

ECONOMIC COMMUNITY OF WEST AFRICAN STATES

NOTE OF PRESENTATION ON THE
EXECUTIVE SECRETARY'S REPORT TO COUNCIL

LOME NOVEMBER, 1985

Honourable Chairman of Council,
Honourable Ministers,
Distinguished Delegates,
Your Excellencies,
Invited Guests,
Ladies and Gentlemen.

Once again, I have the privilege of being called upon to present to Council the activities of the Community. It is with great pleasure that I am fulfilling this duty for the second time.

My report which covers the activities of the Institutions of the Community during the last four months, should be read in line with the recent report of the Managing Director of the Fund to the Board of Directors.

The period after the last session of Council here in Lome in July has been dominated by a search for solutions to the economic crisis facing our sub-region and the African Continent as a whole. The extent of the economic difficulties facing the region was fully revealed during the 21st OAU Assembly of Heads of State and Government in Addis Ababa last July. The picture of the sub-regional economic situation has been portrayed in the study report on the Economic Recovery Programme for West Africa. The analysis of the situation - whether undertaken at the sub-regional, regional or international level (such as during the IMF/WORLD BANK Annual Meeting in Seoul) - concludes that there is need for urgent action in such critical areas as food and agriculture, drought and desertification control, balance of trade support and external indebtedness.

The Addis Ababa Declaration provides a framework not only for undertaking short-term measures to tackle the prevailing adverse effects of the above crisis, but also for addressing the longer-term issues of economic decline, interrupted development and economic re-structuring. Similarly, the preliminary proposals made by the Executive Secretariat in the Draft Economic Recovery Programme calls for the diversion of more resources and attention to the food sector and the adoption of measures to optimise the use of available resources through rationalisation and re-organisation exercises as well as the rehabilitation of installed capacity and infrastructural facilities.

It is also proposed in the Draft Economic Recovery Programme that the basis should be prepared for the re-structuring of the national economies (to match domestic demand and domestic production), the improvement of the quality of economic management and the promotion of general efficiency. The Draft Report recognises the need for external assistance, especially in the short run, to enable the sub-region attain the desired objectives. It is for this reason that soon after the adoption of the Recovery Programme, it is proposed that an international conference be convened to review the modalities for implementing the Programme.

The Community is expected to assist in the implementation of the proposed programmes when they are adopted. In the mean time, the regular activities of the Institutions of the Community are being carried on with such modifications as are deemed necessary, to meet any pressing needs of Member States.

In my present Report before Council, progress has been indicated on the following cooperation programmes: trade and customs, immigration, money and payments,

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agriculture, industry, transport, telecommunications, energy, administrative and institutional matters.

Mr. Chairman, concerning trade and customs cooperation, we pressed on with the study aimed at promoting intra-Community trade in agricultural surpluses. During the review period, the programming of sub-regional trade fairs as well as the improvement and standardisation of industrial product presentation received our attention. The ECCOWAS computerisation programme to improve data collection in West Africa, and the drawing up of a Compensation Budget - in connection with the trade liberalisation scheme - recorded some progress.

With regard to immigration, specimen copies of the recently adopted ECCOWAS Travel Certificates were printed and sent to Member States for necessary action. In line with the instructions given at the May 1985 meeting of the Committee of Governors of Central Banks, the monetary studies - aimed at the establishment of a single monetary zone - was continued with an enlarged team of experts from our central banks. A series of meetings are envisaged to discuss the report now being drafted so that the necessary recommendations may be presented at the May 1986 statutory meetings.

In agriculture, the terms of reference for the feasibility studies to be carried out on the selected production centres for improved seeds and cattle breeding stocks were drafted; other preparations are being made to ensure that the feasibility studies are undertaken in 1986. Following the Seminar on Agricultural Pricing Policy held in Accra in July, the Executive Secretariat is examining some of the proposals of the FAO study that preceded the Seminar, in order to determine possible means of sub-regional cooperation in this field.

Mr. Chairman, after the adoption of the industrial development strategy and policies for the sub-region, we have been applying ourselves to the task of identifying and preparing projects of Community interest. With the assistance of UNIDO and the ECA, some field missions to some Member States were undertaken, in line with the Agriculture and Industry Commission's request for a set of integrated industrial projects to be prepared. A coordination meeting between ECOWAS and the other international organisations involved is scheduled to take place in Lome early December to review progress on this programme.

A number of activities were undertaken in the field of transport, the results of which were presented to experts in these areas before being brought to the Transport Sub-Commission. Some of the recommendations this Sub-Commission is making in its report to the current session of Council, with respect to air transport, include cooperation between existing airlines, harmonisation of operational policies of airports in the sub-region, cooperation with ASECNA in aeronautical navigation and the creation of a regional aircraft maintenance centre. In maritime transport, the report of the Sub-Commission recommends, among other things, promotion of cooperation among national shipping lines including exchange of information on company management and consultation over vessel charter, agreement between coastal and land-locked Member States on maritime transportation. Attention is drawn in the Report to the need for increasing Community assistance to Member States in their search for external resources required for completing the Trans West African Highway Network.

Council would also have to consider the report on the meeting of the Communications Sub-Commission, which met over a number of proposals the Secretariat

formulated in collaboration with the Bureau of the PANAFTEL Coordinating Committee, during the review period. The Report indicates progress on the drawing up of telephone and telex routing plans, and also points out the problems encountered with the application of the ECOWAS Telephone Tariffs.

Mr. Chairman, the problem of delays in Member States' financial contributions to the Secretariat's budget has been well demonstrated by difficulties encountered with the preparation of the Economic Recovery Programme - a very important Community activity. Because money was not available in our bank accounts any time action had to be taken on this matter, the work schedule was not only held back by more than six months but some vital stages had to be skipped. The net effect is that instead of having a final draft before Council at this session, it is being recommended through the Ad Hoc Ministerial Committee that an extraordinary session of Council be convened, maybe in February, after the technical reviews by experienced practitioners in the field of economic development that have been ordered by the Ad Hoc Committee to take place in January, 1986. Council is invited to consider this proposal.

On the issue of delays in Member States' financial contributions and the prompt ratification and implementation of Community decisions, I suggested last July in a memorandum to Council that an Ad Hoc Committee be set up to assist the Secretariat in these areas. This was rejected and instead Council appealed to Member States to establish national structures for the coordination and monitoring of ECOWAS affairs in States where such structures do not exist. Council further urged all Member States to implement Community Acts and Decisions. The result of the appeal has been discouraging. Only two Member States have so far paid their 1985 financial con-

tributions. The position of arrears of contributions is as follows:

2	States	still	owe	the	1979	contribution	(	194,035.62	UA)
3	States	still	owe	the	1980	contribution	(	689,674.70	UA)
4	"	"	"	"	1981	"	(	894,061.20	UA)
6	"	"	"	"	1982	"	(	1,533,710.40	UA)
10	"	"	"	"	1983	"	(	2,329,367.01	UA)
13	"	"	"	"	1984	"	(	2,667,992.68	UA)

The seriousness of this state of affairs forced me to address a memorandum to the Committee of Finance Experts asking them to consider the proposal for the Fund to finance the activities of the Executive Secretariat as we have done everything possible but without success to ensure that financial contributions are received in time for our programmes to be implemented early in the year. Unless a way out is found pretty quickly, there is the real danger that the Secretariat will finally grind to a halt. Council may wish to consider this matter when we come to debate the Report of the "ECOWAS Committee of Finance Experts".

The Executive Secretariat was directed by Council to contact Member States with a view to establishing a time table for the payment of arrears. The matter was discussed with the Chairman of the Council of Ministers and it was agreed that he should lead a delegation to 6 Member States some of which have not paid any contribution since 1979. All the documents on outstanding contributions and the state of ratification of Protocols have been updated and forwarded to all Member States.

One major issue confronting sub-regional cooperation is the need to rationalise the institutional arrangements. As directed by the Authority in November last year, we worked closely with the ECA Secretariat during

the review period to produce a first draft of proposals. The document is currently being analysed to enable us send comments to the ECA Secretariat before it is finalised. It is intended that meetings with the various IGOs and national officials will be organised early next year to consider the proposals before submitting definitive recommendations to Council in May, 1986.

The issues of the deteriorating terms of trade and debt burden, some of the causes of the present stagnation of the economies of Member States, were discussed during the 21st OAU Summit in Addis Ababa in July and a set of policy measures for the survival and development of our continent was adopted. The draft economic revival programme underscores these problems.

At the last Council meeting, the Executive Secretariat was requested to make a report on the rôle of the International Monetary Fund (IMF) intervention in certain Member States, particularly in the area of financial adjustment programmes designed to correct imbalances. The draft report of the Recovery programme touches on the subject. It has however not been possible to give it the exhaustive treatment it deserves. It is intended to do an in-depth analysis of two or three economies of Member States that possess adequate information on the issue. The findings of the proposed study would be made available to the next Session of Council.

The Authority, during the last session, directed the Executive Secretary and the Managing Director of the Fund to implement immediately the recommendations contained in Part A of the Report of the closed meeting of the Seventeenth Session of the Council of Ministers on the evaluation of Community institutions. This directive has been complied with and two memoranda, one relating to

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telephone bills, school fees and furniture for Statutory Officers, is now before Council for information and a decision. The other memorandum on Medical Treatment of ECUWAS personnel was addressed to Council through the Committee of Finance Experts but due to time constraint, the Committee decided to postpone its consideration to its next meeting. Council may wish to note this.

Another issue we have not been able to resolve in the implementation of the directive of Authority on Part A of the Evaluation Report is the accommodation of staff members in hotels for a period of not more than three months. Council may wish to direct us what to do if it is not possible to provide permanent accommodation for an officer after three months stay in an hotel.

For this particular session of Council, it had been our hope that the discussion of the document on the Economic Recovery Programme which touches on both economic and social issues, would have afforded the opportunity for Council to review the economic situation of Member States. That is why a separate item on "Economic Issues" did not feature on the proposed Agenda. Even though the Recovery Programme is not coming up for detailed consideration, Council may wish to refer to the first section of the Draft Report and make any appropriate comments on the economic situation.

In a few days time, the terms of the Financial Controller and the Deputy Managing Director of the Fund would expire. The out-going Financial Controller, Mr. Isaac O. ADEYALE has been with the Community for about five years and has done much not only to keep a keen eye on how our financial resources are utilised, but also in establishing a creditable accounting system for the Community's institutions. Mr. Souradjou IBRAHIM, the outgoing Deputy Managing Director is a pioneer. Before

joining the first Managing Director to establish the ECOWAS Fund, Mr. IBRAHIM had helped, as a senior adviser in his country's delegation, in negotiating the Treaty and Protocols of the Community. On behalf of my colleagues and on my own behalf I would like to take this opportunity to thank Messrs ADEYALE and IBRAHIM for their invaluable contribution to West African integration. We are yet to hear from Niger about their nomination for the post of Financial Controller which becomes vacant on 1st December, 1985.

I am happy to inform Council that my two new Deputies assumed duty during the course of the review period. Mr. Kadré Désiré GUEDRAGO, a Burkinabè, is the Deputy Executive Secretary responsible for Economic Affairs. Mr. Adelino Mano QUETA, a citizen of Guinea-Bissau holds the post of Deputy Executive Secretary (Administration). Council is also informed that Mr. Mustapha KAH has been selected by the Gambian Government to fill the post of Deputy Managing Director at the Fund. He will take up this appointment in a few days time. Council would be called upon shortly to endorse their nomination.

The Ad Hoc Ministerial Committee on the construction of Headquarters has met to discuss the 1986 work programme for the Fund Headquarters. The report is being placed before the present session of Council as part of the Report of the Board of Directors. It was not possible for the Committee to meet over the Secretariat's programme because no provision was made in the Fund budget; it is hoped that the situation will be rectified soon.

Mr. Chairman, it will be recalled that at the last session of Council, Togo was elected to assume the chairmanship of this august body. During the Summit that

followed a few days later, Nigeria was elected to chair the Authority. Because of the practice established earlier, by which the chairmanship of both Council and Authority are given to the same Member State, I have thought it necessary to bring the present situation to the attention of Council. You may wish to discuss this matter under the item "Any other business".

Mr. Chairman, when it comes to the adoption of the operational Budget of the Executive Secretariat, it will be seen that the Finance Experts repeat a number of concerns and recommendations, contained in the reports of the Financial Controller and the External Auditor. I would like to repeat here the funding problems facing the institutions of the Community. The Secretariat's bank accounts are invariably in the red. Some five million dollars of the Fund's called-up capital is still to be paid in. Furthermore, with the level of commitments already made, more capital resources would soon be needed by the Fund to enable it meet its growing obligations to members of the Community. We should be preparing an appropriate solution to these financial matters shortly. I wish to thank Member States that have continued to honour their financial obligations to the Community despite the very difficult economic phase through which they are passing.

Although it has been only four months since Honourable Komlan ALIPUI, Minister of Finance and Economic Affairs of Togo, took over as Chairman of Council, the helpful advice he has given me and the contribution he has made to the running of the Community have been tremendous. I would like to register my deep gratitude to him and his officials.

Mr. Chairman, Honourable Ministers, I wish you successful deliberations.

Thank you.