loss of revenue diminishes, the search for alternative sources of tax revenue would become more pressing. A current request being reviewed by the Secretariat relates to \$12,272,543 as loss of customs revenue suffered by Ghana between 1999 and 2002. This brought total claims for compensation to \$22,424,024, as at 31 December 2003.

56. **Progress Report on Common External Tariff.** On the basis of the Authority decision to adopt an ECOWAS common external tariff (CET) along the lines of the UEMOA CET, the ECOWAS Secretariat has focused on preparing the non-UEMOA Member States for this decisive stage in the creation of a customs union. By the time a meeting of CET specialists was held at Accra in November 2003, we had succeeded in setting up National Coordinating Committees on CET in Cape Verde, The Gambia, Ghana, Guinea, Nigeria and Sierra Leone. The meeting in Accra endorsed a road-map for the ECOWAS Common External

Tariff and Customs Union, which set out key objectives, actions and targets that need to be accomplished.

57. During the period under review, the Executive Secretariat has, with the support of the USAID-sponsored ECOTrade project, concentrated its efforts on providing the Member States concerned with the necessary assistance including the:

- completion of national impact studies on the adoption of the CET;
- holding of national stakeholder consultation workshops to discuss the impact study with the various stakeholders;
- preparation of country reports, concerning the national negotiating positions, based on the impact study and outcome of the stakeholder consultation.

58. **Submission of the country reports to the ECOWAS Executive Secretariat.** The national impact studies are at various stages of completion. They have been completed in The Gambia, Guinea, Nigeria and Sierra Leone. Significant progress has been made in Ghana and the study is also expected to be completed in Cape Verde fairly soon. The principal aims of the National Stakeholders Consultation workshops are to sensitise the various stakeholders on the results of the impact studies. National stakeholders consultation workshops for building national consensus around key issues have so far been held in The Gambia, Nigeria and Sierra Leone; workshops will be held in Guinea and Ghana shortly. In-country technical visits are undertaken by ECOWAS and ECOTrade personnel to assist the national coordinating committees. The visits have enabled ECOWAS to meet and discuss with top-level government officials and private operators issues relevant to the adoption of the ECOWAS CET. The next stage would be the preparation of country reports, or national negotiating positions on the adoption of the CET. The national reports should be addressing the following six key items:

- exceptions to the CET
- exemptions from the CET
- implementation period
- bilateral free trade agreements
- special export processing zones
- budget impact of CET adoption.

59. The Gambia is so far the only country that has completed the process and submitted its country report to the Executive Secretariat. After the country reports have been received, the ECOWAS Executive Secretariat, together with the ECOTrade project, will undertake to synthesise the national negotiating positions into a draft regional plan.

60. **Adoption of the ECOWAS CET.** These processes are expected to lead to the adoption of the ECOWAS CET by December 2004 in order for its implementation to take effect from January 2005 for a transitional period of three years. That means, by the beginning of 2008, all the fifteen ECOWAS countries should be operating fully the ECOWAS common external tariff.

61. The Executive Secretariat has taken some accompanying measures in support of the establishment of a customs union. These measures include:

- updating the ECOWAS customs and statistical nomenclature through the adoption of the 2002 harmonised system (HS) of classification and codification of goods;
- finalisation of the study on the effective implementation of the ECOWAS ISRT Convention. The results of the study are to be considered at a regional workshop scheduled for the second half of 2004;
- finalisation of the terms of reference for two studies: formulation of a Community customs code and customs value; and harmonisation of internal indirect taxes of Member States. Tenders have been launched and recruitment of consultants will soon be made.

62. The Community has reached a critical stage in the market integration process. After the harmonisation of the two trade liberalisation schemes of ECOWAS and UEMOA, and the application of the full provision of the protocol on the Community levy, Member States should be in a position to participate actively and fully in the ECOWAS trade liberalisation scheme. Each Member State is now required to issue the necessary directives and encourage its customs service to apply the scheme correctly. All administrative obstacles to the free circulation of Community-originating products must be eliminated. This refers in particular to the banning of ECOWAS products.

6. West Africa-EU Negotiation of EPA

63. Under the provisions of the commercial and economic arrangements of the Cotonou Agreement between the African, Caribbean and Pacific (ACP) Group and the European Union, a regional economic partnership agreement (REPA) has been under negotiation between West African countries and the European Commission. The REPA negotiations were launched in October 2002 at Cotonou. This was the second phase of the negotiation process that started in September 2001 with the All-ACP/EU negotiation as the first phase, under the objective of defining basic principles and general guidelines for the regional negotiations. It is recalled that, as one of the sixteen West African countries, Mauritania has teamed up with the fifteen others for the REPA negotiations under the ECOWAS mandate.

64. The Secretariat convened a meeting of ECOWAS Ministers of Trade and Finance on 17 November 2003 in Accra to adopt a draft road map for the REPA negotiations. The basic position of West Africa, which dictated the content of the road map, is that the economic partnership agreement should be an instrument for enhancing West African development in a significant manner. Already, all ECOWAS and other least developed countries (LDCs) are entitled to the non-reciprocal duty-free treatment - "Everything but arms" (EBA) provisions of the European Union. For it to be worth the while of West African countries, the REPA, which is to establish by 2020 a free trade area between

the European Union and West Africa, must offer our Member States something more attractive than the non-reciprocal trade provisions and limited financial assistance of the previous Lomé Conventions.

65. The road map, therefore, focuses on:

- deepening of the West African integration process;
- improvement of West African competitiveness through capacity building and up-grading of the regional production base;
- preparation and conduct of the negotiations.

66. It is our expectation that REPA would be a framework for a true partnership with the EU to deepen and consolidate market integration in West Africa, supported by a regional infrastructural networks. There is to be a joint effort at improving the West African business environment, and more particularly the competitiveness of sectors and enterprises that are vulnerable to the opening-up of the West African market to European goods. To this end, a number of impact studies have already been initiated by the Secretariat with financial assistance from the European Commission on such matters as market access, trade-related issues, trade in agricultural goods, trade in manufactures, and trade in services. These studies are to assist our region to determine more clearly the issues at stake and how to define West African positions to protect our interests.

67. The road map is to be a joint effort of the two parties (West Africa and the EU). The Executive Secretariat therefore transmitted the draft of the ECOWAS ministers to the European Commission, which, in return, submitted comments and a revised draft. A meeting of the Regional Negotiating Committee³ was held in Abuja on 5 and 6 February 2004 to review the EU comments. Since there were substantial differences on a number of issues between the West African and European positions, consultations were held on 11 and 12 March 2004 at Abuja between our Regional Negotiating Committee and an EU team from the Trade and Development Directorates-General of the European Commission.

68. At the end of their deliberations, it was agreed that each party would submit the outcome of the consultations to the respective authorities. It is in this light that the Executive Secretariat has planned the next meeting of the ECOWAS ministers in June 2004.

7. ECOWAS Trade Negotiation Capacity Building Project

69. The ECOWAS Trade Negotiation Capacity Building Project is being funded by the African Capacity Building Foundation (ACBF), ECOWAS itself and the

³ Made up of the ECOWAS Secretariat, UEMOA Commission, Coordinator of ECOWAS Ambassadors in Brussels, a representative each of the private sector and civil society and three representatives of the Technical Support Committee (Ghana, Mali and Senegal).

Swedish International Development Cooperation Agency (SIDA). It is geared toward enhancing ECOWAS States' capacity to engage effectively in international negotiations and conclude beneficial multilateral trade agreements. The project is also to improve the capacity of the ECOWAS Secretariat to negotiate on behalf of its member countries.

70. In operational terms, the project aims at developing the negotiating skills of official negotiators; increasing the skills of negotiators to negotiate in specific issue areas such as intellectual property and trade in services; increasing the number of negotiators in each member country; and; promoting the use of regional collective bargaining to increase the clout of ECOWAS member countries in multilateral negotiation forums and, developing the skills of trainers to train others in international trade negotiations.

71. **Status of Project.** The project started in October 2003 after the employment of the Project Coordinator. A project secretariat is in the process of being set-up with the hiring of the Administration and Finance Officer and support staff, as well as the installation of the necessary office equipment. A sensitisation workshop was held in March 2004 to inform Member States about the objectives, components and programmes of the project. A preparatory workshop will be held in early July for an interaction between experts in various fields of international trade, multilateral negotiations, and international relations. The exchange between experts and practitioners will facilitate the development of a relevant and practical training programme for the region.

72. Training of negotiators is expected to start in October 2004 and to run for three years. About 240 people are expected to be trained in international trade negotiations. In addition to these, governments, the private sector, NGOs, parliaments and civil society organisations are to be sensitised to enable them to participate more fully in decision-making in their countries. Trade experts will increase their skills and new trainers will be trained.

8. Information and Communication Technology

73. In the Information Technology sector, efforts were directed towards the following areas during the period under consideration:

- i) Enhancing the capacity of Member States in Customs computerisation and preparation of external trade statistics;
- ii) Development of training programmes for trade operators in Member States;
- iii) Installation and launching of the ECOWAS Trade Opportunities Management System (SIGOA-TOPS) in Member States
- iv) Preparation of an ECOWAS Information and Communication Technology (ICT) Policy in the context of the NEPAD ICT sector;
- v) Implementation of the computerisation programme of the Executive Secretariat.

74. **Customs Computerisation.** The customs computerisation system – ASYCUDA – is in operation in twelve Member States. Arrangements were concluded in 2001 with UNCTAD to support Member States in migrating from version 2.7 of the system to the new version ++. Pilot version ++ systems have been installed in four Member States. The Customs regime and control tables were adopted in March 2004 and are to be integrated in an ASYCUDA ++ Community Configuration to standardise customs data format for all Member States. A pilot design of the Database has already been prepared by the Secretariat during the first semester. ECOWAS will continue to support full system and pilot systems implementation as required by Member States.

75. **Trade Statistics.** The customs data obtained from ASYCUDA is collated by national statistical services using the EUROTRACE software to produce national external statistics. EUROTRACE is operational in fourteen Member States. ECOWAS has been providing periodic technical and material assistance to Member States for producing external trade statistics. The new version of EUROTRACE was developed by EUROSTAT, and has been installed at the ECOWAS Secretariat (CCC-Lome). The new system will be installed initially in four pilot Member States before being extended to all Member States in 2004/2005.

76. **Trade Opportunities Management System (SIGOA – TOPS).** The latest version of the SIGOA-TOPS system was validated by an experts group drawn from Member States in December 2002 and posted on the Internet at www.ecowas.int/sigoa-tops. In 2003, the system was installed and launched in the four Member States which are fully implementing the ECOWAS trade liberalisation scheme. The Secretariat continued the monitoring of performance of the system in the four countries during the review period. An evaluation meeting is to be organised prior to the launching of the system in the remaining eleven countries before the end of year 2004.

77. **Training for Trade Operators.** Discussions have been initiated with UNCTAD to consolidate at a regional level on-going national capacity-building projects for trade operators in Member States. The areas involved include trade policy (negotiations, etc.) port automation, and preparation and delivery of training materials (including distance learning).

78. **ECOWAS ICT Policy.** There has been a redefinition, within the profession, of the role of information and communications technology (ICT) as a cross-cutting enabler for all integration sectors. ECOWAS has initiated the preparation of an ECOWAS ICT policy; it is aimed at harmonising existing national policies and assisting Member States in formulating and implementing national policies. Specifically, institutional structures are to be created and a Declaration on ICT for Development is to be adopted. In this regard, an ECOWAS ICT Task Force has been established and the first meeting of ECOWAS ICT Ministers was organised in Dakar in April 2004. The Secretariat also organised in Abuja in May 2004, in collaboration with the government of Nigeria, a post-summit workshop to coordinate the implementation of the World Summit on Information Society (WSIS) process in West Africa.

79. **Computerisation of the ECOWAS Secretariat.** The enterprise Local Area Network (LAN) has been installed in all offices of the Secretariat preparatory to the implementation of the ECOWAS Intranet. This will be a network connecting the Secretariat to other ECOWAS Institutions and Member States. All Statutory, professional and the relevant support staff members included in the system have been equipped with computers and accessories. Also a high-speed VSAT internet connection was installed at the Secretariat premises in Abuja (November 2003), Lagos (May 2004) and Lome (June 2004). The core staff of the Community Computer Centre is being transferred to Abuja to provide direct support to the computerisation of the operational and integration activities of the Secretariat.

80. **Sectoral Database Management System.** As a result of the restructuring of the Executive Secretariat, a Sectoral Database Coordination Division was established within the Community Computer Centre (CCC) in 2003. The new unit is to create a consolidated database for the various socio-economic sectors of the Executive Secretariat, with the view to coordinate the management of existing and future sectoral databases. Some of the sectoral databases being developed are in the areas of agriculture, environment, telecommunications, human development.

9. Gender Development Programme

81. The ECOWAS Gender Policy development process embarked upon since 2000, took a historic turn in 2003, with the finalization of the draft Gender policy document. At the January 2003 summit in Dakar, the Authority approved the establishment of a Gender Technical Commission and a Gender Division within the Executive Secretariat. The Gender Commission held its inaugural meeting from 17 to 19 February 2004. The Commission presented its recommendations to the meeting of ECOWAS Ministers for Women Affairs held on 20 February 2004. The ministers endorsed the recommendations for the consideration of the Council. The important proposals emanating from the meeting of the Commission were the adoption of the Gender Policy document, the administrative structures of the ECOWAS Gender Development Centre, a gender strategic plan framework, and guidelines on the structure and mechanisms of the Gender Management Systems (GMS) for ECOWAS.

82. The gender policy initiative has been driven by a close partnership between the United Nations Development Fund for Women (UNIFEM), the Commonwealth Secretariat, and the Economic Commission for Africa (ECA). The result of this process has placed ECOWAS on a solid pedestal for the effective mainstreaming of gender issues in the region.

10. Youth Development Programme

83. The ECOWAS youth development programme witnessed a remarkable watershed in 2003 with the organization of the first ECOWAS Youth Forum. The event which brought together more than 300 youths and stakeholders was a regional platform to harness the potentials of the youth for regional integration

and to involve all stakeholders in shaping policy directions that will impact on them.

84. The interactive forum enabled the youth to deliberate on the pace of change, and the range of opportunities for growth. The forum also presented the youth with challenges that they face as well as choices available to them. The recommendations of the youth forum were submitted to a meeting of the Human Resources, Information, Social and Cultural Affairs Commission held in Abuja on 29 and 30 March 2004. To facilitate youth empowerment and development in the region, the commission in turn is recommending to Council as follows:

- i) The transformation of the Conference of Ministers of Youth and Sports Secretariat in Ouagadougou into ECOWAS Youth and Sports Development Centre.
- ii) The adoption of the recommendations on Youth Continuing Education and Culture, Conflict Prevention and Peacekeeping, Youth and Peer Review Mechanism, Leadership and Citizenship, and Youth Employment and Empowerment. Other recommendations relate to agriculture and rural development; environment and sustainable development; youth, science and technology; and ICT.
- iii) A strategic plan of action on youth development programme, and the formulation of a youth policy

11. Health Development Programme

85. The ECOWAS Secretariat in conjunction with the West African Health Organisation (WAHO) has continued to support the development of health programmes and initiatives in the region. WAHO, with support from its partners (USAID, Tulane University, US Department of Defence) organised a regional workshop in Accra from 9 to 11 February 2004. The workshop adopted a three-year plan of action (2004-2006) to combat HIV/AIDS in the armed forces. The plan of action has been presented to the ECOWAS Secretariat for implementation. At a Ministerial meeting on NEPAD held in Niamey on 19 and 20 February 2004, WAHO announced that it is working towards the formulation of a regional plan to combat HIV/AIDS in West Africa. The ECOWAS Secretariat is also in the process of developing a regional health policy to facilitate regional health programmes delivery. The European Union has allocated 15 million euro of the 9th EDF in support of the West African health programme, whose objectives are to ensure the coordination, harmonisation and definition of common health policies, as well as the strengthening of national and regional capacities and strategies for monitoring and controlling major trans-border epidemics.

12. Partnership with Civil Society Organisations

86. The ECOWAS Secretariat will host two meetings on the strengthening of partnership between ECOWAS and civil society organisations. The first workshop which is to be held in Lome in July 2004, is on poverty reduction initiatives of civil society organisations. The meeting is intended to mobilize CSOs working on poverty reduction issues to complement the Poverty Reduction Strategy Programmes (PRSPs) of ECOWAS countries. The second

workshop which will be hosted in Banjul in September 2004, is a sensitisation programme on NEPAD and regional integration, and the establishment of a regional network of NGOs. In this regard, each Member State has been requested to provide a national list of established civil society organisations to facilitate preparations for the meetings.

87. The ECOWAS Secretariat appreciates the important role of non governmental organisations and civil society organisations in the promotion of the aims and objectives of the Community programmes. The meeting of the Human Resources, Information, Social and Cultural Affairs Commission held in Abuja in March 2004 recommended the granting of ECOWAS observer status to four NGOs. It would be recalled that ECOWAS observer status is granted to NGOs that have fulfilled the conditions laid down in the decision of the Authority on granting of observer status to Non-governmental Organisations.

13. Education Programme

88. The second conference of ECOWAS Ministers of Education was held in Accra on 9 and 10 January 2004, preceded by a meeting of experts on 7 and 8 January. The theme was "Education and sub-regional integration: our commitments and perspectives." The conference, which was attended by all fifteen Member States was jointly organised by the Ghanaian Ministry of Education, the ECOWAS Secretariat and UNESCO.

89. The conference re-affirmed that education is the basis for development of the individual and the progress of the community. The Ministers took stock of the basic educational systems and policies in the ECOWAS region. Their meeting highlighted progress that has been made and identified efforts needed to guarantee all the citizens of ECOWAS their fundamental right to education. Desiring to translate strong commitment into action, the Ministers examined priority regional programme proposals especially in the following areas:

- Training of teachers;
- Promotion of girls' education;
- HIV/AIDS preventive education;
- Promotion of science and technology education;
- Promotion of technical education and vocational training, and
- Integrated development of early childhood education.

90. **Education Priority Programmes.** The above-mentioned conference of ECOWAS Ministers of Education established a small technical committee, comprising ECOWAS Secretariat, UNESCO/BREDA, DEWA, and the office of the Chairman of ECOWAS Ministers of Education Conference, to review and finalise the education priority programmes agreed by the conference. The technical

committee met in Dakar on 6 and 7 April 2004. A representative of the NGO Reach the Children Stay Alive - Programme HIV/AIDS took part in the meeting.

91. The technical committee reviewed and finalised the education priority programmes on the basis of the comments made by the ECOWAS Ministers of Education Conference. The committee exchanged views on resource mobilisation for the programmes, and made suggestions on technical cooperation between ECOWAS Secretariat, UNESCO-BREDA and other UNESCO Field Offices in the region. The meeting completed the following draft priority programmes: (1) Sub-Regional Programme in Support of Girls' Education; (2) Support HIV/AIDS Preventive Education in ECOWAS Countries, (3) Promoting Scientific and Technological Literacy (STL) in ECOWAS Member States; (4) Policy Reforms, Access, Equity and Quality Improvement for Technical and Vocational Education and Training (TVET), in ECOWAS Member States; and (5) Teacher Training Using Distance Education.

92. The finalised programmes have been transmitted to the Chairman of the ECOWAS Education Ministers Conference, the Minister of Education Youth and Sports, Accra for his consideration and consultations with his colleagues. ECOWAS Secretariat will initiate the validation of the draft programmes and when these programmes are adopted, the technical committee will draw up and follow-up on the resource mobilisation strategy.

93. The technical committee advised that the cooperation between BREDA and ECOWAS should focus on increased communication, exchange of information and frequent consultation on technical issues. Appropriate measures should be taken by both parties to achieve this level of cooperation; all UNESCO Field Offices in the region should be involved, with UNESCO Abuja Office playing the role of a liaison channel.

94. The technical committee underscored the important role that could be played by the Chairman of ECOWAS Ministers of Education Conference. It was urged, for example, that the Chairman should endeavour to maintain the high momentum created by the conference, by mobilising member countries for the accomplishment of the different assignments given at the first conference. The Chairman would need to play an advocacy role in particular for resource mobilisation and to liaise with the ECOWAS authorities at the highest level.

95. The ECOWAS Secretariat participated in a NEPAD technical meeting on Education and Human Resource Development held in Johannesburg on 22 and 23 March 2004. The objectives of the meeting were to assist NEPAD Secretariat with the review and finalisation of a programme of action in education and the drafting of recommendations on human resource development in the context of NEPAD. As a West African input to the programme formulation, the ECOWAS delegation presented the approved ECOWAS priority areas in education. A draft NEPAD education sector framework document was considered. The NEPAD Secretariat was called upon to mobilise funds for the execution of these programmes.

96. A baseline survey was commissioned in April 2004 for the development of sustainable preventive education programmes aimed at combating the spread of HIV/AIDS in West Africa. The study will validate the current assumption on the prevalence and impact of HIV/AIDS on the educational system in ECOWAS Member States and propose a series of appropriate activities to combat the pandemic.

14. Transport Sector Programmes

i) Road Transport

97. The ECOWAS Secretariat, in collaboration with the UEMOA Commission has formulated an action plan for the implementation of the Regional Road Transport and Transit Facilitation Programme. The action plan is to facilitate cross border movements by ensuring the implementation of road transport facilitation measures in line with the ECOWAS protocol on free movement of persons and goods. It envisages the construction of joint border posts to expedite immigration formalities and the clearing process for goods, the creation of observatories along inter-state corridors to expose and reduce the incidence of malpractices, and a series of awareness campaigns to educate all stakeholders in the road transport sector and the fight against the AIDS pandemic. The Secretariat is mobilising 8.0 million euro from the 9th EDF Regional Indicative Programme (RIP) and 6.3 million dollars from the World Bank for the action plan. A Japanese government grant of \$836,000 has already been secured to undertake studies on:

- Legal and institutional framework of joint border posts,
- Harmonisation of road transport legislations,
- Evaluation of the physical status of road networks,
- Port security and advanced cargo information system.

98. A workshop was convened in Accra from 10 to 12 November 2003 to validate the action plan. The workshop attracted wide participation including 13 member states, representatives of the UEMOA Commission, the World Bank, the African Development Bank and other donors. At the conclusion of the workshop, specific priority activities were identified and follow-up measures defined. As a follow-up to the Accra meeting, ECOWAS participated in a meeting of the task force of the regional economic communities on the Sub-Saharan Africa Transport Programme, which includes the facilitation programme.

ii) Development of a West African Rail Network

99. The African Development Bank has extended a grant of \$3.3 million for feasibility studies on the interconnection of railways in ECOWAS Member States. A Project Manager has been recruited to assist the Secretariat with the implementation of this regional project. Several companies have responded to the tender notices published for consultants to undertake the feasibility studies. The Secretariat will complete the recruitment process and ensure the launching of the studies before the end of the year.

15. Telecommunications Programme

100. **Harmonisation of National Regulatory Frameworks.** The main objective of the programme is to establish a common liberalised telecommunications market within the Community by year 2007, with fully open and interconnected networks, a teledensity of at least 10% and 20% of internet users. The 2004 work programme on telecommunications policy harmonisation is focused on the following areas:

- Preparation and adoption of a regional telecommunications policy paper (Roadmap or Declaration);
- Preparation of a cost/benefit study to justify the common liberalised telecommunications markets;
- Preparation of studies on the Regional GSM Initiative and Cross-border connectivity;
- Preparation of a study to update INTELCOM II programme.

101. These activities got the support of the World Bank during the joint meeting organised in Washington DC on 21 and 22 April 2004 and a request was addressed to the PPIAF for the funding. The financing of these activities has also been planned under the NEPAD Infrastructure project preparatory facility (IPPF).

102. **Regional GSM Roaming Initiative.** A meeting of ECOWAS Ministers of Telecommunications preceded by a Regional Telecommunications Stakeholders Forum was held in Abuja from 24 to 27 February 2004. The forum which brought together policy-makers, regulators, operators and consumers from Member States, focused on the Regional GSM Roaming Initiative and Cross-border Connectivity. The forum identified the political and regulatory impediments hindering the development of mobile telephony roaming and cross-border telecommunications links between Member States.

103. Practical recommendations were made by the forum for the removal of those impediments and for ensuring connectivity in the West African region. The ministerial meeting endorsed the recommendations of the forum on the regional GSM and cross-border connectivity initiatives, and also decided on the creation of a Technical Group on GSM Roaming.

104. The International Development Research Centre (IDRC) of Canada has also expressed interest in the ECOWAS GSM roaming initiative. The IDRC made a commitment at an ECOWAS/IDRC meeting in Dakar from 5 to 7 April 2004 to support the ECOWAS Technical Group on GSM Roaming. It financed the inaugural meeting of the ECOWAS Technical Group which took place in Lomé on 24 and 25 May 2004. That meeting was followed by the second meeting of ECOWAS telecommunications stakeholders on 26 and 27 May and the sixth meeting of Ministers of Telecommunications on 28 May 2004 in Lomé.

105. **WATRA.** The West African Telecommunications Regulators Association (WATRA) was created in June 2002 to be a catalyst to the on-going

telecommunications harmonisation programme. An office allocated to the WATRA Secretariat at the ECOWAS headquarters has been equipped by the Nigerian Communications Commission. The first annual general meeting of WATRA was held in Abuja last year and the second also in Abuja on 26 to 28 May 2004. WATRA has got financial support from USAID to enable the association participate in the regional roaming initiative. This will finance the feasibility studies for the establishment of a regional clearing house to facilitate traffic and financial settlement between GSM operators in West Africa. Furthermore, a cooperation agreement has been signed between WATRA and the Commonwealth Telecommunications Organisation (CTO). Through this agreement, CTO is supporting a capacity building programme for the telecommunications regulators in the West Africa region, in the form of fourteen (14) workshops. Six workshops on the telecommunications competition policy and human resources development have already been held.

106. **INTELCOM II.** The telecommunications information management system (SIGTEL) has been established in partnership with the International Telecommunications Union (ITU). The objective of the SIGTEL is to be a resource information centre for potential investors and development partners in the West African telecommunications sector. Both the hardware and software, at the cost of US\$90,000, have been procured and some ECOWAS staff have been trained to operate and maintain the system. The designated national correspondents of all the Member States attended the first training workshop in Lomé in September 2003. An ITU expert made a first assessment of the SIGTEL in December 2003. The effective launching of the SIGTEL depends on:

- The completion of the software design of the system
- The organization of the second regional training seminar for the national correspondents.
- The establishment of VSAT network between the Executive Secretariat and the 15 member States.

107. **Postal Services.** The first ECOWAS meeting of Directors General of Postal Services was held in Abuja on 29 and 30 September 2003. The objective of the meeting was to prepare the launching of a regional mail transmission network for West African countries. The eleven Member States which participated in the meeting adopted a short-term action plan for the launching of the mail transmission network. The study of the development of the network, which is being financed by the Universal Postal Union, was launched in January 2004. The final report of the study should have been submitted at the end of May; the second meeting of Directors General of Postal Services will be re-scheduled to take place in Cotonou after the July session of Council.

16. Industrial Promotion Programme

108. The ECOWAS industrial promotion programme aims at contributing to the acceleration of regional industrialisation. This involves, among other things, the harmonisation of national industrial policies and the promotion of partnerships and joint ventures with foreign investors in the creation of industrial enterprises in West Africa. In pursuance of this objective the Secretariat undertook the following activities during the period.

109. Formulation of Common Regional Policies for Industrial and Mineral Resources Development. The interim report for both the Common ECOWAS Industrial Policy and the Common Regional Policy for the Development of Mineral Resources has been prepared and submitted by the consultants. These policy documents will be reviewed and finalised before the end of the year.

110. Regional Standardisation and Quality Control Programme. The Secretariat has, in collaboration with UNIDO, finalised the project profile on the development of trade-related infrastructure and services in the area of standardization and quality control. The main objective of this project is to facilitate the participation of Member States in international trade through enhancement of quality, standard, metrology and testing of manufactured products. In support of these activities, the Secretariat and UNIDO have initiated measures for the mobilisation of necessary resources to implement the programme. A meeting of ECOWAS Ministers of Industry will be convened to endorse the programme prior to its submission to a donors meeting.

111. Promotion of Partnership and Capacity Building. In the area of investment promotion and accompanying capacity building the Secretariat has completed arrangements for convening two consultative meetings for the resuscitation of the Federation of West African Manufacturers Associations and the Federation of West African Chambers of Commerce. These two activities will be financed jointly by ECOWAS and PROINVEST (the EU financed programme). The implementation of the two activities will be accomplished by at least two programme-related organisations in the region, which have already been identified.

18. West African Power Pool

112. Preparation of the Feasibility and Environmental Impact Assessment for the WAPP Priority Projects. Within the framework of the implementation of the West Africa Electricity Market Development Programme, pre-investment studies commenced in preparation for the execution of the following priority interconnection projects with financing from the Japanese government, the World Bank and the ADB:

- 330 KV. Volta (Ghana)-Mome-Hagou (Togo)-Sakété (Bénin) transmission line project.

- 225kV Ferkéssédougou (Côte d'Ivoire) - Sikasso (Mali) transmission line project to interconnect WAPP Zone A and Zone B.
- 150kV Sikasso - Koutiala (Mali) - Ségou (Mali) transmission line project.
- 330kV Aboadze (Ghana) - Prestea (Ghana) transmission line project

113. The ECOWAS Secretariat is also participating in developing the OMVG project, which includes the development of Sambangalou and Kaleta hydroelectric schemes.

114. **Dynamic Stability Study for the Interconnected Grids and Energy Master Plan.** A consortium comprising Nexant and Electricité de France has commenced studies on the WAPP regional transmission network. The objective of this study is to establish the design characteristics of the WAPP transmission network, carry out technical planning studies for new transmission and generation projects, and recommend an investment strategy for constructing the regional network.

115. **WAPP Financial Modelling and Planning.** The regional WAPP model experts and Power Pool Development Group from Purdue University (USA) have improved the planning model substantially. Based on the recommendations of the WAPP Technical Working Group members this has resulted in the development of a number of major additions to the WAPP model ability for forecasting and economic evaluation of electric capacity expansion options in the region.

116. **Rural Electrification Initiative.** In pursuance of the Authority decision taken at its 27th session to develop a strategy for rural electrification including an action plan and an investment programme for its implementation, the Secretariat has commenced a data collection exercise. With the assistance of USAID, a regional study on rural electrification based on available data will be conducted to examine the institutional governance and organization of the electricity sector in rural areas, the current status of rural electrification and the activities of various stakeholders in the development of rural communities in Member States etc.

117. Also in support of this initiative the Secretariat has, in collaboration with ADEME (French Energy and Environment Agency), submitted a call for proposals, within the framework of MEPRED (Mainstream Energy for Poverty Reduction and Economic Development) of the EDF.

118. **Regional Regulatory Agency for the Electricity Sector.** At the 3rd meeting of the WAPP Steering Committee held in Accra on April 5 2002, the Ministers in charge of Energy resolved to "take all the measures necessary to

set up a regional regulatory body for the electricity sector". This resolution has been followed by an expression of interest by *Agence Française de Développement* (AFD) which provided support to undertake a pre-feasibility study for the establishment of a regional regulatory body. Following the completion of this study, the AFD has pledged a grant of 5.0 million euro towards the implementation of this programme. This grant is subject to an agreement to be signed between AFD and ECOWAS later this year.

119. The proposed regional regulatory agency will have the following functions:

- Supervise the creation of an effective system for resolution of disputes and enforcement of the regulatory functions;
- Establish and provide the enforcement of uniform technical rules for the management of energy trade in the interconnected system so as to ensure their technical efficiency;
- Review bulk power transactions between systems of member state entities in order to analyse their efficiency and to monitor their vulnerability to anti-competitive conduct;
- Create effective communication with member state governments, regulators and utilities on matters of mutual concern to the regional and member state entities, such as the prevention of anti-competitive conduct.

120. **Regional Guidelines for EIA of Electric Power Generation and Transmission Systems.** At the end of 2003 the ECOWAS Secretariat completed the elaboration of the Guidelines for environmental impact assessment (EIA) of Electric Power Generation and Transmission Systems. The document was developed in close cooperation with the national environmental authorities and electricity companies.

121. The Guidelines represent a significant move towards regional integration in environmental management, which would be acceptable to the Member States and our development partners. The EIA Guidelines were introduced, discussed and validated at WAPP working meetings in April 2004.

122. **Capacity Building and Training Programmes.** The ECOWAS Secretariat continued implementation of the WAPP capacity building and training programme adopted by the Council of Ministers in Dakar on January 28, 2003. The programme is to facilitate development of competences for accelerated regional electricity market implementation. As part of the capacity building programme, training in the electricity sector modelling was provided for NAWEC (The Gambia) and SENELEC (Senegal) planning experts in November 2003 and April 2004 respectively. Arrangements are now being made to purchase the necessary software to enable the participating member utility planning units to run their own models.

123. In February 2004, a group of WAPP technical experts from Burkina Faso, The Gambia, Ghana, Guinea, Mali, Nigeria and Senegal took part in working meetings of the Planning, Operations and Environmental sub-committees of the Southern African Power Pool (SAPP) in Gaborone, Botswana and visited its Coordination Centre in Harare, Zimbabwe. The objective was to learn from the experiences of power pool operations in more mature systems and facilitate the transformation of West Africa power utilities into autonomous, commercially oriented, and efficient entities.

124. **West African Gas Pipeline.** Following the signing of the International Project Agreement (IPA) on July 22 2003, Member States involved and the Commercial Group have pursued their planned activities in accordance with the WAGP Treaty and the IPA. The Economic Committee (WAGPA, WAPCo, VRA and CEB) has reviewed the Pipeline Cost Estimates and the Mid-Market Forecast used to calculate the WAGP tariffs. The EIA has been completed and posted in the four countries. Hearings were held in Ghana, Togo and Nigeria, and will be held shortly in Benin. The World Bank made additional requests and is to post the EIA on its *Info Shop*.

125. The treaty and its attached IPA and Instrument of Ratification have been forwarded to the countries for ratification by their respective Parliaments. The enabling legislation is almost completed in Ghana, Benin and Togo; Nigeria awaits the ratification of the treaty to initiate the drafting of the Nigerian legislation. In accordance with the resolution of the Committee of Ministers of July 22, 2003, the WAGP Authority has been established. The Director General was appointed in August 2003 and assumed duty in September 2003. In addition, the Nigerian government has allocated funds to refurbish the former ECOWAS headquarters in Lagos, where the WAGPA will be based. For the timely commencement of construction works, the WAPCo shareholders have committed themselves to financing their individual shares not later than July 31 2004.

18. Agricultural Cooperation

126. **ECOWAS Regional Agricultural Policy (ECOWAP).** A roadmap for the development of a regional agricultural policy (ECOWAP) leading to its adoption by December 2004 has been drawn up by the task force set-up for the purpose. A diagnostic study is being conducted in Member States by a consortium of consultants from America, Europe and West Africa. The study is due for completion by end May 2004. National stakeholders consultative workshops are planned to be organised in each Member State during the month of June; this will be followed by a regional consultative workshop on the draft ECOWAP in August, all leading to a validation and adoption process by the ECOWAS decision-making bodies in December 2004.

127. Commitments from donors to support the entire process were obtained at a meeting of the task force in February 2004. Follow-up discussions with the donors are on-going to obtain the funds pledged by them to ensure that the ECOWAP is formulated and adopted by the end of the year.

128. **Food Security Programme.** The ECOWAS regional programme for food security, launched in January 2002 is under implementation. The national focal point officers designated by Member States have undergone training in project identification and design. Five (5) projects identified under this programme have been accepted by NEPAD as Flagship Projects for West Africa. The Executive Secretariat and the NEPAD Secretariat are seeking donor funds for the implementation of these projects.

129. A regional food security information system (RFSIS) has been established and the country project officers have undergone training in management and use of the database. An order for equipment for operating the system has been placed. A second training session for project officers will be organised after delivery of the equipment to operationalise the system. A technical committee comprising development and technical partners has been constituted for the RFSIS.

130. **Regional environment programme.** The regional coordinator of the Regional Unit for the coordination of the integrated management of water resource has been recruited as envisaged and he assumed duty in March 2004 at the office established at Ouagadougou. Contacts with development partners are being made to mobilise the \$24 million needed for implementing the plan of action. The recruitment of additional professional staff and local personnel required for the project has been initiated.

131. A study, to be undertaken in collaboration with the UEMOA Commission, is under preparation for the definition of a common environmental policy for West Africa. The terms of reference for this joint study were finalised by the Environment and Natural Resources Commission at its meeting in March 2004 at Abuja. The Secretariat is planning a seminar to sensitise the civil society on environmental problems and emphasise the increasingly important role that the civil society should be playing in resolving these problems confronting West Africa.

132. **Regulation of Transhumance in ECOWAS Member States.** The ECOWAS Secretariat undertook a number of actions during the first half of 2004, within the framework of decisions and directives of the Authority and Council of Ministers concerning the practice of transhumance between Member States. The activities undertaken include:

- approval by the Food and Agriculture Commission at its March 2004 meeting of priority areas of intervention and a strategic plan of action on the implementation of the regulation on cross-border transhumance;

- organisation of a set of study tours and field missions to countries through which the central transhumance movement occurs in the region.

133. The missions were conducted from 5 to 25 April 2004 and covered Togo, Ghana and Burkina Faso. The team was made up of five stakeholders of transhumance, namely a representative of the chief or local personalities, a farmers' representative, two representatives of livestock associations and a government representative. The missions held working sessions with political and government bodies to discuss and explain the objectives and expected outcome of the visits. Public meetings were also organised at the sites and localities involved in cross-border transhumance. Such meetings were well attended (200 to 300 participants) and enjoyed good media coverage (press, radio and television). These interactions yielded very useful proposals for improving upon the prevention, management and resolution of transhumance-related conflicts, as well as proposals for the adoption of an operational activity programme.

134. It is the intention to pursue each of these proposals and develop them into viable regional projects. To this end, the Secretariat is preparing a project document entitled: Control of cross-border transhumance and development of ruminants in the pastoral zones of countries along the central axis of transhumance in ECOWAS Member States.

19. Communication Programme

1. Information and Sensitisation

135. **Sensitisation Campaign in Guinea.** A sensitisation campaign was conducted in Conakry from 20 to 26 October 2003 on ECOWAS programmes and activities. For two days, there was a concentrated broadcasting of information on the activities of the Community in the various Guinea media. A workshop on ECOWAS was organized for journalists which provided a forum for fruitful discussions. It enabled the journalists to be better informed about the regional integration process and its objectives, and equipped them to inform the public more effectively. Interviews on the national television and radio were also organized on the theme of regional integration.

136. **West African Journalists Programme.** The ECOWAS Secretariat runs this programme which in 2003 involved a journalist each from four Member States (Gambia, Mali, Niger and Sierra Leone) visiting four other Member States. Each journalist reported on the status of implementation of integration programmes in the country visited.

137. **Collaboration with West African Journalists Association (WAJA).** ECOWAS supports the activities of the West African Journalists Association. The Secretariat assisted in the organization of a seminar on "The Harmonisation of Press Legislation within ECOWAS" held in Bamako earlier last year (on 28 and 29 July 2003). This made it possible to initiate the process for

the harmonization of the legislation in Member States on the press. Another collaborative activity with WAJA was the workshop on "Collective Conventions of Journalists in the ECOWAS Region" which was organized from 7 to 9 October 2003 in Cotonou. The objective of the workshop, which was sponsored by the Inter-governmental Agency of the Francophony (AIF), was to promote the harmonization of the various conventions collectively adopted by journalists to regulate the profession in West Africa.

138. Media Coverage of ECOWAS Activities. During important events of the Community, the ECOWAS Secretariat endeavours to secure maximum media coverage. Apart from the official information agencies, journalists employed by regional and international media houses are invited to cover these events. Thus, during the December 2003 ECOWAS Summit, the Secretariat sponsored a journalist from each Member State to cover this major event in the life of our Community. This enabled the fifteen journalists from the region and two other journalists of the international media to organise a live coverage of the summit. Their reporting made it possible for the public to be informed on a regular basis about the issues discussed and the outcome of the 2003 summit.

139. Publicity of ECOWAS in Jeune Afrique. In our drive towards a greater exposure of ECOWAS and its activities, publicity materials are placed in various international magazines. The publications contain information on ECOWAS achievements in the different integration areas. It was in this context that a series of articles were published in "Jeune Afrique" just before the 2003 Summit of the ECOWAS Authority.

140. The publicity programme drawn up for 2004 includes:

- Sensitisation campaigns in Burkina Faso, Cape Verde, Gambia and Mali
- The "Journalists in West Africa" programme
- Media coverage of ECOWAS activities in Member States
- ECOWAS/WAJA Seminar
- ECOWAS/AIF/WAJA Workshop
- Invitation of Journalists of Member States to the ECOWAS Summit
- ECOWAS Publications (West African Bulletin, ECOWAS and Member States, ECOWAS in Brief)
- Write-up on ECOMOG Peace-keeping Missions (by a consultant)

141. The ECOWAS Library and Documentation Centre. The library provides services that support the cultural, educational, informational, intellectual, and recreational needs of the Community. Libraries, documentation and information centres have the common goal of providing information to interested users at the appropriate time within the shortest time possible. They therefore stock and document information materials in the varying media and provide facilities for their effective utilisation. The ECOWAS centre therefore ensures that these resources are available to all those who need them at the appropriate time. The Library is responsive towards the changing Community requirements and it collects and preserves that portion of the records of human

experience and achievements for future generations. It provides library services to specialised needs of special segments of the Community.

142. Printing of Official Journals. In fulfilment of Council Decision C/DEC.2/11/91 on the documentation of the activities and decisions of the Authority and Council, Volume 40 of the ECOWAS Official Journal was printed in 2003. There was also a re-print of volumes 1 to 21 which had been out of stock. Arrangements have been concluded for the printing of the latest issues of the Official Journal, volumes 42 and 43. The index of Protocols 1977-2000 and compendium of Protocols are also being compiled for publication.

143. Enhancement of Library capacity. Many books were acquired and processed for use during the period, and many more are still on order. A sophisticated JVC camera, editing suite and accessories and other visual equipment have been acquired for the use of the audio visual section of the Library; an order has been placed for an additional JVC camera and its accessories. An audio visual data base for photographs is being created, and the printing of an ECOWAS map has been commissioned.

144. Information Communication Technology (ICT) Section. Five internet computers were installed in the Library during the period for users; another five full multimedia computers have been installed for the planned digitisation of the Library stock. The digitisation of all official documents commenced in the second quarter of the year, starting with the Official Journals.

145. Temporary archive storage facility. The restructuring of the Secretariat created more departments and generated more activities; this has led to the production of more documents and records. The Secretariat has therefore had to deal with the quest for more space. The process of decongesting office spaces has begun by acquiring two shipping containers fitted to house the archives of the Secretariat. All the historical documents which form part of official transactions will be kept in these temporary archives and preserved for official reference. More office space will be available for use by the Secretariat staff, when this task must have been completed.

II) REGIONAL PEACE AND SECURITY

146. The security situation in the region continues to be a great source of concern to the Community. The painfully slow pace of the peace process in Côte d'Ivoire, the signing of the comprehensive peace agreement in Liberia, and the measures taken towards the resolution of the conflict in Guinea Bissau are all reminders of the instability plaguing our region. The continued instability requires of all Member States greater commitment, sacrifice and solidarity in order to overcome the challenge of conflicts. For, the political instability and civil conflict in the region constitute a grave danger to our efforts at regional integration and development.

1. Monitoring the security situation

147. While the year 2003 closed with serious threats to the peace process in Côte d'Ivoire and Liberia, we began 2004 on a promising note. The hopeful signs of durable peace included, in Côte d'Ivoire, the return of the Nouvelles Forces (new forces) to the Government of National Reconciliation, commitment of all the parties to the Linas Marcousis accord, full commitment to the application of the disarmament, demobilisation and re-integration (DDR) programme in Liberia, and the emerging prospects of a quick return to a constitutional order in Guinea Bissau.

148. The peace process continues to record significant progress in both Liberia and Guinea Bissau as indicated by the very successful donors conference on Liberia and the holding of legislative elections in Guinea Bissau. By contrast, the situation in Côte d'Ivoire has become more worrisome with the resumption of sporadic violent clashes. This has necessitated renewed efforts at finding an urgent solution to the crisis within the framework of the Linas Marcousis accord.

149. **The Liberian situation.** The peace process in Liberia is running smoothly. The deployment of the ECOWAS mission and then that of the United Nations has improved the security situation considerably. The institutions for the transition programme have been established and are working closely with both the ECOWAS and UN missions on the effective implementation of the Comprehensive Peace Agreement. It is encouraging that the donors conference on the Liberian reconstruction programme held in New York in February 2004 exceeded the target of \$500 million. The peace prospects are enhanced by the imminent deployment of the remaining UN troops.

150. At a meeting of the International Contact Group on Liberia (ICGL) held in London on 11 May 2004, reports on the overall situation and specifically on the implementation of the CPA and DDR programme⁴ were submitted by the special representatives of the ECOWAS Executive Secretary and the UN Secretary General, in addition to the report of the ICGL co-Chairmen (Messrs Nana Akufo-Addo and Hans Dahlgren, Foreign Ministers of Ghana and Sweden respectively) on their joint mission to Liberia and Guinea on 15 and 16 April 2004. At that meeting, decision was deferred on the expansion of the mandate of the ICGL to allow for more consultation between the members and their partners. A follow-up meeting among the stakeholders was held in Abuja on 31 May 2004 to have further discussion on outstanding issues, particularly concerning the electoral process.

151. An ECOWAS office has been established in Monrovia, and I wish to affirm here that the Community is taking every necessary measure to ensure that the Liberian peace process stays on course. ECOWAS is particularly grateful to the UN Secretary General and to all our development partners for the strong

⁴ The resumption of the DDR programme on 15 April 2004 should enable the government extend its authority to the entire community.

support being given. We are equally grateful to the troop-contributing countries which made the rapid deployment of UNMIL possible.

152. The Situation in Côte d'Ivoire. Although difficulties have been encountered in the implementation of the Linas Marcousis accord, some significant progress has been made in the restoration of peace to Côte d'Ivoire. For instance, it had been possible at the beginning of the year to secure the return of the Forces Nouvelles to the Government of National Reconciliation, and a framework had been adopted for the DDR process. The government has formulated and submitted to the national assembly draft legislation on several issues covered under the Linas Marcousis accord.

153. The support of the UN Security Council in the Ivorian peace process has been very commendable. First, there was the Security Council resolution 1528 (2004) of 27 February which authorized the transformation of the ECOWAS mission in Côte d'Ivoire (ECOMICI) into a UN peace-keeping operation in Côte d'Ivoire (ONUCI) of some 6240 blue berets. The conversion of ECOMICI troops to blue berets has been successfully completed. When the security situation became very tense, a high-powered UN mission including representatives of three of the five permanent members of the Security Council, and led by an Assistant Secretary-General was sent to Abidjan between 15 and 20 April to defuse the situation.

154. The steady progress recorded at the beginning of the year was interrupted because of a decree issued on 11 March 2004 by President Laurent Gbagbo, banning all forms of demonstration. There was a strong objection to the ban by the Forces Nouvelles and other parties; the opposition to the ban coalesced later into the G7 following the violent suppression of the 25 March demonstrations. This development has come to complicate further the tenuous Ivorian situation, with the withdrawal of the representatives of the G7 from the transition government, even though the ban has been lifted and, under pressure, President Gbagbo had made other concessions at the time. Lately, the situation has not been helped by the sacking of three ministers of the opposition.

155. The ECOWAS Chairman is leading the Community effort at getting the Ivorian peace process back on track, along the lines of the Linas Marcousis accord. The focus of the ECOWAS and the UN mediators is to encourage continuous dialogue with all the parties concerned in order to secure the return of the G7 to the transitional government. Another immediate preoccupation is the reduction of the prevailing tension to enable the effective take-off of the DDR programme. The Community will continue to count on the ready cooperation and assistance of the development partners for an early resolution of the Ivorian crisis. It is to be noted that the French force of 4000 troops (LICORNE) operates alongside ONUCI but does not come under UN command.

156. The Guinea Bissau Situation. The major development in Guinea-Bissau was the legislative elections on 28 March 2004 which led eventually to the installation of a new national assembly on 7 May 2004. ECOWAS sent a

fact-finding mission prior to the elections and a team of election observers to monitor the electoral process. Even though the elections were adjudged fair and transparent, some organizational problems were detected. This formed part of the protestations registered by some political parties. The deteriorating situation necessitated the dispatch of a high-level ECOWAS mission by the Chairman of the Authority which urged the use of appropriate constitutional means to resolve such electoral problems.

157. By virtue of his party (PAIGC) securing the highest votes (winning 45% of the seats), Mr Carlos Gomez Junior, the leader of PAIGC was designated as the Prime Minister. He has committed himself to heading a broad-based coalition government which is to run the country till the presidential elections in 2005. Normal constitutional order has been established through this arrangement, and it is expected that Guinea-Bissau will witness a fair measure of stability. The country, however, needs considerable international assistance to be able to operate ordinary public services and clear salary arrears. ECOWAS is hereby calling on its development partners to increase their support, to ensure that peace is consolidated and the process leads on to a sustainable reconstruction phase.

158. **The Sierra Leonean situation.** ECOWAS leaders applaud the significant progress that has been achieved in Sierra Leone. They remain convinced, however, that the consolidation of peace in that country calls for the continued presence of the UN force – to improve the security situation and guarantee the uninterrupted implementation of the various post-conflict programmes. These ECOWAS wishes were taken up in the report of the UN Secretary General on Sierra Leone to the Security Council. This led to the adoption of resolution 1537 (2004) relating to the extension of the mandate of the UN mission in Sierra Leone (UNIMSL) to September 2004, and the maintenance of a residual force as from 1st January 2005 (for an initial period of six months).

159. The post-conflict reconstruction phase constitutes a major challenge and the government needs the support of the international community, if it is to be able to consolidate peace. There is the particular problem of generating gainful employment and job-creation generally to absorb the unemployed youths. This is a delicate situation since the DDR exercise has left many idle youths roaming the streets and the country-side.

160. **The Humanitarian Situation.** Although open hostilities have ceased for quite a considerable period in the crisis areas, the humanitarian problem is still a serious source of concern. The ECOWAS monitoring system reveals a high number of refugees and internally-displaced persons within the region who need humanitarian assistance.

161. While the deployment of UN forces in Monrovia has facilitated access to vulnerable groups within the Liberian capital, the humanitarian situation in the camps around Monrovia and the neighbouring counties for displaced persons has remained deplorable. Some 250,000 persons are in that situation and

need assistance on a sustained basis. The conflict in Côte d'Ivoire has left in its wake a humanitarian crisis. Apart from the problems facing the refugees being sheltered in the neighbouring countries and the displaced persons, there is a real threat of famine in the regions of the North and West, because the barns have been sacked, farm-hands have sought refuge elsewhere, and the fields have not been prepared.

162. Ivorian refugees pose a severe humanitarian problem for the neighbouring countries. There is the particular case of Guinea which also shelters refugees from the crisis areas of the Mano River region. It is important that the humanitarian organizations increase their assistance to Guinea and elsewhere in the region. It is noted with satisfaction that such concerted assistance in Sierra Leone has contributed to the consolidation of the peace process and the steady return of erstwhile Sierra Leonean refugees. It is in this connection that a cooperation agreement was signed between ECOWAS and the UN Office for the Coordination of Humanitarian Affairs on 26 February 2004. By this, we hope to strengthen further our cooperation arrangements with the relevant UN agencies and the other humanitarian organizations, which have been giving invaluable assistance in the region.

2. Regional approach to crime prevention

163. The Community is appropriately engaged in a fight against trans-border crime. The prevention of this crime requires effective multilateral collaboration among Member States. For this reason, ECOWAS has adopted a number of regional instruments to create the appropriate legal framework. The instruments include:

- The Convention on Mutual Assistance in Criminal Matters of 1992. Another agreement was adopted by the Authority in 2003 on assistance between police forces of Member States which reinforces the 1992 convention for criminal investigations and proceedings.
- The Convention on Extradition of 1994. This important convention still requires ratification from one more State to enter into force; all the Member States which have not ratified this convention should endeavour to ratify it without further delay.
- The protocol relating to the Mechanism for Conflict Prevention of 1999. This protocol provides a broad-based legal framework for the fight against transnational crime.

164. On the basis of the above regional instruments, the Community has initiated specific measures. A plan of action has been adopted to fight trafficking in human beings. It has become a UN-assisted project, whose implementation began in 2002; the life of the project has been extended to 2005. National task forces or inter-Ministerial Committees have been set up in most Member States to help evolve national policies that will effectively deal with the phenomena. Focus is on establishing adequate criminal justice

responses, protection and rehabilitation measures for victims of trafficking. The Secretariat coordinates activities on this project.

165. Anti money-laundering measures. An inter-governmental money-laundering action group (GIABA) with an interim Secretariat in Dakar was established by the Authority in 1998 to deal with this offence. National correspondents or focal points have been set up by all Member States. Focus is currently on harmonising all relevant national legislations and on evolving a plan of action.

166. A GIABA meeting of experts was held in Abuja from 3 to 5 May 2004 to formulate the draft plan of action against money laundering and financing of terrorism in the ECOWAS region. The participants requested that an accelerated procedure should be adopted for the appointment of the GIABA Administrative Secretary and his Deputy. It was also urged that an early decision should be taken by the ECOWAS authorities on the location of the GIABA permanent headquarters, and on the designation of GIABA as a regional institution. This status would make GIABA eligible for recognition as an observer in the GAFI forum, and be accorded all the necessary privileges.

167. The Community has been fostering consultation among the top policy-makers of Member States on the issue of trans-border crimes. Within the framework of the fora of Ministers of Internal Affairs and Security and the West African Inspectors-General of Police, several crime-related regional instruments are being proposed as a means of strengthening the fight against crime. Regional measures currently under consideration include a criminal intelligence and investigation bureau, a convention against terrorism, and a convention on trafficking in narcotic drugs and psychotropic substances. The latter convention would enhance the activities of the existing Eco-Drug unit. In the same vein, consideration is being given to the establishment of a Crime Prevention and Criminal Justice Centre as mandated by the 1999 Protocol on Conflict Prevention. The establishment of the centre will facilitate applications and the granting of mutual legal assistance between Member States and between ECOWAS States and non-Member States.

3. Functioning of the ECOWAS Mechanism on Conflict Prevention.

168. It is gratifying that all the institutions envisaged under the Protocol relating to the Mechanism for Conflict Prevention, Management and Resolution, Peace-Keeping and Security are now fully operational. Similarly, the organs of the Mechanism have been functioning smoothly and are contributing to the Community's programme of enhancing regional peace and security.

169. The Mediation and Security Council. It is one of the three organs of the mechanism and operates at three levels (Heads of State, Ministers and Ambassadors). The Council met on 19 March 2004 at the ministerial level to review the regional security situation, with particular reference to the situation in Liberia and Côte d'Ivoire.

170. The **Defence and Security Commission** was quite active during the period; at its first meeting which was on 27 February 2004, the unstable situation in the region led the Commission to examine the practical modalities for the operation of the ECOWAS stand-by units. The ECOWAS experience in Liberia and Côte d'Ivoire revealed the inadequacies of the current stand-by arrangements, particularly concerning resource mobilisation, which occasioned the UN intervention in the form of transforming the ECOWAS forces into UN blue berets. The experience reveals the need for establishing the peace fund (article 36 of the protocol), and the obligation on each Member State to make its ECOWAS stand-by unit combat-ready.

171. **Council of Elders.** The new members of the Council, who were appointed at the last summit, were sworn-in on March 19 2004 in Accra. Some of the Council members have been called upon to undertake fact-finding mission or observe elections. Efforts to enhance the performance of these eminent personalities include high-level training programmes. To this end, the Executive Secretariat is collaborating with a German agency in the organisation of a seminar for the Council members in Accra from 13 to 17 June 2004.

172. **Accreditation of Ambassadors.** In fulfilment of the provisions of article 14 of the protocol, the Ambassadors of twelve Member States have presented to me their letters of credence. It is gratifying that thirteen non-regional countries and the UNHCR have also accredited their Ambassadors to ECOWAS.

173. **Moratorium on Small Arms.** The continued high incidence of trafficking in small arms and its contribution to regional instability led the regional meeting of security chiefs (in Abuja from 22 to 24 March 2004) to recommend the transformation of the Moratorium on the Importation, Exportation and Manufacture of Small Arms into a binding convention. An evaluation of the moratorium resulted in concrete recommendations to curb the illicit trade, enact strict national legislation, arms registration, tight controls at borders, appropriate training of security forces, destruction of seized arms and enlightenment campaign for promoting a culture of peace. I have created a small arms control unit within the ECOWAS Secretariat, and also initiated consultations with our partners for renewed support to the cash-strapped PCASED, so that this UN-sponsored facility could play an active role in the control of small arms.

174. **Development of ECOWAS early warning mechanism.** An ECOWAS Observation and Monitoring System (OMS) is being established as a regional early warning mechanism under the Protocol relating to the Mechanism for Conflict Prevention. The establishment of the system has attracted the support of some of our development partners, particularly the European Union and the United States of America. An EU two-year assistance obtained in 2001 has been extended for another three years. The core of the system is the Observation and Monitoring Centre at the Executive Secretariat supported by

four antenna units – the Zonal Bureaux in Banjul, Cotonou, Ouagadougou and Monrovia.

175. The OMS is still in its development stages and activities during the period focused on the recruitment of permanent staff to replace the skeletal temporary personnel, equipping the centre and the four zonal bureaux, staff training and designing an operational programme. An assessment of the training needs of the system was conducted in March 2004 by LECIA (a research unit at the University of Ghana), in collaboration with UNDP. A technical working group has been set up, under the joint sponsorship of UNDP and WANEP to work with a consultant towards the formulation of a project document on a functional programme for the system. Meanwhile, the zonal bureaux have been submitting weekly reports to the centre for processing and exploitation by the appropriate organs of the ECOWAS Conflict Prevention Mechanism. In order to improve the efficiency of the system, the heads of the four zonal bureaux are being rotated.

4. Free Movement of Persons

176. There have been frequent violations of the provisions of the ECOWAS protocol on free movement of persons, the right of residence and establishment. This led the Authority in December 2003 to request strict compliance by all Member States. I wrote formally to Member States to remind them of this directive and I have endeavoured to raise the issue during my missions within the region. The ECOWAS Parliament and the Secretariat organised a regional meeting in Lomé from 26 to 30 January 2004 on the application of the protocol.

177. The free movement of persons and goods is at the heart of the regional integration process; I therefore appeal to every Member State to take definite steps for a scrupulous observance of the provisions of the protocol. I wish to draw attention here to the very poor performance recorded with respect to the introduction of the ECOWAS passport. Benin and Senegal remain the only countries that are issuing this common passport; all other Member States should endeavour to complete the process of putting the ECOWAS passport into circulation.

178. On the issue of fulfilling obligations, I should like to recall that, concerning the area of peace and security, only five Member States (Burkina Faso, Guinea, Mali, Sierra Leone and Togo) have ratified the protocol on the mechanism. Only three countries (Burkina Faso, Gambia and Senegal) have contributed fully to the Peace Fund created under the mechanism. The related protocol on democracy and good governance has so far secured only two ratifications (Ghana and Guinea). The loss of life and property, disruption of economic and social life, diversion of scarce resources to military purposes, the general sense of insecurity, and the increased impoverishment of our people are all painful reminders of the need for the West African leadership to exert itself more to achieve political stability. It is only by meeting our obligations

and paying due attention to the requirements of the regional instruments adopted that, collectively, peace and security can be improved in this region.

III) ADMINISTRATIVE ISSUES

179. One principal objective of the re-structuring of the Executive Secretariat is the enhancement of the capacity of the institution. This has entailed the improvement of the quality and quantity of staff. The contribution of administration programme to the achievement of this goal has been in several forms: staff promotion, recruitment and training; review of conditions of service; modernisation of management procedures; improvement of office equipment; staff training and welfare; etc.

180. **Review of Conditions of Service.** The Secretariat was directed by Council in December 2003 to review the memorandum submitted on the improvement of the staff conditions of service. This directive has been followed during the period and a revised memorandum is being presented at the July 2004 statutory sessions. In carrying out the assignment, the Secretariat continued to rely on the services of the UNDP consultant (who had undertaken the earlier study on the matter), and gathered additional materials to supplement the information previously obtained on the African Union, COMESA and SADC.

181. The proposals in the revised memorandum relate to a review of the staff rules and regulations, the salary scale, and the formulation of a staff training policy. In making these proposals, the Secretariat has sought to strike a balance between the financial constraints of the Community and the imperative need to have and retain the services of a well-trained and motivated staff. It is my belief that Council will approve our proposals.

182. **Staff promotion and recruitment.** The review period witnessed a sustained effort at redressing the long-standing freeze on staff promotion and recruitment. The internal Advisory Committee on Staff Promotion and Discipline reviewed proposals for promotion submitted by management. On the recommendation of the Advisory Committee, I have approved the promotion of eleven professional officers, and the promotion, re-grading or conversion of one hundred and twenty-three (123) General Services and Auxiliary Staff. This forms part of the package that management is introducing to motivate ECOWAS officials.

183. As indicated in the section on NEPAD implementation, we are finalising the recruitment of the eleven consultants being sponsored for a three-year period by various development partners. With regard to permanent appointments, interviews have just been concluded for the recruitment of twenty-seven (27) positions. This constitutes the first set of the approved sixty (60) positions in the Secretariat's capacity building programme.

184. **Housing allowance of Locally-recruited Staff.** In application of the Council directive to pay housing allowances to the General Services and Auxiliary Staff, instead of renting houses for them, the Secretariat has paid allowances to those whose rents have expired. This has led to the vacation of three rented estates. Faced with the current practice in Abuja where rents are paid at least two years in advance, management was obliged to assist the affected staff by mobilising resources and advancing to staff enough money for the two-year rent deposits.

185. **Management Culture Change.** As part of the desire of management to improve the work attitude of staff and achieve better performance, I inaugurated on 6 January 2004 an internal committee on management culture change, with the responsibility of devising means to bring about the required change. The committee which has been operating with the assistance of a consultant, and had the benefit of the outcome of two management retreats, has now worked out various strategies to be adopted. The proposals are to be made available to all members of staff for their comments and possible inputs. It is intended that whatever schemes are eventually adopted at the Executive Secretariat would be shared with the other ECOWAS institutions to enhance the performance of all ECOWAS officials.

186. **Staff housing at Katampe.** Following the release of the additional loan of \$4,520,596 granted to ECOWAS by the Federal Republic of Nigeria, the Executive Secretariat on 24 February 2004, signed with the contractors, Nahman Construction Limited an addendum agreement for the additional works in the professional staff housing estate at Katampe. The contract is for the sum of \$3,991,790.79 and is to be executed within a period of eight (8) calendar months, starting from the date of transfer of the advance fee. The transfer was made on 24 March 2004 and work has consequently commenced.

187. **Conference of ECOWAS Ministers of Public Service.** It is to be recalled that the Third Biennial Conference of African Ministers of Public Service held in Windhoek, Namibia, from 5 to 8 February 2001 charged regional organisations with the responsibility of ensuring and monitoring the application of the Charter for Public Service in African countries in their respective regions. In line with that decision, the ECOWAS Secretariat in collaboration with the Federal Government of Nigeria organised the inaugural Conference of Ministers of Public Service in Abuja on 16 October 2002. The Second Conference of the ECOWAS Ministers of Public Service was held in Abuja on 30 April 2004. It was preceded by a one-day meeting of Experts on Public Administration and a three-day workshop on the promotion of ethics, integrity and professional standards in Public Service.

188. The workshop which was sponsored by the Commonwealth Secretariat served the dual purpose of promoting the goals of the African Public Service Charter and good governance as enunciated in the New Partnership for Africa's Development (NEPAD). It underscored with practical examples, the role of leadership in the development and maintenance of ethics, integrity and professional behaviour and standards in any organisation.

189. The Ministers re-affirmed their commitment to the ideals enunciated in the Charter. They also made the following recommendations among others:

- i) that ethics and professional standards should be mainstreamed within all public sector management, capacity building and reform initiatives;
- ii) that leadership and management at all levels need to create the enabling environment for the establishment and sustainability of an ethical and professional public service through example and encouragement;
- iii) that peer review mechanisms as envisaged under NEPAD should be utilised to support individual country initiatives;
- iv) that there is a need to sensitise the civil society to the ideals of the Charter for Public Service in Africa;
- v) that policies and practices aimed at empowering and rewarding ethical behaviour need to be instituted;
- vi) that countries which have yet to establish a national coordinating committee (as provided for in Article 28 of the Charter) are urged to do so and, on the establishment of that body, to communicate its composition to the ECOWAS Executive Secretariat;
- vii) that the concept of professional standards reporting (whistle-blowing) should be embraced by each national public service in order to provide a further check against inappropriate behaviour and create an enabling environment which provides protection for whistle-blowers as well as the victims.

IV) FINANCES OF ECOWAS SECRETARIAT

190. The transition arrangements for the application of the provisions of the protocol on the Community levy end in June 2003. Since then, the Community institutions have been expecting the full application of the protocol to yield sufficient resources for the financing of their respective integration activities. Thus, 2004 marks the first full year of complete reliance on the proceeds of the Community levy for ECOWAS operations. In spite of the Secretariat's many fact-finding and sensitisation missions to Member States⁵, compliance with the procedures for the application of the Community levy has been disappointing. Only five Member States (Ghana, Guinea-Bissau, Mali, Niger, Senegal and Togo) are applying the Community levy correctly.

191. **Proceeds from the Community levy.** As at 15 May 2004, only 1,811,215 UA of Community levy proceeds had been received this year. The corresponding payments received for the six-month period between 1st July and 31st December 2003 amounted to less than a million units of account (931,547 UA). When these receipts are set against the outstanding

⁵ In February 2004 Mali sent a team to the Executive Secretariat for the reconciliation of accounts; for the same reason, a mission of the Secretariat has visited Benin, Burkina Faso, Côte d'Ivoire, Ghana, Senegal, Sierra Leone and Togo.

contributions of 67,750,042 UA as at 1 January 2004, the magnitude of the Executive Secretariat's financial difficulties can be better appreciated. Of that total amount, 38,373,920 UA constitute previous arrears and the remainder (29,376,122 UA) is to be derived from the Community levy.

192. The monitoring missions will be continued throughout the year. I should like, here, to appeal urgently to the remaining ten Member States, particularly Cape Verde, Gambia, Guinea, Liberia and Mali to take immediate steps to effect the correct application of the provisions of the protocol on the Community levy.

193. **Financial assistance from Member States.** On behalf of the Community, I wish to express our gratitude to Burkina Faso, Gambia, Ghana, Nigeria and Senegal for the additional financial effort they have made in support of ECOWAS programmes. These are the five Member States from whom together with Denmark, contributions have been received for the Peace Fund. In addition to this, Nigeria has made a separate contribution of \$500,000 to the Liberian peace initiative and has also extended the additional loan (\$4,570,596) that the Executive Secretariat applied for to enable us complete the staff housing project at Katampe.

4.1 External Resource Mobilisation

194. The increasing interest of development partners in ECOWAS continued during the period under review. Through missions to the Secretariat and working visits to donor institutions, it was possible to translate previous commitments into concrete assistance and also secure fresh commitments. External resources have been mobilised in support of all the different regional initiatives – consolidation of economic integration, monitoring of NEPAD implementation, harmonisation of sectoral policies, regional peace and stability, and the institutional capacity building of the ECOWAS Secretariat.

195. **African Development Bank (ADB).** ADB officials visited the ECOWAS Secretariat in continuation of our collaboration on the preparation of the ECOWAS projects in the NEPAD infrastructural short-term action plan. This was followed up with an ECOWAS mission to the ADB in Tunis on 6 and 7 April 2004, where discussions were held on the ADB Project Preparation Facility, the Task Force for preparing the flagship NEPAD infrastructural projects, and the establishment of the ECOWAS Peace Fund. ADB has pledged a \$10 million contribution to the Peace Fund, which is being designed to enable our development partners contribute to any of the different aspects of the regional peace and security programme.

196. **The World Bank.** As indicated earlier, the President of the World Bank met our Heads of State in Accra on 19 and 20 March 2004. The summit reviewed the implementation of the World Bank's regional integration assistance strategy (RIAS) within the framework of NEPAD programmes in West Africa. As part of the summit decision to ensure very close monitoring of

197. **The International Monetary Fund (IMF).** In accordance with the decision of the IMF to monitor and assist with the West African drive toward the creation of a single regional currency, an IMF team held consultations in Abuja with the ECOWAS Secretariat on 29 March 2004. This was done within the framework of the IMF's Article IV annual consultations with member countries and relevant regional institutions (the UEMOA Commission and West African Monetary Institute). It was re-affirmed during the discussions that IMF interactions with its Member States should reflect country obligations under the ECOWAS macro-economic policy convergence programme.

198. **Cooperation with Japan.** There was close collaboration with the Embassy of Japan during the period to deepen the ECOWAS-Japan relations within the TICAD/NEPAD framework. This led to an official ECOWAS visit to Japan in the first week of March 2004. Apart from seeking an increase in the assistance being received under the regional peace programme, I expressed the need for Japanese assistance in specific economic integration programmes under NEPAD. The mission also explored the possibility of building strong cooperation links between Japanese investors and the West African business community. It was confirmed that an Asian-African trade and investment forum would be organised in the last quarter of the year.

199. **Cooperation with Nordic countries.** The Secretariat pursued the contacts that had previously been made with the Nordic countries – Denmark, Finland, Norway and Sweden. A Danish mission to the Secretariat on 3 March 2004 discussed modalities for assistance from Denmark in the areas of peace and security, implementation of NEPAD programmes and involvement of the civil society in the regional peace process. Similarly, there was a working session at the Secretariat with an official mission from Finland which focused on Finnish assistance in the area of conflict prevention within the broader context of the conflict prevention mechanism of the African Union.

200. **United States and Canada.** Close interactions were maintained with both USAID and CIDA for the smooth implementation of the financial and technical assistance being received for the NEPAD programmes and institutional capacity building. Invaluable assistance continued to be received from USAID for the energy cooperation programme, particularly regarding the WAPP, the gas pipeline project; similarly, USAID actively supported the trade cooperation programme with respect to the common external tariff (CET) impact studies. The US was also a major player in the external support for various aspects of the ECOWAS regional peace and security programme. CIDA sponsored the study on the enhancement of the financial management system of the Executive Secretariat.

201. **France.** The Executive Secretariat received confirmation of the desire of France to contribute to the regional integration effort in the amount of 1,670,000 euro in three components. The first relates to the formulation of a long-term vision of the West African economy, its place in the international community, and the role of ECOWAS in the region. The second component will

consist of a contribution to the creation of a macro-economic monitoring instrument in support of the ECOWAS multilateral surveillance of economic and financial policies. The last component will be an assistance to the Executive Secretariat's programme for the enhancement of the human capacity of ECOWAS.

202. **European Union.** Within the context of our cooperation with the European Union, the Executive Secretariat is pursuing the preparations for the negotiation of an economic partnership agreement (EPA) between West Africa and the European Union, the programming of the regional component of the 9th EDF, and the consolidation of the political dialogue between ECOWAS and the European Union. In this regard:

- a draft road map for the EPA negotiations is in the process of being adopted by the two parties;
- the European Union has allocated 235 million euro of the 9th EDF, principally in support of the two areas of concentration – economic integration and trade, and the facilitation of regional transportation. Outside the area of concentration, the EU will also finance ECOWAS activities covering conflict prevention, health and other sectoral programmes.

203. The fifth ministerial session of political dialogue between ECOWAS and the European Union was held in Dublin (Ireland) on 10 May 2004. The meeting was co-chaired by Mr Brian Cowen, the Irish Foreign Minister and Chairman of the EU Council of Ministers, and Nana Akufo-Addo, Foreign Minister of Ghana. ECOWAS indicated at the meeting that the priorities of the Community are the consolidation of the free trade area, the establishment of a common external tariff and the creation of a single monetary zone. ECOWAS informed the meeting of its commitment to make West Africa an effective free trade area by the end of 2004, to create a structural fund for the balanced development of the Community, and the full application of the Community levy. Similarly, ECOWAS affirmed its commitment to the full implementation of NEPAD in West Africa.

204. The two parties affirmed their commitment to the successful conclusion of the EPA negotiations, which were launched in Cotonou on 6 October 2003. Both parties stressed the need for consolidating peace in West Africa through a coherent and systematic regional approach.

CONCLUSION

205. The year 2004 should mark an important stage in the West African integration process. It is the first full year of our reliance on the Community levy as the main source of financing the integration process. Diligent application of the provisions of the ECOWAS trade liberalisation scheme in 2004 should lead to the consolidation of the free trade area status that was attained in 2000. The region should be able to conclude the negotiation of a common external tariff in 2004. The adoption of a road map and the completion of the basic impact studies in 2004 should lay a solid foundation for the negotiation of the West Africa-European Union economic partnership agreement. This is the last full year in the calendar drawn up for the introduction of a second regional currency. The ECOWAS institutional capacity building programme would be completed within the year to enable the Community be fully engaged in coordinating and facilitating the implementation of the NEPAD initiative. There are indications that the 2004 performance of the regional economy could be as good as or even better than in 2003.

206. In spite of the severe disruption caused by the Ivorian crisis, the overall performance of the regional economy in 2003 was the best, in terms of growth rate, for the past four years. Although sounder economic policies contributed to the faster growth recorded in the past year, economic performance was more a reflection of the favourable commodity prices especially that of petroleum, giving rise to the windfall oil revenue in Nigeria. Furthermore, that 4% annual growth was only half the pace at which the regional economy should be moving to halve the number of West Africans living in absolute poverty.

207. West Africa spent most of the year 2003 managing and resolving civil conflicts. We have been obliged to continue in 2004 to devote time and resources to the pursuit of regional peace and security. Ours is a region that can least afford the luxury of squandering our meagre financial and human resources on civil wars – conflicts are unprofitable to the wider West African society.

208. Already, resources available to the region are barely enough to reverse the negative trends of poverty and marginalisation. Apart from the trauma on the ordinary citizen, these recurring conflicts negate our collective endeavour at achieving economic stability and correcting the perception of West Africa as a high cost and unstable region. Having managed to set the stage for normal life in Sierra Leone and initiate the implementation of credible programmes for the consolidation of peace in Liberia and Guinea-Bissau, the West African leadership must continue with the political dialogue in Côte d'Ivoire.

209. On the central issue of fostering better implementation of ECOWAS integration programmes, this report brings out clearly that much more effort could have been made. It is very disappointing that on the critical issue of funding the integration process, the first full year of total reliance on own

resources has got off to a poor start. The correct and faithful application of the provisions of the protocol on the Community levy is crucial to the survival of the Community institutions and to the integration process as a whole. Since Honourable members of Council can, at the national level, influence the performance of their respective Member States, I urge the intervention of the ministers of the ten countries where full compliance with the protocol has not been achieved.

210. Despite this major handicap, it is heartening that a number of concrete steps have already been taken towards the implementation of the 2004 Community work programme. The completion of institutional capacity building initiatives within the year, such as the strengthening of national focal points for NEPAD and ECOWAS programmes, and the recruitment of additional staff at the Executive Secretariat, would enhance the prospects of programme implementation. Similarly, considerable progress has been made on the formulation of the regional PRSP and the ECOWAS common external tariff.

211. I wish to urge greater commitment on the part of Member States with regard to the implementation of the key programmes, especially concerning market and monetary integration. It is essential that by the end of 2004, every Member State be fully involved in the operation of the ECOWAS free trade area: the printing and putting into circulation of the ECOWAS customs documents, the sensitisation of both government agents and private operators on the new regional instruments, monitoring the functioning of the free trade arrangements, etc.

212. We are just twelve months away from July 2005, the date for the introduction of the second regional currency. The slippage in the performance of all Member States, and particularly those in the second monetary zone must be corrected well before the end of the year. We must aim at maximum macro-economic convergence in 2004, in order to establish a firm basis for future good economic performance. For, it should not be forgotten that the policy harmonisation exercise is to contribute to building a resilient regional economy which would make a convertible regional currency possible.

213. On the issue of physical integration, we need to sustain the progress achieved within the framework of the NEPAD short-term action plan. Our focus will be on improving the functioning of the infrastructural task force that has been established, and making full use of the ADB's project preparation facility. The policy harmonisation programmes in the sectors of agriculture, industry, transport and telecommunications will be pursued with vigour; the Executive Secretariat will be taking the necessary steps in that direction.

214. Regional integration holds much hope for the West Africa region. The many regional programmes and initiatives sustain the hope that regional cooperation could truly become a tool for the development of the national economies. There is growing evidence that private sector operators, especially through informal channels, are ready to operate and orient their business along regional lines. That expansion of the informal sector is an indictment: regional

transactions will be conducted in spite of official impediments, and the regional integration process is not keeping pace with the wishes of the private operators.

215. In sum, not enough is being done to sustain the momentum of regional integration. This report has identified a number of areas where much more could and should be done. Council is being invited to consider appropriate directives and measures that would help increase the present momentum. It is only through a collective effort, and strong resolve, that we would be able to make 2004 a significant landmark year in our march towards a unified regional market.

**ANNEX 1: PERFORMANCE UNDER THE PRIMARY CONVERGENCE CRITERIA
(2001 - 2003)**

COUNTRY	PERFORMANCE IN 2003				Total No. of criteria met		
	Budget Deficit/ GDP	Inflation Rate	Budget financing	Gross External reserves	2001	2002	2003
	≤4%	≤5%	≤10%	≥6 months			
Bénin	-	x	x	x	4	4	3
Burkina Faso	-	x	x	x	3	3	3
Cape Verde	-	x	x	-	2	3	2
Côte d'Ivoire	x	x	x	x	4	4	4
The Gambia	-	-	-	-	2	1	0
Ghana	-	-	x	-	1	0	1
Guinea	-	-	-	-	2	0	0
Guinea Bissau	-	x	x	x	3	3	3
Liberia	x	-	x	-	2	2	2
Mali	-	x	x	x	3	3	3
Niger	-	x	x	x	3	3	3
Nigeria	x	-	-	x	2	2	2
Senegal	-	x	x	x	4	4	3
Sierra Leone	-	-	-	-	2	2	0
Togo	x	x	x	x	4	4	4
2003	26.7	60	73.3	60	-	-	55.0
2002	33.3	66.7	86.7	60	-	61.7	-
2001	33.3	66.7	100	66.7	66.7	-	-

(x): country satisfied the criterion

(-) country did not satisfy the criterion

Source: WAMA Secretariat

**ANNEX II : PERFORMANCE UNDER THE SECONDARY CONVERGENCE CRITERIA
(2001 - 2003)**

COUNTRY	PERFORMANCE IN 2003					TOTAL NUMBER OF CRITERIA MET		
	Tax receipt/ GDP	Wage- bill/ Tax receipt	Public Invest/ Tax receipt	Real Interest Rate	Real Exchange rate	2003	2002	2001
	≥20%	≤35%	≥20%	≥0	±5%			
Bénin	-	X	x	X	-	3	3	2
Burkina Faso	-	-	x	X	-	2	2	2
Cape Verde	-	-	-	X	-	1		
Côte d'Ivoire	-	-	-	X	-	1	1	1
The Gambia	-	X	-	-	-	1	0	1
Ghana	X	-	X	-	-	2	0	0
Guinea	-	-	-	-	X	1	3	1
Guinea Bissau	-	-	-	X	-	1	0	1
Liberia	-	X	X	-	-	2		
Mali	-	X	X	X	-	3	2	3
Niger	-	-	-	X	-	2	1	0
Nigeria	X	x	-	-	-	2	2	4
Senegal	-	X	X	X	-	3	3	4
Sierra Leone	-	-	-	-	-	0	2	1
Togo	-	-	-	X	-	1	1	1
2003	13.3	40.0	46.7	60.0	6.7	33.3	-	-
2002	13.3	40	26.7	73.3	26.7	-	36	-
2001	6.7	33.3	40	46.7	60	-	-	37.3

(x): country satisfied the criterion
(-) country did not satisfy the criterion

Source: WAMA Secretariat