

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



ECONOMIC COMMUNITY OF
WEST AFRICAN STATES

NOT TO BE TAKEN AWAY

ECW/CM/XXXVI/2
Original: English



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THIRTY-SIXTH SESSION
OF THE COUNCIL OF MINISTERS
LOME, 15 - 17 DECEMBER 1994

INTERIM REPORT OF
THE EXECUTIVE SECRETARY

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Lagos, November 1994

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CHAPTER I

INTRODUCTION

1. I have the privilege to present to the Thirty-sixth Session of the ECOWAS Council of Ministers this Interim Report on the functioning of the Community. This is my third report since assuming office, and, principally, it covers the period July - November 1994. Given the relatively short span of time, and the fact that the report is to be considered alongside the draft Work Programmes and Budgets of the Community Institutions for the 1995 financial year, this Interim Report will focus first on the implementation of the 1994 Work Programme and then introduce the 1995 programmes being proposed to Council for consideration.

2. In spite of the shortness of the period under review, there were significant developments that call for attention. Indeed, I had occasion to seek audience and discuss a number of urgent ECOWAS matters with the current Chairman of the Authority, His Excellency Flt.-Lt. Jerry John RAWLINGS, President of the Republic of Ghana. President Rawlings gave generously of his precious time and I had much guidance from his wise counsel. I was also received in audience by His Excellency General Sani ABACHA, Head of State and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, His Excellency Professor David KPOMAKPOR, Chairman of the Liberia National Transitional Government. The obvious interest of Their Excellencies in the functioning of the Community and the invaluable advice offered were a great source of encouragement for me; I am most indebted to our illustrious leaders.

3. I should like to express my gratitude to the Chairman of Council, Honourable Dr Kwesi BOTCHWEY, Ghana's Minister of Finance and Economic Planning. The Chairman has been very much involved

in the running of the affairs of the Community and he has been a constant source of inspiration to me since he assumed office in July. I should like to mention in particular, the championing of the cause of the Community and the catalytic role he played during the Joint Annual Meetings of the International Monetary Fund and the World Bank. Through his personal contacts, the Honourable Minister facilitated the bilateral discussions that were held between the ECOWAS delegation and various donor agencies and institutions.

4. The Community Institutions have managed to pull through a particularly difficult year. I shall devote some space in this report to comments on some of the difficulties encountered. At this point, I should like to express our sincere appreciation and gratitude to the few Member States that reacted positively to the urgent appeals of the Community Institutions for assistance. In view of the crucial importance of regional integration to the effective development of the individual national economies, it is my sincere hope that Member States would manage to provide the requisite resources for the smooth functioning of the Community.

5. The next chapter (II) covers a brief review of the economic environment in which the Community and its Member States have been operating. In Chapter III, a report is made on the implementation of the approved 1994 Work Programme and the functioning of the Community. Chapter IV is devoted to a presentation of the main features of the proposed work programme for 1995. The Interim Report ends with some concluding remarks in Chapter V.

CHAPTER II

RECENT DEVELOPMENTS IN THE WEST AFRICAN ECONOMY

INTRODUCTION

6. Since the last summit of the ECOWAS Authority of Heads of State and Government in August 1994, there has not been any significant change in the economic policies being applied in the region. Most West African countries have pursued their efforts at achieving the adjustment needed for the recovery of their national economies. This resulted in greater prominence being given to fiscal and monetary reforms in the economic programmes put in place in most ECOWAS states, the objective being to introduce budgetary discipline, encourage a more judicious allocation of resources and curtail public expenditure. The notable exception, as I mentioned in my annual report to the Authority, was the rapid monetary expansion and large budget deficit in Nigeria, which brought about galloping inflation and a steep decline in the naira value on the parallel market. This situation was worsened by the August 1994 workers strike, particularly in the petroleum sector, where \$150 million in oil revenue was lost in August alone.¹

7. Although an important step in the right direction, the 300% fuel price increase in Nigeria in October 1994 may have only limited positive impact on the Nigerian economy, given the regulatory measures in force; those economic measures have tended to create price distortions, particularly in exchange and interest rates.

¹ Vanguard Newspaper - 11 September 1994

8. The outlook is brighter for most other ECOWAS states since they stand to gain from the adjustment policies in place, the recent increase in commodity prices (agricultural prices in particular) and the increased demand from industrialised countries. Structural reform measures and stabilisation programmes should result in real growth and should enable West African countries in the franc zone to adjust better to the devaluation of the CFA franc. The recent rise in the prices of raw materials and the new parity introduced in January 1994 should boost export receipts, increase external competitiveness and reduce financial constraints.

9. These positive growth indicators in the majority of ECOWAS states notwithstanding, serious problems remain as the national economies continue to grapple with considerable domestic and external imbalances. Everywhere, the balance of payments position remains precarious because of the heavy indebtedness and the over-dependence of the economy on revenue from agricultural and/or mineral exports and external finance.

10. One other major problem affecting economic performance in the region is the high population growth rate. Our region has the highest population growth rate in the world. During the 1980s, the average population growth rate in West Africa was 3.2%, which was far higher than the economic growth rate of 1.1% for the period. At the current growth rate, the region's population, estimated at 203 million in 1990, is likely to double in the space of 20 years. The birth rate has remained high on account of the exceptionally high fertility rate estimated at more than six children per woman.

11. This situation raises serious and urgent problems. Besides ethnic and cultural considerations, the uncontrolled population growth in the region can only increase poverty, swell the numbers of the semi-literate and jobless youth, hasten degradation of the environment, increase migration and heighten the risks of social

conflict. The increasing population can, consequently, only contribute to the latent forces in the society which create instability and check the pace of the development process. The United Nations International Conference on Population and Development held in Cairo in September laid emphasis on the close relationship between demographic trends and economic and social progress. The action programme adopted at the conference advocates a strategy for stabilising population growth, particularly in developing countries. Special attention must also be given to formulating specific actions to increase economic growth and reduce poverty and to invest in manpower development especially in the health and education sectors.

12. Although not a panacea for all the ills of this region, lowering the population growth would relieve the pressure exerted on families, rural and urban communities and on government, and free additional resources that could be channelled into ensuring food security or providing social services. One other consequence would be to curb the tendency to over-exploit farmland and the use of destructive agricultural practices. The long-term effect of a moderated population growth rate for the region would be the removal of pressures linked to over-population.

13. ECOWAS Member States must implement the Cairo Plan of Action in order to improve their economic prospects. They should, in that regard, reorientate their public investment programmes towards developing their human resources by devoting much greater financial resources to the achievement of this fundamental objective.

14. The attention of West African countries must be focused on achieving high economic growth as the bedrock of durable development and the solution to poverty. Only on this basis could Member States be making an effective contribution to the needed investment in the areas of population, education and health. Member States must therefore critically assess and correctly

channel social expenditure into the priority areas of basic education, population and health and this demands an imperative and draconian cut-back in unnecessary expenditure.

15. The industrialised countries must play their own part in the implementation of the Cairo Plan of Action on Population and Development. This means that they must constantly appraise the quality of their own economic policies, ensure that their markets are accessible to the goods of developing countries, endeavour to support, through the provision of more official aid, the priorities identified by the conference and attendant reforms.

CHAPTER III

FUNCTIONING OF THE COMMUNITY

INTRODUCTION

16. When I assumed office in September 1993, I reflected on the mandate of ECOWAS and attempted an objective assessment of our past efforts. This analysis led to an identification of the obstacles and difficulties that have thwarted the achievement of the principal objectives of the Community. Concerning these obstacles to regional integration, I have already indicated in my first Interim Report that with a strong political will our communal quest for a brighter future for our people through integration would be successful. There is the need to breathe new life and introduce fresh ideas into the integration drive; there is the need to adopt strategies which will more effectively permit ECOWAS to attain its objectives. It is time to recognise the crucial catalytic role of ECOWAS and the integration process in the development of West African and indeed, African economies.

17. Consequently, the 1994 Work Programme was formulated to give a more viable direction to the integration process by identifying the critical issues which must be resolved to ensure a better realisation of the Community goals. The content of the work programme was guided by the recent changes in the national, regional and international environment. For instance, contributions of Member States to finance the 1993 budget proved to be very low, and, consequently, the Secretariat's activities were adversely affected in that year. Therefore in preparing the 1994 Work Programme and Budget, the Secretariat took account of the prevailing financial difficulties of Member States and focused on the effective implementation of existing programmes rather than introduce new areas.

18. In this chapter, an account is presented on the activities undertaken in 1994 by the Community institutions and Member States within the context of the Community Work Programme adopted at the November 1993 session of Council. That work programme underwent slight modifications to reflect the decisions taken at the Summit meeting held in August 1994. The progress report is in three sections as follows:

- (i) socio-economic cooperation programme;
- (ii) administrative and institutional issues; and
- (iii) regional peace and security.

SOCIO-ECONOMIC PROGRAMME

Promoting Economic Development

19. The Secretariat focused on the promotion of the adoption and implementation of the reform policies by Member States in order to achieve sound economic management and improved performance of the national economies. To achieve this objective, it was decided to organise discussions among policy-makers of Member States responsible for the formulation and monitoring of the implementation of structural adjustment programmes (SAPs) and other economic reform programmes. The Consultative Forum that was established by the Authority for this purpose engaged in a dialogue on economic issues, reviewing the policies being implemented and exchanging experiences gained.

20. The harmonisation of economic and financial policies which was stressed by the Consultative Forum as necessary to provide a sound basis for regional integration was adopted by the Council of Ministers as a Community objective to be vigorously pursued. As a follow-up measure, it was decided that subsequent deliberations on the matter should define the modalities for the harmonisation, including the possibility of establishing a

regional machinery for multilateral surveillance of macro-economic policies.

External Debt Burden of Member States

21. The success of Structural Adjustment Programmes (SAPs) and regional integration in West Africa will depend largely on an appropriate solution being found to the problem of the external debt burden of the countries of the region. The Secretariat presented this important issue to the last session of Council. During the discussions, there was emphasis on the need to explore a political approach to resolve the problem of the external debt burden. To this end, the Authority made an appeal to the creditors of ECOWAS Member States to grant substantial reductions of the debt stock of West Africa. This important economic management issue formed part of the discussions that were held with officials of the World Bank and the International Monetary Fund in the course of the 1994 Annual Meetings in Madrid, Spain. It was agreed that further detailed discussions would be organised to determine specific steps to be taken towards the implementation of the ideas expressed. Proposals for a meeting in March 1995 are under consideration.

The First ECOWAS Trade Fair

22. The first ECOWAS Trade Fair is scheduled to take place in Dakar, Sénégal from 25 May to 4 June 1995. The committee which has been set up to organise the Fair has held a series of meetings and has put forward arrangements for a successful programme. The ECOWAS Trade Fair, to be held every four years, is being sponsored by the Community in order to provide incentives and opportunities for a more effective participation of the private sector in the integration process. The Secretariat has maintained contacts with the European Union on the financing requests submitted. Two missions have been undertaken to the European Commission in Brussels. The European Union has conducted a study to determine

the viability of the proposal and the extent of support to give this project.

23. In a related development, the OAU has invited the Secretariat to participate in the organisation of the 2nd Afro-Arab Trade Fair scheduled for October 1995 in South Africa. It may be recalled that the League of Arab States and the OAU organised the First Afro-Arab Trade Fair in Tunis, in 1993. The Secretariat has agreed to assist in the preparation and organisation of the 1995 Fair, and will work closely with the appropriate national agencies to ensure the effective participation of Member States in that fair.

Trade Liberalisation Scheme

24. The work programme on regional trade development emphasised the implementation of the measures for the removal of tariff and non-tariff barriers to intra-regional trade. The Secretariat participated in the sensitisation and public enlightenment seminars organised on the trade liberalisation scheme in three Member States. These seminars reviewed the implementation of the scheme since it was launched in January 1990. In the course of the seminars, it was observed that there was a rather low level of implementation of the scheme, and the conditions attached to the scheme had not been complied with. This, in effect, meant that despite the simplification of the scheme that was adopted in July 1992, Member States had not followed the procedures that would introduce tax concessions for regional products that satisfy the criteria adopted.

25. The Secretariat has begun a review exercise of the scheme and Member States would be consulted for their views and experiences. In certain respects, the scheme now appears to have been overtaken by events. For example, the principle of across-the-board liberalisation underlying economic reform programmes runs counter to the Community objective of giving preferential

treatment to West African products under the scheme. Measures for stimulating intra-regional trade no longer appear to be tax concessions, and the completion of ECOWAS customs documents appears to be a tiresome exercise. Fulfilling the requirements of the rules of origin and the application for admission into the scheme have become unnecessary impediments where trade liberalisation has been achieved under SAPs. The Secretariat has also realised that, it may not necessarily be producers of given products who participate in the export of their products - independent commercial houses and individuals are more connected with regional trade than the producers. The Secretariat will focus future work on a thorough review of the trade liberalisation scheme with the objective of proposing more practical and functional arrangements for boosting regional production and trade. Attention would be placed on the major constraints that have been identified with trade expansion within the region.

26. Currently, two studies have been started on trade facilitation efforts in the region. ECOWAS is being assisted by the Commonwealth Secretariat in examining and in formulating trade-related policies for increasing trade within the region. The International Trade Centre has also commissioned a trade development study which will review previous trade policies and practices and prepare a project document for further action. These complementary initiatives form part of current efforts of the Secretariat to ensure that the integration process generates greater regional production and more intra-regional trade.

ECOWAS Monetary Cooperation Programme

27. Between 1985 and 1993, many ECOWAS Member States effected exchange rate adjustments as part of the economic reform measures necessary to counteract the unfavourable developments in the national economies. The devaluation of the CFA franc early this year has been a major development in financial matters affecting the region. In recognition of the significant nature of this

development, the Secretariat undertook an analysis of the impact of the devaluation in the region. This provided material for the Consultative Forum to exchange ideas on the subject.

28. The change in the parity of the CFA franc was found to be in line with the objective of the ECOWAS monetary cooperation programme, namely the adjustment of exchange rates to remove distortions and to move towards equilibrium levels. The Forum exhorted the CFA zone countries to redouble their efforts in economic management in order to avoid the erosion of the benefits of the devaluation exercise. There was emphasis on the need to adopt a regional approach to the management of the exchange rates of West African currencies in order to avoid competitive devaluations.

Regional Aeronautical Telecommunications Project

29. The Secretariat has embarked on the project for the improvement of aeronautical telecommunications services and navigational aids at the major airports in Member States with the objective of ensuring safety and security of air and maritime navigation. The study started in September 1994 and various field missions have already been undertaken to some Member States. It is hoped that the report will be ready in the first quarter of next year. The study which is being financed by the United States Trade and Development Agency will be discussed by the project monitoring team whose recommendations will be presented to the decision-making bodies.

Road Transport Facilitation Programme

30. The facilitation of the free movement of persons and goods is an essential element of the regional integration process. In addition to the construction and maintenance of international highways, the Community has, through seminars and other public enlightenment programmes, urged Member States to ensure the

removal along all the highways of obstacles to the free movement of persons and goods. The unnecessary long delays at border crossing points have been singled out as a major obstacle and decisions have been adopted urging their removal. The Union of Road Transporters, representing the hapless victims of such impediments, has continued to complain about the existence of these bottlenecks on the highways. Conscious of the harm done to the Community objective of unrestricted movement of persons and goods within the region, the Secretariat has proposed that the next Minimum Agenda for Action should be devoted exclusively to the removal of all obstacles to this free movement. It should be added that the ECOWAS Brown Card Scheme is being revitalised. At the Twelfth General Assembly of its Council of Bureaux held in October, two technical committees were appointed to study the problems facing the scheme, including the emergence of the parallel arrangement (CIMA) among seven Member States, and to propose an appropriate strategy for resolving the problems identified.

**Community Seed Multiplication and Cattle
Breeding Centres**

31. As part of the ECOWAS agricultural development programme, the Community decided in 1982, to develop selected seed production and cattle breeding centres to serve the region. Feasibility studies were conducted on selected national centres and the viability of these centres was confirmed. After more than a decade, there is no concrete evidence of success at developing these centres as envisaged in the programme. Resources mobilised for on-lending to the Member States had remained unutilised because current reform measures do not permit the mobilisation of foreign credits beyond a stipulated level or above concessionary terms. The Community institutions have begun a review of the programme in the light of the non-implementation situation and the technical commission concerned with the projects would be presented with proposals on what the next steps should be.

An Integrated Information Programme for Agricultural Development in West Africa

32. The Secretariat has been working with the CTA (Technical Centre for Agricultural and Rural Cooperation) based in The Netherlands to implement an integrated agricultural information programme aimed at strengthening agricultural development in the region. A study to assess the needs of Member States in the field of agricultural information was conducted in 1992. This was followed by a regional workshop held in Banjul in April 1993. The workshop was followed by the creation of a regional committee for planning, evaluation and monitoring (CREPS) of the activities of the information network. During 1994, CREPS held three meetings aimed at defining the details of the programme and producing a project document for presentation to the European Union for financing under the Regional Fund. A regional strategy for agricultural information development was presented to the Council Meeting in July 1994 and it was adopted. Since then, two consultants have been recruited to prepare the project document which is expected to be finalised at a meeting of CREPS to be held in Lagos on 20 and 21 December 1994.

Floating Weeds Control Programme

33. The proliferation of the floating weeds in some of the coastal areas of the region has caused much environmental concern and has led to the adoption of a programme for finding a biological solution. The African Development Bank (ADB) has allocated UA2,2 million to finance a study on the subject. The consultant started work in June 1994 and already, field missions have been undertaken to some of the affected Member States as part of the two-year project. The study will propose a regional plan for combatting this menace; after its adoption by the Community, the Secretariat will embark on a search for external resource to finance the programme.

Community Energy Programme

34. A Community cooperation programme on the distribution of petrol and petroleum products is in progress. With funding from the World Bank and the Italian Government, a study on the subject has been undertaken. The following recommendations, among others have been submitted for the consideration of Member States:

- (a) building of storage tanks in some selected coastal States to ease the supply situation;
- (b) standardisation of the grade of petrol used in Member States to facilitate the transportation and storage of the commodity;
- (c) harmonisation of prices of petroleum products since significant variations in prices could maintain the rampant cases of illegal trade.

35. Member States are enjoined to support the measures that are aimed at ensuring sufficient supplies of petroleum products in the region. The Secretariat will give the necessary support to the second phase of the energy programme which covers the study by the World Bank on the installation of pipelines for the transportation of gas from fields in Nigeria to Bénin, Ghana and Togo. Representatives of the four Member States involved in this current phase of the gas project have been holding consultations on management of the pipeline to be constructed, distribution arrangements, safety requirements as well as prospects for extending the use of gas to small and medium scale industries and for domestic use. Discussions have also focused on the establishment of a private company to manage the project.

Information Programme

36. In conformity with the directive received during the last session of Council, the Secretariat has formulated an Information Programme of Action, whose basic objective is to popularise the decisions and activities of the Community. Particular attention has been given to activities to be organised to celebrate the 20th anniversary of the Community in 1995. In order to achieve greater involvement of the media in the integration process, a request is being made to Council through the appropriate Commission for the granting of observer status to the West African Journalists Association (WAJA).

37. The Secretariat and many Member States attended the seventh session of the OAU Ministers of Information held at Sun City (South Africa) from 4 to 6 October 1994. ECOWAS Member States at that session met under the chairmanship of the Ghanaian Minister of Information and discussed such pertinent issues as strengthening bilateral exchange, better coordination of West African positions at international meetings, developments in the audio-visual sub-sector. It is gratifying to note that Ghana has offered to host a meeting around June 1995 to discuss the specific issue of the role of audio-visual broadcasting in the regional integration objective.

Cooperation between ECOWAS and UNICEF

38. In order to strengthen the working relations that have been developed over the years and achieve a more organised form of cooperation, the Secretariat and UNICEF have prepared a draft cooperation agreement. The draft agreement covers health, education, maternal and child care, improvement of living conditions of the most vulnerable sections of the population. In addition, discussions were initiated during the year on the adoption of a comprehensive programme of assistance which would cover such important issues as:

- control of iodine-deficiency;
- accelerated campaign against illiteracy;
- national seminars, workshops and symposia on subjects of common interest;
- health programme in such priority areas as primary health care, health and nutrition, environmental hygiene, potable water schemes, production and distribution of essential drugs; and
- exchange of experiences and information on effects of structural and economic reforms on vulnerable segments of the populations.

Coordination of Drug Control in West Africa

39. The persistent and growing menace of drugs in the world is also felt in this region, since the drug problem is a threat to the health, well-being and dignity of West Africans. The Secretariat has established contact with the United Nations Programme for International Drug Control to ensure that West Africa is assisted in getting rid of the various manifestations of the drug problem (demand, production, supply and trafficking of drugs, health and other social problems). Discussions have begun on the definition of an appropriate legal framework for ECOWAS participation in the programme and an agreement on the facilities to be made available to enable ECOWAS to effectively coordinate the drug control programme in West Africa.

40. Meanwhile, the Secretariat participated in Abidjan in both the regional seminar organised from 16 to 18 November 1994 for the inter-ministerial committees, and the second meeting of Ministers responsible for drug control. The main focus of the Abidjan meetings was on the adoption of practical modalities for implementing the programme for drug control in West Africa.

ADMINISTRATIVE AND INSTITUTIONAL ISSUES

Application of the Revised Treaty

41. The Revised ECOWAS Treaty which was adopted and signed at the July 1993 Summit has not as yet received the necessary number of ratifications. The Secretariat would therefore continue to appeal to the authorities of the remaining Member States to take every necessary action on the said ratification exercise. The Secretariat will also continue drafting the various protocols that need to be adopted and annexed to the Treaty. This would be an important development that could enable ECOWAS to fully participate in the transitional programme for the implementation of the Treaty of the African Economic Community (AEC). It should be noted that the Secretariat has been involved in the drafting of the protocols to be attached to the AEC Treaty. A meeting of the OAU and ECA with the chief executives of the regional economic communities will be held in January 1995 to review these drafts and to discuss the implementation of the initial phases of the transition programme.

Rationalisation of West African IGOs

42. The Authority decided in 1991 to mandate the ECOWAS Secretariat to commission an independent study to propose a pragmatic and flexible rationalisation plan for West African IGOs. The study was undertaken by IDEP and it was completed in June 1994. A meeting of national officials and chief executives of IGOs was held in Accra from 19 to 22 September 1994 to consider the recommendations presented. The outcome of the meeting will be submitted to Council for its consideration.

43. It is important to draw the attention of Council to the activities that should be undertaken during 1995. It is proposed that between October 1994 and June 1995, the ECOWAS authorities would adopt a decision on the rationalisation strategy and

programme. Subsequently, the policy organs of all other West African IGOs should take a decision affirming their acceptance of the rationalisation programme that had been adopted by the ECOWAS authorities.

44. A project unit is to be established within ECOWAS Secretariat in 1995 for the purpose of implementing the rationalisation programme. The immediate tasks of the project unit would include the translation of the above decision into an operational programme in the form of a "*Project Document*"; monitoring the completion of the merger of the West African Health Community and the OCCGE, and the transformation of West African Clearing House into the West African Monetary Agency.

45. In the course of 1995, it is also proposed that the restructuring and strengthening of the ECOWAS Secretariat should be undertaken as well as the convening of a meeting of IGOs to discuss modalities for implementing the rationalisation programme. When finalised, the Project Document would be presented to external donors for purposes of mobilising resources to finance the rationalisation scheme.

Management of the Community Institutions

46. Since my assumption of office, I have insisted on the management of the two institutions of the Community as a single entity. This has involved the revival of the internal mechanisms which had been created to ensure the required coordination of the operations of the Secretariat and the ECOWAS Fund. I am happy to indicate that the Management Committee of the Statutory Appointees, the Joint Committee on Appointment, Promotion and Discipline of Staff and the Permanent Committee on Research and Studies have been meeting frequently. It is certain that continued close interaction among the two institutions will ensure the necessary coherence in the operational activities of the Community.

Movement of Secretariat to Abuja

47. Since the commissioning of the permanent office complex of the Executive Secretariat at Abuja in July 1991, the Community has had to address the problem of providing suitable residential accommodation to make possible the transfer of the Secretariat staff to Abuja. In line with the directives of Council, the Secretariat continued its dialogue with the Nigerian authorities during the year concerning the negotiation of a loan to finance the construction of residential quarters. Pending the eventual completion of these houses, the Secretariat has also requested for the allocation of a number of government quarters in Abuja to enable the Secretariat move to Abuja in the course of 1995.

Contributions of Member States

48. The 1994 budget was approved at a total of UA6.898 million as against the total of UA7.678 million for 1993. Following the reservations by two Member States on the proposed revisions of the coefficient of contributions, it was not possible to communicate to Member States their assessed contributions to the 1994 budget and to request for payments with effect from 1st January 1994. The new coefficients were finally adopted by Council at its last meeting in July 1994. This is one possible reason for the exceptionally low payments to this year's budget.

49. The latest information in November 1994 on contributions to the 1994 budget indicates that two Member States have paid UA1.069 million leaving a balance of UA5.829 million. In addition to this, however, payments totalling UA1.586 million were made during the year with respect to arrears owed by Member States. This therefore brought the total funds received in 1994 to UA2.655 million. The overall arrears position which was UA28.023 million at the beginning of the year was reduced to UA25.368 million as at the end of November 1994.

50. The build-up of arrears has been a major set-back to the effective implementation of the work programmes of the Community. At the last Summit in August 1994, the Heads of State and Government adopted a resolution calling on Member States to regularly meet their financial obligations to the Community and, in particular, to pay up their contribution to the 1994 budget before 31 December 1994. With regard to the arrears of previous years, the Summit directed the Secretariat to negotiate, with the Member States concerned for a repayment schedule to cover a period not exceeding 60 months with effect from 1st January 1995.

51. In conformity with the resolution, a mission from the Secretariat led by the Deputy Executive Secretary in charge of Administration and Finance visited the Member States for rescheduling the settlement of the arrears. In most of the Member States visited, indications were given that arrangements for payments were in progress to cover the current year and to fulfil that obligation before the end of 1994. The schedule for the settlement of arrears has been negotiated and the agreements to that effect will be signed at the December 1994 statutory meetings.

52. The Secretariat has initiated preparatory activities necessary for the introduction of the Community levy to be imposed on imports from third countries into Member States. In line with decisions taken at the last Council meeting, the Secretariat will soon convene a meeting of national experts to consider all the modalities for the introduction of this novel mechanism to raise funds for the operations of the ECOWAS institutions.

Mobilisation of External Resources

53. The Secretariat has had a mixed record of success with the mobilisation of external resources as a supplement to the budget voted for financing the regional integration effort. ECOWAS has been encountering many difficulties with regard to the

mobilisation and utilisation of resources allocated for regional cooperation. A few of these difficulties could be cited.

54. There has been a lack of coordination and harmonisation of regional programmes and projects which results in poor formulation and programming of projects. Regional projects are not presented in a coherent manner to make them attractive to donors. The characteristics of projects as promoting regional integration are not sufficiently demonstrated in project presentations.

55. In order to overcome this problem and attract the resources needed for strengthening the regional integration process, it is of utmost importance that Member States change their attitude by giving ECOWAS every requisite support to enable the Community to draw maximum benefit from the regional funds made available for regional integration. To this end, Member States must cooperate in presenting coherent projects which have been formulated within a regional framework. This can be achieved only when Member States give due recognition to the ECOWAS mandate to coordinate the utilisation of external resources meant for regional integration.

56. The Secretariat and the ECOWAS Fund will embark upon the formulation of realistic and pragmatic regional programmes and projects. In this regard, it is important that programmes are designed which clearly portray the advantages of collective action. This implies that it would not be enough to put together a collection of unrelated national projects, but rather that every effort would be made to formulate a coherent regional programme, preferably a multisectoral one. As a step in this direction, the Secretariat plans a re-definition of the basic principles and selection criteria for regional projects and programmes under the 1995 Work Programme. This should facilitate to a large extent the mobilisation of external resources for the financing of regional programmes and projects.

REGIONAL PEACE AND SECURITY

The Liberian Crisis

57. The current Chairman of the Authority of Heads of State and Government, His Excellency Flt.-Lt. Jerry John Rawlings, President of the Republic of Ghana, concerned about the non-implementation of the provisions of the Cotonou Accord, called a conference of the Liberian warring parties in Akosombo with a view to revisiting the difficulties that had stalled the peace process and to give this process a new lease of life as enunciated in the Accord. The Akosombo Agreement signed by the National Patriotic Front of Liberia (NPFL), the United Liberia Movement for Democracy (ULIMO) and the Armed Forces of Liberia on 12 September 1994 in Akosombo, Republic of Ghana was premised on the belief that the Cotonou Accord remained the best possible framework for peace in Liberia.

58. By the end of November 1994 it became clear that the implementation of the Akosombo Agreement, like all other Agreements signed by the warring factions in the past, had suffered the same fate and had no chance of being implemented. This gave the Chairman of the Authority no other choice but to once again engage in consultations with the Member States of the Committee of Nine as well as a wide spectrum of armed and non-armed Liberians, with the aim of fashioning out a compromise solution that could bring durable peace to Liberia.

59. Following those consultations, a meeting of the Committee of Nine, at Ministerial level, was held in Accra, Ghana, from 21 to 24 November 1994, with the participation of the United Nations. It was preceded by an All-Liberia round table meeting on 21 November 1994, also in Accra.

60. The Ministerial meeting endorsed the proposals presented by the Government of Ghana to the Liberians as well as the initiatives and efforts made by Chairman Rawlings to bring lasting

peace to Liberia. A strong appeal was made to the factions to make the concessions necessary to end the suffering of the Liberian people.

61. By the time the ministerial meeting ended, it was evident that the warring factions needed more time to conclude their deliberations under the good offices of a select team of facilitators. Important progress was made in accepting some of the proposals submitted by the ECOWAS Chairman but warring factions failed to reach agreement on other points. We are still awaiting the outcome of discussions on these points by the Liberians. Further steps to resolve the Liberian crisis will be determined on the basis of the outcome of these discussions.

CHAPTER IV

PRESENTATION OF THE 1995 COMMUNITY WORK PROGRAMME

INTRODUCTION

62. During the formulation of the Community Work Programme which is being proposed by the Secretariat for adoption, a number of over-riding factors were taken into account. Among the many principles observed was the need to consolidate and build upon past achievements. This involved a critical review of the 1994 programmes, which were considered the basis for designing future Community cooperation activities. The considerable reliance on the 1994 programmes also derived from the need for continuity and the fact that major components of those programmes had not been implemented, mainly for lack of resources.

63. The review of programmes adopted by the Community also revealed that there is already an adequate coverage of integration initiatives in all the major sectors and there was no pressing need for major new initiatives, especially given the financial constraints facing the Community and its Member States. It was recognised, however, that the entry into force of both the Revised ECOWAS Treaty and the treaty of the African Economic Community (AEC) would necessitate the introduction of certain measures. These new dimensions to the regional integration process would be accommodated, to the extent possible, by making modest provisions for them in the 1995 and subsequent Community Work Programmes.

64. It should be recalled that in recent years, there has been heavy emphasis on improving upon the rate of implementation of Community acts and decisions. Since the situation has not improved much, it is felt that the 1995 work programme should

continue to focus on the issue of implementation. A detailed analysis of the proposed Work Programme would reveal that an attempt has been made to give a clear outline of each programme, including the specific objectives set for 1995. This way, it is ensured that both the goals and activities envisaged for the year are clearly defined, and can later be easily assessed - an important pre-requisite for the monitoring and evaluation of programme implementation.

65. Other steps are planned to facilitate the implementation of Community acts and decisions. A close study of each adopted decision, programme or instrument is to be undertaken with a view to designing such additional measures as would render that Community act or decision easily implementable. This approach underlies the strategy adopted in the formulation of the new Minimum Agenda for Action - defining in precise terms what needs to be done to achieve free movement of persons, and who performs any given function over a prescribed time-frame.

66. Another measure being taken to enhance implementation is in the area of information. The capacity of the Community institutions to generate and disseminate information is being built up, as can be seen from the provision made in the various sectoral programmes to increase the information base of the technical departments. Furthermore, it is envisaged that various mechanisms will be introduced to ensure the flow of information to the different end users in Member States (government officials, the private sector and the various segments of the general population). The third measure to enhance implementation is the improvement of programme monitoring systems - so as to foster among those with a responsibility for the implementation of Community programmes, the required awareness and commitment and a sense of obligation.

FREE MOVEMENT OF GOODS AND PERSONS

67. Activities programmed in 1995 in the areas of customs, trade and immigration have the principal objective of clearing bottlenecks in the implementation of the protocols and programmes in the field of free movement of goods and persons. Under the *Trade Liberalisation Scheme*, the Secretariat will assist with the printing of the common ECOWAS customs documents, conduct more sensitisation campaigns for a wider audience, and evaluate the status and performance of the industrial enterprises approved under the scheme. In order to simplify and accelerate customs clearance procedures, the Secretariat will initiate the process of adopting a single customs document, and during the course of 1995, ensure the implementation of the ECOWAS Harmonised System.

68. The Secretariat will initiate the process of harmonising customs laws, regulations and formalities of Member States; the end result will be the adoption of a manual on customs clearance procedure.

69. The Community adopted the Convention relating to *Inter-State Road Transit of Goods (ISRT)* in 1982 but its operation has been stalled. An assessment of the scheme will be undertaken in 1995, particularly in relation to the ISRT log-book and the guarantee arrangements, so that remedial measures could be introduced to enhance the application and effectiveness of the scheme in the region. Action is also to be taken on earlier studies on the development of product standards: harmonisation of rules on quality control, packaging, marking and labelling of goods. The Secretariat is in the process of establishing a commodity information exchange system and this would be made operational at the First ECOWAS Trade Fair. Other activities are planned to mark that first edition of the Fair which will be held in Dakar in May and June 1995.

70. As indicated earlier, the next edition of the *Minimum Agenda for Action* will focus exclusively on free movement of persons. It is expected that this would record much greater success through the design of the programme, the introduction of enabling legislation, the creation of awareness and involvement of the segments of the population concerned, the printing and distribution of relevant documents and the operation of an effective monitoring system.

Harmonisation of Economic and Financial Policies

71. The ECOWAS Consultative Forum has become operational and its deliberations in 1994 were more structured. The objectives in 1995 would be to determine the macro-economic policy convergence criteria and the formulation of an appropriate regional policy surveillance mechanism. Exploratory measures would be taken to identify key sector policies which could also be harmonised at the regional level. With particular reference to the Monetary Cooperation Programme, proposals would be formulated in 1995 for the harmonisation of exchange rate policies (framework agreement on an ECOWAS system of exchange rate determination) and the adoption by central banks of a regional currency convertibility agreement.

72. In 1995, the Secretariat will formulate a *regional development programme* which will incorporate a number of integration priority sectors and a set of regional projects. The programme will reinforce the structural reforms being undertaken by Member States.

Tourism Development

73. The Community adopted in 1991 a work programme for the development of tourism in the region and since then, a number of preparatory activities have been taken. Further steps will be taken in 1995 towards the coordinated development and exploitation

of the considerable tourist potential in West Africa. The activities proposed include, the organisation of the first ECOWAS Trade and Leisure Fair, initiation of the process of harmonisation of rules and regulations on tourism, and facilitation measures concerning tourist travel within the region. A study will be undertaken on the feasibility of establishing a West African tourist centre in the originating market, in order to promote the demand for the tourism product of the region.

Transport and Communications Programmes

74. Concerning the *Trans-West African Highway Network*, the studies on the remaining sections will be updated in 1995 in a renewed effort at mobilising external finance for the completion of the network. A technical study will also be conducted for the purpose of determining an ECOWAS road standard, and formulating a common road maintenance strategy. A road transport facilitation programme will be launched in 1995, covering such issues as the reduction of road-blocks, operation of the ECOWAS Brown Card scheme, and a region-wide road safety campaign.

75. Under the *air transport programme*, the objective of improving the efficiency and profitability of airline operations will be pursued by concentrating on the harmonisation of flight schedules and the conclusion of a multilateral agreement between national airlines. Following the mid-term review of the implementation of the Second Transport and Communications Decade for Africa (UNTACDA II), the Secretariat will focus more attention on its role as the coordinator of the programme for West Africa. During 1995, there will be an identification of priority projects being proposed by Member States, and better coordination of the functioning of national committees for the implementation of the UNTACDA II programme.

76. In the *field of telecommunications*, activities in 1995 will address such issues as the acceleration of the building of the

remaining links, removal of transit and maintenance problems through the inter-state consultative and coordination meetings. The challenges posed by the rapid technological changes will be studied in 1995, particularly as concerns optical fibre and digitisation, within the context of rehabilitating the inter-state links. The findings of the 1994 study on improving the regional aeronautical telecommunications infrastructure will be utilised in preparing a project document for mobilising financial resources for the implementation of that programme.

77. The *energy cooperation programme* for 1995 will cover three main areas, namely the supply and distribution of petrol, petroleum products and gas; inter-connection of electricity networks; and new and renewable forms of energy. With regard to the petroleum and gas programme, the Secretariat will finalise the study on the standardisation of specifications for petroleum products and harmonisation of prices of petroleum products. The Secretariat will continue with the promotion of the multinational project for the supply of natural gas from Nigeria to Bénin, Togo and Ghana. Concerning hydro-electricity, the year will see the finalisation of the study on the development of hydro-electric power generation sites. The master plan for the inter-connection of national electricity supply networks will also be formulated for adoption by the Community. The study on the needs of Member States in new and renewable energy equipment will be up-dated and submitted for adoption.

Agricultural Cooperation Programme

78. Agriculture is the main sector of the West African economy and ought to play a key role in the integration and development process initiated by the Community. A *regional agricultural strategy* was adopted in 1982 which has provided the framework for ECOWAS interventions in this key sector. To date, ECOWAS agricultural programmes have not yielded any significant results and this situation needs to be examined critically. Both internal

and independent reviews of the Community's agricultural strategy and programmes will be undertaken in 1995 and appropriate recommendations for changes will be submitted for the consideration of the decision-making organs.

79. In the meantime, the programmes for *crop production and food security* will be given the necessary attention. With regard to the seed programme, the impact of Community financial support to national seed programmes will be evaluated. Some selected national seed production centres will be assessed for possible transformation into Community centres. The Secretariat will collaborate with FAO in the establishment of a Pesticide Management Network for West Africa, which involves the adoption and implementation of FAO procedures for pesticide registration, legislation and utilisation; and the introduction of an information exchange system on the safe use and trade in pesticide products. As necessary steps towards the establishment of a regional food security system, the Secretariat will exploit the conclusions of an FAO report on food security programmes in West Africa against an assessment of the food needs and production potentials of the region.

80. Concerning the *livestock industry*, the Secretariat will concentrate on two sub-programmes, namely the development of the Community cattle breeding centres and the animal disease control programme. There will be appraisal and market studies of selected breeding centres for the purpose of mobilising resources to develop those centres. On animal disease control, the Secretariat will assume the regional coordination of relevant components of national programmes (vaccine production and supply systems, preparation of an ECOWAS transhumance certificate, regional epidemiological map, and promotion of interaction among animal disease control services of Member States).

Industrial Cooperation

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81. The Community adopted the Framework for a regional *industrial master plan* during the 1994 annual statutory meetings. The plan will form the basis for the subsequent industrial integration activities undertaken by the Community. For the 1995 period, the implementation of some on-going industrial cooperation activities will take into account the relevant portions of the master plan. The Secretariat will begin the exploitation of the study on the development of *inter-state pilot industrial zones* with meetings of the Member States concerned and appropriate international organisations, in order to generate the necessary interest in the scheme. There will also be preparations towards the 1995 edition of the European Union/West African *industrial forum*, which is geared towards the establishment of joint industrial enterprises by European and African entrepreneurs. The Secretariat will also promote private sector interest in regional industrial project through the revitalisation of the Federation of West African Manufacturers Association.

Environmental Protection Programmes

82. In view of the growing threat to the fragile ecological balance in large parts of the West African region, a number of Community programmes have been adopted to check environmental degradation, improve the management of the eco-system, and restore and enhance the natural quality of the physical environment. In 1995, the Secretariat will continue the implementation of both the *floating weeds control and white fly control programmes* which have been adopted by the Community in favour of the affected coastal Member States.

83. The Secretariat will continue the implementation of the *rural water supply programme* in three more Member States. Following the completion of the UNEP study on *desertification control* programmes in West Africa, the Secretariat will begin the

coordination of these different programmes. The activities envisaged include, fostering close cooperation between Sahelian and coastal countries, coordination among the donor agencies involved in the various West African programmes, and initiating regional integrated desertification control projects. A similar approach is planned in the field of *meteorological services*, with emphasis on the up-grading of national units and facilities, promotion of consultative meetings among the regional bodies, and the mobilisation of external funds for integrated meteorological projects.

Social and Cultural Cooperation Programmes

84. Regional Social Security Mechanism: With the adoption of the *Convention on Social Security*, the Secretariat is working towards the application of a regional scheme for equality of treatment for migrant workers and the maintenance of their social security rights wherever they might be resident within the region. In 1995, the Secretariat will prepare for the consideration of the appropriate technical commission such related documents as models of certificates, statements, declarations and claims.

85. Merger of WAHC and OCCGE: Efforts will be made in 1995 to complete the merger of the West African Health Community and the OCCGE, and achieve the effective operation of the West African Health Organisation. This will be one of the immediate and major objectives of the process of rationalising West African IGOs (see below).

86. Implementation of cultural framework agreement: In continuation of the implementation of the ECOWAS Cultural Framework Agreement signed in 1987, the Secretariat will formulate a programme of activities which will focus on promoting cooperation in the fields of education and training, scientific and technological research, cultural industries, cultural exchanges, joint publication of cultural magazines, etc. The

Secretariat will work closely with the relevant governmental agencies of Member States and international organisations for purposes of coordination and mobilisation of requisite resources.

87. In the specific case of science and technological development, the Secretariat will encourage the functioning of the ECOWAS Committee established to monitor the implementation of CASTAFRICA II in West Africa. A primary objective of the programme is to promote the development and utilisation of local technological know-how.

Cooperation in Legal Matters

88. Acting on the recommendation of the ECOWAS Ministers of Justice, the Secretariat will initiate in 1995, the harmonisation of the commercial laws of Member States. When the commercial laws in force in the region are harmonised, this would provide legal security for economic operators who get involved in economic activities on a regional scale.

89. With respect to regional security, the Community needs an instrument on conflict resolution to complement the earlier protocols on non-aggression and mutual assistance in defence matters. The instrument, which could be adopted as a protocol on regional security, would also be made to satisfy the requirements of Article 58 of the Revised Treaty relating to the detailed provisions of political cooperation, regional peace and stability.

Community Information Programmes

90. In recognition of the need for the Secretariat to develop the capacity to generate and disseminate information on the Community and regional integration, Council created the Information Department and adopted Decision C/DEC.1/5/90 in 1990 relating to the formulation of a Community Information Policy. A number of initiatives have been made to develop and strengthen

the capacity of the Secretariat to generate and manage different types of technical information. Thus, within the various technical departments, the development of the following information systems have begun:

- industrial information system, incorporating a data bank and an industrial plant directory;
- agricultural development information strategy;
- economic data bank on livestock breeding;
- commodity information exchange system;
- trade information network;
- renewable energy information system; and
- management information system.

91. The Community Computer Centre is closely involved in the development of these and other statistical information programmes, to ensure that a modern information system is managed and run by the Secretariat. Some of these technical information projects have been developed into softwares such as the ASYCUDA (customs data), ECOSTARS (statistics), ECOTRADE, ECOMIS (management information), and ECO-TINET (trade information).

92. The Secretariat will launch an Information Programme of Action in 1995 with a number of items designed to enhance the success of the first edition of the ECOWAS Trade Fair and the 20th Anniversary celebration of the Community.

Rationalisation of West African IGOs

93. The continued financial difficulties of Member States and the growing need to improve the effectiveness of regional integration in West Africa make it imperative for the Community to pursue the rationalisation exercise. It is proposed that a project unit be established in 1995 within the Secretariat to plan, coordinate and monitor the implementation of the rationalisation process, as would be adopted by Council.

Introduction of Community Levy

94. The experience of the Community institutions over the past years, and particularly during 1994, underscores the need for a more reliable and autonomous mode of financing regional integration. The imposition of a Community Levy, as envisaged in the revised Treaty, would alleviate the financial difficulties of both the Secretariat and the Fund. In 1995, practical steps will be taken to apply the provisions of Article 72 of the treaty which deal with this specific matter. An appropriate protocol will be formulated which spells out the technical details and the necessary mechanisms and instruments to be introduced to make the imposition of the levy possible.

Resource Mobilisation Initiatives

95. The Community and its Member States require supplementary external resources for the integration and development of the national economies. The competing demands on these external financial resources call for a structured and sustained approach to the resource mobilisation effort being made by countries of this region. The Secretariat has been working on improving its capacity to mobilise such resources by building up information on donors and types of financial assistance available, as well as by improving upon regional project presentation.

96. During 1995, a concerted effort will be made to increase ECOWAS access to the resources of its traditional development partners such as the European Union, UNDP and the World Bank; as well as explore new sources of financing. With the necessary support and cooperation from Member States, it should be possible to step up significantly, the flow of external resources to the West African region in support of our development programmes.

CHAPTER V

CONCLUSION

97. The hope in Africa at the beginning of the 1990s was that the poor economic performance of the 1980s would be put behind us and the continent would spend the new decade to prepare itself adequately to meet the challenges of the twenty-first century. In a matter of weeks, the world will be reaching the mid-point of the last decade of the twentieth century. Alas, West Africa, and most of the rest of Africa for that matter, cannot be said to have made as yet any significant advance on the path of economic recovery.

98. That hope for a better African economic performance in the 1990s was based on the premise that commitment to structural adjustment would be sustained, that the adjustment programmes would be improved upon both in design and implementation, and that economic development would become more successful through the adoption of a regional approach. Structural adjustment programmes have not yet undergone significant improvements or caused any economic miracles in West Africa. In spite of the existence of ECOWAS and the many other regional economic cooperation arrangements in this region, it cannot be said that regional integration forms the basis of economic development efforts in West Africa.

99. It is noteworthy that the international financial community, during the annual joint meetings of the IMF and the World Bank, devoted much attention to investment potentials in the developing world. Except that in this context, the developing world was limited to the Asian tigers and dragons, and high-performing Latin American economies. What hope is there that West African states would soon be able to join the ranks of these newly

industrialising economies? Much will depend on what concerted effort would be made by Member States during the dying years of the twentieth century.

100. The programmes of the Community for the medium-term would consequently concentrate on promoting genuine cooperation among Member States and fostering the effective integration of the national economies. I am glad to observe that the key Community programmes already adopted by Member States are geared towards the fulfilment of this very objective. The monetary cooperation programme and, more recently, the decision of the Consultative Forum to promote the harmonisation of national economic and financial policies, represent important Community initiatives at a regional approach to economic management. It is essential also to draw attention to the premium that the Authority has placed on the adoption and implementation, on an annual basis, of the Minimum Agenda for Action. If properly executed, these programmes would establish a firm basis for regional integration in West Africa.

101. It is sad, therefore, to observe that enough effort has not been made to implement ECOWAS acts and decisions. The experience of the past twelve months leads me to make a very strong appeal to all Member States to evaluate their approach to economic development and re-define this within a regional context. There is every indication that it is futile for individual Member States to continue reforming and restructuring their small national economies, without reference to the rest of the region. The deteriorating socio-economic conditions in West Africa, at a time when countries in other developing regions of the world are recording sustained growth and development, cannot be remedied except through concerted regional effort.

102. West Africa can no longer afford to look upon regional cooperation and integration as a peripheral and an unimportant issue. The desire of ECOWAS Ministers of Planning and Finance to

work through the Consultative Forum to foster close regional economic relations should permeate all other branches of the government machinery in Member States. This would be reflected in a re-orientation of attitudes and strategies in favour of a regional approach, and greater involvement and participation in ECOWAS affairs. It is only then that regional integration would be accorded the necessary priority.

103. The re-orientation of national attitudes and the re-definition of development strategies can be initiated and sustained by both the Community institutions and the Ministries responsible for ECOWAS affairs in Member States. As indicated in this Interim Report, I have instituted a number of measures to make the Community activities and programmes better known in Member States and also more relevant to the current situation and pre-occupations in Member States. Members of this Council and the officials in their respective Ministries are called upon to play the complementary role of promoting awareness and generating the necessary interest in the affairs of the Community. Lastly, I strongly appeal to all members of Council to ensure that strong support is given to the Community institutions, particularly by ensuring that each Member State meets its financial obligations in accordance with the agreed schedule of payment.