



ECW/CM.XLI/2

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

ECONOMIC COMMUNITY OF
WEST AFRICAN STATES



ANNUAL REPORT
OF THE
EXECUTIVE SECRETARY
1996/1997

ECOWAS Secretariat
Lagos, July 1997

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

ECONOMIC COMMUNITY OF
WEST AFRICAN STATES

ANNUAL REPORT
BY THE
EXECUTIVE SECRETARY
1996/1997

ECOWAS Secrétariat
Lagos, July 1997

TABLE OF CONTENTS

	<u>Paragraphs</u>
INTRODUCTION	1 - 14
CHAPTER I	
THE ECONOMIC SITUATION IN WEST AFRICA	15 - 56
CHAPTER II	
IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME	57 - 221
CHAPTER III	
CONDITIONS FOR EFFECTIVE IMPLEMEN- TATION OF ECOWAS PROGRAMMES	222 - 252
CONCLUSION	253 - 263

I N T R O D U C T I O N

It is a pleasure for me to present to this august assembly my annual 1996/1997 report which reviews recent developments in the region and, more particularly, the progress achieved in the integration process in West Africa.

2. The end of the civil war in Liberia and the prospect of a return to a democratically-elected government in that country constitute a giant step towards stability in West Africa, even though this progress has unfortunately been threatened by the events which took place in Sierra Leone at the end of May 1997.

3. Within a given region, countries that are doing relatively well may be impeded in their progress by the breakdown of institutional structures in a neighbouring country. Events in a country such as the massive exodus of refugees, rising ethnic tension and diplomatic friction which may give rise to internal or regional tensions, can have serious repercussions for other countries, jeopardising their economic growth and undermining regional stability.

4. It is generally difficult for a country to achieve progress within a regional climate of political and economic instability. The marginalisation of West Africa, due in part at least to the civil unrest in some of the countries, is such that even where a country liberalises its economy and adopts appropriate incentive measures, it is still likely to attract very few investors.

5. The Authority of Heads of State and Government has spent a considerable amount of time pondering issues relating to stability in the West African region. Member States have also

devoted a lot of human and financial resources to the promotion of peace and stability in the region.

6. Political reforms constitute an essential backdrop for successful economic reform which in turn creates an enabling environment for effective institutional reforms. While the task of carrying out political and economic reforms simultaneously may prove complex for West African countries, they nevertheless have to envisage a package of mutually reinforcing reforms in these two areas. ECOWAS Member States must therefore establish a strong synergy between political and economic reforms in order to strengthen economic growth and consolidate the regional integration process, thereby enhancing the living standards of the peoples of West Africa.

7. It is only through individual and collective contribution to the integration process that West Africa can realise its full development potential. In this connection, I should like to commend the exemplary leadership of His Excellency, General Sani **ABACHA**, Chairman of the Authority of Heads of State and Government, Head of State and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria. His consistent efforts to strengthen the Community have been most impressive. Indeed, he has been a constant source of inspiration to us.

8. The entiring efforts of His Excellency, President Henri Konan **BEDIE** of the Republic of Cote d'Ivoire, should also be commended; he made it possible to sign the Abidjan Peace Agreement between the Government of the Republic of Sierra Leone and the Revolutionary United Front (RUF) in November 1996 and also for the recent negotiations to take place at Abidjan.

9. Honourable Ayo **OGUNLADE**, Chairman of the Council of Ministers and Minister of National Planning of the Federal Republic of Nigeria, and Honourable Chief Tom **IKIMI**, Chairman of the Ministerial Committee of Nine on Liberia and Nigerian Minister of Foreign Affairs have each shown great dedication and

NOT TO BE TAKEN AWAY

commitment to the pursuit of the objectives of regional integration and the quest for a lasting solution to the Liberian crisis. They contributed in no small measure to the progress made during the past year by the Community in these two areas.

10. This has been a particularly difficult year for the Community Institutions. Perennial cash-flow problems rendered the Executive Secretariat virtually incapable of honouring its financial obligations as it was handicapped by arrears of contributions from Member States now standing at 45.5 million US dollars.

11. I should like to express sincere gratitude to those Member States, particularly Benin, Cote d'Ivoire and Nigeria, whose contributions made it possible for ECOWAS to stay alive and to continue implementing some of the economic integration programmes. Several Member States have not been honouring their financial obligations to the Institutions, a situation which in no way facilitates the realisation of the Community objective of regional integration.

12. The performance of Member States is not much better with regard to the execution of regional integration programmes. By failing to participate in ECOWAS activities Member States do not show the necessary political will. Since the beginning of this year, for example, many technical meetings have not been held due to a lack of quorum. The goal of regional integration cannot be attained unless Member States change their attitude and include ECOWAS activities among national development priorities.

13. It is my fervent hope that this session of the Authority will mark a turning point in the evolution of the Community. To this end, efforts must be made to strengthen ECOWAS by providing the resources it needs to successfully execute its assigned tasks. Indeed, no matter the quality or the determination of the management teams and the staff of the Institutions, Community

objectives cannot be realised without the active involvement of Member States.

14. Chapter I of this report will review the economic situation in West Africa over the past year, with particular emphasis on the performance of the national economies. Chapter II will examine the execution of the Community work programme and highlight policy issues that require the attention of Council and the Authority. Chapter III will focus on conditions for the effective realisation of ECOWAS programmes, particularly the measures needed to revitalise the regional integration process in West Africa.

CHAPTER I

THE ECONOMIC SITUATION IN WEST AFRICA

I - INTRODUCTION

15. Many factors were responsible for the lack of rapid economic growth in West Africa during the 1980s. ECOWAS Member States thus had to make sustained efforts to reverse the economic decline. Over the last few years, several countries have made appreciable advances in the development of political institutions while many have undertaken economic reforms which have started yielding results, producing positive and strong economic growth.

16. During the same period, considerable progress was made in respect of some key areas of macro-economic reforms such as exchange rate management and price liberalisation. However, in other equally important areas, such as achieving a balanced budget, progress has remained unsteady.

17. Relatively little progress was made in respect of the correction of fundamental structural disequilibria, but the prospects are brighter in Ghana. In some UEMOA countries due to the positive effects of the January 1994 devaluation of the CFA franc, as well as in Nigeria where the Lagos Stock Exchange witnessed the highest growth rate among the emerging stock exchanges, the NSE index having risen by 70% ⁽¹⁾.

18. On the international scene, the world order has undergone profound changes. Tensions lessened with the end of the cold war, but this was accompanied by a resurgence of nationalism, particularly in Europe. Moreover, West African economies

¹⁾ Jeune Afrique N° 1884 dated 12-18 February 1997.

continue to be seriously affected in various ways by the increasingly global nature of the world economy.

II - GLOBALISATION OF THE INTERNATIONAL OF THE INTERNATIONAL ECONOMY AND ITS EFFECTS ON WEST AFRICA

19. The most remarkable feature of the international situation as we approach the end of the century is the globalisation of the world economy. Current changes in the world economy, technological revolutions, and the rapid flow of information, all have multiple effects on the mobility of capital, and labour, international trade and the stability of prices.

20. In common with the rest of the continent, West Africa remains outside the mainstream of the world economy. Although the region continues to enjoy preferential treatment under the Generalised System of Preferences (GSP) and the Lome Convention, such advantages are diminishing. Moreover, competition is getting tougher on commodity markets where demand continues to decline for products upon which West Africa remains excessively dependent. The loss in preferential margins for tropical produce, for example, is as much as 80% of the GSP margins and 50% of the margin for ACP countries.

21. Efforts are being made by Member States to tackle some of the factors responsible for the marginalisation of West Africa on international markets. The poor results recorded in the past were due in part to defective policies which gave rise to high budget deficits, over-valuation of exchange rates, negative effects of exchange controls, unattractive agricultural prices, and inappropriate industrial practices based on import substitution. These shortcomings in macro-economic policy have been overcome in those West African economies which are implementing structural adjustment measures. However, other structural obstacles to export such as inadequate infrastructures and the high cost of services still have to be eliminated, and this calls

for carefully-targeted public investment programmes and institutional reforms designed to enhance sectoral performance.

22. There is no indication in any of the countries in the region that the economy has undergone much diversification, despite the liberalisation measures that have been implemented. However, in the medium term, exports are expected to react favourably to the positive incentives put in place especially the bigger regional market envisaged under the framework of ECOWAS. On the whole, ECOWAS Member States continue to be perceived as high-risk countries, in spite of their structural adjustment measures and adopting attractive investment codes. Apart from the small national markets and inadequate infrastructures, efforts by Member States to attract foreign direct investment are hindered by the unstable judicial, economic and political environment, and the lower rates of expected returns on long-term investments, as compared with profits from import-export activities.

III - ECONOMIC PERFORMANCE OF WEST AFRICAN COUNTRIES

23. The following table indicates the performance of the regional economy over the past sixteen years.

Real Economic Growth Rate

	1980 - 1990	1990 -1995	1996
ECOWAS Region	2,1	2,1	4,3

Source:ADB and ECA

24. Growth rates which were relatively high growth rates in the 1960s and 1970s plunged drastically during the 1980s and early 1990s, remaining at levels that were constantly lower than the population growth rate. As from 1995, regional economic growth

has been on the upturn, growing by about 4% in 1995 and 4.3% in 1996, due to the positive effects of the economic reforms undertaken in Ghana, the 1994 devaluation of the CFA franc and accompanying measures in UEMOA countries, and the growth of the Nigerian economy in 1996.

25. The 4.3% growth rate recorded in ECOWAS Member States in 1996 was largely the result of a healthy performance in UEMOA countries (5.2%) and in Ghana (6.9%), and the appreciable performance by Nigeria (3.7%).

26. Among the UEMOA countries, Cote d'Ivoire, the most developed economy within the zone, recorded the highest growth rate of 6.5%, followed by Benin (5.7%), Togo (5%), Senegal and Mali (4.7%), and Burkina Faso (3.7%). This brilliant performance from the UEMOA zone was due to the deflationary policy adopted (that being one of the priority objectives of their common monetary policy), which made it possible for them to preserve the gains in competitiveness resulting from the devaluation of the CFA franc.

27. Among the other ECOWAS countries, Ghana's economy continued its healthy growth (6.9%), with substantial support from donors. Nigeria, with its 3.7% growth rate, made further progress on the path of economic recovery, the government having taken stringent financial measures and embarked on an anti-corruption drive. In many other countries however, economic growth was extremely low. Guinea witnessed the worst economic downturn, having recorded a 1.6% real growth rate in 1996, down from the annual average of about 4% between 1990 and 1995. The poor performance was due in part to the economic losses triggered by the mutiny which took place in February 1996.

28. This seemingly good performance of the West African region masks serious weaknesses in the region where economic growth is essentially consumption-based and remains financed to a large extent through foreign borrowing.

29. ECOWAS countries have relatively low investment levels. whereas, economic growth depends in the long term, on both the level and effectiveness of investments. The investment rate for the ECOWAS region was a mere 15% of GDP between 1994 and 1996 as against 17% in sub-Saharan Africa and 31% in Asia. The Gambia which has the best record in the region (41%) in comparison with the target of 25%/GDP fixed in the World Bank's long-term perspective, registered a low growth rate (2.5%). This can be explained by the low marginal efficiency of capital, due to the fact that investments were mainly in sectors which do not generate much growth or development.

30. Another characteristic shared by all ECOWAS countries, including countries with high growth rates, is the low level of private investment.

31. The economic situation in West Africa is equally characterised by the very low level of mobilisation of internal resources although the situation does vary from one country to another.

32. Many ECOWAS countries recorded during the 1994 and 1996 period a gross internal savings rate that was below 10%. Countries such as Burkina Faso and Guinea Bissau actually recorded negative rates. The situation improved considerably in UEMOA countries after the devaluation in 1994. It also improved in Ghana as a result of the internal adjustment measures taken, and in Nigeria due to the increase in petroleum prices. However, for the whole of ECOWAS which recorded a savings/GDP ratio of 13%, the objective fixed in the World Bank's long-term perspective study (18% by the year 2000), remains a big challenge.

33. The domestic resource account was worsened by the poor performance of the external accounts, despite the 1.1 billion dollar surplus recorded by ECOWAS in 1996. The surplus was due largely to the 2.6 billion dollar surplus recorded by Nigeria which benefited from the rise in petroleum prices. Without Nigeria, West Africa's trade deficit would have amounted to 1.5

billion US dollars. This goes to show the overwhelming size of Nigeria's external trade when compared to that of other countries in West Africa most of which have chronic trade deficits.

34. From the situation described above, it can be seen that countries such as Cote d'Ivoire, Senegal, and Benin gained from the devaluation of the CFA franc, recording positive trade balances.

35. Cote d'Ivoire, with its trade surplus of 765 million dollars, benefited from the surplus generated by the cocoa and coffee sub-sectors and other surpluses in its trade with other countries in the franc zone. More impressive still, Cote d'Ivoire renewed its presence on the petroleum market and became an exporter of electricity.

36. Senegal recorded a trade surplus of US \$ 40 million in 1996, up from the 46 million dollar deficit in 1995. This was a modest but encouraging sign. Senegal witnessed increased productivity in some sectors, particularly vegetable oil extraction and chemical industries.

37. Benin recorded a trade surplus of 30 million US dollars in 1996, due essentially to a buoyant cotton sub-sector.

38. Given the poor performance of the balance of external trade, ECOWAS countries have not been able to "come out of the debt crisis", despite the recent initiatives taken by the international community in favour of heavily-indebted poor countries.

39. The external debt burden continues to weigh heavily on the development of West Africa. The debt relief initiatives, particularly the Naples initiatives, have not provided ECOWAS countries with lasting solutions to their debt crisis. This prompted the international community, with the support of the IMF and the World Bank, to propose a "framework for action" to resolve the debt problems of heavily indebted poor countries".

This framework includes the creation of a debt reduction facility (including multilateral debt). However, the criteria for eligibility are so strict that only two ECOWAS countries (Burkina Faso and Cote d'Ivoire) qualify.

IV - HUMAN DEVELOPMENT IN WEST AFRICA:

STATE OF THE HDI AND SOME SOCIO-ECONOMIC INDICATORS

INDICES	HDI		GRHI	GEI	HPI
	1987	1993	1993	1993	1993
ECOWAS AVERAGE	0,226	0.352	0.292	0.238	49.24

Source: World Report on Human Development, UNDP, 1996

HDI = Human Development Index
 GRHDI = Gender-Related Human Development Index
 GEI = Gender Empowerment Index
 HPI = Human Poverty Index

40. As can be seen from the table, the human development index (HDI), a composite index of poverty levels, is only 0.352 in ECOWAS, a clear indication of the region's extremely low level of human development. Cabo Verde has the highest level of human development in the region (0.539), placing it among the bracket of countries with average human development levels. Niger's level is the lowest (0.204). In response to this situation, most ECOWAS countries have put in place framework programmes to combat poverty.

41. With respect to the gender-related human development index (GRHDI) which measures the gap in the poverty levels between men

and women, the regional average is 0.292, lower than the figure for the HDI. This is a clear indication that women are poorer than men. The highest levels of GRHDI are to be found in Cabo Verde (0.517) and Ghana (0.459).

42. As for the gender empowerment index (GEI), the average for West Africa stands at 0.238. The highest levels are to be found in Cabo Verde (0.381) and Ghana (0.311). These figures confirm that women's participation in professional, economic and political activities increases as the gap between them and the men reduces. The lowest level recorded in the region is once again that of Niger (0.102).

43. The average regional human poverty index which measures the value of human resources at household level, is 49.24 in ECOWAS countries. The highest level (71.7) is in Niger. This is by far higher than the regional average and indicates a chronic capacity shortfall. The lowest figures are recorded in Gambia (38) and Ghana (39) where the PPI is lower than in other ECOWAS countries.

44. These socio-economic indicators reveal that West Africa is lagging behind other countries in terms of human development. In order to achieve poverty alleviation in the region, attempts should be made to define concrete measures that would ensure economic recovery and equitable income distribution, and formulate carefully-targeted investments in areas such as health, education, and professional training.

V - PROSPECTS FOR SOCIO-ECONOMIC CHANGE AND MEDIUM TERM DEVELOPMENT CHALLENGES

45. Any reflection on prospects for economic growth in West Africa should take into account both the international environment and the internal economic situation.

46. The globalisation of the economy is an important aspect of West Africa's external environment. Consequently, growth in

ECOWAS countries will depend on world production levels, the volume of international trade, and the inflow of foreign investments.

47. Internal efforts aimed at improving capital formation (including human capital) and reducing the external debt burden to ensure greater mobilisation of capital, will constitute another growth-inducing factor.

48. Finally, a more favourable political framework and good governance will ensure brighter growth prospects in the region.

49. The region can attain economic growth of up to 6% by the end of the century if sufficient improvement is made in all the areas enumerated above.

50. ECOWAS countries are implementing economic reform policies to varying extents, in most cases with the support of the IMF's enhanced structural adjustment facility (ESAF) and the World Bank's sectoral adjustment loans. It should be possible to increase direct foreign investment in West Africa, in view of the support being provided by the Bretton Woods institutions, and given the increase in the number of West African countries eligible to sign risk cover agreements with the Multilateral Investment Guarantee Agency (MIGA) or which have subscribed to Article VIII of the IMF statutes on the convertibility of current account transactions.

51. In the medium term, measures such as price liberalisation, privatisation, improved legal and regulatory framework for business, and the creation of a bigger regional market under the framework of ECOWAS, should also promote development of the private sector which is expected to play a pivotal role in achieving sustainable economic growth in West Africa. There is thus the need to strengthen on-going reforms. The movement should be irreversible and durable in order to ensure that West Africa realises its full growth potential.

52. The return to market policies in Nigeria, the dominant economy in ECOWAS, will stimulate growth which government expects to reach between 7 and 8% by the year 2000. However, strong economic measures are still needed to promote sustained growth. The proposed privatisation of parastatals should be carried out urgently to make them more competitive and to create a more attractive investment climate. Elimination of the two-tier exchange system and achieving convertibility of the naira could also strengthen growth of the Nigerian economy. The government should undertake consistent action in this direction.

53. Ghana, where prices have risen considerably despite the budgetary surpluses of the past three years, must make greater effort to combat inflation which, unlike in other ECOWAS states, is due essentially to structural rather than monetary factors. On the other hand, the remaining countries should contain and reduce budget deficits as a means of curbing inflation and avoiding a deficit balance of payment. They should also fix realistic exchange rates, in order to be more competitive on international markets, and strive towards currency convertibility.

54. In order to promote investment and generally enhance the performance of West African economies, governments should accord top priority to issues of good governance, human rights, and democracy, and undertake meaningful political reforms with a view to ensuring that power is actually exercised by the people.

55. To achieve accelerated development in the years to come, West Africa should focus greater efforts on addressing the structural aspects of development without sacrificing macro-economic stability. Particular attention should be paid to such issues as human development with a view to satisfying the yearnings of the people and ensuring sustainable development, promotion of private-sector development, development of service infrastructures, capacity building, economic diversification, and

regional integration. Only by making appreciable headway in these areas can durable development become a reality in West Africa.

56. Given the present circumstances, individual ECOWAS countries, with their small markets, will find it impossible to meet the formidable challenges posed by development. This therefore makes it imperative to formulate national adjustment and development programmes within a regional perspective. Indeed, accelerated development will be possible only if necessary efforts are made to implement the Community regional integration programmes and to consolidate ECOWAS.

CHAPTER II

IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME

INTRODUCTION

57. This chapter evaluates the extent to which the Community institutions and Member States successfully implemented the Community work programme during the year under review. Although there was improvement in some areas, more impressive results would have been achieved had the Institutions not encountered some problems in the execution of their assigned duties. This chapter brings to the fore a number of policy issues that need to be addressed by Council and the Authority. It also updates some aspects dealt with in the November 1996 interim report and introduces new issues germane to the Community programme.

I - MACRO-ECONOMIC COORDINATION PROGRAMME

ECOWAS Consultative Forum

58. The Consultative Forum of Ministers of Finance and National Planning ministers and Governors of Central Banks was held concurrently with the July 1996 statutory meetings. The meeting sought to provide a framework for dialogue and cooperation, thus strengthening the integration process and supporting economic reforms undertaken by Member States. Uppermost on the agenda of the Forum were issues pertaining to the harmonisation of economic policies, the regional development programme, private sector participation in regional, integration, and monetary cooperation. The Forum made a number of recommendations which were adopted by Council.

Harmonisation of Economic and Financial Policies of Member States

59. The Forum was of the view that Member States had made encouraging progress in respect of the three convergence indicators (exchange rate, inflation, and budget deficit/GDP ratio). The Executive Secretariat was advised to draw the relevant lessons from the experience of the IMF surveillance mechanism and the European Union in this area. The harmonisation of national macroeconomic policies and the success of any regional surveillance mechanism will depend to a large extent on the willingness of each Member State to practice domestic discipline.

60. As part of follow-up activities to the Forum, the Executive Secretariat sent letters to the International Monetary Fund (IMF) and to Member States to inform them of the outcome of deliberations of the Forum and the progress made by each Member State with regard to the convergence criteria.

61. Within the scope of the on-going evaluation, the new questionnaires prepared in conjunction with WAMA were sent to Member States as a prelude to the preparation of a progress report on measures being taken with regard to these indicators.

Formulation of a Regional Development Programme

62. The programme includes arrangements for strengthening coordination, convergence, and economic and monetary policy surveillance mechanisms, as well as measures to support regional integration policies pertaining to trade and investments, transport, communications and energy infrastructures, environmental protection, human resource development, and institutional capacity building. The terms of reference and the main outlines of the study were adopted by the Consultative Forum which recommended the formulation of a realistic programme as this will have a greater chance of being implemented. The Executive

Secretariat was requested to work in close collaboration with Member States and the international community, particularly the Bretton Woods institutions, the European Union, and the ADB, in the formulation of the regional development programme.

63. The study is however being delayed by inadequate human and financial resources. The 50 000 dollars allocated in the 1997 budget is grossly insufficient compared to the estimated 823 000 dollars cost of the programme. The Executive Secretariat has therefore solicited assistance from a number of development partners to finance the study.

Strengthening Private-Sector Participation in the Integration Process

64. The role of the private sector in the integration process was one of the points discussed during the Consultative Forum where the viewpoints of private operators were highlighted in reports presented by the Federation of West African Chambers of Commerce, the Federation of West African Manufacturers Associations, the West African Bankers Association, and the West African Enterprise Network. The various reports stressed the need to eliminate the factors hindering investment, trade, etc., in the region.

65. The Executive Secretariat was requested to prepare a platform of action for regional development that would encourage greater private-sector involvement in the regional integration process. Work has already begun on the study.

II - Monetary Cooperation Programme

66. During the period under consideration, the Committee of Governors held the following two meetings to review progress made with regard to the implementation of the monetary cooperation programme adopted in July 1987:

- i) the 20th meeting of the Committee of Governors held in Freetown from 28 to 29 November 1996; and
- ii) the 21st meeting of the Committee of Governors held in Conakry from 15 to 16 May 1997.

67. At the end of their deliberations, the Governors decided to issue during the 1997 statutory meetings, the ECOWAS travellers cheques in order to facilitate trade and tourism in the region. The Governors however appealed to the two Central Banks concerned to pay their arrears to the Clearing House not later than July 1997 in order that the programme might take off simultaneously in all Member States. The launching of the travellers cheques is expected to take place during the next summit meeting of the Authority.

68. With regard to the creation of the proposed single monetary zone, the Governors expressed concern over the delay in the application of the policy measures spelt out in the programme. The Governors also noted that the preparations being made in Europe (our main trading partners) towards the establishment of a monetary and economic union around a common currency, the EURO, should be a source of inspiration for us in our efforts at the regional level.

69. The Committee of Governors requested the Community to learn from the European experience and to begin exploring the nature of any eventual relations between the EURO and the proposed ECOWAS single currency.

70. Having considered these issues, the Committee of Governors prepared a resolution calling on ECOWAS Heads of State and Government to set up as a matter of urgency, an ad hoc committee of members chosen from among themselves, to monitor the efforts of Member States at meeting the 2000 deadline fixed for the establishment of a single currency, and to issue directives to expedite action in this regard.

71. The Committee of Governors discussed arrangements for intra-regional settlements, particularly the establishment of the 3 million WAUA Credit Guarantee Fund to support the operations of the compensation and settlements mechanism, and reaffirmed the need for such a fund. To this end, the Committee recommended that all the relevant proposals adopted in the past concerning viability, rules and regulations of the mechanism, as well as the contribution assessment formula should be compiled in a single document to enable a decision to be taken at its next meeting on a commencement date for the operations of the mechanism.

72. The Executive Secretariat wishes to draw the attention of Council and the Authority to a number of important issues relating to the performance criteria which need to be met in order to create the monetary zone:

- i) a number of Member States have not yet achieved regional currency convertibility; i.e. free exchangeability and usability of their currencies (currently nine), within the region without restrictions, for intra-regional trade and payments transactions;
- ii) several Member States have not achieved the single digit annual inflation rate target;
- iii) some Member States have not attained the budget deficit/GDP ratio of less than 3%;
- iv) several Member States have not adopted a market-determined exchange rate regime and stabilised their exchange rates.

73. Furthermore, as part of the preparatory activities towards the achievement of a single monetary zone by the year 2000, there is the need now to begin to identify the relevant legal and institutional changes that should be effected, and negotiations started, on an ECOWAS single monetary zone agreement that will provide the basic legal text governing the establishment of the zone.

74. The Secretariat, in collaboration with the Committee of Governors, will start reflecting on these issues with a view to making concrete proposals for submission to the relevant authorities of the Community next year.

III - TRADE LIBERALISATION SCHEME (TLS)

75. The ECOWAS trade liberalisation scheme, as well as the agenda on free movement of persons and services within ECOWAS, is the bedrock of economic integration. During the review period, considerable efforts were made by the Executive Secretariat to implement the trade liberalisation scheme and put in place the support measures.

76. About 400 industrial goods produced by over 150 enterprises in 11 Member States have been approved under the TLS. Some of these products have started circulating within the Community under the scheme. However, a number of difficulties still exist, among them being the fact that some Member States do not have the necessary legislative and regulatory texts, while others are raising even more barriers to free movement of persons and goods.

77. The Executive Secretariat has formulated a plan of action for the lifting of intra-Community trade barriers and is negotiating with the World Bank and the European Union in respect of a study to be conducted for the establishment of an ECOWAS Common External Tariff (CET). The Secretariat is also contemplating involving the private sector in the implementation of the TLS in all the Member States. In this connection, the following activities have been planned for 1997:

- i) organisation, in collaboration with Member States, of an enlightenment campaign to educate the public and economic operators on the benefits of the scheme and the eligibility criteria;
- ii) appraisal of the scheme in the countries visited as part of the enlightenment drive;

iii) assessment of the implementation of the ISRT Conventions and the agreement signed by the national guarantors designated by Member States to guarantee transit operations on their customs territories.

78. A meeting of national guarantors was scheduled to take place in Lomé in December, 1996 for the adoption and signing of the transit operations guarantee agreement. The meeting could not be held for lack of quorum. It was decided that the national guarantors be invited to a meeting rescheduled for Abidjan in 1997.

79. New customs tariffs based on the harmonised system have been printed for 15 Member States (minus Mauritania) and are being despatched to the countries concerned.

80. As part of efforts to facilitate trade at the Community and international levels, the Executive Secretariat is preparing a study, started last year for the harmonisation and simplification of customs procedures.

81. To this end, a draft single customs document was submitted to a meeting of ECOWAS customs experts and statisticians held in Lomé in October, 1996. Another meeting has been scheduled for 1997. The meetings are funded by the European Union under the EDF/ECOWAS/CCC project.

82. Lastly, the Executive Secretariat undertook a fact-finding mission to gather information on the customs procedures and regulations in force in some Member States with a view to their eventual harmonisation. The study is still in progress and the conclusions will be embodied in the customs reform programme advocated by the World Customs Organisation (WCO).

IV - TRADE CO-OPERATION PROGRAMME

i) ECOWAS Trade Fair

83. At its nineteenth session held in Abuja in July, 1996, the Authority of Heads of State and Government endorsed the Council decision on the organisation of the Second ECOWAS Trade Fair in Accra, Ghana, from 26 February to 7 March, 1999 on the theme "**Economic Co-operation through Trade**". The trade fair which is multisectoral, will accord priority to:

- professional meetings
- product-focused buyers/sellers meetings.

84. The Executive Secretariat has undertaken a number of preparatory measures towards the fair including:

- i) the signing of an agreement in November, 1996 between ECOWAS and the Ghana Trade Fair Authority. The agreement defines in specific terms, the responsibilities of both parties in the preparation, execution and post-evaluation of the fair;
- ii) establishment of the Regional Organising Committee composed of representatives from Member States which have permanent trade fair facilities and the private sector, including the West African Women's Association.

85. The first committee meeting held in Lagos on 9 and 10 May, 1997 considered the budget of the fair and explored avenues for financial resource mobilisation.

86. Within the context of intra-Community trade promotion, the Executive Secretariat, with funding from the European Union and technical assistance from the International Trade Centre in Geneva, launched a software for the management of information on trade opportunities (TOPS) in the region. The system is expected

to perform various functions, particularly management of trade contacts during buyer/seller meetings, display of information on trade opportunities during fairs and exhibitions, and automatic dissemination of information among participating enterprises through mailing, E-mail, Fax, etc. The system is compatible with other ECOWAS software and systems such as EUROTRACE for statistical information and ASYCUDA for customs information.

87. Lastly, under the regional trade promotion programme, the Executive Secretariat, in conjunction with the West African Women's Association (WAWA) and the Republic of Guinea, organised a seminar in Conakry from 4 to 7 March, 1997 on the theme "Strengthening Trade among ECOWAS Member States". The seminar identified intra-regional trade barriers and proposed measures for strengthening intra-regional. Emphasis was laid on the need to involve women in the promotion of trade among ECOWAS Member States.

V - TOURISM CO-OPERATION PROGRAMME

88. The overall objective of the programme is to:

- i) promote the West African tourism destination through assistance, motivation, harmonisation and facilitation activities;
- ii) promote and market sub-regional tourist products;
 - i) **Organisation of the first edition of the ECOWAS Tourism and Leisure Fair**

89. The relevant operational activities commenced in June, 1995 with the conduct of a study to evaluate the organisational expenses and the feasibility of the fair. The final report was received and approved by the Secretariat in February, 1996. Since then, a number of activities have been carried out to ensure the organisation of the fair. At the November 1996 budget session, the Secretariat submitted the dossier to the Council of

Ministers for a decision to be taken on the choice of a host country. Abidjan was selected.

90. Under the project monitoring programme, the Secretariat held three meetings with European Union officials (December 1996, February 1997 and March 1997) to finalise the document and to obtain confirmation of funding. The final reaction is yet to be received.

91. In August, 1996, the Secretariat launched a contest for the design of a logo for an "ECOWAS Tourism and Leisure Fair". The submissions were opened in early January, 1997. The other preparatory activities have been put on hold pending confirmation of funding.

ii) Other Tourism Promotion Activities

92. A summary of the basic texts which will serve as a framework for the harmonisation of the hotel classification systems in ECOWAS Member States, as well as common classification criteria are being prepared for consideration at a meeting scheduled for October, 1997.

93. Concerning the realisation of a feasibility study for the establishment of a West African Centre on tourism generating markets, the Secretariat is in contact with the **European Travel Commission** and a consultancy firm known as **AMOA-Tourism** to obtain their feasibility study proposals. The Secretariat has received brief draft study proposals and project funding modalities. Partnership with the public sector, tour operators and airlines is uppermost on the agenda.

94. The preparation of the final version of the document is under way. It will be submitted to donors for funding in the latter part of the year.

VI - AGRICULTURAL CO-OPERATION PROGRAMME

i) Integrated Information Programme for Agricultural Development in West Africa

95. The programme seeks to improve the organisation and management of information as a factor of agricultural development by:

- strengthening capacity for agricultural information production, processing and dissemination capacity;
- making information accessible to the various categories of users;
- establishing effective structures for exchange of information at local, national and regional levels.

96. Through the combined effort of ECOWAS, the CTA and national, regional and international institutions in the sub-region, a document was finalised and submitted for funding to the donors meeting held in Abidjan in March, 1997. The various components of the programme will take-off once the final response of donors is known.

ii) Preparation of an ECOWAS Transhumance Certificate

97. A transhumance certificate is an official document required for monitoring animal movement between Member States. Such a certificate is necessary within ECOWAS in order to:

- a) facilitate monitoring of animal movement between Member States;
- b) ease the settlement of disputes between farmers and stockbreeders;
- c) facilitate transhumant animal health surveillance and protection;
- d) improve animal-related data compilation, processing, storage and dissemination in the sub-region.

98. A draft ECOWAS Transhumance Certificate was prepared and finalised at an experts meeting held in Lagos in December, 1996. The final draft will be submitted to the Community authorities for adoption, after which it will be put into circulation.

VII - INDUSTRIAL CO-OPERATION PROGRAMME

1 - Implementation of the ECOWAS Industrial Master Plan

99. The programme comprises three activities to be implemented in 1997:

i) Establishment of an Industrial Information System

100. An industrial data bank will be established for use by economic operators, government and other users of data on industrial activities in the sub-region.

101. In 1990, a census of industrial activities in Member States was taken. The data compiled were used in developing and testing a computer programme designed for the industrial data bank. The 1990 data were updated in 1996. However, three countries (Benin, Ghana, Liberia) have not yet reacted to the letter sent to them by ECOWAS requesting them to appoint consultants. Meanwhile, the data gathered are being processed for publication and dissemination in Member States.

ii) Sub-regional Programme of Co-operation in the Area of Standardisation and Quality Control

102. This ECOWAS programme seeks to create the necessary environment that will prevail upon Member States to accept the technical and quality control standards applied in the various Member States of the sub-region. An initial attempt has been made to compile a list of national organs and regulations on standardisation and quality control. Nine Member States have

reacted to the request by the Executive Secretariat. A programme of action is being prepared based on the information gathered.

iii) Sub-regional Programme for the Promotion of Industrial
Sub-contract Operations

103. The programme aims to establish and strengthen complementary relations between enterprises in Member States. It consists in exploring existing sub-contract avenues at the national and sub-regional levels and initiating actions to encourage the enterprises concerned to co-operate among themselves. Requests have been submitted to potential sources of funding. However, no reply has yet been received. The search for funding continues.

2 - Programme for the Development of Pilot Industrial
Zones

104. A study to identify the most appropriate sites for the pilot scheme was conducted in 1994. A feasibility study on the two selected sites (Niger-Nigeria, Burkina Faso-Côte d'Ivoire) is scheduled to take off in 1997 with external financial assistance. However, the funding sources contacted have not yet reacted. Efforts are still being made to secure the necessary funding.

3 - European Union/West Africa Forum

105. The European Union has agreed to finance a forum on mining in the sub-region. The forum is intended to promote investment, technology transfer and partnership in the region's mining sector. It will be held in Accra probably in the early part of 1998.

VIII - ENVIRONMENTAL PROTECTION PROGRAMME

i) Regional Floating Weed Control Programme

106. The programme aims mainly at protecting the environment, developing projects for integrated floating weed control in Member States and protecting the basins against the negative repercussions of aquatic plants in order to ensure fisheries development and free movement of goods and persons. In view of the alarming rate of floating weeds proliferation in the major basins (Niger, Senegal, Volta, Ouémé, Gambia, Comoe, etc...) and its consequences on the economic sectors (fishing, navigation, agriculture, environment, energy), the Community decision-making bodies adopted the pilot projects for integrated floating weeds control. A feasibility study was undertaken with ADB financial assistance (UA 2 million). Its conclusions and recommendations led to the development of integrated control projects for the Côte d'Ivoire-Ghana, Benin-Nigeria, Mali, Benin-Niger-Nigeria and Senegal-Mauritania basins.

107. The various projects were submitted for consideration to the donors meeting organised with ADB assistance in Abidjan from 26 to 28 March, 1997. An estimated US \$ 14,000,000.00 is required. The ADB is interested in financing the project with funds from African Development Fund. The Executive Secretariat is in contact with ADB and the beneficiary countries to win their support for the project.

108. Measures will also be taken to include Burkina Faso, Guinea, Gambia, Togo and Guinea Bissau, latest victims of the scourge in the programme. Studies will be carried out with the remaining amount of the ADB grant.

ii) Regional Meteorological Project

109. The meteorological project is intended to enhance the development of meteorological activities and agro-meteorological

applications as a way of contributing to food security and natural resource management. It seeks also to strengthen national and sub-regional meteorological information dissemination and technical training capacities. The project which was estimated to cost US \$ 27 million, was submitted to the Abidjan donors meeting.

110. ADB and UNDP have expressed their intention in funding the meteorological project. Steps are being taken to confirm their continued interest. Other partners such as the "Caisse française de Développement" and the Islamic Development Bank have shown interest in aspects of training and telecommunications systems upgrade.

iii) Desertification Control Project

111. The desertification control programme is designed to facilitate the co-ordination of programmes at the national and sub-regional levels within the framework of the United Nations Convention on Desertification Control. ECOWAS and CILSS have been designated as project leaders for West Africa. The two institutions have prepared a joint work programme to serve as a guide to the preparation of the sub-regional plan of action (SPA).

112. National consultants were recruited by the Executive Secretariat to identify the components of the SPA. A report on the coastal countries (Benin, Côte d'Ivoire, Ghana, Guinea, Sierra Leone and Togo) has been prepared. An ECOWAS/CILSS summary report has been prepared for all the West African countries and will be considered at the sub-regional forum on the SPA scheduled to take place in Niamey from 21 to 24 July, 1997. A meeting of Ministers of the Environment of West African countries will be organised in November, 1997 to adopt the sub-regional plan of action which will serve as a framework for desertification control.

113. The Executive Secretariat attended conferences on the implementation of the Convention (meeting of focal points in Nouakchott from 18 to 21 November, 1996 and Pan-African Conference on the Convention held in Ouagadougou from 17 to 21 March, 1997).

iv) **Rural Water Supply programme**

114. The objective of the rural water supply programme is to provide water to rural dwellers and contribute to raising their living standard. In its first phase, the project focused on the implementation of water supply schemes in Senegal, Burkina Faso, Mali, Guinea, Niger. Using funds secured from various multilateral partners (Kuwaiti Fund, ADB, OPEC, Saudi Fund), the countries concerned have entered into funding agreements with these partners and the projects have taken off.

115. With regard to the countries which did not secure funding, ECOWAS undertook missions to update the projects for submission to donors. The Executive Secretariat and the ECOWAS Fund are working on a document for funding the schemes in Côte d'Ivoire, Ghana, Mauritania, Benin and Togo.

IX - TRANSPORT CO-OPERATION PROGRAMME

116. The ECOWAS Priority Transport Programme falls within the framework of regional physical integration and the development of regional trade.

117. The Executive Secretariat succeeded in implementing a number of the approved activities in its work programme in spite of the financial constraints.

i) **Improvement of inter-State Highways**

118. An enlightenment seminar on road management initiative was organised in Abidjan from 2 to 6 June, 1997 by the Executive

Secretariat in collaboration with the World Bank. It was attended by national road users and authorities responsible for road management.

119. The seminar underscored the importance of road management and maintenance financing. It was noted that despite the substantial amount of funds acquired for road construction, allocations for road maintenance have been low. Road users will now be charged specifically for road management on a commercial basis.

ii) Facilitation of Land Transport in the sub-region

120. The eighth meeting of the Higher Committee on Land Transport (HCLT) was held in Ouagadougou from 9 to 11 September, 1996. Emphasis was laid on the need for checkpoints to be kept to the barest minimum on the Community highways in order to facilitate movement of vehicles. Member States were urged to implement the ISRT Convention and to designate national bodies to guarantee inter-State road transit operations. The meeting was informed by the Directors of Railways of the activities carried out in the area of railways rehabilitation and interconnection in the sub-region.

121. The 14th meeting of the Brown Card Council of Bureaux took place in Abuja from 21 to 25 October, 1996. The Executive Secretariat attended the meeting.

iii) Improvement of Air Transport

122. The Executive Secretariat's activities are centred on three main areas: liberalisation of the sub-regional air space, civil aviation safety and rationalisation of air links in the sub-region.

123. The Executive Secretariat has prepared a draft multilateral agreement on the fifth freedom right as part of the implementa-

tion of the decision taken by the Authority of Heads of State and Government to create a single air space within the sub-region. The agreement, subjected to an in-depth study by experts, will be finalised and submitted to the Ministers of Civil Aviation next year.

124. With regard to civil aviation safety, ICAO has just adopted a new air navigation plan involving the acquisition of new equipment. The Executive Secretariat will assist in the search for funding for the equipment. The Executive Secretariat in collaboration with the relevant airlines, has set up an airline flight schedules harmonisation committee under the programme of rationalisation of air links. A meeting will be organised this year with the assistance of the sub-regional Air Transport sub-Committee to determine the organs of the committee.

iv) Maritime Transport

125. Since 1992, the Executive Secretariat has been involved in the harmonisation and sectoral liberalisation efforts initiated by the World Bank and MINCOMAR. A second meeting on shipping was held in Cotonou from 2 to 6 June, 1997. The meeting stressed the need to support the sub-regional approach and to promote sectoral liberalisation effort.

126. A meeting of private investors and economic operators is expected to be held at the end of this year to launch the sub-regional coastal shipping company project.

X - TELECOMMUNICATIONS PROGRAMME

127. The main aim of the ECOWAS Telecommunications Programme is to improve the interconnection of Member States through the provision of direct links and the development and streamlining of existing facilities.

i) **Second Community Telecommunications Priority Programme
(INTELCOM II)**

128. At their inaugural meeting held in Praia in June, 1996, ECOWAS Ministers for Telecommunications approved the Executive Secretariat's proposal that a new ECOWAS telecommunications priority programme dubbed INTELCOM II be launched. They mandated the Directors-General and the heads of telecommunications regulatory bodies to commission additional studies to set and quantify the convergence criteria of INTELCOM II to complete the project presented by the Executive Secretariat. The Working Group met in Lomé in February, 1997 to formulate and quantify the convergence criteria. The experts group meeting report was adopted at the second meeting of Directors-General and national officials of telecommunications regulatory bodies held in Lomé in March, 1997.

129. Furthermore, a seminar on a legal and regulatory framework for telecommunications in West Africa was organised by the Executive Secretariat in Freetown in January, 1997. The outcome of the seminar embodied in the Freetown Declaration was taken into account in the formulation and quantification of the convergence criteria.

130. At the request of the Cabo Verdean authorities, the second meeting of ECOWAS Ministers of Telecommunications initially scheduled for Praia in May, 1997 was postponed to June 1997. The INTELCOM II draft programme will be adopted at the meeting.

ii) **Lomé Regional Maintenance Centre (LRMC)**

131. The foundation stone of the LRMC building was laid in Lomé in October, 1996. The event was followed by a Steering Committee meeting at which the LRMC's main basic texts were distributed and discussed. The second steering Committee meeting took place in Lomé in March, 1997, and guidelines on the operation of the LRMC

as a commercial venture were adopted at that meeting. The centre is expected to commence activity in June, 1998.

iii) Co-ordination of Inter-State Links.

132. The co-ordination meetings of the two groups were held during the period under review. At both meetings bottlenecks on the inter-State links were identified. Issues relating to the routing plan, tariffs and joint maintenance were addressed and relevant recommendations made. The co-ordination meeting of Group II ECOWAS Member States was held in Cotonou in October, 1996. Recommendations on the rehabilitation and streamlining of the Abidjan-Accra-Ouagadougou links were made. The Group I co-ordination meeting held in Dakar in December, 1996 made recommendations for the rehabilitation of the Conakry-Freetown-Monrovia link.

XI - ENERGY CO-OPERATION PROGRAMME

133. In the energy sector, the Executive Secretariat is focusing attention on three main programmes. These are the West African gas pipeline project commencing from Nigeria to Ghana via Benin and Togo ; the master plan for energy production and conveyance and inter-connection of electricity grids in the sub-region, and the study to evaluate the renewable energy needs of Member States.

i) West African Gas Pipeline Project

134. The signing of the Protocol Co-operation Agreement in September, 1995 by the four beneficiary countries added fresh impetus to the project.

135. Two co-ordination meetings were organised by the Project Steering Committee composed of Ministers of Energy and Petroleum Resources of the four countries, in collaboration with the ECOWAS Executive Secretariat. The meetings, held in Lomé on 14

November, 1996 and 24 March, 1997, facilitated completion of some activities pertaining to the establishment of the West African Gas Company. The company will manage the project, mobilise funds, seek private sector participation and operate the gas pipeline.

136. In furtherance of this objective, the Steering Committee decided that each party should provide funds for the share capital and operation of the company. The share capital is fixed at US \$ 200,000 shared equally (US \$ 50,000 each) among the four Member States.

137. The modality for allocation of shares and the site for the corporate headquarters have not yet been determined.

ii) Master Plan for Energy Production/Conveyance and Inter-connection of Electricity Grids

138. Thanks to a UNDP grant, a preliminary study on hydroelectric resources development in the sub-region and electricity grids inter-connection was carried out by the ECA. The report will be presented at the next session of the technical commission which considers and adopts Community energy programmes.

iii) Evaluation of Renewable Energy Needs of Member States

139. The evaluation of energy equipment needs is completed. It involved the preparation of a 5-year national programme for each country and a regional programme spanning the same period and was designed to afford Member States an opportunity to maximise the cost/benefit of the economies of scale to be realised.

XII - HARMONISATION OF COMMERCIAL LAWS

140. The purpose of harmonising commercial laws in ECOWAS is to rationalise and improve the legal framework for enterprises thereby providing West African economic operators and investors

an environment within which trade can develop beyond national borders, attracting investors to the region and creating jobs.

141. The Committee of Eminent Persons, established by Council decision to harmonise commercial laws within ECOWAS, met in Lagos from 27 to 29 August, 1996. The Committee identified the areas requiring harmonisation. It was agreed that efforts would be made to consolidate the gains made by the Organisation for Harmonisation of Commercial Laws in Africa (OHADA) in this regard. The Committee of Eminent Persons proposed that the areas should be general commercial law, company law, liquidation procedures, guarantee operations, debt recovery procedures, measures for the execution of such procedures, labour law, accounting law, criminal law as it relates to business, industrial property rights and cross-border investment law. The meeting also came up with a work schedule and recommended that organs be set up to assist the committee in the execution of its assignments.

XIII - CULTURAL AND SOCIAL CO-OPERATION PROGRAMME

i) Creation of the first ECOWAS Club of Nigeria

142. ECOWAS Clubs are to be established in line with Recommendation A/REC.1/5/83 of the Heads of State and Government which calls for the involvement of the various sections of the population in the integration process.

143. Convinced that the ideals of integration for development will become a driving force only when they are accepted and felt by the civil society, ECOWAS wishes to launch a campaign with the co-operation of all NGOs to enlighten, inform and educate the various sections of the population on the need to support the integration process which promotes understanding and peace among the citizens, free movement of goods and persons and respect for the rights of citizens.

144. At the national level, the creation of ECOWAS Clubs is in response to the need to disseminate information on the Community and mobilise the various segments of the population to become effective partners in the integration process.

145. The first ECOWAS Club in Nigeria was inaugurated on 15 February 1997. The event was attended by several ambassadors and representatives of the Nigerian government.

ii) **The Pan-African Film Festival**

146. The fifteenth edition of FESPACO was held in Ouagadougou from 23 February to 1 March on the theme "Cinema and Childhood". On that occasion, ECOWAS donated a special prize for "African Integration", which was won by "WATTI", a film by Souleymane Cissé from Mali.

iii) **Meeting of the International Jury for the Award of the ECOWAS Prize for Excellence in African Pharmacopoeia**

147. As part of attempts to stimulate research and creativity, the Authority of Heads of State and Government decided (A/Decision.14/5/82) to establish an ECOWAS prize for research, meant to reward persons or institutions which have distinguished themselves in the areas of science, technology, and culture, and more particularly in agriculture, African pharmacopoeia, appropriate technologies, literature, and all other areas capable of enhancing the image of the Community.

148. The Council of Ministers adopted the regulations governing the award of the Prize for Excellence and approved a budget for the organisation of the competition. The International Jury for the Award of the ECOWAS Prize for Excellence met in Lagos from 24 to 27 1997. It recommended that the prize for African pharmacopoeia be awarded to two candidates: Dr. Mamadou LO from Senegal and Professor I.AKO OKHAMAFE from Nigeria. The

award will be presented to the winners by the Chairman of the Authority during the forthcoming summit meeting.

iv) **Conference of Ministers on Drug Control in West Africa**

149. The aim of the conference, held in Praia from 5 to 9 May 1997, was to give a decisive impetus to the strategy to combat drug abuse and illicit trafficking by reaffirming the determination of the authorities, through the Praia Declaration, to adopt a plan of action and to strengthen regional and international cooperation in this area.

150. Drug abuse and illicit trafficking in drugs constitute a real socio-economic problem whose rapid spread has become a cause for concern in West Africa. Conscious of the need to urgently take all necessary measures to contain the phenomenon or at least to limit its progression, the Ministers responsible for coordination of drug control in West Africa adopted a regional drug control strategy.

151. The ministerial conference also adopted a plan of action which constitutes a reference framework for sub-regional actions, emphasising both the mechanisms needed for its execution and the responsibilities of Member States, the ECOWAS Executive Secretariat, and the United Nations Drug Control Programme (UNDCP). Regional cooperation which is already quite active in this area should be intensified through concrete actions such as strengthening of structures for implementing policies and programmes, the adoption of harmonised laws, human resource development, exchange of expertise, the organisation of prisoner transfer between Member States.

XIV - INFORMATION PROGRAMME

152. The Executive Secretariat has continued to devote time and resources to the implementation of the information programmes designed to enhance the visibility and image of the Community.

In that connection, the following activities were carried out during the period under review:

- i) 12 journalists from 8 countries were selected to participate in the "Journalists in West Africa" programme. They will soon visit selected ECOWAS Member States to prepare features on the objectives and challenges of regional integration;
- ii) with regard to the "ECOWAS HOUR" programme, only 4 Member States produced radio programmes and submitted reports on the theme "African economic integration". The other countries have been contacted again to encourage them to participate in the programme.
- iii) concerning the ECOWAS anthem, the composer selected (out of 7 candidates) was requested to work in collaboration with an expert to improve the quality of the music. The complete anthem (music and lyrics) will be submitted to Council for approval;
- iv) with respect to the film documentary on ECOWAS, the film has been made, the interviews conducted and the script written. The texts are being translated, after which work will begin on the editing and post-production.

153. The Secretariat also continued with activities preparatory to the regional forum to be organised on the theme "Conflict Prevention and Resolution: the role of ECOWAS in the Liberian crisis". The organisation of the event is being hampered by lack of funds. The Secretariat is yet to receive a favourable response from the donors approached.

154. The Secretariat equally carried on with its work on the publication of the West African Bulletin and ECOWAS In Brief.

XV. MOBILISATION OF EXTERNAL ASSISTANCE

155. During the period under review, the Executive Secretariat resumed its cooperation with development partners. It embarked on a sustained drive to mobilise external funds to augment the resources of the Community. The actions taken are as follows.

i) Donors' Conference

156. A conference of donors for the agricultural development and environmental protection programme was held in Abidjan from 26 to 28 March 1997. The ECOWAS delegation to the meeting was headed by the Chairman of the Council of Ministers. The programmes concerned include the regional meteorological programme, the floating weeds control programme, and the integrated agricultural development information network for West Africa (see section on agricultural and environmental programmes). These programmes are estimated to cost a total of US \$ 88 225 164 out of which US \$ 62 211 597 is being sought from donors.

157. A coordination meeting of Member States was organised in Lome from 12 to 14 February 1997, preparatory to the conference. Awareness missions were also sent from 15 to 28 February 1997 to the main development partners whose assistance was being solicited in Europe and North America.

158. During the donors' conference held in Abidjan, the development partners recognised the importance of regional integration to development in West Africa and reaffirmed their commitment to support programmes presented by ECOWAS. The Executive Secretariat, in collaboration with the ECOWAS Fund, will intensify its efforts to consolidate relations between development partners and beneficiary countries with a view to mobilising the financial resources needed to implement the programmes.

ii) **Lome Convention**

159. A West African ministerial meeting to review the Lome Conventions and discuss the future of ACP-EU partnership was organised by Togo in Lome from 19 to 23 May 1997. The meeting stressed the fact that West Africa's future lies in regional integration and recommended that ECOWAS should be given the necessary political, financial and material support in order to enhance its institutional capacity and raise its credibility with the European Union and other development partners.

160. The Ministers adopted the "Declaration on the Future of ACP-EU Relations" which defines West Africa's position on the main issues that will be negotiated. This Declaration will be submitted to the forthcoming summit meeting of the ECOWAS Heads of State and Government to be held in Abuja.

161. The regional indicative programme under the 8th EDF was signed during the meeting of national authorising officers and the European Union held in Accra from 17 to 18 October 1996. The Executive Secretariat prepared a list of programmes to encourage intra-Community trade, which were to be financed from resources under this programme. These projects competitiveness were expected to increase intra-regional trade and enhance the competitiveness of local goods on regional and international markets.

iii) **Cooperation with the UNDP**

162. The regional segment of the Vth UNDP Programming Cycle for Africa emphasises the role of trade in regional integration and the need to strengthen regional organisations by supporting regional cooperation agreements and enhancing the capacity of regional communities to spearhead and strengthen regional integration. In order to be able to make use of the resources of the Vth cycle provided for that purpose, the ECOWAS Executive Secretariat has started discussions with the UNDP towards the

preparation of a regional programme. The draft document has been prepared. It includes measures to facilitate and promote intra-regional trade expansion, promote the private sector, and enhance the institutional capacity of ECOWAS.

iv) Cooperation with the IDB

163. The ECOWAS Executive Secretariat has intensified contacts with the Islamic Development Bank (IDB). A draft cooperation agreement is being discussed with the bank and will be submitted to the decision-making authorities of the Community for adoption before signature. The IDB has also confirmed its interest to participate in the financing of two out of the three projects submitted to the conference of donors held in Abidjan.

v) Cooperation with Bretton Wood Institutions

164. The Executive Secretariat participated in the annual meetings of the IMF and the World Bank held in Washington DC in October 1996. The constructive discussions held with the new Vice President of the World Bank in charge of Africa marked a turning point in the cooperation between ECOWAS and the Bank. As a follow-up to those discussions, the Bank undertook two missions in February 1997 which defined a framework for cooperation between the two institutions centering essentially around the development of trade. In this respect, the Bank has agreed to provide technical assistance towards the realisation of a study on the ECOWAS common external tariff. The IMF, for its part, has agreed to make relevant information and data on Member States available to the Secretariat on a regular basis. It also promised to include in its reports on ECOWAS Member States the decisions of Council and the Authority on the elimination of non-tariff barriers of monetary nature relating to trade liberalisation, trade and payments. This will facilitate coordination and monitoring of these actions by ECOWAS and the IMF.

vi) **Cooperation with the OAU**

165. In order to strengthen the resource mobilisation policy and enhance the Secretariat's capacity to formulate, monitor and execute programmes, a training workshop was organised in Abuja in April 1997 with the financial and technical assistance of OAU/OASU for ECOWAS officials.

XVI - ADMINISTRATION AND FINANCIAL ISSUES

i) **Appointments**

166. The following appointments were made with Council approval:

a)	Director of Information	D1
b)	Senior Officer, Trade	P4
c)	Senior Officer, Telecommunications	P4
d)	Assistant Auditor	P3

ii) **Retirements**

167. During the review period, six staff proceeded on retirement, having attained the statutory retirement age of 55 years. (3 professional and 3 auxiliary staff).

168. One auxiliary staff member was dismissed and five others in the same category died.

169. Council's decision to freeze all appointments has prevented the Secretariat from filling vacant posts, even though the institution is chronically understaffed. This undermines the ability of the Secretariat to function effectively. The Department of Information, for instance, comprises only the Director; the Department of Audit has only one professional staff and the Department of Immigration has no senior officer. Most

divisions and sections under Economic Affairs operate with only one professional staff.

170. The Secretariat has been authorised to appoint officers to act in various capacities and to recruit consultants. This is expected to allow the institutions to function effectively, pending the time the decision freezing appointments is lifted.

iii) Review of Staff Regulations

171. A meeting of ECOWAS legal experts was held in Lome in March 1997 to examine the draft of new Staff Regulations which, when finalised will be presented for consideration to the Administration and Finance Commission. Unfortunately, it was not possible for the meeting to consider all the items on its agenda, it was recommended that the draft document be submitted for consideration at a later meeting of legal experts.

vi) Job Evaluation

172. In response to a Council directive, an ECA team visited the Secretariat in April 1997 to commence the study on job evaluation. In this regard, staff members were asked to complete questionnaires which will be processed by the Consultants. The Consultants' report is still being expected.

v) Movement to Abuja

173. The Secretariat headquarters in Abuja was commissioned in July 1991. The Secretariat however continues to operate from Lagos under extremely difficult conditions owing to lack of staff residential quarters:

174. Council had issued directives in November 1996 to the effect that the Secretariat should negotiate and sign a loan agreement for construction of staff quarters. The Secretariat has forwarded a draft agreement to the Nigerian Ministry of

Planning and construction work is expected to commence once the agreement has been signed and various other issues relating to the land allocation and the site have been settled. The Secretariat has also contacted the Ministry of Planning in connection with the provision of houses for the statutory appointees by the host country as stipulated in the Headquarters Agreement.

vi) Financial resources of the Secretariat

175. The Executive Secretariat is owed vast amounts of money in contribution arrears², including for the current year; in total UA 30,810,948 or US\$45,545,389. This poor financial situation gravely undermines the credibility of the institution and hampers its operation. At present, the Secretariat experiences great difficulty in meeting its contractual obligations (salaries and suppliers) and in implementing its Community programmes.

176. At every statutory meeting, the need is underscored for Member States to pay their contributions in order to enable the Secretariat execute its approved programmes. Due recognition must be given here to Benin, Côte d'Ivoire, Mali and Nigeria for their timely payment of their contributions.

177. Three years after the Authority took a decision concerning the rescheduling of arrears, several Member States are yet to sign such agreements with the institutions. Burkina Faso, Cabo Verde, Côte d'Ivoire, Ghana, Mali, Niger, Senegal and Togo have all signed payment schedules with the Secretariat. Nevertheless, a number of countries which have concluded such agreements have failed to make the necessary payments. Some others have paid amounts which cannot cover both their contributions for the current year and the amounts due towards settlement of their arrears. Liberia has requested a repayment schedule in

² AS AT 19TH MAY 1997

excess of the maximum period of five years approved by the Authority.

178. In July 1996, the Authority adopted the Protocol on the Community Levy (0.05 on imports from third countries) as a means of providing an internal source of funds. The protocol was expected to have been ratified by 31 December 1996, with its entry into force scheduled for 1 January 1997. To date, no Member State has ratified this protocol.

179. An immediate solution must be found to the financial gridlock in which the Secretariat now finds itself. Member States must honour their financial commitments by paying their financial contributions regularly. It is therefore imperative to give speedy and effective implementation to the protocol on the community levy.

XVII - ECOWAS FUND

180. The years 1996 and 1997 continued to be devoted to the stabilisation of the Fund as well as its restructuring exercise. Efforts were however made in 1997 to step up the activities of the Fund through project identification and appraisal missions to some Member States.

181. The 1996 and 1997 work programmes of the Fund are categorised into four principal sections namely:

- operational activities
- official and operational missions
- restructuring of the Fund
- Fund's headquarters building

i) Operational activities

182. The level of activities of the Fund improved slightly during the first half of 1997. Identification missions to two Member

States namely The Gambia and Cabo Verde were executed. The Fund also participated in two donors' meetings organised by Togo and Benin.

183. With regard to project appraisal, the Borgou livestock project in Benin Republic was appraised and the negotiation of its loan agreement almost concluded. The Natitingou-Porga road also in Benin Republic is expected to be appraised before the end of the year.

184. Concerning project monitoring and supervision, missions were undertaken to the Famoila Cattle Breeding Stock in Guinea and the Madina Diassa Livestock in Mali. Commencement missions are expected to be undertaken before the end of the year with respect to the Daoukro Agricultural Development Project in Côte d'Ivoire and the Borgou Livestock Development Project in Benin. Once the on-going restructuring exercise in the Kaduna Super-phosphate Project in Nigeria is concluded, a monitoring end-of-project mission will be undertaken to Kaduna to ensure the completion of the project.

ii) Official and Operational Missions

185. A number of joint missions were undertaken by the heads of ECOWAS Fund and the Executive Secretariat in an effort to recover arrears of contributions. Countries visited included The Gambia, Sierra Leone, Cabo Verde, Niger, Senegal and Liberia. The outcome of the joint missions, to say the least, were not encouraging.

186. The joint missions notwithstanding, the Fund continues to pursue procedures for loans recovery which involve early dispatch of letters to Member States concerned demanding repayments, followed by regular reminders.

187. The Fund, so far, has reached rescheduling arrangements with five (5) Member States: Côte d'Ivoire, Ghana, Mali, Niger and

Togo. And under these arrangements, payments had been received from all the countries concerned except Niger.

188. The Fund's liquid resources improved considerably from UA 5,756,844 on 31 December 1996 to UA 8,971,207 on March 31, 1997, an increase of 56%. Nevertheless, the level of the Fund's working capital remains inadequate, especially if looked against the substantial amount of arrears owed by Member States and also payments that will have to be made in the second quarter to service the various lines of credit contracted between the Fund and institutions such as African Development Bank (ADB) and the European Development Bank (EIB).

iii) Restructuring of the Fund

189. It should be underscored that since the decision was taken ten (10) years ago by the Community Decision-making bodies to enhance the financial resources of the Fund, the project had not made much progress.

190. At its Fortieth session held in Lome, Togo, on 21 and 22 November, 1996, the Council of Ministers, for a second time, postponed the consideration of the Report of the Ad Hoc Ministerial Committee on the Enhancement of the Financial resources of the Fund until its next session because of its concern about a number of issues which were raised. The Management of the Fund has provided the clarifications on some issues raised by the Member States on the restructuring study.

191. Actions which have already received the approval of the decision-makers are presently being implemented. With regard to the computerisation of all activities at the Fund, the Treasury, Audit, Finance and Administration departments are now computerised and their developed softwares are in use. The computer hardwares needed by the Secretaries have been completely supplied. The computer needs of the remaining professional staff are now been addressed.

192: Concerning the loan on Abuja headquarters building, a draft loan agreement has been prepared by the Fund and sent to the Secretariat for their reaction.

iv) **Fund's Headquarters Building**

193. On the issue of the completion of the Fund's Headquarters, a contract agreement has been signed with the building contractor and work is now in progress.

XVIII - REGIONAL PEACE AND SECURITY

i) **Liberian Crisis**

194. After seven long years of untold hardships, loss of lives and property, fear, threat to peace for the entire sub-region, refugees and displaced persons, countless hours of meetings and negotiations, huge expenditure, ECOWAS has achieved what most people thought was impossible.

195. This happily will be my last report on this sad situation. Future reports on Liberia will definitely be on a happy and progressive note. The implementation of the Abuja Accord has continued to its conclusion. By May 1997, 13 out of the 14 items of the Revised Schedule of the Abuja Agreement had been successfully implemented. The cease-fire was maintained. Factions were disengaged from their various positions and checkpoints, where they were replaced by ECOMOG troops. The vexed issue of disarmament was successfully carried out. All warring factions were dissolved and Members of the Council and other public office holders wishing to contest the elections resigned their appointments. ECOMOG, having received additional troops, deployed all over the country.

196. During their meeting in Monrovia in February, 1997, the Ministers of Foreign Affairs of the Committee of Nine on Liberia

that would command respect within and outside Liberia. On their recommendations, an Independent Elections Commission (IECOM) comprising ten (10) members was inducted into office on 2nd April 1997. Seven (7) of the Commission members were Liberians comprising three (3) appointees of the warring factions and four others (4) chosen from representatives of the civil society (the labour unions, political parties, women organisations and youth organisations). The remaining three (3) members who had no voting rights, were representatives of ECOWAS, OAU and the UN.

197. Also put in place was a restructured Supreme Court that could credibly adjudicate any elections petitions and cases.

198. Several meetings were held between IECOM, the Council of State and the ECOWAS ministerial assessment team headed by Chief Tom Ikimi, Minister of Foreign Affairs of Nigeria. Consultations were also held with all thirteen (13) registered political parties. All these initiatives led to the approval of an electoral package by the ECOWAS Heads of State and Government in Abuja in May 1997. The electoral package contained a special elections law, an elections budget and a code of conduct for the contending political parties.

199. An elections law adopted specifically for the 1997 Special Elections was promulgated, since neither the 1980 Liberian Constitution nor the 1986 Elections law was operable in the circumstances. Considering the dislocation of people, the County Constituency model was modified to a single constituency for the three different elective bodies, the Presidency, Senate and House of Representatives. All officers elected were representatives of the whole nation. In short, the system of proportional representation, as proposed by the United Nations was adopted.

200. A total budget of \$4.7 million was approved for the elections. As at May 1997, nothing has been received from the pledges made by the international community. ECOWAS, once again, rose up to the challenge and levied each of its Member States a

minimum sum of \$100 000. The Taiwanese Government donated \$1 million while the Liberian government gave \$500 000. Donations in kind were also made by Member States.

201. IECOM established a 56 day work plan, beginning on May 29, 1997 with civil and voter education programme. Logistics, financial and administrative problems constrained the smooth take-off of the registration exercise. A number of irregularities were highlighted during the voter registration exercise, but they were considered not pervasive enough to detract from the credibility of the exercise. At the end of that exercise, over 700 000 Liberians were registered for the elections.

202. The final item on the schedule of implementation of the Abuja Agreement was carried out on 19 July 1996. When Liberians came out in their thousands to vote for their future. A total of thirteen (13) political parties contested. Hundreds of national and international observers as well as the press observed the process. By the end of that day, a total of 621 880 people had voted in all 13 counties of the State. The National Patriotic Party (NPP) of Mr Charles Taylor emerged the clear winner, having scored 75.3% of total votes cast. The new and temporal system of proportional representation used for the elections guaranteed that eligible contending parties got seats in the legislature.

203. Accordingly, for the Senate, the National Patriotic Party, the Unity Party (UP) and the All Liberian Coalition Party (ALCOP) secured 21, 3 and 2 seats respectively. The 64 seats in the House of Representatives were shared between the NPP, UP, ALCOP, APP, UPP and LPP, which won 49, 7, 3, 2, 2 and 1 seats respectively.

204. International observers, including about a hundred-man ECOWAS team have all applauded the conduct and outcome of the elections which all agree were free, fair and transparent. ECOMOG personnel, as usual, lived up to expectations by providing the desired security at all voting centers and ensuring a peaceful and orderly conduct of the exercise. The report of the

ECOWAS Observer team is before you. The team made concrete and forward-looking proposals which I strongly urge you to consider and approve.

205. Democratisation is a world-wide phenomenon. Elections form an important aspect of that process and I believe that ECOWAS should, as usual, set the pace and articulate appropriate modalities that would guarantee the conduct of free, fair and transparent elections in each of our Member states. This would further ensure the peace and security of our sub-region. The Liberian elections, though peculiar, have some very good lessons and examples for us: for instance the newly introduced system of proportional representation to ensure an all inclusive government, the need to have adequate security to guarantee peaceful, orderly and transparent elections etc.

206. The war in Liberia is over. The difficult process of reconciliation and development has begun. ECOWAS will not only continue to follow-up on developments in Liberia, but will also actively collaborate with the Government to consolidate the peace and to help in the reconstruction of its dilapidated environment and the rehabilitation of its traumatised people.

207. Liberia urgently needs the assistance of the international community in this regard.

ii) **Sierra Leone crisis**

208. At the precise moment when the peace process in Liberia was about to culminate in the holding of free and fair elections after seven years of civil war, democracy was brought to a sudden and brutal end in neighbouring Sierra Leone. On 15 May 1997, a military junta led by Major Johnny Paul Koroma, citing a host of flimsy reasons, overthrew the constitutionally-elected government of President Ahmed Tejan Kabbah who was elected to power in February 1996.

209. The coup plotters in Sierra Leone immediately embarked on a course of senseless killings, violence and looting of government property. Property belonging to the Central Bank and to international organisations were also looted, as were those belonging to both Sierra Leonean citizens and foreign nationals, provoking a mass exodus of refugees to neighbouring countries.

210. The coup attracted strong condemnation from the OAU at its meeting held in Harare from 2 to 4 June 1997 and prompted an urgent meeting of ECOWAS Foreign Affairs Ministers in Conakry, Republic of Guinea on 26 June 1997.

211. The ministers strongly condemned the coup d'etat and identified the objectives which ECOWAS should pursue with regard to the situation in Sierra Leone as the following:

- * the immediate reinstatement of the legitimate government of President Ahmed Tejan Kabbah;
- * the restoration of peace and security to Sierra Leone;
- * the resolution of the issue of refugees and displaced persons.

212. The Foreign Affairs ministers reaffirmed the decision taken in Harare by OAU Heads of State and Government at their thirty-third summit and reiterated ECOWAS support for the peace accord signed in Abidjan on 30 November 1996 between the Sierra Leonean government and the RUF

213. To give effect to these measures, the Foreign Affairs ministers recommended a combination of three measures: dialogue, application of sanctions, including an embargo and the use of force.

214. The ministers then set up a committee comprising Nigeria, Guinea, Cote d'Ivoire and Ghana and representatives of the Secretariats of ECOWAS and the OAU to oversee implementation of their directives. This committee thereafter briefed the

President of the Republic of Guinea which had hosted their meeting, as well as the ECOWAS Chairman.

215. The committee on 11 July 1997, met with members of the United Nations Security Council in New York , following which the chairman of that body issued Declaration S/PRST/1997/3E stating that:

- * the Security Council is deeply concerned at the continued crisis in Sierra Leone and its negative effects on the civilian population, particularly on refugees and displaced persons within the country; and at the atrocities committed against Sierra Leonean citizens, foreign nationals and ECOMOG personnel;
- * the Security Council reaffirms its stand that the attempted overthrow of the democratically-elected government of President Ahmed Tejan Kabbah is unacceptable and calls for the immediate and unconditional restoration of constitutional order to the country;
- * the Security Council commended the mediation efforts being made by ECOWAS and fully supports ECOWAS objectives as expressed in the Final Communique of the June 26, 1997 meeting of ECOWAS Foreign Affairs Ministers;
- * the Security Council appeals to those who have seized power in Sierra Leone to cooperate fully by ensuring that constitutional order is returned to that country immediately;
- * the Security Council shall continue to monitor closely progress being made towards a peaceful resolution of the crisis and remains ready to consider taking appropriate measures if constitutional order is not restored in Sierra Leone immediately.

216. The coup has also been condemned by the Commonwealth and the European Union and both organisations have called on the coup plotters to reinstate the democratically-elected president.

217. On July 17 and 18 1997, the committee set up in Conakry held a meeting in Abidjan with representatives of Major Johnny Paul Koroma as part of efforts to find a peaceful solution to the problem through dialogue. The meeting was an attempt to work out with the Sierra Leonean delegation, ways and means of attaining the ECOWAS objectives which had received wide support from the international community. The Foreign Affairs ministers members of the committee and the representatives of the ECOWAS and OAU Secretariats stated the content of their mandate in the matter as contained in the Final Communiqué issued by ECOWAS Foreign Ministers on 26 June 1997. At the end of the Abidjan meeting, it was agreed as follows:

- i) all issues pertaining to the crisis in Sierra Leone would be settled peacefully, in the interest of the Sierra Leonean people, the sub-region, Africa and the international community as a whole;
- ii) all hostilities would cease and a ceasefire would be observed throughout the territory of Sierra Leone while attempts were made to find a peaceful settlement to the crisis;
- iii) efforts would continue towards the restoration of constitutional order, consistent with ECOWAS objectives;
- iv) the Sierra Leonean delegation would be given time to return home for consultations with the regime in Freetown on modalities for returning constitutional order to the country, details of which would be presented to the ministerial committee at a second meeting in Abidjan.

218. This second meeting with representatives of Major Koroma which took place in Abidjan on 29 and 30 July 1997 ended without a substantive outcome for the following reasons:

(i) the committee found the proposals submitted by the delegation totally unacceptable and incomplete. Contradiction with regard to the issues agreed upon at the first meeting, notably the reinstatement of President Ahmed Teja Kabbah.

(ii) while negotiations were still under way in Abidjan, the illegal regime in Freetown announced to the international community that it was suspending the Constitution and that the regime intended to remain in power until the year 2001.

219. The population of Sierra Leone who, for the most part, have no regard for Major Koroma's men are doing everything possible to dislodge the coup plotters. They have adopted a policy of civil disobedience and armed resistance to the illegal regime.

220. In order to bring these men to reason, ECOWAS must take every necessary step to apply the other measures set out in the Final Communique of the Conakry meeting of Foreign Ministers held on 26 June 1997, and which has been endorsed by the United Nations Security Council.

221. Member States must be unwavering and must present a common front in the application of these measures as this is the only way of ensuring realisation of ECOWAS objectives in this matter.

**CONDITIONS FOR EFFECTIVE IMPLEMENTATION
OF ECOWAS PROGRAMMES**

222. Since the inception of ECOWAS, the regional organisation has undertaken vigorous measures which have culminated in several programmes and studies. A number of technical meetings have been organised for the preparation of development strategies and to evaluate and monitor execution of programmes. Member States have been urged on several occasions to implement the many community decisions and to honour their financial obligations to the Institutions. However, appraisal of the execution of ECOWAS programmes is not an end in itself but a vehicle for economic integration. The goal of economic integration will be achieved only when the economies of scale expected to accompany the integrated single regional market will have brought about higher production and trade growth rates, job creation, a better economic and social situation and a higher living standard.

223. A close study of factors impeding economic integration in ECOWAS reveals the need to put in place conditions which will encourage the elimination or, at the very least, the progressive removal of the various obstacles to the integration of West African economies.

224. There is a broad consensus of opinion as regards measures which will need to be instituted to consolidate regional integration in West Africa. Amongst the most important in terms of constituting a catalyst to economic integration are:

- i) internal political stability in the countries
- ii) strengthening of national economic management
- iii) concrete manifestation of the commitment of Member States to regional integration

i) **Internal Stability as a Prerequisite**

225. Domestic stability, (political and economic) is a precondition for the sustainable economic development needed to buttress the regional integration process. Recent happenings in the region, such as the civil war in Liberia and the military coup in Sierra Leone have dealt a serious blow to political and economic stability in the region. In such situations, the ethnic and social fabric is weakened, economic growth is adversely affected in adjoining countries which may become destabilised as a result of a massive influx of refugees. Similarly, painful political transition processes in certain Member States affect economic growth in the region as a whole, dimming the prospects for regional integration. West African governments must strive to satisfy the pressing needs of their populations and enhance the realisation of their aspirations toward prosperity.

226. Proper handling of public affairs in Member States is not only indispensable for sound economic management, state security and stability but it also plays a pivotal role in ensuring legitimacy of power. Good governance necessarily entails transparency and the primacy of law and order.

227. The democratic process requires a long period to mature and take hold; the beneficial effects can be felt only in the long term. For this reason, every effort must be made to provide a conducive environment within which the democratic process can develop, otherwise it will remain an elusive goal. What is needed is not democracy in name only, administered by weak or unstable institutions with little regard for the rights of minorities. Economic progress and regional integration are

feasible only within a peaceful climate and must involve all sections of the society. The democratic movement taking place in Member States should be strengthened through constructive dialogue between the authorities and the various pressure groups.

ii) Strengthening of national economic management

228. Effective economic management presupposes the existence of an environment characterised by strong growth and economic buoyancy. Economic growth is thus a crucial factor for strengthening regional integration. By way of example, the countries of South East Asia with an average economic growth rate of 7% carry out 51% of their trade within a formal regional framework of liberalised trade. The outlook for regional integration within the ECOWAS context will depend largely on the development efforts of Member States. This will necessarily entail a strengthening of economic management in Member States.

229. With respect to macroeconomic reforms, Member States must improve budget management by reducing domestic deficits, curbing domestic inflation and stabilising their currency exchange rates. Macroeconomic policy reforms alone are inadequate and must therefore be buttressed by a range of sectoral policies.

230. ECOWAS countries need to seek to develop their human resources by investing in the education and health sectors, increasing availability of jobs and by ensuring that social concerns are taken into account when drawing up economic reforms.

231. In the agricultural sector, utmost priority should be given to ensuring food security, introducing agrarian reform and to diversifying crops.

232. It is impossible to stimulate supply even in a stable macroeconomic environment devoid of distortions, without excellent properly-maintained infrastructures. Member States must therefore focus greater attention on the transport,

communications and energy sectors. They also need to improve the quality of public investment, by basing investment choices on solid sectoral analyses.

233. As regards promotion of the private sector, even though the sector faces major obstacles to its expansion, the buoyant informal sector gives cause for optimism, provided that adequate policies such as the macroeconomic reforms, sectoral policies and investment programmes earlier mentioned are implemented.

234. Capacity building in all ECOWAS States in both the public and private sectors is equally of vital importance for development in the region. ECOWAS countries must develop the internal capacity for analysing their problems, formulating and executing relevant policies and designing and implementing structural and sectoral reforms.

iii) Concrete manifestation of political commitment of Member States to integration

235. More than ever before, the realisation of ECOWAS objectives has proved to be contingent on Member States' resolve to relinquish sovereignty in favour of community executive organs in those areas where efficient results could better be attained through collective action than through individual national efforts. These were the principles underlying the review of the original ECOWAS Treaty and the adoption of the revised Treaty by the Heads of State and Government at their sixteenth session in Cotonou in July 1993.

236. It is equally important for Member States to be involved in the activities of the Community. The primary role of the Executive secretariat is to formulate cooperation programmes for implementation by Member States. Each Member State must demonstrate its commitment to the attainment of Community goals first and foremost by attending technical meetings where intergration programmes are discussed. The frequent lack of

quorum at ECOWAS meetings is a major setback and a source of great concern. If this state of affairs continues, there is the risk that the Community may grind to a halt.

237. Member States should demonstrate their political will by establishing appropriate structures and placing them at a high level in the political hierarchy to enable them play their role as inter-ministerial co-ordinator of all regional integration activities. Major differences in such institutional arrangements can be observed from one Member State to the other. While some Member States have set up ministries for regional integration, others are still at the ECOWAS Unit level under the immediate control of a Director or even a Deputy Director. Some structures have adequate resources, while others lack the necessary budgetary allocation to enable them participate in ECOWAS meetings and other activities. Some units are attached to ministries whose goals could run counter to the regional integration objectives (increased budget revenue and trade liberalisation). Special attention should be paid by Member States to the issue of setting up national structures for the co-ordination of regional integration activities.

238. Member States should equally demonstrate their political will by according primacy to integration issues in programmes adopted in their bilateral relations. Member States which have acquired a higher level of awareness of the importance of regional integration should assist the others to attain the same level of awareness and hold bilateral talks with them on the implementation of Community decisions and protocols. To this end, efforts should be made by certain Member States to forge a bilateral framework with individual countries, to ensure the creation of appropriate national co-ordination units and implementation of the protocols on free movement of persons and services, and the liberalisation scheme.

239. It is not enough to ask Member States to demonstrate political will. The regional institutions should continue to

explore avenues for stimulating the necessary political will for regional co-operation and integration. The factors that influence the development of the will to implement the ECOWAS integration programmes include, the ability of the regional organisation to meet the political and economic aspirations of Member States, and the benefits that Member States can derive from integration.

240. Furthermore, it should be acknowledged that this political will is contingent on Member States' perception of the ability of the Executive Secretariat to assume effectively the role assigned to it. This latter condition requires that it be given adequate financial and human resources and carry out the necessary reforms.

241. Member States might show political commitment to the regional integration process more effectively if the following actions were undertaken:

- a) Involvement of the population in the integration process (grass roots support)

242. The attainment of ECOWAS objectives and the manifestation of political commitment of Member States demand support for the regional integration programmes at the grassroots level. Hence, the need to create professional associations and involve them in the integration process. The Chambers of Commerce in Member States and the private sector in general have a crucial role to play in this regard. Considerable benefits could accrue to the private sector from successful market integration, which can be achieved through such measures as the lifting of numerous tariff and non-tariff barriers, payment facilities, investment opportunities and encouraging the achievement of economies of scale. The growing partnership between the ECOWAS Secretariat and the private sector, particularly the West Africa Enterprise Network (WAEN) could lead to much progress in this area.

243. Integration should not be the preoccupation of governments, public authorities or the ECOWAS Institutions alone; it should involve economic operators in Member States. As long as the integration process remains mired in bureaucracy, to the exclusion of a populace skeptical of its usefulness, the process is doomed to failure.

b) Formulation of pragmatic regional programmes

244. Another determinant factor for the success of ECOWAS programmes and the manifestation of political will by Member States is the ability of the Institutions to foster development in the region. This basic principle underlines the need to formulate regional projects which are coherent, realistic and pragmatic. It is therefore vital to draw up programmes which bring to the fore the benefits of collective action.

245. For this reason, the Executive Secretariat is seeking to make the Community impact more positively on the economies of Member States by reviewing its activities, by targeting more realisable objectives whose effectiveness are more easily discernible. To this end, a three-pronged³ mechanism has been adopted, comprising:

- i) a macroeconomic co-operation programme;
- ii) sectoral development programme;
- iii) programme of assistance to regional integration.

246. The Community programmes have been rationalised and improved upon to make them more consistent with national priorities and to facilitate their implementation.

247. The continuation of ECOWAS activities and strengthening of the regional integration process in West Africa are governed by two basic issues, namely, payment of contributions to the budgets

³ FOR MORE DETAILS, REFER TO THE NOVEMBER INTERIM REPORT

of the Institutions and improvement of the operational procedures of ECOWAS Institutions.

248. The poor financial position of the Community Institutions has contributed greatly to the lacklustre performance of ECOWAS in the area of integration. Member States should honour their financial commitments to ensure the functioning of the Community and to enhance the credibility of the regional organisation. If the current parlous financial position of the Secretariat continues, the future of the Community will, without question, be jeopardised.

249. The prompt ratification and implementation of the protocol on the Community Levy is therefore an imperative, since it will provide the Community with autonomous funds for financing its regional integration programmes.

250. Moreover, the achievement of the regional integration objectives will depend to a large extent on the improvement of the operational procedures of the institutions as a way of strengthening organisational capacity and productivity.

251. At present, the Executive Secretariat is seriously short-staffed on account of the decision taken by the Council of Ministers to freeze appointment. A number of Divisions have been adversely affected. Some do not have any officer to monitor the activities of the Community. Such a situation is prejudicial to the effective operation of ECOWAS and should therefore be reviewed to enable the Institutions to fill the vacant posts. Furthermore, it is necessary that a conducive environment be created to motivate staff. To this end, the quota system currently in force in the Institutions should also be reviewed to make it possible for deserving officers to enjoy brighter career prospects.

252. In conclusion, many other actions could also be essential to the strengthening of the regional integration process.

However, the actions outlined above could constitute a minimum agenda to create better avenues for the integration of the West African economies.

C O N C L U S I O N

253. Regional integration faces many challenges in West Africa. ECOWAS states must carry out, simultaneously and successfully, the political and economic transformation necessary for the regional integration process and for the inclusion of the sub-region in the world economy.

254. Steady growth is particularly difficult to accomplish within the current political and economic context of ECOWAS countries. Political transition is going on in Member States. This is a positive development but such fledgling democracies remain fragile because the process is reversible as shown by the recent military coup d'état in Sierra Leone. In many countries, the transition is taking place in an environment where the democratic institutions are yet to gain a firm foothold. Consequently, the state should evolve in a way capable of strengthening the responsibility of governments, curtail corruption, fight ethnocentrism and continue its march towards democracy built around a consensus.

255. Any economic strategy adopted in West Africa must be based on laws which promote political stability and security of private enterprise. A state which cannot fulfil both of these fundamental tasks will lack credibility. The establishment of a strong constitutional state and introduction of a market economy will always be a priority in the quest for a strong economy.

256. In West Africa, economic integration has turned out to be a slow process. Despite the laudable headway in respect of free movement of persons and road infrastructure, the level of intra-regional trade remains insignificant (about 10% of total trade), trade liberalisation and the implementation of SAPs within ECOWAS notwithstanding.

257. Member States have attempted, at several statutory meetings, to identify the root causes of this and advance proposals for strengthening regional integration. The process itself constantly stalls upon a series of obstacles which are essentially economic in nature (structural, infrastructural, financial constraints). Other causative factors are lack of political will, the excessive number of IGOs and inadequate involvement of Member States.

258. Overall, the many problems identified point to the fact that Member States accord very little importance to regional integration. This is amply demonstrated by the alarming level of arrears of contribution to the Executive Secretariat, the manifest lack of interest in and non-attendance at ECOWAS meetings. Most glaring of all is the fact that Member States belong to several organisations with parallel objectives.

259. Unless Member States come together to form the ECOWAS regional market which is much larger than those offered by their own individual states, they will be marginalised. Economic and cooperation integration become an imperative in the current globalisation of the international economy. Member States should pursue their efforts for regional integration in concrete terms by honouring their financial obligations towards the Institutions and implementing the numerous programmes of the Community.

260. Member States must be closely involved and should participate actively in the programmes of the Community. The main duty of the Executive Secretariat is to formulate cooperation programmes. It is incumbent upon Member States to apply such programmes and the level of commitment of each state can be inferred from its attendance at technical meetings where integration programmes are discussed. Lack of quorum at ECOWAS meetings poses a serious handicap and is grave cause for concern. If it continues, the Community is likely grind to a halt.

261. ECOWAS can continue to function and contribute effectively to economic recovery of its Member countries only if States take concrete measures to promote regional integration and show unwavering commitment to the pursuit of this objective.

262. By acting together to support the ECOMOG initiative to seek a lasting solution to the Liberian conflict, Member States manifested their commitment to building a common future for West Africa. They have been unanimous in their condemnation of the coup d'état in Sierra Leone and the call for the restoration of constitutional order in that country is also proof of the firm determination of Member States to usher in democratic order in West Africa. These elements taken in conjunction may serve too for a fresh wave of support for the regional integration process in West Africa.

263. We must not fail to salute the memory of all sons and daughters from the sub-region, particularly ECOMOG troops who sacrificed their lives to bring peace and security to Liberia and to restore constitutional order in Sierra Leone. Member States must consolidate their unity in order that ECOWAS may survive and in order that these lives lost may not have been sacrificed in vain.