

COMISSÃO DA CEDEAO



ECOWAS COMMISSION

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## **NOTE OF PRESENTATION**

**ON THE**

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## **ECOWAS INTERIM REPORT 2007**

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**BY**

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PRESIDENT, ECOWAS COMMISSION**

ECOWAS Commission  
Abuja, June 2007

**Honourable Chairman of Council,  
Honourable Members of Council,  
Colleagues Heads of Institutions,  
Colleagues Commissioners,**

**Ladies and Gentlemen,**

**It is my pleasure to welcome Honourable Ministers and their delegations to Ouagadougou, and to the 58<sup>th</sup> session of the Council of Ministers. Your active participation in all ECOWAS events is a manifestation of your interest in the regional integration project of the Community. We are indeed grateful to you for your personal sacrifices made to ensure that the vision of the founding fathers of the Community over three decades ago is not only realized but sustained. Let me also thank you for your active participation in the retreat of last weekend. Your frank, objective and constructive deliberations are highly commendable.**

### **Performance of the West African Economy**

**Honourable Ministers,**

**The world economy recorded a robust growth rate of 5.4 percent in 2006, which was the fourth consecutive year of strong global economic activity. Indeed, a four-year growth span like this had not been experienced since the early 1970s. The impressive growth was experienced in spite of the growing dangers posed by the economic downturn in the United States, soaring oil prices, rising inflationary pressure, rising short-term interest rates and a bout of financial market volatility.**

**Based on a north-south dichotomy, growth in developing economies surpassed the growth of the advanced economies, with aggregate GDP rising by 7.9 percent for 2006 compared to 3.1 percent for the advanced economies for the year. The strong performance of the developing countries in recent years has been due to the increasing economic weight of developing countries in the international economy, notably the emergence of China, India and Brazil.**

**An analysis of the performance of the African economy shows its robustness despite a decline from 5.6 percent in 2005 to 5.5 percent in 2006. The West African economic position in 2006 and in the first quarter of 2007 reflected a robust situation as in the previous years. In 2006, the real GDP was estimated at \$105 billion. Using a harmonized framework for computing ECOWAS GDP, the West African region experienced a growth rate of 6.1 percent in 2006 compared to 5.5 percent in 2005. The growth rate of the regional economy, though high, is still below the minimum economic growth rate of 7 percent required for the achievement of the Millennium Development Goals.**

**The high growth rate was as a result of improved macroeconomic management in many countries, and increased demand for key export commodities of the Community resulting in high export prices especially for crude oil, metals and minerals. The growth in the Community's exports, mainly primary commodities, to China and India in the last few years is largely driven by large unmet domestic demand for natural resources in those countries, reflecting growing industries as well as increasing consumption by households.**

**Growth moderated in the oil-exporting Member State of Nigeria because of the production restraint imposed by OPEC on ten of its members (excluding Angola and Iraq) and the crisis in the Niger Delta region of Nigeria, resulting in about 25 percent reduction in output. Although Côte d'Ivoire is an exporter of oil, she is not a member of OPEC.**

**OPEC's two meetings in Doha, Qatar in October 2006 and then in Abuja on 14 December 2006 committed 10 of OPEC's 12 Members (Angola and Iraq are exempt) to withdraw a total of 1.7 million barrels per day of crude oil from the international market. The first accord, which came into effect on 1 November 2006, reduced the production ceiling by 27.5 million barrels per day to 26.3 million barrels per day, while the second agreement entailed a further cut of 500,000 barrels per day and came into force on 1 February 2007. The 144<sup>th</sup> Meeting of the OPEC Conference convened in Vienna, Austria on 15 March 2007 decided that the current ceiling for the OPEC-10 should remain at 25.8 million barrels per day for the next few months, especially during summer.**

**The economic implications of the OPEC decisions on all our Member States are excruciating: for Nigeria, it is a reduction in revenue while for the oil-importing countries, there is an external shock of high oil import prices, resulting in inflationary pressure. As at 31 May 2007, the daily OPEC basket price of oil had climbed to \$64.34 per barrel. In spite of the fiscal slippage, the national economy of the Member States has been well managed especially in relation to the ECOWAS macroeconomic convergence criteria.**

**Due to its good growth performance in recent years, aid flows and debt relief to the region have increased. With the financing and implementation of the Multilateral Debt Relief Initiative which commenced in July 2006, of the 13 HIPIC countries in the African region eligible for 100 percent debt cancellation, six are ECOWAS Member States, namely, Benin, Burkina Faso, Ghana, Mali, Niger and Senegal.**

**We commend the Member States on the economic reforms embarked upon and peaceful conduct of governance including electoral process in the region. The relatively calm political situation in the region enhanced its economic growth. In this regard, Member States are implored to continue their efforts to entrench macroeconomic stability and further reduce government direct involvement in the production sector of the economy. In addition, our Member States are enjoined to promote more vigorously private sector activity and investment, increase poverty-reducing expenditure and reduce vulnerability to exogenous shocks. Also, they should increase the steps to develop infrastructure, deepen institutional reforms, consolidate the on-going peace process in the region and continue to strive to attain the Millennium Development Goals (MDGs).**

**Honourable Chairman,**

### **Implementation of the Community Work Programme/NEPAD Implementation**

**As usual, the Community Work Programme aims at deepening the regional integration process, translating into reality the regional approach to NEPAD implementation in West Africa, and facilitating the West African focus on poverty reduction. The current Community work programme reflects the critical stage**

**that the West African integration process has reached, especially with regards to the restructuring of the Community Institutions and the on-going Economic Partnership Agreement (EPA) negotiations with the European Union.**

**I am happy to inform you that we made progress in all the programme activities, including the consolidation of the peace process in the region. The presentation in the Interim Report focuses on the progress that has been made since the publication of the 2006 Annual Report, and particularly, since the beginning of this year. The account covers the socio-economic integration programmes, regional peace and security, and administrative and financial matters. Permit me, Honourable Chairman, to highlight a few of the activity programmes.**

### **Socio-economic Programmes**

**Honourable Ministers,**

**ECOWAS remains focused in its pursuit of its principal objective of promoting regional cooperation and integration as well as ensuring a sustainable development of the region. We are moving steadily toward the establishment of an economic union in West Africa.**

**Free Trade Area, ECOWAS-CET and Intra-Community Trade Facilitation:** The effective functioning of a free trade zone and its subsequent transformation into a customs union remains an ECOWAS priority and the Commission has been sensitizing all stakeholders, in collaboration with the national units in Member States, on the ECOWAS Trade Liberalization Scheme (ETLS) and the Common External Tariff (CET) approved by the Authority on 12 January 2006 in Niamey.

**As part of efforts to strengthen the free trade area within the Community, the Member States, through their national Approvals Committees, continue to approve originating products with a view to ensuring that they enjoy the preferential advantages of the trade liberalisation scheme. As for compensations for loss of customs revenue, the Commission has received applications for compensation from some Member States, for which payment procedures are in progress.**

**As regards the process of harmonising domestic direct taxation and customs instruments, the ECOWAS Commission organised meetings of Member States' experts from 26 to 31 March 2007 in Cotonou to consider some studies which relate to:**

- the draft Community Customs Code and an ECOWAS Customs value;**
- the creation of a solidarity fund to promote a balanced development of the Community territory; and**
- the harmonisation of the legislation of Member States on Value Added tax (VAT) and excise duties in order to provide a palliative source of revenue to the Member States at the end of the loss of revenue compensation regime.**

**With the expectation that the regional CET will be adopted in December 2007, the ECOWAS-UEMOA Joint Committee is continuing negotiations with Member States on type "B" exceptions as well as on the support measures in accordance with the roadmap as set out in the approved schedule.**

**Concerning the regional competition policy, the exigencies of the establishment of a Common Market demand the establishment of a supra-national framework for managing competition and investment with a view to enhancing the free movement of persons, goods and capital. Sequel to the different recommendations of the EPA Ministerial Monitoring Committee, the Commission prepared regional regulatory policy frameworks for Competition and Investment. The different draft Regional Policy Frameworks for Competition and Investment and the draft Supplementary Acts relating thereto were validated by Member States' experts at the Lomé regional workshop, held in March 2007.**

**Honourable Members of Council,**

**EPA Negotiations: The first phase of schedule of negotiations of the Agreement has been concluded. The two negotiating parties (West Africa and the EU) adopted a report on 28 February 2007, concerning the review of the negotiations. This document details the status of the negotiations, assesses the negotiation structures, presents the areas of agreement and the areas of disagreement between the two parties and gives indications on the measures needed to conclude the negotiations and execute the agreement.**

**In order to meet the need for speed and efficiency in accessing resources for EPA support programmes, the parties decided to set up a Special Regional EPA Fund. The rules for the operation of this fund and the resources to be mobilised under it will be determined by agreement between the parties.**

**The Chief Negotiators from West Africa and the EU agreed in their meeting of 5 February 2007 in Brussels that successful conclusion of the EPA is dependent on a number of commitments.**



**They restated their commitments to define jointly the EPA support programmes and their financing by the European Commission, formulate the schedule for access to the markets of the two parties, and prepare the draft text of the Agreement.**

**However, the issue of timeframe for the conclusion of the negotiations continues to strain the discussions. The ACP regions, which are not sure of being able to conclude the negotiations by 31 December 2007, could not secure an extension of that deadline. For the West Africa region, some key success conditions exist for us to benefit maximally from the EPA. As a matter of urgency, we need to:**

- i. improve the sustainable management of natural resources and the protection of the environment;**
- ii. ensure coherence between National Indicative programmes (NIP) and Regional Indicative Programmes (RIP);**
- iii. firmly commit to the implementation of the economic reforms necessitated by the EPA;**
- iv. ensure that in the economic policies, there is coherence among the EPA, the poverty reduction strategies and the overall development policies of the countries;**
- v. improve appreciably the execution of the commitments associated with the création of a West African Common market; and**
- vi. work with the other ACP regions at the political level vis-à-vis EU Member States, to effectively factor the development dimension into the EPA, and more specifically make resources effectively available.**

**Regional Poverty Reduction Strategy: Poverty remains a topical development issue in the region. It is endemic in West Africa and its deepening is a real threat in some zones of the region. All indicators attest to the high degree of poverty in the West Africa region; indeed, it is one of the poorest regions in the world. In terms of monetary poverty, about 60 percent of the population has an income of less than 1 dollar a day; inequality in income distribution is very pronounced and also shows significant disparities between groups and zones.**

**The indicators of quality of life and effective access to social services are best summarised by the UNDP's human development index which places many of the West African countries at the bottom of the world table. This results from the very low level of literacy; high incidence of disease (particularly infectious diseases) and limited access to safe water, health and sanitation facilities; chronic malnutrition and food insecurity; high level of infant and maternal mortality, etc. Another measure is the depressingly low performance of countries towards the 2015 deadline for achieving the MDGs; the region cannot satisfy most of the targets of the eight goals if the current trends are not significantly improved upon.**

**An intervention measure for accelerating poverty reduction in the region is the adoption and implementation of a regional approach. The West African leadership fully appreciates the added value of a regional approach to the national efforts at poverty eradication and economic development in general. ECOWAS has been championing the regional approach to poverty reduction because of its conviction that such an approach is more efficient and results-oriented.**

**At its last Session of 19 January 2007 here in Ouagadougou, the Authority welcomed the collaboration the ECOWAS Commission has established with the UEMOA Commission, the World Bank and the ADB for the formulation of a regional approach to complement national poverty reduction programmes. All Member States were invited to take the regional dimension of poverty into account in their national PRSPs. An inter-institutional Technical Committee from the ECOWAS Commission and the UEMOA Commission met with a selected number of poverty experts from the Member States in Abuja from 16 to 19 August 2006 to finalise the draft report. A follow-up regional meeting of Heads of national PRSP units in Member States and selected development partners was held in Abuja in November 2006 to review both the strategy document and the draft action plan. Amendments were thereafter made by the UEMOA-ECOWAS Technical Committee. It is planned that the strategy document would be submitted to the next Session of Council in December for your consideration, and subsequent adoption by the Authority.**

**Honourable Members of Council,**

**It is important to reiterate the concern of the Authority over our slow progress towards the achievement of the MDGs by 2015. The Authority urged all Member States to improve upon economic governance through the adoption of appropriate macro-economic policies and enhanced structural reforms that will generate the level of economic growth required for attaining the MDGs, especially the reduction of poverty incidence in the region by 50 percent by 2015.**

**Strategic Plan: Equally important, we are formulating a regional strategic plan for the Community. It was presented last weekend in a Ministerial Retreat here in Ouagadougou. Based on the**

**guiding principles of ownership, service, transparency, partnership, subsidiarity, results-based management and sustainability, among others, we have a shared vision. We have a shared vision that by 2020, ECOWAS shall have moved from an ECOWAS of States to an ECOWAS of people. We have a shared vision that by 2020, ECOWAS shall have transformed all the existing integration structures at the regional and national levels into a single Regional Economic Community with coherent specialized agencies. We would appreciate to receive your further comments on the plan. We shall submit the draft Strategic Plan to the next session of Council for adoption.**

**Macroeconomic Convergence: Necessary for the achievement of the MDGs is a sustainably high rate of economic growth. This requirement underscores the relevance of the ECOWAS monetary cooperation programme and the importance of the multilateral surveillance mechanism as a framework for realizing macroeconomic stability and the monetary integration objective on a credible basis. The Authority, in its 19 January 2007 Session, stressed the need to deepen macro-economic convergence and to enhance the performance of Member States to give greater credibility to the ECOWAS monetary cooperation arrangement.**

**In the light of these developments, we urge all our Member States to take necessary measures to meet the convergence criteria, so as to reap the attendant benefits of a healthy macro-economic framework. Concerning the supporting institutional arrangements, it is important for Member States to ensure as soon as possible an effective functioning of the national coordinating committee (NCC), which is the hub of the ECOWAS multilateral surveillance mechanism.**

**Agricultural development, environmental protection and water resource management:** The Conference of Ministers of Agriculture, Environment, Science and Technology adopted in Accra, March 2007, a plan of action for the development of bio-security in West Africa. In addition, an expert meeting on the implications of global climate change on the natural, economic and social systems in West Africa held here in Ouagadougou in January 2007. The meeting recommended the preparation of a sub-regional adaptation programme as well as a strategy for integrating climatic change in the development policies of West Africa.

**Human Development:** Under the programme, ECOWAS organized the fifth edition of the West African Wrestling Tournament which held on 29 and 30 March 2007 in Niamey. The Niamey tournament confirms traditional wrestling as a Community sport as the number of participating countries has increased significantly, rising from five in 2005 to nine in 2007 consisting of Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger, Nigeria, Senegal and Togo.

Honourable Chairman,

**Energy Programme:** ECOWAS has made further progress in the implementation of its three major energy programmes: the West African Gas Pipeline (WAGP), the West African Power Pool (WAPP) and the ECOWAS Initiative on Access to Energy Services.

In the case of the West African Gas Pipeline project, the offshore activities, including the laying of the pipeline, are 100 percent complete. All major construction works within Nigeria have been completed and the Itoki Natural Gas Export Terminal to the West African Gas Pipeline was commissioned on 27 April 2007.

**However, the late commencement of onshore project activities and some unforeseen technical difficulties at the entry points in Ghana have delayed the delivery of first gas. Côte d'Ivoire has also expressed interest to have the pipeline extended to Abidjan to supply power plants in the country. The Member States have also requested for further technical assistance towards the creation of secondary gas markets. The ECOWAS Commission is therefore working in close collaboration with USAID to secure further technical assistance for these activities.**

**On the West African Power Pool project, several WAPP priority projects are at various levels of implementation. These include the Nigeria-Benin Interconnection which has just been completed and commissioned, the Aboadze-Volta Transmission project under construction in Ghana, the OMVS Felou hydro-electric project for which funding has been mobilized for construction to begin soon, and the OMVG Sambangalou and Kaleta hydroelectric schemes for which fund mobilization is on-going. Preparatory studies are also on-going for the other priority projects including the Ghana-Togo-Benin, the Ghana - Burkina Faso, the Côte d'Ivoire-Mali and the Ghana-Burkina Faso-Mali interconnection projects.**

**A donors roundtable sponsored by the ECOWAS Commission in April 2007 to mobilise funding for the OMVG hydro-electric projects of Kaleta and Sambangalou generated an amount of \$402 million, about 50 percent of the total amount required for the project. The Commission will continue to support the fund mobilization activities of the OMVG project to ensure its timely implementation.**

**Concerning the ECOWAS Initiative on Access to Energy Services, the Commission is supporting Member States to build the necessary institutional framework, and formulate national energy access strategies and investment programmes. A study has been completed for a regional agency for energy access and circulated to Member States for their comments. A regional capacity building action plan is also being developed to support relevant actors in the energy sector.**

### **Peace and Security**

**Honourable Ministers,**

**The regional peace and security situation continues to be of serious concern to all stakeholders, not only because of the loss of life and physical destruction, but also because of the close inter-relationship between peace and security, and socio-economic development. Without peace and security, there cannot be any meaningful and sustainable development. The security situation in the region has improved significantly since the beginning of the year as a result of the resolution of the crisis in Guinea, the consolidation of peace in Côte d'Ivoire, Guinea Bissau, Liberia and Sierra Leone.**

**In the case of Guinea, an ECOWAS mediation team led by the Special Envoy of the ECOWAS Chairman and former Head of State of Nigeria, retired Gen. Ibrahim Badamasi Babangida and Dr. Mohamed Ibn Chambas, President of the ECOWAS Commission, facilitated the agreement between the government and trade unions of Guinea early this year. Following the appointment of a consensus Prime Minister, in the person of His Excellency Lansana**

**Kouyate, a former Executive Secretary of ECOWAS, there have been positive developments in Guinea.**

**Concerning Côte d'Ivoire, a Ouagadougou agreement, brokered by the current Chairman of ECOWAS, called for direct dialogue between President Laurent Gbagbo and Guillaume Soro, leader of the "*Forces Nouvelles*". The result of the agreement was the distribution of the Ministerial positions among the political parties and the appointment of Guillaume Soro as the country's Prime Minister in March 2007; President Laurent Gbagbo retains the position of President.**

**In respect of the tenuous situation in Guinea Bissau, the International Contact Group on Guinea Bissau (ICG-Guinea Bissau) met on 26 March 2007 in Lisbon, Portugal to review the implementation of the national strategy for poverty reduction and the security sector reform.**

**Regional stability was further enhanced through the successful holding of democratic elections this year in Senegal, Mali and Nigeria. The Protocol on Good Governance and Democracy confers on the Commission the responsibility to initiate and undertake all activities related to the promotion and consolidation of democratic institutions and the protection of fundamental human rights in Member States. To this end, the Commission implores all Member States that are yet to ratify the Protocol to do so without delay.**

**In the area of electoral assistance to Member States, the newly-established Electoral Assistance Unit in the Commission has taken off effectively. We are currently developing an ECOWAS election code of conduct to guide the activities of national**



**electoral bodies as well as improve the quality of exploratory missions and information flow in the electoral process.**

### **Administrative Issues**

**Honourable Chairman,**

**To enable ECOWAS better play its role of initiating regional policies, monitoring and coordinating the integration and development process of the region, the Community has over the years been engaged in capacity-building programme to assist both ECOWAS Institutions and Member States to better adapt to the competitive international environment. Having a critical mass of adequately-motivated workforce is indispensable for the implementation of the Community policies and programmes. A special Presidential Task Force comprising five consultants drawn from different disciplines and areas of specialisation, has been constituted to consolidate the take-off of the new Commission, within the framework of a coherent strategic implementation plan.**

**On its human resource requirements, the Commission has updated its personnel records, which reveals that apart from the statutory appointees, the Commission has 314 employees, spread across 25 departments consisting of 122 Professional staff members, 163 General Service officers and 29 Auxiliary staff members. Within the framework of its accelerated recruitment process aimed at strengthening its seriously inadequate personnel position, the Commission has commenced the recruitment process into the existing vacancies. Negotiations are on-going with the firm of KPMG on the recruitment exercise.**

**In the area of training, the Centre for Portuguese Language, equipped and kindly placed at our disposal by the Government of**

**Portugal, was officially opened on 25 April 2007. A first set of students, comprising Commissioners, professional staff and general services staff is taking the first series of introductory courses at the Centre, which are scheduled to be concluded on 27 July 2007 with an award of certificates. The Commission would like to seize this opportunity to extend its warm regards to the Director of the Centre, Dr. Paola Isidora, placed at the disposal of the Commission by the *Institut Camoes* of the Ministry of Foreign Affairs of Portugal.**

**The International Organisation of French Speaking Countries (*Organisation Internationale de la Francophonie - OIF*), on its own part, is organising French language classes for English speaking officers of our Institutions. The Commission reiterates its sincere gratitude to the OIF through the CIEP and the Abuja French Cultural Centre. Discussions are on-going with the United Kingdom and the United States of America for English language training for our non-English speaking members of staff.**

### **Finances of ECOWAS Commission**

**Honourable Ministers,**

**The Community Levy Protocol is being implemented by all Member States of the Community. However, Cape Verde and Liberia have not yet started depositing into the ECOWAS Community Levy account at their respective Central Banks. There are still some irregularities in the implementation of the Protocol in some Member States. We urge all Member States to faithfully implement the Protocol to enable the integration process advance unhindered.**

**Under the ECOWAS donor pool fund, the participating three countries (Canada, France and the United Kingdom) have committed a total amount of US\$3,975,245. With regard to a parallel donor funding arrangement, there are countries and individual donor organizations that agreed to provide fund in support of the ECOWAS Commission programmes in the areas of conflict prevention and peace building, institutional capacity building, regional road transport and transit facilitation, gender matters and HIV/AIDS within the ECOWAS region. The total Parallel Donor Fund received in 2006 is \$5,950,584.59 and €1,077,673.09.**

**On behalf of the Community, I should like to express, once again, our deep gratitude to all the development partners who have been very supportive of the integration effort in West Africa.**

## **V. Concluding Remarks**

**Honourable Chairman,**

**A major problem that the region has to confront is the failure of ECOWAS Member States to translate effectively the regional approach into an appropriate national policy framework. In the Member States, there is still not much evidence of regional integration being seen as a real national priority. Not surprisingly, the benefits of regional integration have not been realized. The integration process has not had any significant impact on the development of Member States; this is principally because of the low level of implementation of Community Acts and Decisions. Ideally, given the commitment to a regional approach, government business, particularly management of the national economy, should be organized and conducted with the primary objective of**

**meeting the obligations of the ECOWAS integration agenda. West Africa is being challenged more and more to show concrete proof of its commitment to real regional integration.**

**As we all know, the year 2007 is the midpoint to 2015, the date set by the international community for the achievement of the MDGs. It is quite evident to us all that achieving the MDGs continues to present an especially difficult policy challenge for our Member States. The issue is not that progress is not being made; it is that the rate of progress is slow. With just about eight years left to 2015 and so much to do, it has become imperative that our region must speedily scale up its efforts in achieving the MDGs by the target date. And we must do so now, drawing on both internal and external resources.**

**As we focus on enhancing the West African development prospects through regional integration, it is necessary to stress the continued need for greater political stability. We need to build such a solid platform to be able to reverse the losses to the regional economy due to the disruption of the production system, damage to infrastructure, diversion of resources to defence and security, negative effect on investment capital, etc. The problems of regional peace and security compound the development challenges that West Africa - one of the poorest regions of the world - has to contend with. Closely linked to the need for ensuring regional peace and security is the need to promote good governance and democracy.**

**Honourable Ministers,**

**The task of development remains the primary responsibility of the Community and its Member States. The challenge of ensuring a sound and sustainable economic environment requires**

**the leadership in each Member State to pursue more vigorously the regional approach. As I have stated over the years, this should entail the expeditious incorporation of regional policies and programmes into the national development agenda of each Member State. It is necessary to stress that the future of the national economies lies in the success of the regional approach; it provides realistic and cost-effective strategies for improving the economic conditions and development prospects of individual Member States.**

**Therefore, based on the principle of subsidiarity, all stakeholders, particularly the Member States and the ECOWAS Institutions, are implored to expeditiously ensure the realization of the ECOWAS vision that, among other things, by 2020 ECOWAS shall have moved from an ECOWAS of States to an ECOWAS of people.**

**I thank you for your kind attention.**