

ECONOMIC COMMUNITY OF WEST AFRICAN STATES

ANNUAL REPORT OF THE EXECUTIVE SECRETARY
FOR THE PERIOD 1986/1987

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

May I first of all seize this opportunity to express my sincere gratitude to you, Honourable Ministers, for the honour you have done to me in allowing me once more to present to you an Activity Report on the operations of the Community and its institutions since our last meeting here in Abuja.

This Report covers the period July, 1986 to May, 1987, and highlights the activities undertaken during the year as well as the main guidelines of the Community Programme for the period 1987/88.

It will be recalled that in November, 1986, I presented an interim Report which covered July - October 1986. This Report therefore includes some of the activities mentioned in the November Report as well as those undertaken thereafter.

November 1986 was a historic date in the development of our Community for that was the date when Council adopted the Economic Recovery Programme for West Africa. We all agreed then that ECOWAS should face up to the challenge of the struggle for the development of the sub-region. The official launching of this programme will take place during the course of the Summit of Heads of State and Government. In fact, our financial Institution, the ECOWAS Fund, is already taking the necessary steps to obtain financing for this programme on which the future fortunes of our sub-regional Organisation depend. The results have been very encouraging: the international community has pledged its willingness to support the Economic Recovery Programme for West Africa morally and financially.

We are also very happy that Governments of the sub-region have intensified their efforts in the matter of development policy reforms with a view to laying the foundation for a lasting and balanced growth of our economies.

As far as the other development activities contained in the Programme of the institutions of the Community are concerned, we shall make a frank presentation of the results obtained and indicate what remains to be achieved.

Honourable Ministers,

We should like to avail ourselves of this opportunity to also express to you our most sincere thanks for your cooperation and untiring assistance towards the accomplishment of the tasks entrusted to us. Your genuine understanding of the current integration process in West Africa has enabled ECOWAS to transcend its problems and overcome the obstacles related to the difficult task of sub-regional cooperation. Once more, we thank you very sincerely for this.

We must also bring to your august attention the competence with which the current Chairman of Council, Dr. Kalu Idika KALU, Honourable Minister of National Planning of the Federal Republic of Nigeria, has been conducting the affairs of the Community despite his multiple tasks at the national level. We benefitted greatly from his counsel and consideration and we are deeply grateful to him.

We must also mention the decisive role played by His Excellency, the current Chairman of the Authority of Heads of State and Government, Major General Ibrahim Badamasi BABANGIDA,

Head of State and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, in ensuring the smooth running of our Community. We would like him to kindly accept the assurance of our deepest gratitude.

To come back to this Report, the first chapter sets out the present economic situation in the sub-region, highlighting present trends and taking a close look at a particular problem, that of structural adjustments in certain States.

Chapter II constitutes the actual report of activities in the various sectors of the Community Cooperation Programme as well as in the administrative and financial sectors.

Chapter III introduces the Community's Work Programme for 1987/88.

The conclusion of the Report is presented in a short statement.

CHAPTER I : THE PRESENT ECONOMIC SITUATION IN THE WEST AFRICAN SUB-REGION

1. Present trends of the West African Economy

Present developments in the economies of the sub-region are still characterised on the whole by a weak, fluctuating economic growth, as well as the considerable imbalance of public finances and external accounts.

Our analysis of the economic situation shows that the crisis is lengthening and it is even more evident today that its roots go very deep and are due to both short-term circumstances and structural factors.

The earlier bad economic management policies contributed to the protracted crisis and are mainly responsible for the present problems of Africa in general and our sub-region in particular. This has been recognised by the Heads of State and Government through the pledges made in the sub-regional Economic Recovery Programme and in Africa's Priority Programme for Economic Recovery (APPER), as well as the pledges made by the international community in the UN Programme of Action for African Economic Recovery and Development (UNPAAERD). This commitment is a source of true hope.

We had hoped that the year 1986 would be a year of genuine improvement in the economic situation of the sub-region with the return of the rains to the Sahel in June and July 1986. This should have had a more marked effect on agricultural production. This long awaited reversed trend was however accompanied by a plague of crop pests which reduced the hope of improved

harvests, despite the huge amounts of international aid granted to Member States.

On the whole, during this period, trends in the agricultural sector in terms of value added were generally favourable, thanks to the better incentive policy of higher producer prices introduced in almost all Member States. The overall economic situation, however, was very unfavourable.

Efforts made by States in the sub-region to improve their production base over this period were further impeded by the combined effects of deteriorating terms of trade and the heavy burden of debt servicing. This overall situation can be analysed as follows:

While international prices of raw materials fell by an average of 11% in 1986, prices of cocoa fell by an average of 20%. In the case of coffee, the fall in prices, which began in September 1986, was even heavier, reaching about 35%.

Prices of cotton, fruits, rubber and palm oil have also tended to fall. This situation is the result of speculative policies practised by the industrialised countries, or, in the case of vegetable oils, they are the consequence of surpluses sold off cheaply by developed countries that subsidise their agriculture heavily.

Mining products have had an equally unenviable fate. The gloomy picture in the metals market has affected mineral-exporting countries which have suffered from low prices and low demand in the iron ore, bauxite and uranium markets, to mention only a few.

This general trend of falling prices for raw materials obviously complicates the situation of our countries which are primarily producers of basic raw materials. The fall in prices has also been accompanied by the fall of the dollar. Between March 1985 and March 1987, the value of the dollar as against most of our currencies fell by over 40%. And yet as much as 80% of our exports are traded in dollars - in particular, coffee, cocoa, iron and bauxite. The result is that prices of these products expressed in local currency have fallen drastically. All products are affected, and under these conditions, diversification to other products or crops would be highly risky.

A provisional assessment of these trends in raw material prices shows that they have reached their lowest level since the Great Depression of the 1930s, during which period it was felt that raw materials had never been so cheap.

This trend of lower prices for our raw materials is even more worrying because it is happening at a time when the prices of manufactured goods sold by the industrial countries are rising. According to the OECD, prices of goods imported by developing countries went up by over 13% on the average in 1986. Our countries are thus losing heavily under such conditions, and we are subsidising the development of the industrialised countries.

In addition to all these difficulties, there is another one of considerable importance : the debt crisis, the attendant financial crisis and capital flow.

Debt servicing related problems have remained just as serious over this period, due to the negative trends of the current accounts balance. Some countries of the sub-region have found themselves in a situation where their arrears of payments have accumulated. Development efforts of Member States have been slowed down considerably due to debt servicing commitments which represent up to 35% of export revenue for some countries. For some States the debt problem has become extremely difficult to manage and this situation has contributed in no small measure to the deterioration of our economies.

One aspect which illustrates the severity of the debt problem is the fact that most Member States have negotiated the re-scheduling of their debts with their foreign creditors, following agreements with IMF and the World Bank on a number of policies to be implemented. These successive rescheduling exercises in a number of countries may have provided some respite to the economies but are not enough to settle the debt problem which is linked to the overall development issue.

The indebtedness of the countries could however be substantially reduced if the industrialised countries would pay a fair price for raw materials and accept to increase development aid which has been reduced considerably.

According to the latest figures given by the

Development Assistance Committee, the capital resources made available to developing countries are now lower than they were ten years ago. This further illustrates the reluctance of the industrialised countries in helping our States to resolve development issues. This trend should be a

serious warning to us on the intentions of the rich countries. It should also encourage our search for auto-centred means of economic and social promotion.

2. Major Development Policy Issues and Structural Adjustment Problems

During the period under review, problems linked to the crisis in Africa in general and in the sub-region in particular, as well as the need for a review of the development policies followed so far have been the main preoccupations of our Governments. The year 1986 consequently stands out as the year of the adoption, at the West African sub-regional level, of the Economic Recovery Programme and at the international level the UN Programme of Action for African Economic Recovery and Development (UNPAAERD) which is a programme specially conceived to assist African Governments in combatting the economic crisis afflicting the continent. The two programmes mentioned above support Africa's Priority Programme for Economic Recovery (APPER) adopted by the OAU Heads of State and Government at their July 1985 meeting in Addis Ababa. Commitments made in these different programmes demonstrate the considerable progress achieved in the approach to development problems. It also indicates a clear resolve on the part of our leaders to combat the crisis.

In these different programmes (Economic Recovery in West Africa and Africa's Priority Programme for Economic Recovery) political and institutional inadequacies which have impeded development are sufficiently acknowledged and identified. The

priority to be given to agriculture and to support activities in the agricultural sector as well as the financial and budgetary reform measures to be taken illustrate the nature of the new approach adopted to mitigate the effects of the crisis and to lay the foundation for lasting and continuous development.

The framework defined by the programmes is thus wide enough to include an extensive range of sectoral policies. Policy reforms and measures implemented over this period are aimed at either introducing wide ranging changes in the choice of priorities and strategies or at combatting a specific problem such as debt. It must also be pointed out that almost all Member States have already embarked on the implementation of strict structural adjustment or financial recovery programmes, with or without the help of the IMF and the World Bank.

Structural adjustment and/or financial recovery programmes undertaken by Member States are aimed at, among other things, improved effectiveness in the allocation of resources, improved macro-economic management, reforming public enterprises and/or parastatals with or without privatisation, adjusting exchange rates and the liberalisation or rationalisation of trade. These objectives concern on the whole the reform measures affecting demand management, supply management and adjustment of the rate of exchange.

In effect, to achieve simultaneous internal and external balance in the economies of our States, measures aimed at reducing total demand and policies intended to re-allocate resources are both necessary. Reduced total demand without a

re-allocation of resources would lead to lower production and increased unemployment. Furthermore, the measures would only give the desired results over a longer period of time, due to the rigid structure of our economies which will have some difficulty in adequately facing up to external shocks in a relatively short period.

An overall analysis of the effect of these structural adjustment programmes (SAPs) on the economies shows that the success of such programmes is very limited, as evidenced by the case of the least developed countries (LDCs) which implemented a Structural Adjustment Programme in 1985 (7 ECOWAS States are classified in this group), according to a study undertaken by the ECA. The conclusions of that study are fully in line with our own analysis of the situation.

Management of demand related to the reduction of the budget deficit for instance may have a favourable effect in the short term but does not take into account the ultimate consequences of the growth of production capacity in the medium and long term.

It has been noted that almost everywhere the slack in credit expansion has considerably reduced the production base due to the substantial reduction of investment expenditure. Growth rates of per capita GDP in all LDCs of the sub-region with an adjustment programme were negative between 1980 and 1985. Inflation has continued to spiral in LDCs of the sub-region which implemented the programme in 1985, with the exception of 2 States which recorded good performance. This implies that overall, the objective of reducing the high inflation rate

has not been achieved, because these measures have not affected internal structural problems or imported inflation.

Devaluation as an instrument of economic policy in SAPs may have enabled States to readjust internal producer prices, but it has not resolved the major problem of raw material prices which are fixed on the international markets. On the other hand, it has been observed in the LDCs of the sub-region that devaluation has intensified inflationary trends by making imports more expensive and reducing the level of capacity utilisation in those sectors which depend on imports.

It must however be pointed out that this situation is a marked contrast to the situation in certain other more advanced States of the sub-region where much more significant results have been obtained from Structural Adjustment Programmes. These countries have experienced relatively fair trends in basic indicators, particularly in the overall growth rate of their economies with an appreciable growth of exports (especially agricultural exports) and a lower level of inflation. It must however be noted that most of these countries have also experienced serious cash flow problems which affected overall performance. The overall performance should otherwise have been better. Furthermore, in these countries also no structural changes were made to the economies which still depend in large measures on the international economic environment.

In summary, while one would be in agreement with the objectives set out in the structural adjustment programmes in force in Member States, one would hope that Member States would concentrate more on medium and longer term structural changes.

In the case of the specific programmes supported by the IMF or the World Bank, there is an urgent need for policies rather more varied than the ritual demand management and adjustment of the exchange rate. This is due to the fact that circumstances vary considerably from one country to another and it is thus difficult to generalise any approach. The importance attached to criteria based on quantitative performances, should also be reduced and the focus should shift to the economic environment in which the Programmes are implemented. Finally, these programmes should envisage longer adjustment periods and take into account the effect on income distribution in our economies. The success of these programmes is also conditional upon the availability of considerable amounts of capital. This means development aid should be increased substantially and channelled into appropriate development activities.

We should recall here that the solution to our development problems is the responsibility of our states from more than one point of view. This is why the self-reliant development policies identified in the Lagos Plan of Action, the Economic Recovery Programme for West Africa and Africa's Priority Programme for Economic Recovery (APPER) must be implemented as soon as possible. All future development in our States depends on collective self-reliance.

CHAPTER II : ACTIVITY REPORT ON THE COMMUNITY WORK PROGRAMME

This chapter deals mainly with the level of implementation of Community programmes since the statutory meetings held in July 1986 in Abuja.

Some activities already mentioned in the November 1986 report are thus discussed here, as well as activities undertaken between December 1986 and May 1987.

The progress achieved varies according to the sectors. Thus progress has been encouraging in certain areas and limited in others. This is due to the very nature of the rather complex problems encountered by the Community in the implementation of certain policy measures of the decision-making bodies of the sub-regional organisation. The Activity Report thus covers all areas of cooperation, i.e. economic recovery, trade and commerce, immigration, money and payments, agriculture, industry, natural resources, transport, communications and energy, social and cultural affairs, administrative, financial and institutional matters.

The Economic Recovery Programme

In November 1986, Council adopted the Economic Recovery Programme for West Africa, which includes both general policy measures and the investment programme estimated to cost US\$926,043,505 (nine hundred and twenty-six million, forty-three thousand, five hundred and five US dollars) and covering 136 development projects of both regional and national scope selected from Member States.

General policy measures define the schemes to be undertaken in the various sectors of socio-economic activity. These schemes are supported by budgetary and financial rehabilitation policies.

Concerning the investment programme, the types of projects retained are as follows:

(i) 40 projects of sub-regional scope representing the main priority action programmes for Economic Recovery, amounting to US\$548,545,574 were selected. These include 18 rural development projects, 14 transport projects, 5 communication projects and 3 industrial projects. The total cost of these projects makes up about 60% of the overall cost of the Recovery Programme. This illustrates the sub-regional nature of the programme.

(ii) 96 purely national projects at a cost of US\$377,497,331: or about 40% of the total cost of the programme which includes 46 rural development projects, 7 transport projects, 14 communication and energy projects and 29 industrial projects were selected.

On the whole, the priority rural development sector includes 64 projects of sub-regional and national scope (i.e. almost 50% of the total number of projects). This is very much in line with the wishes of the Heads of State and Government, as expressed in the pledges contained in their November 1984 Lome Declaration on Economic Recovery in West Africa.

It would be recalled that Council gave directives relating to the implementation of the Economic Recovery Programme. In the main, general policy and budgetary and financial reform

measures have been implemented in one form or the other, in most Member States. As was stressed in the preceding chapter, all governments in the sub-region have become aware of the need for reforms to attenuate the effects of the crisis. A joint Secretariat/Fund team will carry out a detailed State by State analysis of the level of implementation of the policy reforms measures.

As far as the financing of the Investment Programme is concerned, the Chairman of Council informed this august Assembly in November, 1986, of the preliminary contacts he and the ECOWAS Fund and Executive Secretariat had made with a number of donor agencies and institutions in September during the 1986 Annual Meetings of the IMF and the World Bank. At the time, he indicated that the international community had welcomed this laudable initiative of ECOWAS - the adoption of an Economic Recovery Programme for West Africa.

On the part of the ECOWAS Fund, a series of contacts has been made since the November 1986 statutory meetings with financial institutions, both at sub-regional level and abroad (particularly in Europe, USA, the Middle East and Asia) to seek the necessary financing for the implementation of the programme.

The outcome of these contacts, which have been highly encouraging is discussed in the Report of the Managing Director of the Fund to the Board of Directors.

As I pointed out at the beginning of this Report, the official launching of the Recovery Programme, scheduled to take place during the Summit of ECOWAS Heads of State, is expected to be attended by representatives of almost all the industrialised

countries - this will include the traditional donors from Europe, the US and the Arab countries.

With regard to the mechanism for programme implementation, an internal monitoring committee, made up of officials of the Technical Departments of the Secretariat and the Fund has been set up and specific duties have been assigned to it.

We would like to assure Council that the Management and staff of the Institutions of the Community shall spare no effort to ensure the total success of the Economic Recovery Programme. We are already well on the way to that success.

Trade and Customs Cooperation

Only rather limited progress was made in the area of trade and customs cooperation. If the delay in this sector is not remedied, it can hamper the integration process in the sub-region. The causes of this delay have already been analysed and solutions proposed for consideration by the decision-making bodies of the Community. Thus at the last Session of the Council of Ministers held in November 1986, some activities were selected for the purpose of ensuring a rapid implementation of the trade liberalisation scheme which is a pre-condition for all other aspects of trade and customs cooperation.

Customs Administration

In November, 1986, as pointed out earlier, Council adopted a decision postponing the deadline for the implementation of the trade liberalisation scheme in respect of industrial products originating from Member States. The take-off date of the Scheme was changed from 28 May, 1983, to 28 May, 1988. The date of the

consolidation of customs duties and taxes of equivalent effect and removal of non-tariff barriers remains at 28 May 1979.

This new decision should enable the Executive Secretariat to approach Member States in order to remove all obstacles to the implementation of the trade liberalisation scheme.

Also in line with this decision, in January 1987, the Executive Secretariat contacted Member States to collect information on enterprises exporting industrial products originating from within the Community and to find out whether such enterprises would wish to benefit from the advantages of the ECOWAS trade liberalisation scheme. This step should also help towards the preparation of a provisional budget for the compensation of losses suffered as a result of the trade liberalisation scheme. Up until May 1987, only three Member States had replied to the questionnaire sent out for this purpose by the Executive Secretariat.

This attitude will not facilitate the task of our technical departments which need accurate information and reliable data for the preparation and execution of programmes of the Community.

Still under customs administration, the first meeting of the Higher Land Transport Council under the auspices of ECOWAS was held in March 1987. The ISRT Convention which was considered at that meeting raised certain important issues, particularly concerning the guarantee problem. It should be recalled that during the adoption of this Convention, Member States were requested to try out their own guarantee system for

three years and communicate to the Executive Secretariat the difficulties encountered in the system in order to carry out the harmonisation of the various guarantee systems in this sector. This three-year period expires in July 1987 and the Executive Secretariat has already written to Member States to collect all the relevant information. The harmonisation study should be carried out as from July 1987.

During the review period, the ECOWAS Executive Secretariat in accordance with a recommendation of the Trade, Customs, Immigration, Money and Payments Commission at its November, 1986, meeting, contacted CEAO and MRU to continue consultations on the harmonisation of customs and statistical instruments in force within the three organisations.

These activities should prepare the ground and foster the implementation of the single trade liberalisation scheme as from May 1988 by all States in the sub-region. We are however still awaiting the reaction of CEAO and MRU. In our opinion, cooperation between the various economic groupings in the sub-region should be of a more dynamic nature and go far beyond the wishful thinking that one comes across.

Whatever the case, we in ECOWAS will do everything in our power to mobilise the necessary goodwill to ensure the acceleration of the integration process in the sub-region.

As to the Automated Customs Data Processing System (ASYCUDA), institutions of the Community have been working since November 1986 to find solutions to the problems encountered in

the implementation of the Community Computer Centre, i.e.:

- provision of premises to house the Centre by the Togolese Government;
- recruitment of the technical staff necessary for the take-off of the Centre;
- search for funds to continue the development of ASYCUDA software;
- training of customs officers of Member States on the system. Scholarships for this training have been granted by some sponsors.

A memorandum on all these issues related to ASYCUDA was submitted to the competent Commission which met in Lagos in June 1986. The outcome of the deliberations of that meeting have been submitted for your consideration.

In the case of national centres, the inauguration of ASYCUDA-TOGO took place in February 1987. ASYCUDA-Niger and ASYCUDA-CAPE VERDE will be inaugurated very soon.

Trade Promotion

In my November 1986 Report, I gave an account of the seminar organised by ECOWAS under the patronage of the EEC, on trade cooperation and commercial policies. This seminar afforded officials of Member States the opportunity to reflect together on the ways and means which will enable their States to derive the greatest benefit from the experiences of GATT and ITC in the area of trade policies.

The ECOWAS, BOAD, CEAO and Niamey MULPOC initiative to seek funds for the study on export financing and credit guarantee has so far not been fruitful. Efforts to seek financing for the study will however continue.

In the area of harmonisation and programming of trade fairs in the West African sub-region, no noteworthy progress has been made. This is highly regrettable, as the list of fairs organised in West Africa is decidedly on the increase. Ghana organised a trade fair in November 1986 and the Dakar Trade Fair, which is the largest such event in West Africa, was held as usual in early December 1986. We must point out that despite numerous appeals, Member States have showed no interest in participating in the various meetings convened with a view to the harmonisation and rationalisation of these fairs. We shall however continue to seek the best possible ways of convening such meetings.

Another activity envisaged in the area of trade promotion concerns the implementation of certain projects underway, in particular the utilisation of the results of the studies on agricultural surpluses and on packaging, marking and labelling.

We have also focussed attention on trade promotion efforts undertaken by ECOWAS in respect of private economic operators in the sub-region. This is why the Executive Secretariat proposes to organise a forum for such operators, in collaboration with the Federation of West African Chambers of Commerce (FWACC), in order to involve them further in the promotion of intra-community trade. This event will be the second of its kind following the forum organised in Abidjan in 1983.

Still in the area of trade promotion, the Executive Secretariat is actively preparing for UNCTAD VII, which is scheduled to hold in July 1987 in Geneva. This meeting, which is in pursuance of activities designed to improve world trade between developing countries (Group 77) and developed countries, will be an opportunity for economic cooperation groupings in Africa to further define the role they are called upon to play in the area of trade promotion. As you know, the Lagos Plan of Action provides for the eventual creation of an African Common Market by the year 2000. The OAU, in its search for concrete measures to this end, proposes to organise a meeting before the UNCTAD activities, in July 1987. This meeting will be between African economic cooperation groupings and will afford them the opportunity to exchange their experiences in all areas of integration, including trade promotion. ECOWAS will take active part in this meeting.

In the area of tourism, ECOWAS organised a meeting of experts in the month of March 1987, to consider the best ways and means of developing the tourist potential in the sub-region. The Experts recommended among other things, that an Association of National Tourism Administrations be set up. They also adopted draft statutes and rules of procedure for the proposed association. The conclusions of the Experts meeting are submitted for your consideration.

Immigration

Free Movement

Reports have been received that citizens of the Community continue to be subjected to administrative harrassment, particularly in the area of free movement of persons where the payment of a sum of money to the immigration officers of some of our Member States has practically replaced the entry visa. Of course, these are isolated cases which are much more a form of corruption than a deliberate policy of non-implementation of the Decision on the Free Movement of Persons. We are therefore seizing this opportunity to appeal to all Member States to ensure that appropriate action is taken to combat the irresponsible behaviour of immigration officers on duty at the border posts (land and air borders) of our States.

On the printing of travel certificates, only one Member State has embarked on the printing procedure. Generally speaking, Member States are encountering serious problems in the implementation of this decision, in view of the financial difficulties they are facing. The Executive Secretariat has been requested by the States to do everything possible to seek external financing for the printing of the travel certificates. We are trying hard to find the best ways and means of printing the ECOWAS Travel Certificate as well as the best ways of putting it to effective use.

Right of Residence

The entry into force of the second phase of the Protocol on Free Movement of Persons, the Right of Residence and of

Establishment was adopted by the Heads of State and Government at their 9th Session held in Abuja in July, 1986. However, only one Member State has ratified the Supplementary Protocol on the Right of Residence. Other Member States should endeavour to ratify and implement this second phase of the Protocol.

New Laissez-Passer for ECOWAS Staff

The new travel documents (ECOWAS Staff Diplomatic and Official Laissez-Passer) were recently put into use. Specimens were sent to all Member States for their information. We hereby appeal to all Member States and in particular to the host countries of the Institutions of the Community, to grant all the diplomatic privileges and immunity due to their status to the staff of the two Institutions, in accordance with the Decision of the Council of Ministers on this subject.

Monetary Cooperation

The ECOWAS Monetary cooperation programme took a decisive step in early May, 1987, with the 9th meeting of the Committee of Governors of Central Banks of Member States held in Nouakchott (Islamic Republic of Mauritania). At that meeting, the Committee adopted a recommendation addressed to Ministers of Finance on measures which could be the basis of the ECOWAS Monetary Cooperation Programme. This Programme will require the adoption of collective measures designed to establish a harmonised monetary system and joint management institutions. It is of course understood that these objectives will be achieved in a gradual manner. In the short term, the operational mechanisms

of the West African Clearing House are to be strengthened. In the medium and longer term, limited currency convertibility should be ensured and the single monetary zone is to be established, with the following characteristics:

- A common monetary authority
- Issuance of a common convertible currency
- Pooling and joint management of all exchange reserves
- Adoption of a common monetary policy
- Agreement on convertibility guarantee.

The Committee of Governors, on the basis of the short, medium and long term objectives identified selected activities to be undertaken and the level of adjustments required to carry out the monetary programme smoothly.

Ministers of Finance of Member States who will meet in late June 1987 to consider the programme will make recommendations to Council on the issue.

Cooperation in Agriculture and Natural Resources

The short and medium-term programme for the development of agriculture and natural resources was adopted by the Council of Ministers in June 1986. The aim of this programme is to foster the implementation of concrete Community schemes intended to eventually bring about self-sufficiency in food in the sub-region, among other things.

Identification studies on agricultural and natural resources potential in line with this programme are underway.

In the case of the study on wildlife and plant protection aimed at the identification of reafforestation schemes (green belt project) and the preparation of legislation on the protection of national parks, these studies are scheduled to take off in June 1987.

Financing requests are to be sent out to donors for sponsorship of the implementation of the short and medium-term programme. Cooperation with USAID, FAO, UNDP and other multilateral organisations will be intensified for this purpose.

Furthermore, in accordance with the recommendations of the Cotonou Session of the Council of Ministers held in 1983, the Executive Secretariat intends to organise very soon the triennial meeting of Forestry Experts on the "Reafforestation Decade" adopted in 1983 by the Authority of Heads of State and Government. To this end, the Executive Secretariat requested Member States to send progress reports to enable us assess projects undertaken at national level between 1983 and 1986.

Community Seed Multiplication Centres and Cattle Breeding Centres

The invitation to tender for the feasibility studies on selected seed production centres and cattle breeding centres were published in July 1986. This invitation to tender concerned only already existing centres (i.e. 4 of each type of centre) in accordance with the recommendations of the relevant Commission.

The ECOWAS Tenders Board has selected a consultancy bureau in the sub-region to carry out these studies. A contract was signed between the Executive Secretariat and the Consultancy Bureau in accordance with the provisions in force on the subject. The feasibility studies will be completed in July 1987.

The selection of a Consultancy firm to carry out feasibility studies on the remaining selected centres will take place in August 1987 and the studies will be undertaken in October 1987.

Industrial Cooperation

Industrial cooperation over this period has included the implementation of certain projects contained in the medium-term industrial programme adopted in November 1986 by the Council of Ministers. These schemes are as follows:

Exhaustive Inventory of Industrial Units in the Sub-Region

This is considered a priority project as it will ensure intensified cooperation between the industrial enterprises of the sub-region. Steps are therefore being taken within Member States and at UNIDO level to complete this inventory before the end of 1987. Questionnaires have been sent to Member States and a financing request has been addressed to UNIDO for this purpose.

Industrial Development Decade for Africa (IDDA) Programme

ECOWAS is responsible for coordinating the implementation of this programme in West Africa. Steps have therefore been taken to promote the effective implementation of projects

contained in the integrated industrial promotion programme for West Africa. ECOWAS is thus trying to ensure an even distribution of projects within the sub-region (contacts have been made with sub-regional institutions for promotion of investors, presentation of projects at the Dakar industrial forum, etc...) Positive reactions on several projects of this programme have been received but unfortunately, the promoters within Member States (Government, private individuals) have not always reacted when such offers are brought to their knowledge.

West African Industrial Forum

This event, which is organised every two years by the Dakar International Trade Fair Company (SOFIDAK) under the patronage of ECOWAS, was held in December 1986. The Community took active part in its preparation and organisation (public enlightenment mission to Member States, effective presence during the Fair). The Secretariat is studying ways and means of ensuring greater success for this project which promotes foreign investment in the sub-region.

Rehabilitation of Industrial Units

As its own contribution to Member States in the search for a solution to this topical problem, ECOWAS has contacted some international organisations. Financing possibilities have been identified and the necessary steps have been initiated to identify within Member States the enterprises to be rehabilitated. The Secretariat is thus looking forward to greater cooperation from the appropriate technical departments of Member States through prompt responses to requests for information sent to them.

Sub-regional Committee on Industrial Development

This Committee, which was set up under the auspices of the Association of West African IGOs, is designed to ensure greater coordination of IGO activities in the sub-region relating to the promotion of industrial development. ECOWAS has been designated lead agency of this Committee and is thus the main initiator of these activities. In this respect, a meeting of the Committee was organised in December 1986 in Dakar.

Preparation of a Draft Master Plan for Industrialisation
in the Sub-Region

This project requires considerable financial and human resources. Its implementation will be facilitated by the completion of the exhaustive inventory of industrial activities in the sub-region.

The Secretariat has therefore contacted external financing sources (UNIDO, ECA, UNDP) and intends to start off on the preparation of this master plan as soon as the inventory is completed.

Cooperation in Transport Matters

The Community Programme for cooperation in transport matters covers development of infrastructures (roads, railroads, air and sea transport facilities) and harmonisation of legislation and administrative procedures in force within Member States.

Trans-West African Road Network

The major feature of the cooperation programme is the completion of the Trans-West African Road Network. Little progress was made towards the construction of the remaining sections during the period covered. A consultative meeting was organised in Lome by the Executive Secretariat from 30th Mars to 3rd April, 1987, to take stock of progress accomplished in the implementation of the programme. It was learnt that 1,265.5 km of the 3,430 km Trans-Coastal Highway (Lagos - Nouakchott) and 1,671 km of the 4,320 km Trans-Sahelian Highway (Dakar - N'Djamena) are yet to be completed.

The delay in the implementation of the programme is mainly due to lack of funds. The consultative meeting, in a bid to arouse the interest of possible sponsors in the financing of the remaining sections, requested that the Executive Secretariat prepare a brief economic study of the coastal and Sahelian roads to demonstrate the viability of the two projects. The study was to be carried out as soon as possible.

ECOWAS Reinsurance Company

The feasibility study on the establishment of an ECOWAS Reinsurance Company has just been completed, and is to be submitted to a meeting of insurance and reinsurance experts for consideration, before the end of the year.

ECOWAS Brown Card

The 6th meeting of the Council of Bureaux of the ECOWAS Brown Card Scheme took place in Lome from 11 to 13 May, 1987. The Council took important resolutions on technical and financial problems.

In the technical area, the Council of Bureaux felt that harmonisation of legislations is not in itself a pre-condition for the effective implementation of the ECOWAS Brown Card. This harmonisation should rather be the result of continuous reflection both on the part of the Administrative Secretariat and of the Council of Bureaux. The Council proposed that at the next meeting a day be set aside to listen to information on insurance legislation and compensation systems in the various ECOWAS Member States.

On the issue of rating, the Council of Bureaux felt that rating should be based on the principle of geographical extension. The decision on whether or not to charge excess premium is the responsibility of the National Bureaux and of the insurance Contract Authorities.

From the financial point of view, the Council expressed its satisfaction with the full payment of contributions made by some National Bureaux. In the case of the debtor Bureaux, we urge Member States to use their influence with their respective Bureaux to ensure that they pay up the total amount of their financial obligations to the Brown Card Administrative Secretariat.

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Transfer to ECOWAS of Activities of the Higher Land Transport Committee (CSTT) of the ENTENTE

The transfer was formally effected during the first meeting of the CSTT in Lome in April 1987. The CSTT is now therefore, a special consultative body within the ECOWAS Transport Sub-Commission. A draft recommendation has been submitted to Council to this effect. This transfer will avoid duplication and dispersal of effort within the sub-region, thereby making it easier to rationalise cooperation efforts going on in West Africa.

Extension of the Facilities of the Regional Training Centre for Road Maintenance in Lomé (CERFER), to cover other French-speaking States

During the meeting with ECOWAS held in February 1987, the Entente Council agreed to extend the services of the CERFER to cover French-speaking non-member States. The Executive Secretariat sent out a letter to this effect to the Member States concerned (Cape Verde, Guinea, Guinea-Bissau, Mali, Mauritania) specifying the nature of the proposed services, and conditions for eligibility, etc.

Railway Network

A consultative meeting was held between the ECA and ECOWAS in October 1986, to lay down guidelines for the preparation of feasibility studies on existing railway networks in the sub-region. The Executive Secretariat has approached the Indian Government for assistance in preparing feasibility

studies on the network which will link Togo, Burkina Faso, Niger and Mali.

Establishment of a Sub-Regional Transport Institute

The World Bank was approached for assistance in the preparation of a feasibility study on the sub-regional institute which will train executive, supervisory and management staff.

It should also be noted that, as regards cooperation between airlines and cooperation in maritime transport, praiseworthy efforts have been made by ECOWAS to improve both air and sea travel within the sub-region.

Cooperation in Communications

Integration of Telecommunications Infrastructures of Member States (INTELCOM Project)

The priority programme is being implemented on schedule, and no major difficulties have arisen. The following micro-wave links provided for in Phase A have been officially received:

- Korhogo (Côte d'Ivoire) - Sikasso (Mali); and
- Bolgatanga (Ghana) - Ouagadougou (Burkina Faso)

Work is well advanced on the other projects :

- the micro-wave links between Sokoto (Nigeria) and Birni Maronni (Niger); Fada Ngourma (Burkina Faso) and Porga (Benin) as well as the Po and Orodara telephone exchanges in Burkina Faso.

Equipment for Phase B is still being manufactured in Europe and will soon reach the testing stage preliminary to shipment to West Africa.

The Executive Secretariat will ensure that installations which have been officially received are properly used during the guarantee period, and are entirely compatible with existing equipment. Missions to the Departments of Telecommunications concerned have been provided for.

Revision of ECOWAS Telephone Tariffs

The Working Group set up to revise the tariffs met in Cotonou from 1st to 5th December, 1986. A report on the Group's deliberations has been sent to all Member States for relevant comment before the meeting of the Technical Commission which is to consider the findings of the Working Group.

This Technical Commission is scheduled to meet during the 3rd quarter of 1987, to discuss the findings of the Working Group. A recommendation shall be submitted to the Council of Ministers at its next meeting for consideration, with a view to bringing into force the new tariffs.

Inter-State Telecommunications

Three consultative meetings have been held between the Executive Secretariat and the Telecommunications Departments of Member States, mainly to discuss the problem of maintaining and effectively operating inter-state links.

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The first meeting comprised Benin, Ghana, Nigeria and Togo, and was held in Cotonou, in July 1986.

The second was attended by Côte d'Ivoire, Liberia, Guinea, Sierra-Leone, Guinea-Bissau, the Gambia and Senegal and was held in Man, Côte d'Ivoire, from 8th to 12th April 1987.

The third meeting was held in Lomé from 20th to 25th June 1987, and was attended by Togo, Burkina Faso, Niger and Benin.

As part of the coordination measures between members of the PANAFTTEL network, ECOWAS organised a meeting of Telecommunications Departments of Member States benefitting from the CIDA micro-wave link between Dakar, Bamako, Ouagadougou, Niamey and Cotonou. The meeting was held in Cotonou in May 1986.

These meetings have served to emphasise the contribution of the Secretariat towards the effective operation of the various links, by proposing the complete rehabilitation of those links that have become obsolete, and assisting the Telecommunications Departments concerned by ensuring them a regular supply of spare parts.

The Executive Secretariat is planning to assess the financial requirements of Telecommunications Departments to enable them to rehabilitate their networks (purchase of spare parts, etc..), with a view to preparing a comprehensive programme covering all the telecommunications departments for submission to the Commission at its next meeting.

Basic and Specialised Training in Telecommunications

To complete the study on professional training requirements carried out by the ORT for ECOWAS, the Executive Secretariat sent out questionnaires to Member States in March 1987, to collect additional information with which to up-date the study.

A seminar for senior telecommunications officers is scheduled for the third quarter of 1987. The subject will be telecommunications operations.

Improvement of Aeronautical and Air-navigations Communications

In pursuance of Directive No. C/DIR/1/6/86 of the Council of Ministers on the up-dating of the 1980 ICAO study, the Executive Secretariat sent a mission to ASECNA in September 1986, to hold a working session with the Studies Department of the Organisation.

A letter was subsequently sent by the Executive Secretariat to the Director General of ASECNA, requesting that the organisation up-date and complete the technical specifications for ECOWAS.

The technical specifications to be prepared by ASECNA will be sent out to interested partners later this year with a view to obtaining funds.

Energy Cooperation Programme

The ECOWAS Energy Programme was adopted as far back as 1981. A number of projects have been prepared within the framework of this Programme. In my November, 1986 report, I indicated

the measures taken towards the implementation of three of these projects. The situation has not changed since the last Council meeting.

Regional Energy Information Network

The pilot project prepared by ECOWAS with the assistance of UNESCO, on the centralisation of information on new and renewable energy, has come into being. Information bulletins on energy are published at regular intervals and distributed to all Member States.

Monitoring of the Training Programme on Energy Conservation

The programme is sponsored by USAID and aims at reducing petroleum consumption levels through the improved use of electrical plants. Assessment missions have been sent to Niger, Sierra Leone and Nigeria to take stock of energy conservation measures. A mission will also be undertaken to Mali and Côte d'Ivoire before the end of the year.

Other Energy Sources

The Community is equally interested in the development of new energy sources. A programme is being prepared for the exploitation of new and renewable energy - solar, wind, geothermal and biomass.

SOCIAL AND CULTURAL COOPERATION

The following activities have been carried out during the period under review, within the framework of social and cultural cooperation:

Social Affairs

1. Merger between the OCCGE (Organisation for Cooperation and Coordination for the Eradication of the major Endemic Diseases) and the West African Health Community, to form a single West African Health Organisation

The meeting of Health Ministers of ECOWAS Member States held at the end of April, 1987 in Lagos, re-affirmed the need for a single health organisation in the sub-region. The proposed merger between the two West African Health Organisations is also in line with the rationalisation of institutional arrangements for cooperation within the sub-region.

The Health Ministers formally recommended the establishment of the West African Health Organisation during this meeting, by their adoption of the Protocol on the issue. The Protocol is to be submitted to Council for consideration, before being transmitted to the Authority of Heads of State and Government for a final decision.

2. The West African Women's Association

The decision-making bodies of the Community have provided for the establishment of a number of associations, as part of the effort towards the enlightenment and mobilisation of the population to obtain their active participation in the integration process.

The Organisation of Trade Unions of West Africa (OTUWA) was accordingly born, and its statutes adopted at the June - July 1986 Summit meeting of Heads of State and Government. The Statutes of the West African Women's Association were only recently adopted by the Ministers for Social Affairs of ECOWAS Member States at their meeting in Dakar in April, 1987, and shall be submitted to the Council of Ministers for consideration, and to the Authority for a final decision.

Cultural Affairs

1. The standard cultural cooperation agreement between ECOWAS Member States was adopted by the Council of Ministers in November, 1986. The Agreement opens up perspectives for the strengthening and extension of cultural cooperation and exchange.

2. Equivalence of Certificates

The Ad Hoc Committee set up to examine this issue will meet in June, 1987. The objective of the study in preparation is to work out equivalences between the certificates delivered by the various training institutes in the sub-region, in order to facilitate:-

- (i) further studies by foreign students;
- (ii) exchange of training programmes, recognition of certificates delivered to nationals by institutions belonging to different educational systems.

3. Cultural Industries

Work has slowed down on the studies concerning this area due to the failure of two Member States to provide essential information requested. Missions are to be organised to these States in an effort to resolve the problem.

The implementation schedule remains unchanged: in particular, the seminar on this subject will be held as planned.

4. ECOWAS Prizes

The November 1986 Council of Ministers Meeting called for a more detailed study on the award of the prizes : value, frequency of prize-award, organisation of the award programme and constitution of the jury. The study is in preparation, and its conclusions shall be submitted to the Council of Ministers in November 1987.

Sports

The West African Football Union received a subsidy of 24,000 U.A. from ECOWAS to complement its operating budget. The subsidy was included in the Executive Secretariat budget Council approved in November 1986.

ECOWAS Fund : Financing of Community Programmes

Community development programmes financed so far by the Fund focus essentially on the two priority programmes identified since 1982, i.e. the telecommunications projects and the Trans West African Highway networks.

On 30 April 1987, the Fund signed 16 loan agreements with 13 Member States with a view to financing 13 telecommunications projects and 3 road projects.

The total commitments of the Fund on these projects are estimated at 26,843,530 units of accounts while a total of 12,072,787 units of account has been paid out, i.e. 45% of the total, leaving an unpaid balance of 14,770,743 UA, i.e. 55%.

The position per type of project reveals that payments for the INTELCOM I. A lots are almost 50%, while payments in Phase B of INTELCOM I which were recently started have reached on the average 25% rate of execution. In the case of the highway projects, the amount disbursed varies from one project to the other : 69.9% for bridges over the MONO/SAZUE in Benin and 25.1% for the Monrovia - Freetown highway. The MONO/SAZUE bridges have however already been completed and are now in use.

Generally speaking, the low level of payment is mainly due to the long procedure for the certification of bills by Member States.

The non-payment of loans contracted by Member States poses serious problems to the Fund. This situation is quite detrimental to the financial institution. In effect, debt servicing obligations of Member States towards the Fund

is steadily increasing. In the case of pre-amortisation charges, for instance, only 898,527 U.A. of cumulative charges of 1,471,458 U.A. has been refunded, leaving a balance of 572,931 UA or 46.6%. It must be pointed out that Member States have so far paid nothing in respect of pre-amortisation charges.

In the case of payment of matured loans, the refund of 4 loans was due on 1 July, 1986. The situation is that out of the total amount of 322,195 UA due as principal, interests and other charges, only 40,903 UA has been refunded (i.e. 12.4%). There is thus an unpaid balance of 282,192 UA, i.e. 87.6%.

This situation of non-repayment of loans by Member States is very disturbing. This is why we are appealing to all debtor Member States to refund the loans granted to them in time.

Apart from this aspect, Council should reflect upon the best ways and means of increasing the resources of the Fund. Proposals for this purpose have already been submitted by the Managing Director to the Board of Directors. One proposal is that the Fund capital be opened to non ECOWAS countries. Council is requested to give this issue its careful consideration.

ECOBANK

The ordinance establishing ECOBANK TRANSNATIONAL INCORPORATED was signed in September, 1985. Since then, problems relating to the mobilisation of capital and the transfer of funds paid in non-convertible currencies by some States have delayed the effective take-off of the institution.

Consultations have been held with the States concerned and the results leave room for hope that transfers will be made as soon as possible. Meanwhile, the Fund is waiting for these problems to be resolved before disbursing part of its subscription estimated at US\$ 5 Million.

The take-off of activities of the ECOBANK subsidiaries in Nigeria and Côte d'Ivoire as well as the take-over of CITIBANK Niger are scheduled for the end of 1987.

FEDERATION OF WEST AFRICAN CHAMBERS OF COMMERCE

The Institutions of the Community interact with the private sector through the Federation of West African Chambers of Commerce. Active cooperation between the Federation and ECOWAS continued during the review period. At the 1986 Annual meeting of the Federation, I had the honour of giving the Keynote Address in which I dwelt on the challenges of the economic crisis to both economic operators and policy-makers. The ECOWAS Economic Recovery Programme envisages the active participation of the business community in resuscitating the West African economy and this message will be put across to the Federation at its forthcoming meeting in July, 1987.

ADMINISTRATIVE AND INSTITUTIONAL ISSUES

Construction of Headquarters of Community Institutions

i) Fund: The foundation stone was laid in November, 1986, under the distinguished chairmanship of His Excellency President Gnassingbe EYADEMA, Founding Chairman of the Togolese People's Rally, President of the Republic. Construction work is proceeding satisfactorily.

ii) Executive Secretariat: The implementation programme is well underway. The company responsible for the construction has just been selected, in accordance with the provisions of the tendering procedure in force. The foundation stone will be laid in the next few weeks.

Although overall progress has been made in the construction of the headquarters of our institutions, non-payment of contributions for the construction of the headquarters of the Institutions of the Community remains a serious problem. This is why we are appealing to all Member States to pay up their financial obligations in respect of the construction of the headquarters.

Housing: Some of the Executive Secretariat staff have already occupied the houses made available to ECOWAS by the Government of the Federal Republic of Nigeria. The other members of staff will move as soon as the renovation of the remaining houses has been completed. In addition, ECOWAS is defining an appropriate policy for staff housing which will be submitted for your consideration.

Report of the Evaluation Committee

The Ad Hoc Ministerial Committee has not delivered its final report. Council may wish to deliberate on the matter at this session and decide on the final fate of this Committee.

Rationalisation of IGOs in West Africa

The second report of the study prepared by ECOWAS and ECA on the rationalisation of cooperation efforts in the West

Africa sub-region has just been completed. It contains a number of recommendations for the strengthening of economic co-operation in West Africa.

The conclusions of this study should be studied very soon by a joint meeting of experts of IGOs and Member States before being presented to the decision-making bodies of the Community for consideration.

Financial Contributions

i) To the Fund's Capital

Despite numerous appeals, there are still five Member States which have not fully paid up their contribution to the Fund capital. This outstanding contribution amounts to 3.53 Million US Dollars.

ii) Executive Secretariat

The Abuja appeal to debtor countries requesting them to pay up their arrears of contributions had a beneficial effect on the financial situation of the Executive Secretariat. Some countries made highly appreciable efforts to this end. The overall picture is however still far from satisfactory. As at 31 March, 1987, arrears of payment were 16,452,222.56 units of account. Only one Member State has paid up its 1986 contribution, five have paid up to 1985 and two States still owe part of the contributions due from them as far back as 1978.

The non-payment of contributions to Institutions of the Community is a seriously disturbing subject. We feel the urgent necessity for Council to appeal once more to the Member States concerned and to request them to fulfil their financial obligations on time.

CHAPTER III : MAIN OUTLINES OF 1988 WORK PROGRAMME

The Community programme for 1988 will take due account of the level of implementation of the 1987 programme and will focus essentially on the implementation of the Economic Recovery Programme and on certain high priority sections of the sectoral programmes.

Attention will be concentrated on the Economic Recovery Programme as its implementation will further strengthen the credibility of our institutions to ensure the promotion of socio-economic development in Member States. As far as sectoral cooperation programmes in the Community are concerned, it is time to re-establish a priority scale which will take into account both the objectives of the recovery programme and the consolidation of certain Community acts and decisions. Special attention should be paid at this stage to the development of the rural sector and the implementation of the trade liberalisation scheme.

The final version of the 1988 Work Programme will be presented to the November 1987 Session. This Chapter deals only with the main outlines. The following is however an indication of the direction to follow and the type of activities to be undertaken to ensure the progress of Community programmes. The main outlines of the Work Programme thus identified are a selection of the various customary cooperation programmes.

Economic Recovery Programme

The programme has been adopted. It now remains to assure its successful implementation over a short-term period of 3 years, as stipulated by the decision-making bodies of the

Community. Our institutions will thus pay particular attention to the implementation of general policy measures and budgetary rehabilitation, as well as to the smooth execution of the investment programme. The plan may be set out as follows :

(i) General policy measures : monitoring of policy reforms - organisation of a seminar on management of the sub-regional economy and assessment of anticipated results.

(ii) Investment Programmes : Continuation of search for project sponsorship. Follow-up of financing negotiations between Member States and sponsors.

Other Sectoral Programmes

The level of priority to be accorded to certain sectors is of great importance. The Community cannot make progress if its meagre financial resources are thinly spread over different sectors of socio-economic activity. A judicious choice of activities to be undertaken would make for greater effectiveness.

A sufficiently rational order of priorities on which particular action should be taken in 1988 must therefore be drawn up. The following activities could be selected for this purpose :

Rural Development

The activities proposed in this sector focus on the following themes:

(i) increased agricultural production;

(ii) total integration of agricultural, forestry, live-stock breeding and fishery issues in rural development;

(iii) Involvement of the rural areas in order to mobilise the people.

The objective assigned to this sector in the 1988 programme is in line with the major preoccupations of Member States in the area of self-sufficiency in food. The following activities are envisaged:

(i) Search for Financing of Selected Seed Production Centres and Cattle Breeding Centres

(ii) Harnessing of Water and Agricultural Resources : installation and rehabilitation of village irrigation projects, construction of small dams for storage of running water.

(iii) Support services for the development of food crops : intensified control of insects, diseases, and other pests, in collaboration with other sub-regional organisations (CILSS, OICMA). Supply of agricultural inputs (seeds, fertilisers).

(iv) Development of Livestock : Construction and rehabilitation of infrastructure for water supply and grazing schemes : wells, bore-holes, drinking troughs, livestock pens, improvement of animal feed.

(v) Harnessing of Fish Resources

Promotion of cottage fishing industry.

Industry

The main activities in this area are aimed at the implementation of recommendations on the rehabilitation of existing industrial units and promotion of small and medium-scale industries as part of the Economic Recovery Programme.

Customs Administration

The activities to be undertaken should concentrate mainly on the implementation of the trade liberalisation scheme. They include :

(i) Enlightenment campaign aimed at the effective implementation of Acts and Decisions establishing customs and statistical instruments of the Community and those relating to the intra-Community trade liberalisation programme.

(ii) Study on legislation, rules and regulations in force in Member States with a view to the establishment of a Community guarantee system to cover inter-State road transit of goods.

(iii) Continuation and development of automatic processing of customs and statistical data in the ASYCUDA system.

Immigration

Continuation of information and enlightenment schemes in Member States, with a view to improved dissemination and correct implementation of the various provisions of the Protocol on Free Movement of Persons, the Right of Residence and of Establishment.

Money and Payments

Follow-up and supervision of the various tasks identified by the meeting of Governors of Central Banks with a view to the establishment of the single monetary zone. Definition of modalities for the implementation of proposals aimed at the establishment of this zone.

Transport and Communications

Action areas for the year 1988 in the transport and communications sector must of necessity be linked to the continuation of on-going activities in Community telecommunications projects and in the construction of the Trans West African Highway Network.

Roads : The main activities here will be the follow-up to the technical studies on the remaining sections of the West African Highway network (Ghana, Guinea, Guinea-Bissau, Burkina-Faso and Mali).

Communications :

The Community telecommunications programme is to be continued. This consists of :

(i) Execution of INTELCOM I

Continuation of execution of Phases A and B of INTELCOM I.

(ii) Improvement of existing inter-state links : study on viability for the improvement of existing links in order to increase reliability of services.

Administrative and Institutional Issues

Action in the administrative and institutional areas will focus on the following main themes :

(i) Rationalisation of cooperation efforts in West Africa

Follow-up of the implementation of recommendations on the transitional period.

- (ii) Construction of Headquarters of institutions of the
Community

Construction work will be continued.

C O N C L U S I O N

This Report highlights the need for ECOWAS Member States to find self-reliant means for the promotion of socio-economic development. All our actions shall instil long term confidence in the management of the economies of the West African sub-region, through the various structural adjustments we have embarked upon. The economic crisis afflicting our states is mainly due to the exposure of our structurally deficient economies to an extremely hostile external environment. To reverse the trends of this crisis, there must be a structural transformation of our economies, which of necessity implies a break away from the existing North-South integrated system in which our States continue to suffer harmful effects such as the deterioration of terms of trade and the external crisis. These two phenomena alone illustrate the noxious trends of the crisis afflicting Africa in general and the sub-region in particular. They in fact impede all development efforts undertaken by Member States.

The reform programmes undertaken by our Member States are indispensable and have been laudable - for more reasons than one. Their success however depends in large measure on the improvement of terms of trade, in other words, better prices for our raw materials. Even in the debt crisis, technical measures such as successive debt re-scheduling will be of no use if the industrialised countries continue to pay for our raw materials prices below their production cost. Third World countries must react and establish a common effective commercial basis to fight the deterioration of our terms of trade.

The other development strategy to be recommended to ECOWAS Member States is the intensification of sub-regional co-operation. To this end, the efforts of Member States should be geared towards the implementation of all Community Acts and Decisions. This co-operation should be more in line with concrete reality and aim at a better integration of the economies of the sub-region. The high level of economic development which is the aspiration of our States can be achieved only at such a price.

Thank you.