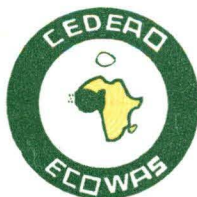
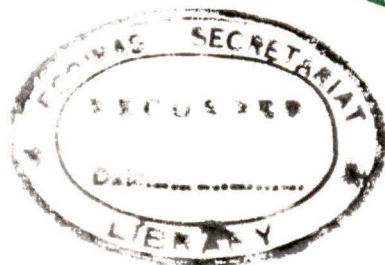


ECONOMIC COMMUNITY OF
WEST AFRICAN STATES



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



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**«ACCELERATING THE INTEGRATION OF WEST
AFRICAN ECONOMIES TO FACE
THE CHALLENGES OF THE 21ST CENTURY»**

**1998/1999
ANNUAL REPORT OF THE
EXECUTIVE SECRETARY**

MR. LANSANA KOUYATÉ



Executive Secretariat
Abuja, October 1999

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INTRODUCTION

1. The 21st century will pose extraordinary challenges for African countries in general and the countries in our region in particular. The major events which marked the end of the 20th century - the collapse of the Soviet empire and the subsequent rapprochement between the Eastern and the Western blocs - are bound to influence the destiny of our nations. Among the many challenges looming ahead in the next century will be the need to continue the necessary political reform without generating too much tension; integrate our countries while protecting national identities; participate in the global economy while nurturing our fledgling and fragile production enterprises; and eradicate poverty while implementing stringent policy measures needed to boost the growth of our economies.

2. From being a necessity, regional integration has today become an indispensable development tool and indeed an imperative. The sustained pace of integration in the developed countries will require them to deal with partners which are themselves integrated, that being the only way in which they can satisfy the criterion of size that will be dictated by world trade during the 21st century. The West African economies cannot meet this condition unless they attain the same standards and degree of harmony, and establish a single market. The 1998/1999 annual report entitled "*Accelerating the integration of West African economies to face the challenges of the 21st century*", which I have the pleasure to present to you today, attempts to contribute to the debate on this important issue.

3. The 20th century belonged to Asia where spectacular technological developments brought about tremendous improvements in the agricultural sector, accompanied by increased industrial production; the

increase in prosperity translated into longer life expectancy and higher school enrolment rates. The 21st century should logically belong to Africa, if we on this continent can meet three specific requirements: peace and stability, an appropriate and equitable legal system, and availability of manpower anchored on a sustained policy of training qualified staff.

4. The large economic zones that have been established in Europe (the European Union), in America (NAFTA) and Asia (ASEAN), give a preview of the world in the 21st century: a world divided into large blocs. Similarly, the big multinationals have negotiated a considerable number of mergers between them, and the flow of capital now knows no boundaries. The world has become a global village.

5. In the case of Africa, the end of colonialism was one of the most important achievements of the century. It however did not lead to the take-off of the African economies, although some countries have made significant progress in terms of urban development, infrastructural development, life expectancy, and school enrolment rates. Today, all the ECOWAS member countries are embarked on political, economic and social transition in one form or the other, with such transition often rendered difficult due to the economic crisis which the transition programme attempts to eradicate in the first place.

6. Poverty is more pronounced in practically all the West African countries than elsewhere else in the developing world. More than half of the population survives on less than one dollar per day. The most vulnerable are the rural dwellers, the young and the female population. Young school leavers can find employment in neither the public nor the public sector, besides which the private sector, in any case, is 90% dependent on the public sector.

7. ECOWAS countries have embarked on ambitious political and economic reforms in order to overcome these numerous development problems.

8. The problems of good governance, democracy and human rights constitute the foremost preoccupation of most countries in West Africa today, and are also a primary focus of donors' attention. Although it has not been easy to imbibe the principles of democracy and much as change has been slow in coming in some of our countries, the general picture shows that substantial progress has been made in the establishment of transparent political systems. In all the countries, the old political order is disappearing, with single parties giving way to a multi-party system, while the market economy is taking over from government-dominated economies

9. The political and economic reforms going on concurrently in West Africa have generated tensions within government machineries which were quite fragile to start with. Never before in the recent history of the world had countries with such low levels per capita income attempted to liberalise their political machinery and their economies at the same time. But such a process has been rendered inevitable, taking place, as it is, at a time when our countries are no longer required to choose between two ideological blocs on the international scene. The system which survived the cold war (liberalism) is expanding inexorably.

10. With reform being undertaken on these two fronts simultaneously, governments do not find ready public support in favour of change. Hardly any interest group supports political and economic reforms at one and the same time. Inevitably, such attempts generate tensions that are difficult to contain. However, countries which successfully carry out the different reforms at the same time will derive

considerable benefits therefrom. The fact remains, though, that the dual path of democracy and structural adjustment which ECOWAS countries have chosen is an extremely difficult but exalting one.

11. On the economic plane, since the early 1980s, there has been a complete overhaul of policies. Major reforms have also been introduced and the international community has mobilised to provide necessary support. Between 1980 and 1998, all the ECOWAS Member States undertook economic reform measures, carrying out more than a hundred stabilisation and adjustment programmes with the assistance of the Bretton Woods institutions. However, these reforms were often not fully implemented. SAPs were implemented in countries with markets too narrow to create the economies of scale needed to sustained economic growth. One of the missing links in the SAPs is their failure to take adequate account of the regional dimension of development. Their success will, in the long term, depend on how effective they prove at establishing an institutional base conducive to regional cooperation and integration.

12. This is the way things must evolve, particularly because poverty cannot be eradicated in our region without all sections of the population being involved in the development process. To realise our development objectives, it is imperative that we strengthen the integration of the West African economies.

13. A wide consensus has been reached around a certain number of principles which should guide the regional integration process in West Africa in the years to come. Some of these principles have been thrust to the fore by the constraints noted and the conditions that are clearly needed for the effective realisation of ECOWAS programmes. Among them are the need for internal stability (political and economic), regional coordination of macro-economic policies, review of the

procedures for the operations of the Community Institutions, and the political will of Member States to implement the Community priority programmes.

14. Since it was established, ECOWAS has initiated numerous cooperation and integration programmes in the key sectors of the economy including trade promotion, trade liberalisation, development of road and communications infrastructures, and the development of agriculture, industry and energy. However, the results have not been very encouraging because most of the decisions adopted by the political decision-making authorities have not been effectively implemented. For example, tariff and non tariff barriers continue to impede the development of regional trade. Intra-regional trade still represents a mere 11% of the total trade of ECOWAS Member States with third countries. ECOWAS is lagging behind in the harmonisation of economic and financial policies, the establishment of a common external tariff, and the establishment of institutions such as the Court of Justice and the Community Parliament. In addition, financial contributions are not paid regularly.

15. Experience has taught us that, whenever national interests are in conflict with regional interests, the pace of regional integration slackens considerably. Significant progress has been achieved in the execution of ECOWAS integration programmes. Further progress will require the constant support of all the Member States which are expected to assume the role of spearheading the realisation of the integration objectives. The Executive Secretariat, for its part, should critically examine the feasibility of the programmes it initiates, and the extent to which they can be effectively implemented. The improvements to be made in the conception of integration programmes, and the effectiveness of the measures taken in that regard will constitute one of the essential factors of the common strategy which Member States

and the Executive Secretariat must work out to ensure the integration of West Africa economies.

16. ECOWAS Member States should demonstrate greater political will by implementing the decisions which they have willingly adopted, and emulate the UEMOA member countries which have created a free trade zone in less than two years and which hope to enter into a customs union effective 2000.

17. Considering the numerous challenges facing the West African sub-region, ECOWAS must have a clear appraisal of its mission, which is to strengthen development initiatives in individual Member States. A number of measures need to be adopted before integration can play its expected role in the economic development of West Africa. To this end, ECOWAS efforts should, as a matter of priority, be centred on the establishment of a single regional market hinged on trade liberalisation, application of a common external tariff, and macro-economic convergence. At its forty-fourth meeting held in Abuja in August, 1999, the Council of Ministers approved the broad outlines of the strategy aimed at accelerating economic integration in West Africa, submitted to it by the Secretariat. This invaluable tool must be used to speed up the establishment of ECOWAS institutions such as the Court of Justice, the Community Parliament and Economic and Social Council. These institutions will contribute immensely to accelerate the implementation of ECOWAS priority programmes.

18. The sub-region also needs a modern communication network for marketing its products. For this reason, completion of the inter-State road network, implementation of the telecommunications project, INTELCOM II, and interconnection of the sub-region's electric power grids must feature prominently among ECOWAS priority projects.

19. The parlous state of the finances of the Community Institutions has been a crucial factor in the poor performance of ECOWAS in the area of integration. Some Member States have accumulated over fifteen years of arrears of contributions. These same countries are yet to ratify the protocol on the Community Levy which could have afforded them an opportunity to mop up their arrears. If we wish to move the integration process forward, it is important that all Member States pay their contributions and apply the Community Levy without delay.

20. The above development framework for our Community cannot be applied without an improvement in the operational procedures of the Executive Secretariat and the ECOWAS Fund. It is high time that the technical commissions, as defined in the treaty, were reactivated to effectively execute their assigned task of overseeing programmes within their specific sectors. Restructuring within the Executive Secretariat must be completed with despatch, to enable our institution to play its role in national economic development and integration.

21. Regional integration cannot be achieved if Member States are not truly committed to implementing the numerous ECOWAS programmes, and without the individual and collective effort of all sons and daughters of our sub-region. In this connection, I wish to express my gratitude to His Excellency, Gnassingbe EYADEMA, President of the Togolese Republic and current Chairman of ECOWAS, for his untiring efforts towards the attainment of the Community objectives.

22. I also thank President Olusegun OBASANJO of the Federal Republic of Nigeria, for the determined stance he has taken towards ensuring the revival of growth and economic development in Nigeria, a condition necessary for the prosperity of our sub-region.

23. There are monumental challenges to the regional integration efforts in West Africa. The question then arises, "Will ECOWAS surmount these challenges?"

24. The answer is yes, if it can take issue with the old order and divest itself of the fallacy that countries with small markets can develop in isolation. The answer is yes, if it embraces the political changes needed to accelerate the process of regional integration. The rest of the world is not waiting for us. Let us hope that the advent of the third millennium will herald the beginning of a reawakening that will enable our Member States to avert further marginalisation.

25. I am highly confident that this session of the Authority of Heads of State and Government will mark a turning point in the Community's development. Bright prospects for positive change lie ahead of West Africa. This annual report, which is an update of the interim report presented in August, 1999, focuses mainly on those elements of the regional development programme that will assist the sub-region to lay a solid and durable foundation for growth and development.

26. The report comprises three chapters and two annexes. Chapter I is an analysis of recent economic developments in West Africa and future prospects. Chapter II deals with the status of the Community Work Programme. Chapter III gives an overview of the ECOWAS regional development programme comprising a macro-economic framework and a regional investment programme. The last part of the report consists of remarks and conclusions. Annex 1 contains a summary of the implementation status of ECOWAS priority programmes and Annex 2 shows the extent and frequency of Member States' participation at sessions of the Council of Ministers and ECOWAS summits since 1990.

CHAPTER I

THE REGIONAL ECONOMY: RECENT DEVELOPMENTS AND FUTURE PROSPECTS

27. Overall, ECOWAS Member States recorded a sluggish GDP growth rate in 1998. This was due essentially to the fall in production growth rate of Nigeria, which alone accounts for more than 50% of the region's GDP,. On the whole, real GDP in ECOWAS countries grew by 3.2% in 1998, down from 4.3% in 1997 and 4% in 1996.

28. The regional economy was adversely affected by the sharp decline in Nigeria's oil revenues which account for about 10% of the regional GDP, and which fell by more than half in 1998, from 10.5 billion dollars in 1997 to 5 billion dollars in 1998. This was as a result of repeated acts of vandalism on oil installations in the Niger Delta, and also to a fall in the barrel price of crude oil.

29. The development target fixed by the United Nations for developing countries, including ECOWAS Member States, is a poverty reduction level of up to 50% by the year 2015. However, although higher than the population growth rate, the economic growth rate of West Africa in 1998 was far from enough to have a significant impact on poverty.

30. About 118 million, or 52% , of West Africa's 210 million inhabitants live below the poverty line, with the average income in the sub-region at about \$28 per month. The average income of West African rural dwellers is \$10 per head, as against the 18 US dollars per head earned by urban dwellers.

31. In order to attain the 50% reduction in the poverty level by the year 2015, the ratio of the population living below the poverty line must decrease by 3.4% annually. To achieve this, West Africa has to attain an annual growth rate of between 7% and 9%. This can be realised only if the rate of fixed net capital formation (FCNF) rises from 18.5% to about 33%, financed from domestic savings and external sources. The current domestic savings rate is about 16%, meaning that the remaining 17% has to be sourced externally. However, the public development aid to the sub-region accounts for only 9% of the foreign capital inflow, leaving a balance of about 8% which West Africa has to find elsewhere. ECOWAS countries must therefore make every effort to increase the level of internal savings rates, given the difficulty they experience in obtaining external funding.

1. EXTERNAL ENVIRONMENT: THE INTERNATIONAL ECONOMIC SITUATION

32. In 1998, the world economy suffered the effects of the financial crisis that held the Asian countries in its throes before spreading to other regions. The crisis adversely affected West Africa, particularly the trade and financial sectors of the economy.

33. With regard to trade, the countries most affected by the crisis were the oil exporting countries whose earnings fell by 32%. This fall in the price of crude oil in 1998 affected these countries and more particularly in Nigeria, and their terms of trade deteriorated by 28%. Although the ECOWAS Member States which are net importers of petroleum products benefitted from the fall in prices, the region as a whole suffered in terms of productivity and the balance of trade.

34. The depreciation of the Asian currencies also affected the market shares of West Africa's agricultural raw materials. Agricultural produce

from ECOWAS Member States faced stiff competition, in terms of pricing, from Asian producers on world markets for commodities such as coffee, rubber, palm oil, and timber. The drastic fall in the value their currencies in 1998 made the Asian countries more competitive, and they were able to increase both the volume of their exports and their market shares, to the detriment of Africa in general and West Africa in particular.

35. West Africa is not as integrated into the international financial system as some other regions in Africa such as the Maghreb and East Africa, or other parts of the world. However, the Asian crisis hit the sub-region at a time when Asia's capital flows to West Africa were growing, especially in the telecommunications and service sectors. In Ghana and Guinea, for instance, Malaysia is a shareholder in the national telecommunications outfits. Korean companies have also invested in several ECOWAS countries in the service sector and more particularly in trade.

36. As they continue to attract more and more foreign private investments, ECOWAS Member States have to incorporate the lessons of the Asian crisis into their macro-economic policies. Prudent debt management and solid banking institutions are of particular importance in this regard. Also important is the need to ensure strict regulatory supervision of the economy and greater transparency.

37. One of the major developments on the international monetary scene in 1998 was the completion of the administrative procedure leading to the introduction of the Euro and the establishment of an European Central Bank (ECB). The birth of the Euro on January 1 1999 was expected to lead to a realignment of monetary preferences on the world financial markets, given that the European Union accounts for 20% of the world GDP. The Euro was introduced at a time when the

European economy was growing at an appreciable rate, spawning hopes that the currency would appreciate in value in 1999. Such hopes were however dashed at the end of May when it was discovered that the Euro had fallen by 11% since January. However, the difference in the Euro's parity with the dollar started narrowing as from the beginning of October 1999. Nevertheless, the Euro as *refuge* currency, is likely to suffer as a result of the differences in the short and long-term interest rates which currently put the dollar ahead.

38. The European Union is West Africa's biggest trading partner, buying 60% of the sub-region's exports and supplying 56% of its imports. The introduction of the Euro is expected to strengthen trade relations between the two groups. A larger and more dynamic European market will stimulate greater demand for exports from ECOWAS countries. It is also expected to reduce foreign exchange-related risks. Moreover, the development of a single European financial market may encourage investors wishing to diversify their placements outside the European Union to show greater interest in other markets, including West Africa. The Euro will facilitate the emergence of a market that would not only be bigger but would also more diversified and more financially buoyant; a market that would constitute a source of cheap loans for countries wishing to borrow resources calculated in euros.

39. The countries likely to benefit the most from the introduction of the Euro are the eight (8) ECOWAS Member States in the franc zone (UEMOA). This is due not only to the fact these countries have closer financial and trade relations with France but also to the fact that the CFA franc is now directly pegged to the Euro. But this situation has both its advantages and disadvantages.

40. The countries in the franc zone are expected to benefit more from the single European financial market because of the fixed exchange rate. This is expected to contribute to greater stability in the exchange rate between the CFA franc and other strong currencies, leading to less volatile exchange rates. It will also encourage foreign investment and improve access to international financial markets.

41. However, certain problems may arise as the result of the pegging of the CFA franc to the Euro. A fixed exchange rate may prove to be a disadvantage as soon as the Euro appreciates against the US dollar and the currencies of other competing nations. A strong Euro is likely to curtail inflation in the franc zone. The problem, however, is that it will also stimulate imports and penalise exports. That, in turn, will adversely affect the balance of trade and the balance of payment of the countries concerned, thereby making their economies less competitive.

42. The international economic situation is also affected by the impact on the world economies of the "millennium bug" which is similar to a negative shock on demand. The problem dates back to a shortcut system which computer engineers in the 60s and 70s used to save on memory space which, at that time, was very costly. By using two digits instead of four (for example 99 instead of 1999) to identify the current year of the software. The danger is that computer systems will malfunction by taking the 00 for 2000 to signify 1900. As with other shocks of this nature, the macro-economic consequences of the bug may include rising prices and reduced profits and productivity, due to the huge investments needed to ensure year 2000 compliance.

43. However, the impact of the "millennium bug" on the West African economies may not be so devastating. ECOWAS countries are generally less dependent on computer technologies than the industrialised countries. However, countries which have not taken the necessary

measures to ensure year 2000 compliance may face problems in sectors such as water supply, electricity, telecommunications, air transport, import and tax recovery, data collection and financial systems.

44. With regard to West Africa's prospects in 1999 and beyond, indications are that the regional economy is likely to perform better. This optimistic view is based on the healthier economic policies being pursued by Member States, the improved political situation in Nigeria, and the efforts being made in that country to restructure the economy. The performance may be hindered however by some uncertainties such as the impact which the introduction of the euro may have on the West African economies, and the evolution of commodity prices.

II. THE INTERNAL ENVIRONMENT/ THE WEST AFRICAN ECONOMY

i) General economic trends

45. In West Africa, 1998 saw a slowdown in the economic recovery first noticed in 1995 and which had continued in 1996 and 1997. The regional GDP grew by 3.2% in 1998, down from 4.3% in 1997 and 4% in 1996. It should be noted, however, that the production growth rate in the last three years was almost double the rate recorded in the early 1990s. The region's economic growth rate could have been higher in 1998 had it not been for the poor results recorded in Nigeria. Production grew by 4% or more in about 11 countries and by between 0% and 3% in three others. On the other hand, two countries recorded negative growth rates.

46. The overall performance was encouraging more so as it was due not so much to favourable terms of trade as to the political policies adopted and to greater capacity utilisation. The prices of oil and minerals fell on the world market, adversely affecting exports.

47. If high economic growth rates are to be sustained, West African countries must strive to improve efficiency and competitiveness, as the means for smooth integration of West Africa into the world economy. It would also make the region less dependent on concessionary aid, a necessary development given the reduction in the amount of official development assistance (ODA) resources available.

Table 1: DISTRIBUTION OF COUNTRIES ACCORDING TO REAL GDP GROWTH RATE (1995-1998)

Growth rate	1995	1996	1997	1998
Negative	*② Liberia, Sierra Leone	*① Liberia	*① Liberia	② Guinea Bissau, Sierra Leone
0 - 3%	*⑩ Benin, Burkina Faso, Cote d'Ivoire, Gambia, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Togo	*④ Gambia, Guinea Bissau, Niger, Sierra Leone	*③ Guinea Bissau, Niger, Sierra Leone	*③ Liberia, Niger, Nigeria
4 - 6%	*④ Cape Verde, Ghana, Guinea, Mauritania	*⑧ Burkina Faso, Cape Verde, Cote d'Ivoire, Guinea, Mali, Mauritania, Nigeria, Senegal	*⑪ Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Mali, Mauritania, Nigeria, Senegal, Togo	*⑨ Benin, Cape Verde, Cote d'Ivoire, Ghana, Guinea, Mauritania, Senegal, Togo
Above 6%	*⑥	*③ Benin, Ghana, Togo	*① Cote d'Ivoire	*③ Burkina Faso, Gambia, Mali

(*)Number of countries within the group rate

Source: Member States and estimates by the ECOWAS Executive Secretariat

ii) Situation in the different countries

48. Nigeria recorded a disappointing result well below its potential, with a 2.7% growth rate in 1998, compared to 4.2% in 1997. This dismal performance was due essentially to the protests by the people of the Niger Delta, Nigeria's main oil producing region, the fall in the price of oil, shortages and disruption in the supply of electricity and petroleum products, deterioration of infrastructures, endemic corruption, and a deficient regulatory framework. However, the structural measures being planned by the government with a view to reducing the uncertainties surrounding the macro-economic environment, and the installation of a democratic regime, should herald vigorous economic growth as from the second half of 1999.

49. The Gambia, Burkina Faso, and Mali were able to raise their growth rate to an impressive 6.2%. These results are indeed remarkable, especially given the fact that the countries concerned were affected by climatic changes. The positive performance was the result of sound economic management, high investment rates, and an increase in the level of production of some raw materials.

50. Cote d'Ivoire continues to perform admirably. The growth rate remained steady in 1998, standing at 6%. This was as a result of the economic liberalisation measures adopted and a significant increase in the level of investments in the natural gas and petroleum sectors.

51. Benin, Cape Verde and Senegal recorded an equally impressive growth rate of 5.5%, due essentially to the sound macro-economic and structural measures adopted by these countries.

52. Ghana, Guinea, and Mauritania recorded a growth rate of about 4.5% in 1998. The production growth rate could have been higher but

for the fact these countries suffered from falling prices of gold, aluminium and iron ore. The situation in Guinea was due to the influx of refugees from Sierra Leone and Guinea Bissau. However, since these countries have adopted measures to ensure stricter budgetary discipline, this should enable them to narrow the gap between them and the countries with the best results.

53. Togo and Niger, with growth rates of 4% and 3% respectively, suffered the effects of the sharp reduction in the volume of official development assistance. They were nevertheless able to maintain a growth rate higher than population growth.

54. For the first time since the civil war began there in 1989, Liberia recorded a positive (3%) growth rate in 1998¹, the rise in the country's external balance having contributed significantly to improved economic performance. However, future growth will be conditioned largely by the situation in the neighbouring countries, particularly Sierra Leone. It should also be pointed out that the international community did not fulfil its pledges to assist Liberia.

55. Guinea Bissau and Sierra Leone, both victims of civil wars, suffered serious setbacks, recording negative growth rates of about -2%. The war has affected diamond mining and agricultural production in Sierra Leone and disrupted import and export activities in Guinea-Bissau. The end of the civil wars and the efforts being made to reconstruct and rehabilitate basic infrastructures should enhance the economic prospects of both countries, but this is obviously still a long way off.

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Report on the economic situation in West Africa - CDSR-AO - 1998.

iii) Structure of GDP: demand, domestic savings
and investment

56. The share of private and public consumption in domestic demand remained more or less stable in 1998, unchanged from its 1997 figure of 80%. Private consumption was higher than public consumption in all ECOWAS countries, due in part to the contraction of the public sector. The share of domestic consumption in real GDP growth was estimated at 2%, up from 1.8% in 1997. Given that the population is growing at a rate of 2.8%, this would mean that there has been no improvement in consumption per head. One of the major challenges facing West Africa is to increase the level of consumption per capita in order to halt the deterioration in the living standards of the people. To achieve this, governments need to implement human development programmes by adopting concrete measures that would facilitate access to potable water, health care, energy and education.

57. The share of investments in the growth of real GDP was estimated at 1.5% in 1998, as against 2% in 1997. The average investment rate in ECOWAS countries was estimated in 1998 to have been about 18.5% of GDP. This was far below the level needed to ensure durable economic recovery. With the exception of Gambia which recorded an impressive 24% investment rate, and Burkina Faso, Cote d'Ivoire, and Mali (20%), most of the ECOWAS countries recorded a rate of about 18%, while the rate in Guinea Bissau, Liberia and Sierra Leone was below 15%.

58. The poor performance of West African countries in the area of investments was further worsened by the rapid decline in the level of public investments, particularly in the area of infrastructures, due to the need to reduce budget deficits, as condition of SAP. Following the reduction in the level of public investments in the 1990s, private investment has become the most important component in the formation of fixed capital.

59. On the whole, the economic situation is quite encouraging. Nevertheless, in order to ensure more robust growth, ECOWAS Member States have to pursue more vigorous economic reforms, encourage savings, and promote domestic investment. One of West Africa's objectives in the years to come should be to increase investments to about 33% of GDP, a level close to what obtains in the most dynamic countries in Latin America and Asia.

60. The increasing level of private investments augurs well for economic growth in the region. However, in order to ensure sustainable growth, the savings rate should go up by the same proportion.

61. The average rate of savings in ECOWAS countries is very low, accounting for only about 16% of GDP in 1998. There are however wide differences from country to country: 22% in Nigeria, 18% in Cote d'Ivoire, and below 10% in Guinea-Bissau, Liberia and Sierra Leone.

62. The regional average is below the level needed to finance investments that could lead to sustained and durable growth. The West African region must endeavour to reduce the gap between domestic investment and savings, estimated at 2% of the region's GDP. Lower budget deficits, reduced inflation, stable exchange rates, increased per capita income, and development of capital markets can all contribute to raise the savings rate in the region.

iv) External trade

63. The external balance did not contribute much to the growth of real GDP, mainly because of the drastic reduction in Nigeria's export earnings. The sector in fact recorded a negative growth rate of minus 0.3% for the whole of West Africa. It however made a significant contribution in Burkina Faso, Cote d'Ivoire, Mali and Liberia.

64. Two main features characterise the trade balances recorded by ECOWAS countries, reflecting their highly structural nature: the preponderance of raw agricultural and mineral exports which represent about 85% of the total, and the very low volume of exports of manufactured goods.

65. The import coverage ratio is very low, ranging on the average from 5% in Cape Verde to 90% in Niger, with most of the countries falling between the 65% to 80% bracket. On the other hand, the ratio was 150% in Cote d'Ivoire and 120% in Mauritania. Because of the drastic fall in export earnings from oil, the situation in Nigeria changed dramatically, as the coverage ratio tumbled from 180% in 1997 to 90% in 1998.

66. With regard to exports, it can be noted that Benin, Cote d'Ivoire, Mauritania, Gambia, and Nigeria recorded substantial growth rates.² Guinea and Togo performed less well following a cutback in the production of aluminium at the Friguia factory in Guinea and in phosphate production by Togo. The export/GDP ratio in Guinea and Togo fell by about 5% between 1994 and 1997.

67. These are all indications of the dependence of West African economies on a small number of raw materials. The West African countries have not diversified their exports since independence, most of their economies remaining excessively dependent on exports of agricultural and mineral raw materials.

68. Only by diversifying their economies can West African countries achieve sustained economic recovery and growth. The countries in the

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In the case of Benin and The Gambia, this was due to an increase in re-export trade, agricultural products having constituted only a tiny fraction of total exports.

region also need to gain a strong foothold in the rapidly expanding export markets for manufactured and high technology goods. To do this, they must invest heavily in the training of qualified, affordable manpower, a step which, if accompanied by the right investment guarantees and legal framework, will encourage enterprises from the North to relocate to the South.

69. With regard to the import/GDP ratio, the highest figures were recorded by Gambia (59%), Cape Verde (49%), and Mauritania (40%). The very low 13% recorded by Nigeria underscores the country's comparatively high level of industrialisation. There is greater variety in the goods imported and their countries of origin than in the case of exports. The main categories of goods imported in about the same proportion by all the countries are food items, machinery, and fuel. This reflects the fact that the ECOWAS countries have similar production structures. There is thus little complementarity between the economies, offering limited possibilities for trade between them.

70. Intra-Community trade is estimated to represent only 11% of total trade of ECOWAS countries. Indications are that the situation will not improve significantly in the short term, despite the customs and trade arrangements put in place by ECOWAS.

71. With regard to international trade policies, it should be noted that WTO rules are most beneficial to countries that are exporters of manufactured goods, of which West Africa produces very little. In addition, there are a certain number of problems in the sense that global trade liberalisation, as envisaged within the WTO context, does not fit into the framework of the preferential agreements under the Lome Convention. The dispute between the USA and Europe over ACP bananas is a case in point. It underlines the divergence between the Lome Convention and the GATT Most Favoured Nation Clause.

72. The Lome Convention is being renegotiated. West Africa must bear in mind that seeking trade preferences as set out in the convention is, in the long term, unrealistic. Robust measures must therefore be taken to promote the region's international trade, and to take an active part in the globalisation of the economy. In other words, ECOWAS must start now to reflect on its situation in the post-Lome Convention era.

v) Balance of payments and external debt

73. The Executive Secretariat estimates that West Africa recorded a trade deficit of 1 billion US dollars in 1998. This was caused by the significant reduction in the volume of Nigeria's exports, leading to a deficit in the current trade balance which could be as high as about 10% of regional GDP.

74. In order to achieve a positive external balance, ECOWAS countries must strive to improve the volume of their trade by producing goods that are more competitive, not only in terms of costs and pricing, but also in terms of quality and conditions of delivery.

75. The external debt stock of ECOWAS countries amounted to 73 billion US dollars³ in 1997, 90% of it in long-term debts. Nigeria and Cote d'Ivoire hold 66% of the total debt stock. Debt servicing is expected to gulp about 30% of West Africa's export earnings on the average, meaning that three times more resources will be allocated to debt servicing than to education and health.

3

In the 1998 annual report, the total external debt of ECOWAS Member States was put at 69 billion US dollars. This figure has been reviewed upwards following a re-evaluation of Nigeria's debt stock.

76. The sustainability of the external debt stock of ECOWAS countries will depend on how soon the effects of the Highly Indebted Poor Countries (HIPC) initiative become discernible. That initiative aims to tailor debt servicing, including multilateral debts, to the countries' capabilities, to ensure that they maintain positive current trade balances. Unfortunately, the measure will have only limited impact in West Africa since only Burkina Faso and Cote d'Ivoire are currently eligible.

Table 2: IMPLEMENTATION OF THE HIPC INITIATIVE

Country	Status		Assistance as completion date (in millions of \$)	Nominal debt reduction in NPV (in millions of \$)
	Date of decision	Date of completion		
BURKINA FASO	Sept 1997	April 2000	113	200
COTE D'IVOIRE	March 1998	March 2001	345	800
MALI	Sept. 1998	Dec. 1999	196	350

Source: 1998 ADB Annual Report

77. The HIPC initiative contains extremely restrictive and exclusive provisions. The debt to export ratio in terms of net present value and the debt service ratio are fundamental indicators of viability. However, under the terms of the initiative, the degree of external indebtedness

tenable will be determined on a case by case basis, and must fall within a bracket of 200 and 250% for the debtNPV/export ratio, and between 20 and 25% for the debt service/ export ratio. The American government's call on the developed countries to cancel about 70 billion US dollars in public debt owed by poor countries, and President Clinton's appeal that the totality of such debts be cancelled, are also not likely to bring about any substantial reduction in the debt stock if nothing is done to make the conditions more flexible.

78. Foreign direct investments (FDI) in West Africa amounted to 3 billion US dollars in 1997, representing 1% of total world investment flows. Most of this amount went into the gas, petroleum and mining sectors. The biggest beneficiaries were Cote d'Ivoire, Ghana, Mali, and Nigeria which, between them, absorbed 95% of the capital flow to the region. Nigeria alone received two-thirds of the funds.

vi) Performance per sector

79. The trends in the various production sectors in the region are as follows:

a) Agriculture and food security

80. Generally, food security refers to the capacity of a country or a household to procure the quantity of food it needs for an active and healthy life.

81. Agricultural output in West Africa grew by only 4% in 1997 and 1998. This was higher than the population growth rate which remained at 3%. Good rainfall conditions boosted grain production up by 2.5%. With regard to cash crops, cocoa production remained high in Cote d'Ivoire which accounts for 40% of world production. During the

1997/1998 season, the country produced a total of 1.1 million tonnes of cocoa. The deregulation in the marketing of cocoa is expected to propel Cote d'Ivoire's production to 1.5 million tonnes in the next two years. In Ghana, Africa's second largest cocoa producer, the production figure remained at 400 000 tonnes in 1998, practically unchanged from the 1997 figure. Cocoa production in Nigeria was 165 000 tonnes, 12% of which was ground locally. Cote d'Ivoire's coffee production in 1998 was estimated at 250 000 tonnes.

82. In order to boost economic growth in the region, agricultural value-added must rise by at least 9%, so as to ensure food security, generate foreign exchange, create jobs, and provide inputs for manufacturing industries. The low level of development in this sector is due to such factors as the unstable prices of raw materials on the world market, poor policy formulation and implementation, and high population growth rates.

83. Governments in the region should focus their agricultural policies more sharply on the major problems of ensuring food security and poverty alleviation. Improved food security must constitute a priority objective for ECOWAS countries. This demands that all the countries implement more appropriate policies, particularly with respect to the determination of price, infrastructure development, productivity, and diversification of crops. The Executive Secretariat and the FAO are working together to define a better agricultural development strategy for West Africa, as a means of assuring food security for our countries.

b) Industrial development

84. The situation in the manufacturing sector in ECOWAS countries was one in which important segments suffered as a result of competition from imported goods. In several countries, the situation

was worsened by the poor state of energy facilities, high interest rates, and a deteriorating business environment, all of which proved a disincentive to increased industrial output. It can safely be said that overall, West Africa has still not embarked on a sustainable policy of industrialisation.

85. Several ECOWAS countries are heavily dependent on mineral exports. Over the last few years, countries such as Ghana and Mali have adopted ambitious policies to exploit their abundant mineral resources. However, several factors may impede the growth of the mining sector in West Africa. Among such imponderables are lower demand and falling prices, and the impact of technological changes which may lead to traditional materials being replaced by lighter and cheaper ones.

86. The industrial sector in West Africa must be subjected to far-reaching changes if it is to contribute effectively to promoting growth and development in the region. ECOWAS countries should direct their efforts towards improving competitiveness against imported goods and they should seek to integrate their economies more effectively into the world economy. They must therefore not only create the macro-economic and legal conditions that would encourage business but also invest in physical infrastructure development (roads, telecommunications and electricity), and in human resources, particularly in education. A combination of these factors is required to improve competitiveness and ensure greater returns on investments.

c) Infrastructures

87. One major factor impeding economic growth in West Africa is the lack of adequate infrastructures without which it is impossible to boost the production capacity in the agricultural, industrial and service

sectors. The development and the quality of infrastructures in the sub-region have not kept pace with population growth. Currently, the situation of infrastructures is one of low level of penetration, outmoded equipment, and poor services.

88. In 1997, there was an average number of 2 telephone lines per 100 inhabitants in West Africa, as against 31 in America and Europe, and 6 in Asia. In some countries, potential subscribers have to wait for six years on the average before they can acquire a line. In addition, the average level of technical breakdowns for 100 telephone lines is 78.1, as against 8.9 in America, 20 in Europe, and 44 in Asia.

89. In the electricity sector, the production, transmission and distribution networks are generally outdated and provoke substantial energy losses of as much as 50% in the case of Nigeria. The scarcity of electricity makes power outages a common occurrence in several West African capitals.

90. In 1997, only 55% of the urban population and 33% of the people living in rural areas in West Africa had access to potable water.

91. Only 22% of the roads in West Africa are tarred. On the whole, the density per kilometre of roads is less than in West Africa than in Asia and Latin America.

92. One major challenge facing the West African economy is that of satisfying the demand for infrastructural services, particularly in the areas of electricity, water supply, transport, telecommunications, sea ports and airports. Rehabilitating and developing the infrastructures is an enormous task which will require the active participation of both the public and the private sectors.

vii) Evolution of macro-economic policies

93. 1998 did not witness any major changes in the macro-economic policies of Member States. Problems such as large budget deficits, rapid expansion in the level of money supply, inflation, and high interest rates, were less pronounced. As I indicated in my 1997/1998 annual report, most of the countries which had been implementing sound budgetary and monetary policies over the last few years were rewarded with greater macro-economic stability. The most significant progress was made in Nigeria where the dual exchange rate system was scrapped and the pump price of petrol was doubled towards the end of 1998.

94. In most of the countries, improved budgetary management was achieved through stricter public expenditure control, tax reforms, and more far-reaching reforms in some public enterprises. As budget deficits continued to shrink, governments were able to reduce their indebtedness to banks, thereby freeing resources that could be used to develop the private sector which was unfortunately handicapped by the inadequate infrastructures and high interest rates.

95. For most ECOWAS countries, therefore, 1998 was a year of stricter monetary regulation, in contrast to the lax measures of the past. The monetary authorities are increasingly aware that cheap money policies fuel inflation and give rise to over-valued exchange rates. In line with other recent economic reform policies, monetary policy in all the countries has been aiming now to bring inflation under control. In addition, real interest rates are now positive and stable in a growing number of countries. In some countries, inflation continues to be fuelled by falling exchange rate and by rising food prices caused by inadequate production. The pressure exerted by foodstuff prices remains a real problem, being a reflection of the inability of countries to raise the level of food production per inhabitant.

96. The restructuring and privatisation of enterprises received an added boost in 1998 with the adoption of new strategies for private-sector financing of road and energy infrastructures in the form of build-operate-transfer (BOT) arrangements. Member States should not relent in their efforts because the importance of restructuring and privatisation of enterprises to economic reform cannot be overemphasised.

viii) Social development⁴

97. The very modest economic growth rate recorded by thder to halt the deterioration in the living standards of the people. To achieve this, governments need to implement human development programmes by adopting concrete measures that would facilitate access to potable water, health care, energy and education.

98. West Africa's HDI varies between 0.591 for Cape Verde and 0.185 for Sierra Leone. The regional average (Liberia excluded) stands at about 0.333 whereas the international human development indices range between 0.897 in the countries with a high HDI and 0.670 in medium HDI countries. West Africa's low HDI rating is a pointer to the region's poor performance with respect to each of the factors used to calculate the index, namely school enrolment, life expectancy and real GDP per inhabitant.

99. The gross average rate of school enrolment is 35.6%. The figure varies from 15% in Niger to 55% in Cape Verde, whereas the international average is 72%.

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The information used in this section of the report is drawn from various documents dealing with the issue, prepared by the Centre de développement sous-régional de l'Afrique de l'Ouest (CSDR-AO-CEA).

100. While average life expectancy is 73.5 years in the high HDI countries and 67 years in the medium HDI countries, the figure for West Africa varies from 37.5 years in Sierra Leone to 66.7 years in Cape Verde.

101. Real GDP per inhabitant in ECOWAS countries is about US \$ 300 per year (at 1990 constant prices) as against \$16 241 in high HDI countries and US \$3 390 in medium HDI countries.

102. These statistics are clear indications of extreme poverty. In 1997, 52% of the population of West Africa was estimated to be poor, with country variations of 71.3% in Mali and 17.7% in Cote d'Ivoire. 20% of the poorest people had an annual per capita income of between \$90 (Guinea-Bissau) and \$790 (Ghana).

103. Poverty in the region is aggravated by the high number of refugees and by the AIDS pandemic. Civil strife in Liberia, Sierra Leone and Guinea-Bissau has forced a large number of people to flee their homes and to seek refuge elsewhere. According to figures released by the United Nations High Commissioner for Refugees (UNHCR), West Africa produced 941,000 refugees in 1997. Such mass movements of people put a lot of pressure on the economies of the host countries, particularly in the areas of employment, security and environmental degradation.

104. Although less prevalent in West Africa than in other regions of Africa, the incidence of HIV/AIDS epidemic is still high, and brings with it serious socio-economic repercussions. The epidemic is spreading at a particularly alarming rate in the major capital cities and towns in the region, the most affected cities being Abidjan and Bobo-Dioulasso.

105. The disease's spread accentuates the level of poverty among the population, wiping out large sections of the workforce, particularly in the agricultural sector, thereby jeopardising food security. It also drains family resources as resources which could have been used to increase production or saved for the future, are being used to meet the increasing medical expenses.

III. DEVELOPMENT PERSPECTIVES AND SHORT-TERM CHALLENGES

106. Any discussion on West Africa's development prospects has to take account of the international environment and the internal situation.

107. West Africa's prospects in the short and medium terms are expected to improve as the world economy overcomes the contagious effects of the international financial crisis. With respect to the internal situation, hopes for a brighter future are based on the effects that an improved Nigerian economy is expected to have on the regional economy. The return to democratic rule, the economic measures the new authorities are planning to implement, the recent increase in crude oil prices and the commencement of gas exports are all expected to boost Nigeria's GDP growth rate substantially.

108. For the generality of ECOWAS Member States, the implementation of sound macro-economic policies and good governance are essential to the establishment and maintenance of an environment conducive to socio-economic development in the sub-region. In addition to transparency and prudent management of public resources, good governance must be underpinned by an economic and regulatory environment that allows for competition and individual initiative, and encourages economic growth. The importance currently attached to the role of good governance in development policies is based on the

evidence that macro-economic reforms on their own will not give the West African countries the leverage needed to achieve the sustainable growth necessary to reduce poverty.

109. If West African countries are to accelerate their development, they must also devote attention to promoting the other structural elements of growth vigorously, even as they strive to maintain macro-economic stability. One of such key elements is human development, which seeks to satisfy the yearnings and aspirations of the people. Others are environmental protection, sustainable development, the development of the private sector and of service infrastructures, capacity building (particularly through professional technical training), diversification of the economy, and regional integration. Only tangible progress in all these areas can place West Africa's development on a sound footing.

110. Given the present circumstances and, in view of the fact that the national markets remain narrow, it will be difficult for the ECOWAS Member States, working individually, to effectively meet the numerous challenges of development. Adjustment and regional development efforts must therefore reflect the regional dimension. To this end, it is imperative to implement the ECOWAS priority programmes designed to strengthen the Community.

CHAPTER II

IMPLEMENTATION OF THE COMMUNITY WORK PROGRAMME

111. This chapter highlights the activities undertaken by member States to advance the process of regional integration. It also presents actions taken by the Community in the different areas of regional cooperation since the October 1998 statutory meetings. The chapter is divided into five major sections as follows: implementation of regional integration programmes by Member States; sectoral cooperation programme; institutional, administrative and financial matters; and regional peace and security.

I) IMPLEMENTATION OF REGIONAL INTEGRATION PROGRAMMES BY MEMBER STATES

112 The ECOWAS decision-making organs have adopted several decisions and protocols aimed at strengthening the regional integration process in West Africa. Although most of these texts have received ratification and have entered into force, ECOWAS continues to encounter serious difficulties in terms of their implementation by the Member States. Overall, implementation of priority programmes can be summed up as follows:

1) Free Movement of Persons

113 The protocol on free movement of persons signed by the Authority of Heads of State and Government includes the following provisions:

- abolition of the visa and entry permit requirement;
- introduction of the ECOWAS travel certificate ;
- introduction of the harmonised immigration and emigration forms;
- establishment of committees to monitor programmes relating to free movement of persons and vehicles;
- introduction of the ECOWAS Brown Card motor vehicle insurance scheme.

i) Abolition of visas and entry permits

114. All ECOWAS citizens, excluding those defined by law as undesirable aliens, may enter without a visa and reside in any Member State for a maximum of ninety (90) days. The only requirement for ECOWAS citizens is a valid travel document and international vaccination certificates.

115. The visa and entry permit requirement has been abolished in all ECOWAS Member States. However, nearly all the States still maintain numerous check-points, and ECOWAS citizens are subjected to administrative harassment and extortion.

Table: Checkpoints along some West African highways

Highways	Distance	Checkpoints	Checkpoints posts per 100 km
Lagos-Abidjan	992 km	69	7
Cotonou- Niamey	1036 km	34	3
Lome-Ouagadougou	989 km	34	4
Accra-Ouagadougou	972 km	15	2
Abidjan-Ouagadougou	1122 km	37	3
Niamey-Ouagadougou	529 km	20	4

Source : ECOWAS Executive Secretariat

Thus, there are 7 checkpoints every 100 km on the road between Lagos and Abidjan, 3 every 100 km between Cotonou and Niamey; four every 100 km. on the Lome - Ouagadougou road; two on every 100 km stretch between Accra and Ouagadougou; three every 100 km between Abidjan and Ouagadougou; and six every 100 km between Niamey and Ouagadougou.

ii) Introduction of the ECOWAS Travel Certificate

116. The Authority of Heads of State and Government has established a travel certificate for ECOWAS Member States to facilitate and simplify the formalities for cross-border movement. ECOWAS citizens holding a travel certificate or passport are exempted from filling out immigration and emigration forms in ECOWAS Member States. The ECOWAS travel certificate has entered into circulation in Burkina Faso, Gambia, Ghana, Guinea, Niger, Nigeria, Sierra Leone and Togo. However, the certificates as currently printed differ in colour, format and quality; while high printing costs are a prohibiting factor for some Member States.

117. The Executive Secretariat has requested financial assistance from a number of donors for the printing of the certificates . The ECOWAS travel certificate should evolve, in the long term, into the ECOWAS international passport, similar to the passport used by countries in the European Union.

iii) Introduction of harmonised immigration and emigration forms

118. The harmonised form measures 15 x 9 cm and comprises several leaflets. It is to be used by ECOWAS nationals only in exceptional cases. As a rule, ECOWAS nationals travelling with their national

passports or the ECOWAS travel certificate may have these documents stamped without filling out any forms. As far as the Secretariat is aware, no Member State has introduced these forms to date. As a result, ECOWAS nationals holding perfectly valid documents continue to fill out immigration and emigration forms. This leads to enormous waste of time at borders. Member States would appear to be unaware that the form exists, despite its having been widely distributed.

119. The forty-fourth session of the Council of Ministers held in Abuja from 23 - 38 October 1998 recommended that the Executive Secretariat should convene a special meeting of ECOWAS Ministers of Internal Affairs and State Security, to study problems encountered in efforts to introduce the ECOWAS travel certificate and the harmonised immigration and emigration form, and to discuss other problems posed to the ECOWAS immigration programme. This meeting is expected to take place in the first half of 2000.

iv) Establishment of national committees to monitor ECOWAS programmes on free movement of persons and vehicles

120. Within the context of efforts at ensuring free movement of goods and persons and improving the road transport system, the Authority of Heads of State and Government adopted a decision calling for national committees to be established ,to monitor implementation of ECOWAS decisions and protocols on free movement of persons and vehicles.

Each national committee shall be composed as follows:

Director of road transport :	Chairman
Director of road safety :	member
A representative from the police force	member
A representative from the national bureau:	member

A representative of the National

Bureau of the ECOWAS Brown Card: member

A representative from the Presidency: member

A representative from the Department of Customs : member

A representative of the road transporters union: member

A representative of the ECOWAS national unit: member

121. So far, this decision has been implemented by the following Member States which have set up their committees: Benin, Burkina Faso, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

122. Clearly, however, given the numerous obstacles to the free movement of persons and goods in Member States, the monitoring committees have failed in their set objectives. Member States must take necessary action to set up these committees and to render them more effective. To be effective, each committee should, ideally, meet once every quarter. Member States should evaluate the national monitoring committees and send quarterly reports of their different meetings to the Secretariat, in order to give the latter a clearer picture of the implementation status of the programme on free movement of persons and goods.

v) Introduction of the Brown Card Motor Vehicle Insurance Scheme

123. The ECOWAS Brown Card motor vehicle insurance scheme was introduced as an accompanying measure to the programmes on free movement of persons and goods, and the transport programme. Twelve countries currently apply the scheme: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. It should be noted that two motor vehicle insurance systems coexist within the sub-region: the ECOWAS Brown Card and the CIMA code. The two systems should be harmonised.

vi) Free Movement of Goods

124. The objective of the ECOWAS Trade Liberalisation Scheme is to establish a customs union among the Member States of the Community over a period of fifteen (15) years, starting from 1st January, 1990, the date on which the scheme entered into force. The union will involve total elimination of customs duties and taxes having equivalent effect, removal of non-tariff barriers, and establishment of a common external tariff (CET).

- Liberalisation of trade in unprocessed goods and traditional handicraft products

125. Unprocessed goods and traditional handicraft products should circulate freely between Member States, exempt from duties and taxes having equivalent effect, and not subject to any quantitative or administrative restrictions.

126. In order to qualify for exemption as described above, such unprocessed goods and traditional handicraft products must satisfy the following conditions:

- originate in Member States;**
- appear on the list of products annexed to the decisions liberalising trade in such products; and**
- be accompanied by a certificate of origin and an ECOWAS export declaration.**

- Liberalisation of trade in industrial products

127. Customs duties and taxes having equivalent effect shall be reduced gradually over a period of ten (10) years, starting from 1st

January, 1990, until they are totally eliminated. The removal of non-tariff barriers to the importation of such goods is also envisaged. In order to benefit from the scheme, industrial products must satisfy the following conditions:

- must originate from Member States;
- must be approved;
- must be accompanied by a certificate of origin and an ECOWAS export declaration.

128. Below is an appraisal of the ECOWAS trade liberalisation scheme at the present time:

- i) printing and introduction of the harmonised customs documents

129. As part of the TLS support measures, uniform customs and statistical instruments: the certificate of origin, the customs and statistical nomenclature, and the customs declaration, have been produced. In addition, a protocol on Inter-State Road Transit (ISRT) and a transit guarantee mechanism have been adopted.

130. A draft single customs document was prepared in collaboration with UEMOA and submitted to the thirty-ninth meeting of the TCIMP Commission held in Abuja from 17 to 19 May 1999 for consideration. The Commission endorsed the document and recommended it to the Council of Ministers for adoption. The document will replace the many different customs declaration forms in use in the Member States, thereby facilitating and speeding customs clearance procedure and, as a result, reducing time spent at customs posts. Furthermore, the adoption of a single document will make possible streamlining of codes and other statistical or regulatory data and facilitate the compilation of accurate external trade figures for ECOWAS Member States.

- The following twelve countries have printed and put into use the certificate of origin: Benin, Burkina Faso, Gambia, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo;
 - Eleven Member States – Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea Bissau, Mali, Niger, Senegal, Sierra Leone and Togo – have adopted the customs nomenclature based on the harmonised system (HS), as well as the customs declaration.
 - Five countries have implemented the Protocol on the ISRT: Benin, Côte d'Ivoire, Mali, Niger and Togo. The following twelve Member States have designated national organisations to guarantee transit operations: Benin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.
- ii) Removal of tariff barriers under the trade liberalisation scheme (TLS)
- Eight countries: Benin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo have lifted tariff barriers in respect of unprocessed products under the TLS. However, only Benin has removed tariff barriers to trade in industrial products.

131. With respect to the estimated compensation budget for loss of revenue incurred by Member States through the liberalisation of intra-ECOWAS trade, only Benin, which is implementing the TLS, has submitted an application for compensation. Burkina Faso, The Gambia and Mali have paid up their contributions in full while Benin and Nigeria have made part payments.

132. Despite the many problems associated with the trade liberalisation scheme, Benin has accepted to apply the provisions to approved goods imported from Ghana, Nigeria and Togo. Benin deserves to be commended for its pioneering role in the implementation of the scheme.

133. The Executive Secretariat has received a total of FCFA 295,539,230 in respect of compensation due to Benin, from Nigeria (FCFA 7,286,734.00), and from Togo (FCFA 288,252,496). The Executive Secretariat is in contact with the Ghanaian authorities for the payment of the remaining FCFA 1,334, 900 due to Benin.

134. Generally speaking, the trade liberalisation scheme is not yet operational. This state of affairs, one of the main weaknesses of ECOWAS, is due mainly to the fact that some Member states have failed to print the harmonised documents and have not yet removed tariff barriers. Other contributory factors are the high cost of compensation, the fact that the ECOWAS TLS and the UEMOA scheme coexist, and the absence of measures to enlighten economic operators about the ECOWAS Trade Liberalisation Scheme. The Executive Secretariat has carried out an evaluation of the scheme, focusing primarily on compensation, and will be submitting proposals as to possible remedial measures to the forthcoming meeting of the commission concerned in November 1999.

1. Establishment of an ECOWAS common external tariff

135. Under the trade liberalisation scheme, 31 December 1999 signals an end to tariff barriers within an ECOWAS free trade zone. The next phase thereafter is the establishment of an ECOWAS common external tariff (CET) within a period of two years.

136. The Executive Secretariat will pursue its efforts in this direction in collaboration of UEMOA, in order to avoid duplication at the regional level and complications arising from harmonisation after the event. Activities in this connection will be financed by the European Union within the framework of its Regional Indicative Programme (RIP).

137. Member States are urged to lend every necessary assistance to the Executive Secretariat in setting up a customs union in the West African region.

2. Monetary Cooperation Programme

i) Removal of all non-tariff barriers of a monetary nature

138. The ECOWAS monetary cooperation programme is intended to achieve, in the medium-term and long terms, the convertibility of West African currencies and the creation of a single ECOWAS currency. The adjustments made to currency exchange rate under the structural adjustment programmes have contributed enormously to promote exchange rate equilibrium, thereby facilitating the convertibility of the current account operations of most Member States. The Community authorities have appealed to all Member States to remove, in the short-term, all non-tariff barriers of a monetary nature. To this end, they have recommended that Community citizens be allowed to use local currencies for payment of airport taxes and hotel bills, and to purchase air tickets.

139. The following twelve countries have removed all non-tariff barriers of a monetary nature: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Guinea, Guinea-Bissau, Mali, Niger, Nigeria, Senegal and Togo. Ghana demands only the payment of road transit tax in

foreign exchange. The other three Member States still require that non-residents purchase air tickets and pay airport taxes, etc. in foreign currency. These countries must remove these barriers .

140. The ECOWAS Executive Secretariat and WAMA have, with the assistance of OAU-PASU/EDECO, carried out a study on regional convertibility of national currencies in order to facilitate their use in trade and payments within the region. The result of the study was presented to a meeting of Central Bank officials in Abuja in June 1999. The meeting has made appropriate recommendations to the meeting of Governors scheduled to take place in December 1999.

ii) Launch of the ECOWAS travellers cheque

141. During the period under review, the regional payments instrument, the ECOWAS travellers' cheque, was officially launched on 30 October 1998 by General Abdulsalami Abubakar, Chairman of the Authority, during the 21st Summit. This instrument which was sponsored by the Committee of Governors of Central Banks and is to be managed initially by the West African Monetary Agency (WAMA), will facilitate intra-regional trade and payments transactions.

142. In the first quarter of the year, a number of Central Banks organised workshops and awareness programmes on the ECOWAS Travellers' Cheque for banks, bureaux de change, economic operators, hotels, and travel agents, etc. By the middle of May 1999, the travellers' cheque and related documents had been made available to all participating Central Banks. The Committee of Governors has therefore decided to put the cheques into circulation on 1 July 1999. A mid-way evaluation will be carried out early in December 1999.

iii) Settlement of Arrears to the West African Clearing House (WACH)

143. One of the objectives assigned to WACH at its creation was to promote the use of local currencies for business transactions in West Africa. The organisation has since been transformed into the West African Monetary Agency (WAMA), an ECOWAS agency responsible for conducting the ECOWAS monetary policy. Guinea Bissau and Liberia are still owing UA 7.6 million and UA 5.7 million respectively to WACH in arrears.

3. Harmonisation of economic and financial policies

144. Acting on a recommendation from the Consultative Forum of Ministers of Finance, Planning and Governors of Central Banks, the Council of Ministers adopted the following convergence indicators in 1997, in demonstration of their manifest will to harmonise ECOWAS economic policies, and in line with the objective expressed in the revised ECOWAS Treaty :

- i) Budget deficit: All Member States should reduce their budget deficit/GDP ratio to 5% by 1998 and, ultimately, to 3%;
- ii) Central Bank credit to Government: All Member States should reduce gradually their Central Bank credits to within a ceiling of 0 - 10% of government revenue by the end of 1998.
- iii) Inflation: Member States with a single digit inflation rate should maintain it. The other countries should achieve single digit inflation by 1998 or by the year 2000.

- iv) **Exchange rate : countries which apply a floating exchange rate system should reduce their nominal exchange rate variables to less than 10 % by end 1998, and to 5% by the year 2000. Fixed exchange rates should be harmonised and overvaluation eliminated by end 1998; also, payment restrictions on current transactions should be removed and exchange rate should stabilise between 1998 and 2000.**

145. Annual assessments showed that these criteria did not meet the requirements for a credible economic and monetary union. Consequently, the Council of Ministers, at its forty-third session in Abuja in October 1998 requested the Executive Secretariat and WAMA to validate the selections and to adjust and expand the convergence indicators.

146. The Executive Secretariat duly made recommendations in this regard to the joint meeting of Directors of Research of Central Banks and representatives of Ministries of Finance held in Abidjan on 6 and 7 July 1999.

147. The meeting, having classified the criteria by order of importance, adopted four primary and five secondary criteria. The Executive Secretariat was requested to carry out further adjustment of two other secondary criteria relating to primary budget balance and sourcing of government investment from internal resources. The meeting did not agree with the Secretariat's proposals concerning elimination of arrears and maximum rate of customs duty.

148. At the meeting of Directors of Research and representatives of Ministries of Finance and Justice, held in Accra on 12 and 13 August 1999, the decision was taken to drop the criterion relating to budgetary balance and to retain the criterion on sourcing of government

investment from fiscal receipts. Ultimately , therefore, a total of six secondary criteria was agreed.

149. The Council of Ministers, at its forty-fourth session in Abuja in August 1999, requested the Secretariat to seek the views of the Bretton Woods institutions on the proposed harmonisation of economic and financial policies and to solicit their support. The Secretariat complied by approaching the IMF on the subject at that institution's Annual Assembly in Washington in September 1999. The IMF feels that there are too many criteria than are needed to achieve an economic and monetary union within a short period of time.. There should be fewer criteria , and all should be classified as primary criteria in order to facilitate speedy compliance.

150. The Consultative Forum of Ministers of Finance and Planning, and Governors of Central Banks will be meeting in Lome from 4 - 6 December, and will study the criteria selected and those rejected by the joint meetings of Directors of Research of Central Banks and Representatives of Ministries of Finance, and take account of the IMF's views and the Executive Secretariat 's proposals to make appropriate recommendations to the Council of Ministers.

4. Support Measures

i) Protocol on the Community Levy

151. In its desire to provide the Community with the means of generating its own resources, the Authority of Heads of State and Government, in July 1996, adopted the Protocol on the Community Levy, instituting a 0.5% tax on all products imported from non-ECOWAS countries. The protocol was expected to have been ratified by the 31st December 1996, with its entry into force scheduled for 1st January

1977. To date, only Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Mali, Niger and Togo have deposited their instruments of ratification with the Secretariat, and included the Community levy in their finance instruments.

152. The Executive Secretariat has opened bank accounts in each of the Member States into which the proceeds of the Community levy can be paid. However, at the moment, the amounts collected are not paid directly into the Secretariat's accounts. They are first paid into government coffers from where Treasury officials transfer into the Community accounts the amounts they please. In this way, some Member States in arrears of contributions do not pay the totality of the amounts collected as Community levy to the Secretariat which may have served to offset some of their arrears. The Secretariat is intending to undertake a mission to the Member States to impress upon the governments of the countries concerned the need to ratify and implement the provisions of the protocol relating to the Community levy without any further delay.

ii) Payment of Contributions⁵

153. Most Member States owe huge arrears of contributions to the various budgets and funds of the Community Institutions.

- i) Executive Secretariat budget: Only five Member States, Benin, Burkina Faso, Côte d'Ivoire, Mali and Nigeria, are up to date in the payment of their contributions to the Executive Secretariat budget. Total arrears outstanding amount to UA 31.7 million or US \$38.4 million. The most substantial amounts

⁵As at 31st October 1999.

are owed by Liberia which has accumulated arrears over 20 years, Mauritania (15 years); Sierra Leone and Gambia (11 years in arrears.); Cape Verde and Guinea-Bissau (10 years) and Niger (8 years).

- ii) First tranche of the ECOWAS Fund capital: All ECOWAS Member States, except Liberia and Mauritania, have paid their share of the first tranche in full. Liberia and Mauritania are still owing UA 580 689, or US\$858 200 and UA1 070 791, or US\$1.6 million respectively.
- iii) Second tranche: Only five Member States namely, Benin, Burkina Faso, Guinea, Mali and Nigeria have paid up their contributions to the second tranche of the ECOWAS Fund capital. The remaining eleven Member States still owe UA 13 969 567, or US\$18.9 million.
- iv) Special Fund for Telecommunications (SFT): All ECOWAS Member States, except Mauritania, have paid their full contributions to the SFT. Mauritania owes UA 105,440, or US\$ 155 830.
- v) Outstanding loan repayments to the ECOWAS Fund: The unpaid loans, amounting to UA 4 447 044, or US\$ 5.5 million, are broken down as follows: Guinea Bissau, US\$ 1.6 million; Liberia US\$2.3 Niger US\$ 1.116 million and Nigeria, US\$432 235.
- vi) Construction of headquarters: Seven Member States: Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali,

Nigeria and Togo, have paid up their contributions for the construction of ECOWAS headquarters. The remaining nine Member States still owe a total of UA 3 710 997, or US\$ 4.6 million.

iii) Enlightenment of economic operators and the public on the ECOWAS priority programmes

154. The attainment of ECOWAS objectives and the concretisation of the political commitment of Member States demand support for the regional integration programmes at the grassroots level; hence, the need to involve the citizens and economic operators in the regional integration process. This can only be possible when the actors in the development effort are made aware of the regional integration programmes through the following actions:

- i) education on the benefits of the priority programmes through the organisation of seminars on the integration process;
- ii) launching of publicity campaigns, particularly in the media, to enlighten the public on integration;
- iii) provision of billboards at the borders and at other places, to remind Community citizens of their rights and obligations within the framework of free movement of persons.

155. Member States have neither made sustained efforts nor committed the necessary resources to implement programmes designed to publicise the Community. Only six Member States - Benin, Burkina Faso, Ghana, Guinea, Guinea Bissau and Senegal - broadcast the programme «ECOWAS Hour», and submitted reports on economic integration.

156. Member States should take the measures required to create awareness of ECOWAS programmes among economic operators and the public. Such measures include the organisation, regularly, of seminars or workshops to highlight the benefits stakeholders in development stand to derive from integration. Publicity campaigns should also be conducted constantly to educate the public. The Information Department of the Executive Secretariat should be fully involved in such activities .

iv Participation at ECOWAS meetings

157. The ECOWAS Executive Secretariat organises several technical meetings designed to follow up the various Community programmes. Several of these meetings do not take place for want of a quorum, indicating that some Member States are not interested in being part of the regional integration effort. One striking example is Mauritania which sends no delegates to technical meetings and has virtually ceased to participate in ECOWAS activities since 1990 (cf Table 2 in annex).

II.

SECTORAL COOPERATION
PROGRAMMES

I. DEVELOPMENT OF THE COMMUNITY STATISTICAL SYSTEM

i) Update of Statistical Data on Member States

a) Annual questionnaires on socio-economic data
completed by consultants

158. Eleven countries have sent in their completed questionnaires for 1998: Benin, Burkina Faso, Ghana, Guinea, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal and Togo.

159. A EUROTRACE regional site is soon to be set up at the Secretariat for the specific purpose of improving compilation of statistics and managing the databases which will be used for the compilation and publication of external trade statistics.

b) Data processing and publications

160. Publications of external trade data and national accounts for 1997 are being prepared. It should also be recalled that the Directors of Statistics recommended in April 1998 that ECOWAS should publish a regular statistical bulletin, with effect from 1999.

ii) Harmonisation of Statistics in the Member States

a) National Accounts

161. An ECOWAS delegation undertook a mission to Eurostat in Luxembourg in November/December 1998 to negotiate funding in connection with the programme on the harmonisation of national accounts, and a more general statistical assistance programme for the Executive Secretariat. As a result of the understanding reached during the December 1998 meeting in Praia between the European Union and West Africa, ECOWAS was able to obtain an agreement in principle for an identification mission to be sent to the Executive Secretariat, to prepare the setting up of a statistical support programme. A team of Eurostat and DG VIII of the European Commission has since paid a working visit to the Executive Secretariat. The two parties (ECOWAS and the European Union) have agreed on an assistance package to ECOWAS within the framework of capacity building.

162. A meeting of the ad hoc committee on the harmonisation of national accounts was organised from 23 to 25 March 1999, at which participants mapped out a strategy for the continuation of the

harmonisation programme. With regard to cooperation with Afristat, the Executive Secretariat maintains regular contact with the institution, exchanging documentation, and attending Afristat meetings such as the one held in Bamako in October 1998 on nomenclature for activities and national accounts procedures.

b) Consumer Price Index (CPI)

163. The ad hoc Committee on the Harmonisation of Price Indices met in Abuja from 20 to 22 April 1999, and adopted a work programme in respect of its planned calculation of uniform ECOWAS price indices.

2. **TRADE COOPERATION PROGRAMME**

164. The main event of the period under review was the second ECOWAS Trade Fair, organised in Accra from 26 February to 7 March 1999, with funding from the European Union. The theme of the fair was "*Economic Cooperation Through Trade*". The opening ceremony was presided over by the Togolese Prime Minister, Mr. Kwasi KLUTSE, representing the current Chairman of the Authority of Heads of State and Government, His Excellency, General Gnassingbe EYADEMA. The Vice-President of Ghana, Professor John Atta-MILLS, was also present at the ceremony.

165. Three hundred and forty of the 700 exhibitors came from 14 ECOWAS Member States (Cape Verde and Guinea-Bissau were absent). Professional visitors to the fair came from Benin, Cote d'Ivoire, Egypt, the United States and elsewhere outside the region.

166. More than sixty business chief executives attended the Buyer/Seller meetings for the four major groups of products. The meetings provided a platform for negotiations on sales and purchases.

167. One of the highlights of the fair was the launching of the computerised trade opportunities management system (TOPS) which has been set up to create a regional network for the development of trade in goods and services within West Africa.

168. A regional conference and several workshops on topical issues relating to regional integration were also organised during the trade fair.

169. The thirty-ninth meeting of the Trade/Customs Commission which met in Abuja from 17 to 19 May 1999 carried out a pre-evaluation of the 2nd ECOWAS trade fair, and has made recommendations to the Council of Ministers regarding the nature, funding, frequency, and private-sector participation in the event.

3. COOPERATION IN THE TOURISM SECTOR

170. A feasibility study on an ECOWAS tourism and leisure fair was financed by the European Union and completed as far back as December 1996. It has not been possible to organise the event, however, owing to a lack of funds.

171 The European Union which had initially been in favour of the project withdrew its offer in December 1998 on the grounds that its policy of assistance to ACP countries in this area had changed in the interim.

172. In view of this development, and mindful of the importance of the project for the development and expansion of tourist activities in the region, the Secretariat proposed alternative sources of funding for consideration by the Trade/Customs Commission which met in Abuja from 17 to 19 May 1999. The participants acknowledged the need to use internal resources to organise the tourism fair, in particular the budget of the Executive Secretariat.

4. AGRICULTURE AND INDUSTRIAL COOPERATION PROGRAMME

i) Agriculture

173. The Secretariat is currently reviewing its agricultural development strategy with a view to formulating a more suitable framework within which the objectives of ECOWAS with regard to agricultural development and food security in the region may be more readily achieved. Terms of reference have already been drawn up for a study on the review, and negotiations are in progress with CTA, FAO and other partners for funds for the conduct of the study. The funds will also cover the organisation of a conference of Ministers of Agriculture to consider the new ECOWAS agricultural development strategy.

ii) Animal Health

174. Terms of reference have been sent to selected Member States in connection with the recruitment of two consultants to conduct a study on enhancing the vaccine-producing veterinary laboratories. All the preliminaries for the preparation of the study have been completed.

iii) Circulation of the ECOWAS Transhumance Certificate

175. The decision regulating transhumance between Member States was adopted by the Authority of Heads of State and Government in October 1998 (cf Decision A/DEC.5/10/98). A project profile has been prepared with a view to obtaining funding for activities required for the entry into circulation of the transhumance certificate.

176. This will require printing a number of sample transhumance certificates and posters for distribution to the Member States. One thousand six hundred certificates and 1,000 posters have been printed for this purpose.

iv) Fisheries Development

177. The findings of an FAO study (Project RAF/88/047) will be examined by a meeting of ECOWAS Directors of Fisheries scheduled for September 1999. With reference to the review of the ECOWAS agricultural development strategy, FAO has indicated its readiness to provide technical assistance for the conduct of a supplementary study on the development of traditional and deep sea fishing, taking into full account the need to protect marine resources of the region. The findings of the study will be incorporated into the regional programme.

v) The European Union - West Africa Investors' Forum

178. ECOWAS has negotiated and obtained funds for the 1999-2000 investors' forum which will focus on the agro-industrial sector. Preparations are in hand for the organisation of the forum.

5. ENVIRONMENTAL PROTECTION PROGRAMME

i) Floating Weed Control Programme: Supplementary Study on Floating Weed Control

179. To further the implementation of the floating weed control programme, the ADB has authorised the use of residual funds from the initial grant for the conduct of the supplementary study on the areas recently infested by floating weeds, namely the Volta basin, Burkina Faso, the Gambia, Guinea and Togo. The terms of reference for the study have been completed and were approved by the ADB in February 1999.

180. After consultations had been held between ECOWAS and the ADB, an international invitation to tender was launched with a view to recruiting a firm of consultants to carry out the study. The Tender Board

met in July 1999 to select the successful candidate. At its 44th session in Abuja in October 1999, the Council of Ministers, on the recommendation of the Administration and Finance Commission selected the consulting firm, RAMBOLL, to conduct the study, on condition that they can do so within the limits of the approved financial ceiling.

181. Work on the study will commence immediately the contract is signed, with the creation of a coordinating unit at the Executive Secretariat. The study is expected to be completed in 12 months.

ii) Desertification Control Programme

182. ECOWAS has been working with CILSS and consulting with IGOs and focal points in Member States, with a view to drawing up a sub-regional action programme (SRAP) to combat desertification in West Africa. The regional committee which was set up for this purpose met in Cotonou in October 1998 to examine a preliminary draft of the SRAP document. This document was finalised in March 1999, and was adopted at the meeting of West African Ministers responsible for the environment which took place in Lome in May 1999. It will be presented to the forthcoming summit of the ECOWAS Authority of Heads of State and Government in Lome for adoption.

183. The Executive Secretariat took part in the 2nd conference on the Convention to Combat Desertification (CCD) held in Dakar from 30 November to 11 December 1998. Mindful of its involvement in the implementation of the convention, ECOWAS has submitted an application for observer status at the Conference of Parties (COP). The application will be considered at the 3rd Assembly which will take place in Brazil in November 1999.

184. ECOWAS also attended the ministerial conference of the regional programme for the integrated development of the Fouta Djallon Mountains which the Malian government and the OAU Coordinating Bureau organised in Bamako from 22 - 23 July 1999. Among the recommendations of the conference was the elaboration of a statute to affirm the international character of the Fouta Djallon . It was also recommended that the effort to develop should be officially notified to ECOWAS for inclusion in its Community programmes.

185. ECOWAS also took part in workshops on the establishment of thematic networks relating to desertification control which the secretariat of the Convention organised within the framework of the regional action programme. As part of activities to implement the SRAP in West Africa, meetings of the thematic lead groups and the "Shared water resources" group were held in Banjul from 18 to 23 October 1999 under the auspices of ECOWAS and CILSS. The meetings which were organised as part of efforts to rationalise the programmes of the sectoral IGOs recommended among other things the development of closer links between institutions within the group, the rationalisation of methods of intervention, and the inclusion of the priority programmes/actions in SRAP.

186. UNEP recently made a grant to ECOWAS under Agenda 21, for the organisation of a regional meeting on energy, forest resources and the environment, to be held in Abuja in early November 1999.

iii) Meteorological Programme

187. The Executive Secretariat, in collaboration with the WMO and the Senegalese government, organised a meeting of ECOWAS Heads of Meteorological Services in Dakar, from 1 to 3 December 1998.

188. The WMO has formulated a regional project using the new METEOSAT satellite technology to enhance the performance of national meteorological and hydrological services. ECOWAS has submitted a request to the European Union, to be financed from the ACP/EU regional fund.

189. Other measures taken by ECOWAS to mobilise funds for the implementation of the meteorological programme include a mission to the ADB to initiate negotiations. Similar missions will be undertaken to other partners. The next meeting of ECOWAS Heads of Meteorological Services will be held in Mauritania in November 1999.

iv) Rural Water Supply Programme

190. In the area of rural water supply, the Executive Secretariat is planning to update projects located in the countries in Group Two, namely: Benin, Cape Verde, Côte d'Ivoire, Ghana, The Gambia, Mauritania and Nigeria. A funding request will be submitted to selected donors in respect of the updated projects.

191. A meeting of ECOWAS Directors of Water Resources will be organised in the first quarter of 2000 to assess the status of the programme, and set guidelines for future water resources projects.

192. The Executive Secretariat attended a workshop on integrated water resource management policy held in Abidjan, in February 1999. It was sponsored by the ADB.

6. TRANSPORT COOPERATION PROGRAMME

i). Land Transport

193. The programme of activities to mobilise resources for the completion of the missing sections of inter-state highways, and the maintenance of the existing roads is in progress. A coordination meeting for Member States was held in Lome from 24 to 25 March 1999 to review the projects to be submitted for funding consideration at the donors meeting on ECOWAS Regional Road Transport Programme. The road programme will require about US\$1.2 billion in donor funds. The donors meeting is scheduled for the first quarter of 2000.

194. The tenth meeting of the Higher Committee on Land Transport (HCLT) took place in Cotonou from 6 to 8 October 1998. The meeting highlighted the agreement between designated national guarantors of inter-State road transit of goods. Seven Member States have so far signed the agreement (Benin, Burkina Faso, Guinea, Mali, Nigeria, Senegal and Togo). The meeting noted that no country has as yet fully implemented the provisions of the convention. It therefore recommended the establishment of a joint technical committee comprising national guarantors, Directors of road transport, Customs, and road transporters to review Annex B of the ISRT Convention as it relates to the sealing of covered trucks and containers.

195. The Executive Secretariat attended the 16th meeting of the Council of Bureaux of the ECOWAS Brown Card held in Banjul from 15 to 22 October 1998. It was agreed that an instrument should be established to gather and collate current compensation figures over a period of twelve months. This data should serve as a basis for deliberations on limits acceptable for the harmonisation of the CIMA Code and the ECOWAS Brown Card. All Member States are requested to pass

legislation establishing a national bureau and defining the operations and status of the bureau.

ii) Rail Transport

196. At the tenth meeting of the Higher Committee on Land Transport in October 1998, the Directors of Railways and the representatives of railway corporations reported on their respective activities to rehabilitate the existing lines and interconnect their railway networks in accordance with the established railway master plan for ECOWAS countries.

197. The meeting was informed that a French consultancy firm, GEFTARAIL had indicated an interest in arranging financing for the Abidjan-Ouagadougou-Niamey-Cotonou stretch. Côte d'Ivoire and Burkina Faso have obtained external funding of 24 billion FCFA and 16 billion FCFA respectively towards the rehabilitation of rail lines and railway equipment. Benin, on the other hand, rehabilitated 423 km out of 438 km of the rail line from Cotonou to Parakou. Restructuring the railway is the primary focus of attention for donors and Member States alike. The meeting pointed out that the railways have to be privatised to attract external funding.

198. ECOWAS will, in conjunction with the ECA, organise, early in January 2000, a meeting of Directors of Railways (UAC), donors (ADB, BOAD, World Bank) to study all aspects of the interconnection of railway networks .

iii) Air Transport

199. A meeting of the committee on the harmonisation of flight schedules, made up of all the airlines of the region, took place in Cotonou from 6 - 8 October 1999 to a free directives for the liberalisation of air

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~~traffic rights. define a strategy for obtaining funding for the CNS/ATM systems and to endorse the establishment of private sub-regional airline.~~

200. With reference to landing and traffic rights, the Executive Secretariat has drafted a multilateral agreement to expedite the creation of a single ECOWAS air space.

201. The programme for the improvement of navigational aids and aeronautical communications is dependent on the installation of the new CNS/ATM navigational system (Communication, Navigation and Surveillance/Air Tariff Management), which has been adopted by the International Civil Aviation Organisation (ICAO). Pending its installation, which will require global fund mobilisation from far beyond ECOWAS, the Secretariat is seeking funds with which to replace obsolete instruments in the Member States. An application for funding under the 8th EDF has been submitted to the European Union.

202. As part of the effort to boost carrier capacity, the Secretariat is supporting the efforts of private operators wishing to set up private regional airlines. The findings of the feasibility studies conducted by the Secretariat and updated by private promoters, confirms this as a viable project. A company known as ECOAIR has already obtained a licence to operate in Nigeria, with Abuja as its operational base. The promoters are currently engaged in fund mobilisation, and hope to commence operations this year.

7. REGIONAL TELECOMMUNICATIONS PROGRAMME

203. Implementation of the INTELCOM II programme has been delayed due to the changes within ITU in the last quarter of 1998. The ITU as the technical sponsor and supervisor for the feasibility studies conducted on INTELCOM II, has agreed to put up US\$ 222,000 (67%) of the cost of the

study. The total cost of the studies is estimated at US\$ 328,400.00. Of this amount, thirty-three percent, or US\$106,400, will be provided by ECOWAS.

204. The meeting of ECOWAS Ministers of Telecommunications took place in Bamako on 10 September 1999. The ECOWAS Executive Secretariat and ECOWAS Fund presented a joint memorandum on the future of the Special Fund for Telecommunications for consideration at the meeting. The ministerial meeting was preceded by the fourth meeting of Directors-General and heads of national telecommunications regulatory bodies.

205. The conclusions of the meetings are as follows:

- the Special Fund should remain at the ECOWAS Fund but should be restructured in order to bring it in line with present-day realities in the sector;
- mechanisms should be put in place to generate resources for the SFT on a continuous basis;
- direct links between Member States should be improved within the shortest possible time, using DAMA satellite technology or other appropriate technologies within a very short time;
- support should be sought for the implementation of the INTELCOM II programme under the supervision of the Executive Secretariat.

206. The bi-annual meeting on telecommunications tariff and traffic in Member States was held in Cotonou from 27 to 30 September 1999. The meeting reviewed the ECOWAS tariff structure and recommended a single tariff table for the Community. The new tariff table proposes a ceiling of 0.25 SDR per minute as termination charge and 0.50 SDR as

transit charge. The new tariff table will be applied as from the 1st of July 2000. The Cotonou meeting also put forward concrete proposals on ways to increase intra-Community traffic.

207. The inaugural general assembly and a meeting of the steering committee of the Lome Regional Maintenance Centre took place on 4 and 5 October in Lome. The objectives of the two meetings were fully realised. These included:

- the transformation of the LRMC into a limited liability company under the laws of the Togolese Republic with the name CMTL S.A.;
- the payment of part of the share capital. Togo, Burkina Faso, Mali, Niger, and RASCOM paid up one quarter of the allotted shares;
- the constitution of the Board of Directors of the LRMC with Togo as Chairman and Burkina Faso as Vice-Chairman.

208. In view of the important role it had played in the realisation of the project which it supervised right from the start, the meetings expressed the hope that ECOWAS would participate in the capital of the LRMC through the SFT.

209. The twelfth coordination meeting on inter-State telecommunications links in ECOWAS Group II countries was held in Niamey from 12 to 15 October 1999. The meeting formulated proposals on the following issues:

- facilitation of telephone transits between Member States;
- coordination of maintenance of the inter-State network;
- refocusing of the agenda of coordination meetings by extending it to cover new developments in the telecommunications sector;

- involvement of private operators and regulators in the coordination meetings.

210. The Executive Secretariat also participated in the regional seminar on restructuring, organised by the International Telecommunications Union in Niamey from 20 to 23 September 1999. During the seminar, the Secretariat presented a paper on the strategy for harmonising regulatory frameworks in West Africa.

211. The Executive Secretariat also participated in the following seminars and meetings: ITU regional seminar on new telecommunications technology held in Yaounde in October 1998; ITU regional seminar on ways of planning the telecommunications network within a multimedia context held in Nouakchott in November 1998; and the meeting on data collection for the integration of submarine SAT 3/WASC/SAFE cables, held in Paris in February 1999.

8. ENERGY COOPERATION PROGRAMME

i) Development of Energy Production Facilities and Interconnection of Electricity Grids of Member States

212. The meeting of Ministers of Energy to adopt the master plan for energy production and the interconnection of electricity grids is scheduled to take place in Accra from 2 to 5 November 1999. The meeting is expected to adopt a programme of investment for the implementation of the master plan. The results of the meeting will be submitted to the 45th session of the Council of Ministers to be held in December 1999. USAID, CHEVRON and the government of the Ghana have graciously accepted to provide financial assistance toward the organisation of the meeting.

ii) West African Gas pipeline project

213. Between October 1997 and September 1999, activities in connection with this project entered a greatly accelerated phase. The Steering Committee, comprising Ministers of Petroleum and Energy, held several coordination missions during which they took the following important decisions:

- **to create a four - member Implementation Committee, (1 member per country), and allocate funds for its operation;**
- **to involve the private sector in the implementation of the project by associating the Commercial Group composed of Chevron, Shell, NNPC, GNPC, SOBEGAZ and SOTOGAZ.**
- **to conduct a technical and commercial feasibility study on the project; the main conclusions of that study established that:**
 - **the project was technically feasible**
 - **there was a potential market for natural gas in the countries concerned, for electricity generation, and for industrial and domestic use;**
 - **there were no major identifiable legal or commercial obstacle to project implementation;**
 - **the project was economically, commercially and financially viable;**
 - **the project could be implemented using a fast-track approach which would make the first gas delivery feasible by 1 July 2002.**
- **signing of a Memorandum of Understanding with the commercial Group specifying roles and responsibilities assigned to each party during the definitional phase;**

- drafting of an Intergovernmental Agreement for the supply and transport of gas between Nigeria and the beneficiary countries (Togo, Benin, Ghana);
- conclusion of a Memorandum of Understanding with USAID to enhance capacity building in the Member States of the project. The 1.5 million assistance package will be used to organise workshops and round tables designed to build up the capacity of the project countries in the specific areas (pipeline environmental impact assessment, analysis of tariff options for gas transport systems) that will be covered in concessionary agreement to be negotiated between representatives of the Governments and the Commercial Group that will build and operate the project;
- the technical assistance project would commence in October 1999 for a one year period.

iii) Development of renewable energy sources

214. The regional programme on renewable energy equipment for Member States has been completed, but has yet to be adopted by the Member States.

215. Eleven of the sixteen national consultants commissioned to collect data on solar and wind energy have submitted their reports.

216. Terms of reference have been drawn up for the preparation of a solar map. A consultant is yet to be engaged to execute the job.

iii) Fund for improving negotiation and funding of petroleum products in Africa

217. The partners and beneficiaries of the Fund are all African countries, governments, regional institutions, existing Funds in Fideicommis, research institutes, universities etc. The Fund will be used to carry out a vast programme of training and institutional capacity-building in the area of negotiating and financing of hydrocarbons in Africa.

218 ECOWAS has been chosen as the regional coordinating institution for West Africa. and the two institutions have signed a memorandum of understanding to this effect. The programme will commence early 2000 and will run for five years.

219. Financing for the Fund will be provided by petroleum companies, bilateral and multilateral donors, the existing Funds in Fideicommis. ECOWAS Member States are taking part in the identification and cataloguing of training and technical assistance needs.

9. SOCIAL AND CULTURAL COOPERATION PROGRAMME

i) WAWA seminar on mutual credit unions

220. WAWA organised a seminar for mutual credit unions in Dakar from 13 to 15 1999 on the theme "Mutual savings and credit institutions as an alternative for the funding of women entrepreneurs". The seminar stressed the need to establish decentralised financing systems that would satisfy the needs of women, and decided to establish a regional financial institution suitable for women. To achieve this, the seminar recommended the setting up of a project promoting company and a steering committee. The seminar also called on the Heads of State and Government to provide the necessary political support.

ii) Decoration of the ECOWAS Headquarters in Abuja

221. During the movement of the Executive Secretariat to Abuja, each Member State was requested to present a work of art representative of its cultural heritage and/or the creativity of its contemporary artists, to decorate the ECOWAS headquarters.

222. Eleven Member States have responded, and their gifts have turned the Secretariat conference centre into a showcase of West African culture. This manifestation of the Community spirit enhances the feeling of belonging to ECOWAS.

ii) Health

223. The October 1998 Summit of ECOWAS Heads of State and Government approved the recruitment of a Director-General for the West African Health Organisation (WAHO), formed by merging the OCCGE and WAHC, and the choice of Bobo-Dioulasso as its headquarters. Candidates were proposed for the post of Director General. The choice of candidate for the post of Deputy Director-General will be considered by the meeting of the ECOWAS Ad hoc Committee on the restructuring of the Executive Secretariat and the evaluation and selection of statutory appointees scheduled to take place in Lome in December 1999. The report of the meeting will be submitted to the forthcoming session of the Council of Ministers.

**iv Pan-African Film Festival (FESPACO 99)
Ouagadougou**

224. The Pan-African Film Festival (FESPACO) is held in Ouagadougou every two years. On such occasions, ECOWAS donates a special prize, the African Integration Award, worth FCFA 2,000,000 to the best indigenous

film on the theme of integration. The 16th FESPACO took place from 27 February to 6 March 1999 and the special award went to the film "TGV" by the Senegalese film producer, Moussa Traore.

v) ECOWAS Prize for Excellence

225. The 1999 ECOWAS Prize for Excellence will be awarded in the field of literature for the best novel. The selection has been completed at the national level, and the growing interest of the Member States in the event is indicated by the number of entries: nine Member States have sent in submissions and a total of 21 entries have been received.

226. The international jury which will judge the entries will be selected from the 11 candidates proposed by seven Member States. A memorandum on the selection of the jury members will be presented to the meeting of the Council of Ministers. The award ceremony will be held during the summit of the Authority of Heads of State and Government at the end of 1999.

vi) Artistic Lines in ECOWAS

227. "Artistic Lines" forms part of efforts to promote cultural exchanges and meetings between artists, entertainers, intellectuals and the public. The event has the potential to strengthen regional cultural cooperation, and constitutes a high point in the promotion of creativity. It is therefore actively encouraged and supported by the Executive Secretariat.

228. The second edition of Artistic Lines in ECOWAS took place in Abidjan from 26 May to 2 June 1999. It was organised in collaboration with the ECOWAS Executive Secretariat by the following art galleries: Arts Pluriels (Abidjan), Treasure House (Lagos), and Yassine Art Galerie (Dakar).

229. The event aims to give artists and others involved in the promotion of culture an opportunity to contribute their quota to the integration process embarked upon by the Community. The programme of events included:

- a) a seminar on culture and integration; and**
- b) exhibition of works of art produced by artists from Burkina Faso, Cote d'Ivoire, Mali, and Niger. On that occasion, ECOWAS instituted a Prize for Creativity and made a financial contribution towards the transportation of the works of art.**

230. To show their gratitude, the artists produced a collective work of art dedicated to the Community. They also reiterated their willingness to do all in their power to strengthen the spirit of togetherness which unites people living in the same region and who, by virtue of the integration process, are bound to share a common lot, irrespective of their national differences.

231. In order to encourage the participation of all the Member States, the Executive Secretariat has prepared a draft document on a regional festival of culture. This all-embracing project will seek to find solutions to problems encountered by creators and producers. It will promote wide distribution of cultural productions from Member States and encourage the countries to expand the scope of measures to facilitate the circulation of products originating in the sub-region.

vii) Statutes of the ECODRUG Fund

232. The statutes of the ECODRUG Fund were approved by the Authority of Heads of State and Government in October 1998, on the recommendation of the Council of Ministers. The Fund will be used to finance ECOWAS programmes to control drug abuse and drug trafficking in West Africa.

**viii) Declaration of Heads of State during the Community
Flame Ceremony**

233. The ECOWAS Heads of State and Government reaffirmed their commitment to the regional war against drugs when they took part in the Community anti-drug flame ceremony in October 1998. On that occasion, they set ablaze over 1,700 kilogrammes of seized narcotics, and thereafter adopted a solemn declaration of their commitment.

**ix) Regional seminar on the role of trade unions in the
integration process, democratisation and economic
restructuring in West Africa**

234. The aim of the seminar was to determine measures that could be taken to revitalise the trade union movement in Africa, to enable it to participate more effectively in the regional integration process, democratisation, economic restructuring and economic growth. The participants recalled the part played by the trade union movement in the struggle for national liberation and commended ECOWAS for putting in place mechanisms designed to encourage popular participation in the regional integration process, particularly the Forum of Associations recognised by ECOWAS which comprises eleven regional associations.

235. The workers promised to mobilise their energies and to position themselves at the forefront of efforts to establish Community institutions such as the Economic and Social Council and the Community Parliament. They also commended the OAU for its decision to condemn all perpetrators of coups-d'état henceforth, and to refuse to recognise governments born of such actions.

236. It was also revealed during the seminar that the Organisation of West African Workers had not been able to play its role effectively. The

meeting therefore recommended that the organisation be restructured so that its affiliate members would become important linch-pins within ECOWAS and within the Organisation of African Trade Unity (OATU) of which it forms an integral part. At the end of its deliberations, the meeting elected a provisional bureau and decided to transfer the headquarters of the organisation from Cotonou to Abidjan.

237. The meeting directed the newly elected bureau to enter into immediate contact with the Executive Secretariat, so as to start participating more meaningfully in the regional integration process, and to prepare a short-term plan of action.

10. INFORMATION PROGRAMME

238. Journalists from eight ECOWAS Member States and the Secretary-General of the West African Union of Journalists attended a seminar in Abuja from 17 to 19 February 1999. The seminar was organised to evaluate the progress achieved in information and mass communications since the information priority programme of action was adopted in 1994. The journalists made proposals on ways of improving information dissemination to enable the profession of journalism to perform its true function. National officials will make appropriate recommendations on the matter to the Ministers of Information and Culture at their next meeting.

239. The Information Department coordinated the publicity campaign for the 2nd ECOWAS Trade Fair on international media such as CNN, Radio France Internationale and Africa N° 1.

240. Grants have been made available to the ECOWAS National Units and to news correspondents reporting on issues pertaining to economic integration.

241. *"ECOWAS in Brief"*, which is published by the Information Department devotes each issue to a specific topic. The first issue for 1999, for instance focuses on the OCCGE/WAHC merger.

242 The ECOWAS web site . This was created in 1998, and is updated by the Information Department, in collaboration with the Community Computer Centre. All ECOWAS activities, including conferences and meetings are featured there.

243 The ECOWAS Anthem has been improved along the lines recommended by the Council of Ministers. The composer and the arranger have put the final touches to the anthem to make it more reflective of African culture. The anthem will be played for heads of State and Government at the next summit.

11. INSTITUTIONAL MATTERS

i) ECOWAS Court of Justice

244. The ECOWAS Court of Justice is the principal legal organ of the Community established to ensure that Member States fulfil their obligations to the Community. It is also competent to deal with disputes referred to it and to pronounce on the legality or otherwise of Community Acts. The Ministers of Justice, at their meeting in Abuja on 25 and 26 October 1999, agreed on the need to establish the Community Court of Justice immediately, and decided that it should sit as a permanent court. When established, the Court of Justice shall pronounce judgement in proceedings instituted by individuals, corporate bodies and governments in relation to the application of the provisions of Community Decisions.

ii) ECOWAS Support for WAWA

245. The West African Women's Association (WAWA) is a specialised agency of ECOWAS. In view of the crucial role women play in the promotion of regional integration efforts, the Authority of Heads of State and Government directed the Executive Secretariat to include the salaries of the WAWA staff in its budget and to accord it an annual grant to cover some of its operational expenses. The Council of Ministers at its 44th session held in Abuja in August 1999, approved a salary scale for the staff of WAWA. The Executive Secretariat has made available the association's annual grant and started paying the salaries of its staff.

iii) West African representation on the Board of the Global Environment Facility (GEF)

246. In accordance with a decision taken by the Council of Ministers, the Chairman of Council met with the CILSS Coordinating Minister and the Executive Secretaries of ECOWAS and CILSS, to find an acceptable and equitable solution to the issue of West Africa's representation on the Board of the Global Environment Facility. The outcome of the meeting was reported in a memorandum submitted to the forty-fourth session of the Council of Ministers in Abuja in August 1999. Council directed the Executive Secretariat to work out an appropriate mode of designating West Africa's representatives on the Board of the GEF. It proposed a system of rotation between the members of electoral colleges to be established on the basis of the ecological zones existing in the sub-region. The Executive Secretariat has prepared a memorandum which will be submitted to the Administration and Finance Commission, for onward transmission to Council.

iv) Meeting of the Committee of Ambassadors
accredited to Nigeria

247. The Executive Secretary met with the Ambassadors of eight ECOWAS Member States accredited to the Federal Republic of Nigeria, in January 1999.

248. After the presentation of a report on the missions undertaken in connection with the Community priority programmes, the meeting stressed the need to explore ways and means of involving ECOWAS diplomatic representations more in the implementation of Community decisions. To this end, during the second phase of the restructuring of the Secretariat, the institution's structure should reflect the role of the Committee of Ambassadors

v) Meeting between the Executive Secretary and the
Committee of ECOWAS Ambassadors in Geneva,
Washington, New York and Tokyo

249. While visiting Geneva, Washington, New York and Tokyo during the period under review, I held meetings with the Committees of ECOWAS Ambassadors in those countries to acquaint them with the activities of ECOWAS and to solicit their assistance to publicise the activities of the Community. Each committee expressed satisfaction at the worthy initiative and pledged to support the implementation of the ECOWAS priority programmes by liaising with the host institutions and countries in the quest for assistance.

12. MOBILISATION OF EXTERNAL ASSISTANCE

250. During the review period, there was the pursuit of a sustained policy for the mobilisation of external resources to supplement the resources of ECOWAS.

i) IMF and World Bank

251. The Executive Secretariat participated in the annual general assemblies of the IMF and the World Bank which took place in Washington in September 1999. Prior to the meetings, the Secretariat had submitted a report which was reflected in the economic policy document presented to the annual assemblies by the Committee of African Governors.

252. During their stay in New York, the delegation from the ECOWAS Executive Secretariat met with Mr. Michel Camdessus, Director-General of the IMF, who announced that the IMF might contribute to the funding of the compensation mechanism for the loss of customs revenues by ECOWAS Member States, within the scope of SAP. The IMF and the World Bank also gave their opinion on the ECOWAS criteria for economic convergence.

253. During the period under review, the Executive Secretariat, with the assistance of the Bretton Woods institutions, continued to monitor implementation of economic reform programmes in Member States. It was within this context that the Secretariat participated in donor country meetings on Nigeria and Guinea Bissau.

ii) Attendance at Donor Country Meetings

254. In its continued quest to strengthen national economies, the Executive Secretariat attended an informal meeting on Nigeria organised by the World Bank in Paris, on 9 April 1999. The meeting underscored the crucial role that the Nigerian economy could play in the recovery of the West African economy. However, to play that role, Nigeria needed to remove all structural constraints to its economy, practice good governance, combat corruption in a systematic manner and consolidate democratic principles.

255. The Executive Secretariat also attended a donors meeting to discuss a post-conflict programme for Guinea Bissau. The meeting stressed the need for national reconciliation in order to ensure the stability and development of Guinea Bissau.

iii) Cooperation with France

256. The Executive Secretariat and the French Government signed a funding agreement in Abuja on 9 March 1999 for the amount of 11,177,200 French francs, (approximately 1.9 million dollars). It will be used to offset part of the expenses on the armed forces of the Member States contributing troops to ECOMOG in Guinea-Bissau.

iv) Cooperation with Japan

257. I undertook a working visit to Japan from 14 to 29 February 1999. In the course of the visit, meetings were held with the Secretary of State for Foreign Affairs and with eminent persons from political and diplomatic circles, the universities and the private sector.

258. At each of these meetings, Japan pledged support for a number of Community programmes, especially the programme for enhanced capacity building, aimed at promoting peace and regional security. Japan will make available computer equipment to ECOMOG, and will assist in upgrading physical infrastructures and in the promotion of joint programmes in the environmental and training sectors. ECOWAS received 50,000 dollars in assistance towards the cost of recruiting two consultants who will evaluate the organisation's total needs, with a view to providing funding under the terms of the second Tokyo International Convention (TICAD II).

259. Moreover, the United Nations University in Tokyo has promised to assist ECOWAS to upgrade its capacities, particularly in the area of training. A cooperation agreement is to be signed in this regard.

260. The Executive Secretariat and the ECOWAS Fund are currently preparing a programme for a visit to West Africa by the Japanese private sector.

v) Cooperation with Sweden

261. On 10 November 1998, His Excellency Lars EKSTRICH, Ambassador of Sweden and Chairman of the Dublin Group in Nigeria, visited the Executive Secretariat. The Dublin Group is a donors forum for coordinating anti-drug programmes. The Ambassador promised the support of his country and the group to strengthen ECOWAS anti-drug initiatives. Both parties agreed to identify areas of cooperation.

vi) Cooperation with the United States of America

262. The Executive Secretary undertook three visits to the United States during the period under review. The USA is currently interested in establishing broad cooperation links with ECOWAS, as can be seen by the prominent place accorded the regional organisation at the ministerial meeting on USA/Africa partnership, held in Washington DC from 15 to 18 March 1999. The conference and the various workshops on American-African cooperation stressed the potentially vital role of ECOWAS in the development and integration of the West African and African economies. During her official visit to Nigeria, the American Secretary of State, Mrs. Madeleine Albright, visited the Executive Secretariat. On that occasion, she reiterated the determination of the American government to support ECOWAS programmes, particularly its efforts to strengthen peace and security, and in other areas such

private sector promotion and institutional support. Already, USAID has pledged the sum of 1.5 million US dollars for the development of the energy sector in West Africa.

vii) Lome Convention

263. The December 1998 Praia meeting of National Authorising Officers, in connection with the regional indicative programme (RIP) of the Lome Convention, marked a watershed in ECOWAS/European Union relations. For the first time, the European Union acknowledged the central role of ECOWAS in the promotion of West African cooperation endeavours. The Executive secretary's positive intervention at the meeting projected the image of the Community and led to pledges of support from the European Commission for two important segments of the programme.

a) Assistance to Member States for Enhanced Regional Integration

264. The regional indicative programme makes provision for a regional integration support programme (RISP) to the balance of payments and/or budgets of the countries concerned, to enable them implement, within a global and coherent framework, enhanced regional economic integration reform programmes.

265. The regional cooperation coordination meeting held in Praia provided RISP with 70 million euros for the sixteen ECOWAS Member States. The amount is broken down as follows: 14 million Euros for Phase 1 Member States and 56 million for countries in Phase 2.

266. The main purpose of Phase 1 is to evaluate the impact of a customs union on the public finances and on the economy of each Member State. The first phase has been carried out in UEMOA, and similar studies will be conducted in the non-UEMOA ECOWAS Member States.

b) Assistance to ECOWAS as an Institution

267. Under the RIP (8th EDF) guidelines, the European Union is to grant ECOWAS 10 million Euros in assistance, to enable it attain the objectives set out in the revised Treaty, especially the harmonisation of economic policies, and the implementation of the CET and institutional enhancement measures.

268. Still under the RIP, the European Community plans to provide ECOWAS with 2 million Euros to finance a study on the Integrated Transport System for West Africa (ITSWA).

269. The RIP coordination meeting has acknowledged the proven role of ECOWAS in conflict prevention and intends to provide 1,900,000 euros to the Community for the establishment of the ECOWAS Mechanism for Conflict Prevention, Management and Resolution, Peacekeeping and Security. The funding agreement is being prepared by the European Commission in Brussels.

270. It should be noted also that the second ECOWAS Trade Fair organised in Accra from 26 February to 7 March, 1999 received funding amounting to 950,000 euros under the Regional Indicative Programme.

271. Two million Euros has been provided for the year 2000 ECOWAS industrial forum coming up in Dakar.

272. As a follow -up to these pledges of support, the Executive Secretariat has prepared a project document for the European Union in connection with funding for activities to promote market integration in West Africa , which is currently under study.

273. Within the context of efforts to strengthen relations between the European Union and ECOWAS, the European Union Troika undertook two official missions to the Executive Secretariat. The first visit took place in June 1999 when Germany was serving as the Chairman of the European Union while the second took place in October 1999, during the Chairmanship of Finland. The two parties (ECOWAS and the European Union) decided to meet regularly every six month. In order to formalise the relations, they also expressed the desire to pursue their political dialogue within the scope of an appropriate institution, such as a joint Summit of the Heads of State and Government of ECOWAS and the European Union. To this end, the Executive Secretariat has prepared a memorandum to be submitted to the Council of Ministers on the dialogue between ECOWAS and the European Union, as has been done between the European Union and SADC.

274. With respect to the renewal of the Lome Convention, the Executive Secretariat has expressed support for the position adopted by the ACP Group on the proposal put forward by the European Union concerning the Regional Economic Partnership Agreements (REPA). The European Union's proposals run counter to the ECOWAS integration efforts. The Executive Secretariat is following with keen interest the activities surrounding the renewal of the ACP/EU Convention. It is essential for Member States to close ranks and stand united, and to speak with one voice at the different international fora. By adopting a common position on development issues, specifically on the renewal of the Lome Convention, the countries in the sub-region will be able to derive maximum benefit from multilateral cooperation.

viii) Cooperation with OAU/AEC

275. The Executive Secretariat attended the meeting of the Policy Analysis Support Unit (PASU) Steering Committee held in Addis Ababa on

19 February 1999. PASU is a think-tank for enhancing the capacity of the OAU/AEC in the area of regional integration. The meeting requested the unit to support the activities relating to the establishment of databases on development within the OAU and regional economic communities, and to rationalise its programmes by taking into account the activities of other donor agencies. The Executive Secretariat also presented to PASU a multi-sectoral support programme to enhance its activities. The PASU Steering Committee has agreed to commit funds worth US\$ 119, 500 towards studies on free movement of persons, establishment of a common external tariff, elimination of tariff and non - tariff barriers, private-sector promotion, harmonisation of economic and financial policies, and the formulation of a protocol on an ECOWAS single monetary zone. A study grant has been offered to a senior officer in the Secretariat as part of efforts to strengthen project analysis capability.

276. The Executive Secretariat attended the 69th ordinary session of the OAU Council of Ministers and the 4th ordinary session of the African Economic Community, held in Addis Ababa from 19 to 23 March 1999 . Both these meetings acknowledged the dynamic role being played by regional economic communities (RECs) such as ECOWAS in the achievement of the objectives of the African Economic Community. For this reason, an appeal was made to all African countries to lend total support to their respective economic communities.

ix) Cooperation with the African Development Bank (ADB)

277. ADB has agreed that the \$1.247 million dollars in residual funds from the initial grant for the floating weeds project be used to prepare a supplementary study on the phenomenon in the newly infested Member States.

x) Cooperation with the United Nations Economic Commission for Africa (ECA)

278. The ECA has given grant aid to the tune of US\$ 30,000 to the Secretariat for the implementation of the macro-economic segments of the regional development programme. Two consultants appointed for the purpose have undertaken field missions. They have since presented their report to the Executive Secretariat.

279. The Executive Secretariat attended the meeting of African Ministers of Finance held in Addis Ababa in May 1999, to examine issues pertaining to the continent's development.

xi) Cooperation with UNDP

280. The UNDP intends to make a grant of US\$ 100,000 to ECOWAS, from the "Fonds Guerrero", for implementation of the sectoral components of the regional development programme. A draft project document has been prepared by the Secretariat for signature by both parties to concretise the assistance agreement.

xii) Cooperation with FAO

281. In December 1998, the ECOWAS Executive Secretariat undertook a working visit to the FAO headquarters in Rome to strengthen the cooperation links existing between the two institutions, and to reactivate the Community projects in the agricultural and livestock sectors. Following the visit, a pluri-disciplinary team from the FAO visited the ECOWAS headquarters in Abuja to review the agricultural programmes with the Secretariat and to determine areas of future cooperation.

**xiii) Cooperation with the International
Telecommunications Union (ITU)**

282. The ITU has agreed to provide 67%, representing US\$ 222,000, of the cost of the feasibility study on INTELCOM II.

xiv) Cooperation with the World Trade Organisation (WTO)

283. The WTO organised a seminar on the international trade system for professional staff of the Executive Secretariat in January 1999. A second seminar on the rules and regulations of the WTO was organised in July 1999 for the Executive Secretariat and Member States.

**xv) Cooperation with the International Organisation of
French-speaking Communities (La Francophonie)**

284. On 21 February 1999, the Executive Secretary signed a memorandum of understanding on behalf of ECOWAS with Dr. Boutros Boutros-Ghali, Secretary-General of the French-speaking Communities. Eleven ECOWAS Member States are members of that organisation.

285. Both parties agreed to exchange information and documentation, hold consultations on issues of common interest and attend conferences organised by either party. It was agreed that they would formulate and implement joint cooperation projects.

**xvi) Cooperation with INTERPOL/ICPO on Crimes in West
Africa**

286. The Executive Secretariat attended the second INTERPOL/ICPO meeting on fraud and financial crimes committed by West African nationals, held in Abuja from 24 to 26 March 1999.

287. The meeting considered fraud and financial crime trends in West Africa, the counter measures which the security agencies must adopt, as well as possible areas of cooperation between multinational agencies in the effort to combat international financial crimes. A plan of action is in the process of being prepared.

13. OPERATIONS OF THE ECOWAS FUND

i) Implementation of measures to redeploy and rationalise staff strength

288. At its 41st session held in Lome from 14 to 16 December 1998, the Administration and Finance Commission adopted measures to put into application the staff redeployment and reorganisation plan. The management has therefore redeployed the professional staff as approved by the Board of Directors, and in accordance with the transitional organisation chart approved by Regulation C/REG.1/8/97.

289. The redeployment of the professional staff became effective on 15 January 1999 and measures are currently being taken to organise training programmes aimed at enhancing the performance of the staff and strengthening the Fund's managerial capacity.

290. During the rationalisation exercise, it became obvious that it would also be necessary, in addition to the redeployment, to cut down the staff strength to reasonable proportions by adopting measures that would encourage staff to proceed on voluntary retirement, and by appointing staff members to acting positions. As at 31 January 1999, 31 members of staff had left the services of the Institution.

291. As a result of the various measures adopted by the decision-making authorities and the efforts undertaken by the management to reduce

administrative costs, the Fund was finally able to present a surplus budget in 1999, after ten successive years of deficit budgeting.

ii) Study on the transformation of the Fund

292. It would be recalled that the 20th session of the Authority of Heads of State and Government held in Abuja from 28 to 29 August 1997 agreed in principle to the recommendation that the Fund be transformed into a financial institution, with a more commercial orientation, without losing sight of its development and integration objectives. The Management was then requested to commission a feasibility study to determine the type of financial institution that should replace the Fund.

293. Following the approval of the study's terms of reference by the Ad Hoc Ministerial Committee and the Council of Ministers, the Management of the Fund called for tenders from consulting firms and finally recruited "Development Finance Corporation" (DFC) to carry out the study. After negotiations, a contract was signed with the firm which began work on the study on 21 September 1998. The draft final report was submitted at the end of March 1999.

294. The conclusions of the study were considered by the Ad Hoc Ministerial Committee during its May 1999 meeting in Lome and its August 1999 session in Abuja. Based on the outcome of these two meetings, the Council of Ministers, at its forty-fourth session in Abuja in August 1999, made recommendations to the Authority of Heads of State and Government concerning a new structure for the ECOWAS Fund.

iii) Operational activities

295. In conjunction with the ongoing restructuring exercise, the Fund Management is making efforts to increase its level of activity. In

implementation of its approved 1998-2002 work programme, the Fund has conducted project identification missions to Member States, to establish a loans programme with each of them.

iv) Arrears of contributions to the Fund

296. The high amount of contribution arrears is impairing the effective realisation of the Fund's objectives. In spite of efforts, notably the establishment of payment schedules and direct contact with Member States, many of them still owe considerable amounts.

III.

**ADMINISTRATIVE AND
FINANCIAL ISSUES**

v) Staff matters

297. Following the retirement or resignation of the incumbents, the following professional posts at the Executive Secretariat are vacant:

- Director, Social and Cultural Affairs Department
- Director, Audit Department
- Director, Administration Department
- Director, Transport, Communications and Energy,
- Principal Officer, Immigration
- Principal Officer, Information,
- Principal Officer, Accounts,
- Principal Officer, Transport
- Principal Officer, Research

- Principal Officer, Statistics
- Principal Officer, Customs
- Principal Officer, Trade
- Senior Officer, Projects,
- Senior Officer, Natural Resources,
- Senior Officer, Personnel.

298. By the end of 1999, a number of other staff members will have retired. Also, two security guards have passed away while two bilingual secretaries have resigned.

299. The Council of Ministers' decision freezing staff recruitment for the vacant posts is hampering the smooth operation of the Institutions as several units of the Secretariat have either no staff or are being run by a single officer.

300. By not allowing for internal promotion, the rigid quota system impacts negatively on the running of the institution. Council, at its forty-fourth meeting in August 1999 accepted the principle of a more flexible quota system, and also recommended internal promotion based on merit. Council is therefore requested, in this regard, to accept and support the recommendations set out in the Executive Secretariat's memorandum on the restructuring of the Secretariat, as well as the recommendation of the Ministers of Justice that the rigid quota system should be abolished in the interests of cohesion and effective performance of the Community.

301. The Ministers of Justice adopted new staff rules and regulations when they met in Abuja in October 1999 , within the scope of measures to improve conditions of service. The outcome of this meeting will be presented to the Council will be called upon to consider the outcome of this meeting at its forthcoming session.

ii) Restructuring of the Executive Secretariat

302. As part of the efforts to improve the operational procedures within the Community Institutions, the Council of Ministers set up two ad hoc committees to restructure the Fund and the Secretariat. The committee responsible for the restructuring of the Executive Secretariat comprises Cape Verde, Côte d'Ivoire, Liberia, Mali and Nigeria.

303. Two studies on the restructuring of the Secretariat have been prepared; one by IDEP and the other by the ECA. An in-house committee has been set up within the Secretariat to examine the conclusions of the reports of the various consultants and make proposals for restructuring. A memorandum will be submitted to the forthcoming meeting of the Ad Hoc Committee on the Restructuring of the Executive Secretariat which will make recommendations to the Council of Ministers. The ad hoc committee will meet in early December 1999.

iii) Appointment of statutory appointees

304. The Ad Hoc Committee on the Restructuring of the Executive Secretariat met in Abuja on 16 November 1998 to determine the procedure for appointing Statutory Appointees. The Committee expressed the view that the implementation of the directive issued by the Authority of Heads of State and Government at its twentieth session held in Abuja in 1997, that all vacant posts be opened to all citizens of Member States requires an amendment to the Treaty. Considering the time-consuming nature of the amendment procedure, the committee agreed to adhere strictly to the relevant provisions of the Treaty. It therefore recommended that the statutory posts be allocated to certain Member States. To this end, the Committee submitted four recruitment options which have been forwarded to the current Chairman of the Authority of Heads of State and Government for a decision. The Chairman

has suggested to his brother Heads of State that the posts should be allocated to the countries of the statutory appointees whose terms of office have just expired.

iv) Movement of the Secretariat to Abuja

305. The Executive Secretariat has finally moved its headquarters to Abuja, the last phase having been implemented in March this year. The departments in the Secretariat have been operating fully since the installation of its headquarters in Abuja in March 1998.

306. With the exception of the security guards who moved to Abuja at their own expense as directed by Council, all staff members who relocated to Abuja have been provided with residential accommodation.

307. However, the Secretariat maintains an office in Lagos manned by five category "G" staff, five drivers and twenty-two category "M" staff who provide security at the residence of Statutory Appointees, the liaison office and certain staff residences at Festac Town.

v) Construction of staff residences

308. The contract for the construction of staff houses was awarded to Nahman Construction Company Limited. AIM Consultants are the Project Management Consultants while the Consultancy Firm, Takyi and Partners, are in charge of technical supervision. The project is funded through a loan of US\$ 6,650,000 granted by the Federal Government of Nigeria. The amount has been lodged in an ECOWAS account.

309. AIM Consultants have been paid US\$ 398,250 as their fees for the technical studies and architectural plans. A mobilisation fee of US\$ 2,656,069.33 has also been paid to Nahman Construction Co. Ltd. The

company has cleared the access road to the site, and construction work is at an advanced stage.

vi) Tender code

310. The draft Tender Code has been finalised and was considered by Ministers of Justice at their meeting in Abuja in October 1999. The draft code will be presented to the forthcoming session of the Council of Ministers for adoption.

vii) Financial resources of the Executive Secretariat

311. The approved budget for 1999 is balanced in income and expenditure at UA7,521,719, of which UA1,500,000 will be derived from arrears of contribution and UA336,419 from sales of assets, leaving a balance of UA5,685,300 to be paid by Member States. The amount is 2.65% less than for 1998.

312. The accumulation of arrears continues to be a constant source of concern for the Executive Secretariat. Only Benin, Burkina Faso, Cote d'Ivoire, Mali and Nigeria are up to date in their financial contributions. Between January and October 22, 1999, the situation of payments received was as follows:

PAYMENTS RECEIVED AS AT 20/10/99

Country	UA	US\$	FCFA
BENIN	367 578.00	518 616.00	295 539 230
BURKINA FASO	699 730.00	1 017 023.00	561 129 000
COTE D'IVOIRE	433 652.00	611 840.00	344 282 000
GHANA	421 849.00	595 187.00	331 168 300
GUINEA	331 241.00	469 985.00	260 943 200
MALI	618 935.00	901 962.00	495 749 485
NIGER	185 167.00	274 751.00	150 000 000
NIGERIA	1 600 412.00	2 258 021.00	1 256 387 400
SIERRA LEONE	205 573.00	299 949.00	176 063 100
SENEGAL	355 900.00	502 139.00	279 395 700
TOGO	413 496.00	589 779.00	328 843 433
TOTAL	5 636 533.00	8 039 252.00	4 570 661 848

IV.

**REGIONAL PEACE AND
SECURITY**

313. When ECOWAS became involved in the first operation to restore peace to Liberia, some observers viewed it as a departure from its economic integration role. It has become increasingly clear that its intervention was neither unnecessary nor futile, inasmuch as it helped

restore peace to that country. Similarly, in Sierra Leone, sustained military and diplomatic initiatives led to the signing of an agreement and allowed the foundation to be laid for genuine peace.

314. This section will focus mainly on the situation in Sierra Leone, the initiatives being taken to restore democracy to Niger and Guinea Bissau, as well as the implementation of the Moratorium on the Importation, Exportation and Manufacture of Light Weapons.

1. SIERRA LEONE

315. ECOWAS activities in Sierra Leone were focused mainly on the implementation of the Lomé Peace Agreement.

316. The necessary measures were taken by ECOMOG to rekindle trust between the warring parties. The disarmament, demobilisation and reintegration programme took off with the establishment of twenty-seven (27) arms collection sites, ten (10) demobilisation centres, and six (6) arms storage centres.

317. The most significant event, after the signing of the Peace Agreement, was, unquestionably, the return to Freetown on 3 October, 1999, of Corporal Fodé Sankoh and Lt-Colonel Johnny Paul Koromah, leader of the Revolutionary United Front and the Revolutionary Armed Forces Council respectively. Their return was unquestionably a positive and significant step in the peace process.

318. I must therefore express my gratitude to Their Excellencies, Gnassingbé EYADEMA, President of the Togolese Republic and current Chairman of ECOWAS, Blaise COMPAORÉ, President of Burkina Faso, Henri Konan BEDIÉ, President of the Republic of Côte d'Ivoire, Olusegun OBASANJO, President of the Federal Republic of Nigeria, and Charles TAYLOR, President of the Republic of Liberia, who facilitated their return,

thereby creating a conducive environment to alleviate the suffering of the people of Sierra Leone.

319. Since the return of the RUF leader and the leader of the Revolutionary Armed Forces Council, a large number of rebels have returned to Freetown. Some have surrendered their arms to ECOMOG and to the United Nations Observer Mission (UNOMSIL).

320. The hopes raised by their return, were, at a certain point, dashed to pieces when elements of the Revolutionary Armed Forces kidnapped some ECOMOG soldiers, members of the United Nations Observer Mission (UNOMSIL) and Sierra Leonean personalities who had gone to rescue children kidnapped and forcefully drafted into the rebel army. This act drew strong condemnation, but fortunately, the matter was speedily resolved..

321. All prisoners of wars and all nationals kidnapped by all the factions have now been freed .

322. The United Nations is taking steps to deploy a peacekeeping force composed of six (6) infantry battalions and dubbed UNAMSIL, to assist the Government of Sierra Leone to implement its disarmament and demobilisation programme, and to create a climate of trust and stability necessary for effective implementation of the Peace Agreement.

323. The formation of the peacekeeping force has been the subject of discussions between the UN and ECOWAS, and especially between the UN and the Federal Republic of Nigeria, the major contributor of troops to ECOMOG in Sierra Leone. It has been agreed that the six (6) UNAMSIL battalions will comprise three (3) battalions from the Federal Republic of Nigeria, one (1) from Ghana, one (1) from India and another also from outside the sub-region.

324. The form and the deployment plan were forwarded to the ECOWAS Executive Secretariat which, having studied them, raised two issues of great concern. First is the UN decision to exclude from UNAMSIL, some Member States which have contributed troops to ECOMOG for peacekeeping operations in Sierra Leone, and the second is the decision that a country other than the largest troop-contributing State will head the United Nations force. The Executive Secretariat is making efforts to ensure that the UN reviews its decision on these two issues, in fairness to ECOWAS for the sacrifices made towards restoring peace to Sierra Leone.

325. The deployment of UNAMSIL should signal the end of ECOMOG operations in Sierra Leone. However, this in no way means that ECOMOG in its present form will cease to exist, as its establishment has been reaffirmed by the ECOWAS Mechanism for Conflict Prevention, Management and Resolution, Peacekeeping and Security. A framework for the mechanism was adopted at the twenty-first ordinary session of the Authority of Heads of State and Government. In line with its provisions, each Member State is expected to set up a stand-by arrangement whereby contingents will be designated, trained, equipped and prepared for deployment at short notice.

2. LIBERIA / GUINEA

326. Liberia, which was just recovering from the prolonged civil war which brought in its wake great sufferings and destruction, was the object of an armed attack in August, 1999. Within the same period, some areas within the Republic of Guinea were also attacked. In an effort to halt the growing insecurity and to preserve peace and stability in the sub-region, the current Chairman of ECOWAS launched an appeal to his peers on 30 August, 1999, to take measures to ensure observance of the provisions of the Protocol on Non-Agression of 22 April, 1978. He

also convened an ad hoc ministerial meeting, in Lomé and a meeting of an ad hoc Committee of Heads of State and Government in Abuja on 7 September, 1999.

327. At the end of these meetings, the armed attacks were strongly condemned, and the dissidents responsible for such criminal acts were ordered to put an immediate end to them. The Heads of State and Government of the Ad Hoc Committee encouraged the member countries of the Mano River Union to resume the relations of good neighbourliness necessary to consolidate peace, security, and trust between Guinea and Liberia. Guinea, Liberia and Sierra Leone were called upon to exchange lists of persons involved in subversive activities against their respective countries, with a view to their expulsion as stipulated in the Mano River Treaty.

328. It was decided that a joint security committee would be set up to monitor the border zones between Guinea, Liberia and Sierra Leone.

3. NIGER/GUINEA-BISSAU

329. The authorities of Niger honoured their pledge to organise democratic and transparent elections before the end of the year by organising presidential elections in that country. The voting, which was observed by ECOWAS and other institutions, were held in a peaceful atmosphere and was conducted in an honest and transparent manner. I wish to commend the authorities in Niger and thank all those who facilitated the activities leading up to the successful elections, and who thus contributed immensely to the restoration of democracy in Niger.

330. May I avail myself of this opportunity to renew my appreciation to the President-elect and to wish him success and happiness for the people of Niger.

331. I wish to extend the same wishes to the people of Guinea-Bissau who suffered immeasurably from the civil war that shook that country. That ~~presidential and legislative~~ elections have been organised there testifies to the desire of the authorities to create the necessary democratic environment.

4. MECHANISM FOR CONFLICT PREVENTION, MANAGEMENT AND RESOLUTION, PEACEKEEPING AND SECURITY

332. The endorsement of the Mechanism for Conflict Prevention, Management and Resolution, Peace-keeping and Security by the twenty-first session of the Authority of Heads of State and Government meant, in effect, the Heads of State were adopting the preliminary draft of one of the most fundamental legal instruments of the Community. Already, this text provides for the establishment of a number of structures which will, no doubt, prove an effective conflict prevention tool. This is why I have initiated action to establish the Council of Elders and the zonal observation bureaux.

i) Establishment of the Council of Elders

333. I have requested all Member States to assist me to identify eminent persons from the sub-region and elsewhere, who can use their good offices and competence to play the role of mediator, conciliator and arbiter . I had wanted to constitute a database rapidly of such persons who could render service to our Community in its conflict prevention effort. I have received very few responses have so far, and wish to take this opportunity to appeal to those concerned to forward to me the names of persons who can be included in the database

ii) Opening of zonal observation bureaux

334. It is necessary that the ~~zonal observation bureaux~~ be opened immediately, to begin their functions of monitoring threats to peace, thereby helping to stifle potential crises, and of overseeing the implementation of the moratorium on the importation, exportation and manufacture of light weapons. I have despatched missions to The Gambia, Burkina Faso, Liberia and Benin to carry out an on-site assessment of the measures that would be required to establish these bureaux. I wish to seize this opportunity to thank the authorities of these countries for their interest in our project, and to reassure them that the bureaux will be opened once the European Union makes good its promise of financial assistance. I however have a duty to point out that European Union assistance will cover the operating cost of the bureaux for two (2) years only. Consequently, it is important, thereafter, for ECOWAS to have its own resources to ensure the activities. Member States yet to ratify the Community Levy are hereby urged to do so without delay, in order to provide ECOWAS with the resources needed for the operation of all its institutions.

335. The various aspects of the mechanism are set out in detail in the relevant draft protocol which will be submitted to the twenty-second ordinary session of the Authority for adoption. With the assistance of the European Union, I was able to organise two workshops of resource persons and a meeting of experts from Member States, in Dakar. The preliminary draft of the protocol was amended and refined at these meetings.

336. Arguably, the protocol will help to create an environment of peace and stability in our sub-region. Nevertheless, internal security in individual countries will be further enhanced if Member States succeed in controlling the spread of light weapons.

5. IMPLEMENTATION OF THE MORATORIUM ON THE IMPORTATION, EXPORTATION AND MANUFACTURE OF LIGHT WEAPONS

337. As part of the fallout from the various conflicts, our sub-region was inundated with large quantities of arms and ammunition, encouraging criminal and illicit activities, and threatening the stability required for economic and social development. We must get rid of these instruments of destruction. The declaration of the ECOWAS Moratorium is a courageous and ambitious step in this direction. This initiative has been unanimously commended on our continent and within the entire international community, but it is only the first step. It is condemned to failure if we fail to take the remaining steps towards the implementation of the moratorium. It is against this background that we must view and single out for special mention the adoption, by the Ministers of Foreign Affairs, of the plan of action assigning responsibilities to the Member States, the Executive Secretariat, and the Programme of Co-ordination and Assistance for Security and Development (PCASED). Among the activities thus defined are the development of a culture of peace; training for the military, security and police forces;; enhancement of weapons controls at border posts; establishment of a database and a regional arms register; collection and destruction of surplus and unauthorised weapons; facilitation of dialogue with producers/suppliers; review and harmonisation of national legislation and administrative procedures; mobilisation of resources for PCASED objectives and activities, and enlarging the membership of the Moratorium.

338. Very little progress has been made so far because Member States and the Executive Secretariat have not yet set up the appropriate structures, and because the necessary funds are not available. I must however commend those Member States which have already set up national commissions to monitor the implementation of the moratorium

and report to the Executive Secretariat, even as I urge the other Member States to do the same.

339. The Executive Secretariat, in collaboration with the United Regional Centre for Peace and Disarmament, organised a workshop for experts from ECOWAS states, to work out modalities for the establishment of a small arms register and database in West Africa. The register and the database should be operational by early 2000.

340. I thank the authorities of Mali, Liberia and Sierra Leone for having accepted to destroy the surplus arms in their countries, thus taking a bold and effective step towards controlling light weapons proliferation. I appeal to all Member States to encourage a similar collection and destruction of light weapons in their countries.

341. The dialogue initiated with the Wassenaar Arrangements soon after the Declaration of the Moratorium has yielded fruitful results, in that manufacturers and suppliers have agreed not to export arms to this sub-region if the exporter has not been granted an exemption. The exemption procedure is specified in the draft Code of Conduct which will be submitted to the Authority of Heads of State and Government for adoption at these statutory meetings. In the spirit of Moratorium, and pending the entry into force of the Code of Conduct, the exemption regime is jointly applied by the Executive Secretariat and the Programme for Coordination and Assistance for Security and Development. May I here appeal to all Member States which have a compelling need to import arms during the period of the Moratorium, to notify the Executive Secretariat of their requirements.

342. With assistance from the European Union, the Executive Secretariat will set up a division within the Political Affairs, Defence and Security Department which will soon be established. The division will co-ordinate

and monitor implementation of the moratorium in Member States, and will analyse data received from the zonal observation bureaux.

343. ECOWAS has been widely acclaimed for its peacekeeping initiatives, and all those who are involved in the conflict prevention have been commended. This has rekindled the interest of several bilateral and multilateral partners who have pledged their assistance to ensure the success of the Mechanism. The relevant protocol and the protocol on the Moratorium will be submitted to the Authority of Heads of State and Government for adoption at this current session. It is now up to Member States to demonstrate their commitment to the attainment of the objectives of the Mechanism for Conflict Prevention, Management and Resolution, Peacekeeping and Security, and those of the Moratorium on the Importation, Exportation and Manufacture of Light Weapons.

CHAPTER III

OUTLINE OF A REGIONAL DEVELOPMENT PROGRAMME FOR WEST AFRICA

344. Many of the ideas in this chapter were already developed in Chapter III of the Interim Report presented to the 44th session of the Council of Ministers held in July 1999. That chapter had proposed a review of some of the integration procedures and instruments , and a reorientation of ECOWAS activities, with a view to defining more realistic objectives which could be realised to the satisfaction of all Member States. It proposed that priority attention should henceforth be given to the creation of a single regional market through the liberalisation of trade, the adoption of a common external tariff and the harmonisation of macro-economic policies of all Member States. This was contained in a document relating to the strategy for accelerating the integration process in West Africa which the Council of Ministers adopted at its July 1999 session.

345. The present chapter has been re-written and expanded , to reflect the observations made by the Council of Ministers on the proposed strategy, particularly the need to arrange the proposed macro-economic convergence criteria in order of priority. In order to complete the economic framework proposed in the earlier report, this chapter has been expanded to include a regional investment programme. These two elements will constitute the framework for the Community regional development programme whose objective would be to promote a greater synergy between the structural adjustment programmes and the integration programmes being implemented by all the countries in West Africa. At the present stage of our reflection, this is just an outline and

the details are still to be worked out by the Executive Secretariat and the ECOWAS Fund.

346. The regional development programme will thus be made up of the following two components:

- ① the regional macro-economic framework; and
- ② the regional investment programme.

347. The regional macro-economic framework covers the regional economic policies that could provide support to national economic reform policies. These include:

- ① trade liberalisation centred around the ECOWAS trade liberalisation scheme;
- ② common external tariff
- ③ harmonisation of economic and financial policies. The areas to be harmonised relate to fiscal, monetary and exchange rate policies.

348. These three elements constitute the priority areas of action which the 44th session of the Council of Ministers adopted within the scope of the strategy for accelerating the integration process in West Africa.

349. The ECOWAS investment programme, on its part, comprises a series of regional projects or projects of a regional character which, if implemented, can boost production and strengthen the economic integration process in West Africa. The priority sectors in the provisional programme are the road infrastructure, telecommunications and energy sectors. Only projects that have reached an advanced stage have been selected here.. Other projects will be selected at a later stage, especially in the environmental conservation and human resources development (health and education) sectors.

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I)

REGIONAL MACRO- ECONOMIC FRAMEWORK

1. ECOWAS TRADE LIBERALISATION PROGRAMME AND COMMON EXTERNAL TARIFF

350. ECOWAS programmes need to be coherent and pragmatic if Member States are to derive maximum benefit from the advantages of an enlarged regional market where all tariff and non tariff barriers will have been eliminated. The current ECOWAS market integration procedures and instruments are grossly inadequate. Similarly, the ECOWAS trade liberalisation scheme cannot lead to the establishment of a credible customs union in West Africa. Hence the need to review it.

351. The ECOWAS preferential tariffs and the trade support measures need to be reviewed. Whenever instruments of regional policy impose adjustment costs or constitute obstacles to national economic policies, it would be highly advisable to review them. Regional mechanisms should allow the private sector to exploit the many opportunities in the region for trade and trans-border investments.

352. The ECOWAS trade liberalisation scheme (TLS) has failed for many reasons among them the high cost of compensation, the existence of a parallel scheme (within UEMOA) in the same geographical zone, and the inappropriateness of the accompanying instruments and approval procedures.

i) Compensation mechanism for loss of customs revenue occasioned by intra-Community trade liberalisation

353. The ECOWAS preferential tariffs are calculated on the basis of very high customs rates, causing substantial revenue losses to the exporting countries which cannot be easily offset.

354. To reduce the high cost of compensation, ECOWAS Member States should reduce the rate of customs duties and their share in fiscal revenue, as that would also enable them to prepare their entry into the customs union.

355. Pending the time the study on the ECOWAS-CET is finalised, Member States could adopt 25% as the maximum rate of customs duties on goods imported from third countries, that being the maximum rate applied by the majority of the countries in the sub-region. Even with lower tariff rates, it is possible for Member States to rationalise and maximise their fiscal potential by expanding their tax base and improving the level of tax collection.

356. Another problem relating to compensation lies in the fact that it is paid by the exporting Member States. If the above proposal to reduce the customs duties payable on imports from third countries is applied, the exporting country will pay less. Nevertheless, the financing of the mechanism will still constitute a problem. Two solutions could be considered:

- **donors could be requested to share the burden of compensation in the form of budget or balance of payments support, within the framework of the structural adjustment**

programme⁶. This would mean that the reduction in the tariffs would be taken into account in the economic reform programmes of the Member States. This, however, can only be a short term option since donors cannot offer such assistance indefinitely; or

- the compensation could be financed from the proceeds of the Community levy, as envisaged in the provisions of the relevant protocol. This option would be more realistic, on the condition that the levy becomes effective before tariff elimination takes place.

357. With regard to the first option, the European Union intends to assist ECOWAS Member States with the sum of 70 million euros under the RISP programme, to enable them meet the costs of integration. 14 million euros is to go to countries in Phase I while the remaining 56 million euros is meant for countries in Phase II. As soon as the study on the potential impact of the various ECOWAS programmes on the national economies is completed, the financial burden created by the liberalisation of intra-Community trade and the establishment of a CET will be included in the budgets of member countries, as part of SAP. It should be noted however that the donors will accept to finance such mechanisms only within the framework of a regional integration arrangement which is open - with much lower common customs duties.

358. Regarding the option of financing compensation from the proceeds of the Community levy, that would require Member States to fulfil their obligations and accept to pay the proceeds of the levy into ECOWAS accounts, which is not the case at present.

⁶ At a meeting with the Executive Secretary in Washington in September 1999 during the annual assemblies of the Bretton Woods Institutions, the Director General of the IMF, Mr. Camdessus, indicated that it is possible to include the compensation budget in the budgets of Member States as part of SAP and to request donors to finance it, on the condition that the custom tariff imposed on goods originating in third countries is substantially reduced.

359. Regional preferential arrangements like those in ECOWAS and trade liberalisation on a wider scale as part of SAP, should be implemented concurrently, along with low external tariffs, so as to reduce the cost of compensation, and to minimise the incidence of trade diversion and loss of production efficiency.

**ii) ECOWAS and UEMOA Trade Liberalisation Schemes:
a duplication of efforts**

360. The UEMOA and ECOWAS rules of origin should be harmonised in order to avoid having two distinct TLS operating within the same region. This could be done with the assistance of donors within the scope of consultations between the two organisations.

361. With regard to the establishment of a customs union, the common external tariff (CET) applied to goods imported from third countries by UEMOA has been in force since 1st January 1998. UEMOA considers ECOWAS countries as third countries, contrary to the provisions of the ECOWAS conventions and protocols signed by all the Member States.

362. ECOWAS has started work on the preparation of its common external tariff. Efforts to harmonise the instruments of the two institutions, of necessity, require a harmonisation of the structure and rates of the ECOWAS and the UEMOA CET.

363. The European Commission and the Bretton Woods institutions could assist ECOWAS in preparing and implementing a regional CET, within the context of the Regional Integration Support Programme (RISP). Discussions have already started with the European Commission in this regard.

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iii) Accompanying customs documents

364. In order to qualify for the preferential tariff regime, goods originating in the Community have to be accompanied by a certificate of origin and an export declaration form.

365. As at today, not all Member States have printed these documents, and economic operators find them difficult to obtain. There is thus an urgent need for all Member States to print and to start issuing the documents.

366. It also seems possible to do away with the condition requiring unprocessed goods crossing internal land borders to be accompanied by a certificate of origin. "Internal land border" refers here to a common land border between two Member States of the Community. Unprocessed goods conveyed by other means (maritime and air transport) would still need to provide proof of origin. A similar measure could be envisaged for traditional handicrafts.

iv) Approval procedures

367. Economic operators often complain that the approval procedures for industrial goods are too complicated and time-consuming; there have been calls that they be simplified and that the procedure for obtaining approval for their goods be accelerated.

368. For practical purposes, a possible solution may be to set up a special committee within the Ministry of Trade and Commerce in each Member State with responsibility for examining applications and granting approval. Members of the committee may include representatives of the Customs Department, Budget Office, and Ministries of Agriculture, Industry and Handicrafts.

369. Once the necessary approvals are granted, the exporting country would ensure that they are taken into consideration in their economic reform programmes. Compensation to be paid to the importing countries should be included in the exporting country's national budget and must feature in financing programme to be executed under the framework of SAP.

370. Concerning the importing country, the incidence of tariff reduction to be granted must be reflected in the national budget and the financing programme under the SAP.

371. ECOWAS, the Member States and the Bretton Woods Institutions may hold negotiations on the possibility of making lower tariffs on goods originating in ECOWAS one of the conditionalities of SAP. That would greatly facilitate the implementation of the trade liberalisation scheme.

372. To be optimal, trade liberalisation must be pursued in association with the harmonisation of economic and financial policies.

2. HARMONISATION OF ECONOMIC AND FINANCIAL POLICIES OF ECOWAS MEMBER STATES

2.1 Macro-economic convergence criteria

373. There can be no economic and monetary union in West Africa without the harmonisation of the economic and financial policies of ECOWAS Member States. This must accompany the tariff reduction programme, and it will help to accelerate the development of intra-regional trade and the creation of a single monetary zone, and also strengthen the national economies. To this end, ECOWAS has set four convergence indicators: budget deficit/GDP ratio, government indebtedness to the Central Bank, inflation, and exchange rate. Yearly

assessments have shown that these indicators are not adequate and precise enough to pave the way for an economic and monetary union. Hence the need to review them.

374. This report contains new proposals by the Executive Secretariat which will certainly accelerate the creation of the desired economic and monetary union. The criteria have been set out in order of priority, in accordance with the decision of the 44th session of the Council of Ministers held in Abuja in July 1999⁷ and are classified into two groups: primary criteria and secondary criteria.

375. The primary criteria are the operational criteria which will require a legal undertaking on the part of Member States. The secondary criteria, on the other hand, are purely analytical criteria which should make it possible to determine the viability or otherwise of the convergence sought. The different criteria are as follows:

1. Primary criteria
 - a) budget deficit (minus grants)/GDP (commitments base) ratio-less than or equal to 4% by the year 2002.
 - b) inflation rate - 5% by 2001 and 3% in 2003
 - c) Central bank financing of budget deficit - 10% of previous year's tax revenue. Member States to comply by 2003.

⁷ The classification of the criteria as indicated in this report is different from the classification adopted by the joint meetings of Directors of Research of Central Banks and representatives of Ministries of Finance held in Abidjan and Accra in July 1999 and August 1999 respectively.

- d) gross reserves - equal to or less than 4 months of imports

- **Secondary criteria**

- c) arrears: prohibition of new internal and external arrears and liquidating of all existing arrears
- d) global primary deficit : equal to or more than 4% of GDP
- e) Tax revenue/GDP ratio: equal to or more than 20%
- f) salary mass/tax revenue: equal to or less than 35%
- g) public investment / tax revenue ratio: equal to or more than 20%
- h) real exchange rate stability: to be maintained by each country. The exact rate will however be determined after submission of the Consultant's report on the establishment of the ECOWAS Exchange Rate Mechanism.
- i) Stability of real exchange rate: to be maintained by each country. However, the exact rate shall be determined within the scope of the implementation of the ECOWAS exchange rate mechanism.
- j) interest rates: countries must show positive real interest rates.
- k) Maximum customs rate applicable to third countries- equal to or below 25%

1. Justification and quantification of new convergence criteria

i) Budget deficit/GDP ratio

376. ECOWAS has set the target of a budget deficit not exceeding 3% of the GDP as one of its convergence criteria. However, this criterion does not indicate the specific nature of the budget deficit being referred to. This is a problem because there are different types of budgetary balances and several ways of measuring them. The identification of objective criteria requires more precise definitions. Budget deficit that excludes gifts and grants could be used as the new convergence criterion. Its ratio in relation to the GDP should be equal to or less than 4%⁹. This can be classified as a primary criterion.

ii) Global primary budget deficit

377. Another useful criterion in the evaluation of budgetary options is the primary balance, which excludes interest payments. This can be taken to constitute an indicator of current budgetary action, given that interest payments are determined by the size of the deficits of the previous financial years. In countries where the level of public debt is high in relation to the GDP, as is the case in ECOWAS Member States where the ratio is 80%, it is usually agreed that it is essential to generate a primary surplus which generally constitutes a necessary (but not sufficient) condition for the reduction of the debt/GDP ratio.

378. ECOWAS has no criterion for this indicator. We propose that the primary surplus should correspond to a maximum of 4% of GDP¹⁰. This can be classified as a secondary criterion.

⁹This figure was obtained using an accounting model which places variation in public debt in relation to budget deficit

¹⁰ Figure obtained using a mathematical model

iii) Indicators relating to bank credits and arrears

379. ECOWAS has set a ceiling of 10% of tax revenue for Central Bank credit to government as a convergence criterion. This can be classified as a primary criterion.

380. With regard to arrears, the criterion should be a prohibition of new arrears and an obligation to liquidate existing arrears. This can be classified as a secondary criterion.

iv) Ratio of tax revenue/GDP

381. The appropriate convergence criterion here might be the average for the last three years for the three best performing countries out of a sample of 12. These would be Cape Verde with 25.4% of GDP, Cote d'Ivoire (18.5%) and Mauritania (16.6%); this yields an average ratio of 20% of tax revenue/GDP. All Member States are urged to optimise their fiscal capacity by expanding their tax base and running their tax collection machinery more efficiently. This may be classified as a secondary criterion.

v) Customs duty

382. ECOWAS countries must reduce the share of customs duty in their total tax receipts in order to prepare their entry into the customs union. Pending finalisation of the study on the ECOWAS/CET, Member States could, as suggested earlier, adopt the UEMOA CET ceiling of 25% of customs duty on goods from third countries. This may be classified as a primary criterion.

vi) Indicators relating to expenditure

383. Recurrent expenditure and investments constitute the two components of government expenditure.

- Salary outlay

384. In West Africa, salaries make up a significant part of recurrent expenditure, reducing current savings, which then become insufficient to finance investments. Cote d'Ivoire, Ghana and Nigeria which are the most dominant economies in the region have a salary outlay of between 30% and 40% of tax revenue. The criterion can be that the wage bill should not exceed 35% of tax revenue and may be classified as a secondary criterion.

- Rate of coverage of public investments by tax revenue

385. With regard to the investment component of government budgets, one of the problems is the high percentage of gifts and grant aid in investment financing. It would be useful to work out a criterion allowing investments to be financed from internal resources. UEMOA has set a criterion allocating 20% of tax revenue to investment. ECOWAS should adopt the same standard. This may be classified as a secondary criterion

vii) Price stability

386. The two indicators already adopted, which come under consideration here, are currency exchange rate and inflation. ECOWAS convergence criteria fix nominal exchange rate fluctuation at 5% and a ceiling of 10% for inflation. However, it is important to note that nominal exchange rate gives no indication of the competitiveness of the economy. Moreover, it may fluctuate independently of government national policy.

387. The criterion of real exchange rate is a more reliable indicator because it takes account of inflation differentials with partner countries. However, it is important to define an ECOWAS exchange rate mechanism under the Community monetary programme. In the mean time, each country should try to maintain a constant exchange rate. This may be classified as a secondary criterion.

388. ECOWAS countries should endeavour to maintain a constant real exchange rate and a minimum inflation rate of 3%, which is near that of the European Union, the region's major trading partner. It is also the rate adopted by UEMOA which has also formulated a harmonised price index which could guide ECOWAS to take a similar step. The criterion on inflation could be classified among primary criteria.

389. In addition, all ECOWAS countries should accelerate liberalisation of current payments and the gradual liberalisation of capital accounts, subject to the limits of existing international agreements.

390. Within the ECOWAS zone, there must be a total lifting of exchange restrictions in order to facilitate free movement of national currencies currently prohibited under existing banking regulations¹¹.

391. Those Member States which have pegged exchange rates should change this policy in favour of market-determined exchange rates.

392. A price element which is equally important is the real interest rate, which should be positive. This may be classified as a secondary criterion.

viii) Indicators relating to balance of payments

393. The reference variable per excellence of balance of payments is a country's reserves. They are considered an important element of below-the-line financing of balance of payments deficits. Reserves also constitute a variable which gives an indication of country-risk and the potential degree of convertibility of a currency. In UEMOA countries, reserves are equivalent to the value of 6.6 months imports, whereas in most ECOWAS states, they represent hardly 3 months imports. The criterion to be retained should be close to the norm for the two group of countries, that is four months of import requirements. Countries should also make every effort not to accumulate external arrears. These two criteria may be classified as secondary criteria.

ix) Improving competitiveness

394. Other factors besides macro-economic measures affect the competitiveness of the West African economies, in particular the cost of factors of production (salaries, water, electricity, fuel, availability of qualified manpower).

395. The inadequacy of transport, telecommunications and energy infrastructures also constitutes the single major impediment to improving competitiveness.

396. Within their economies, ECOWAS Member States must commit more funds to improving transport, telecommunications and energy facilities and to human resource development. The greatest achievements of ECOWAS, as a regional organisation, is in regard to the provision of regional infrastructures. Efforts should be intensified in this connection to accelerate completion of the remaining sections of the trans-West African road network and the interconnecting roads. The INTELCOM II telecommunications project also needs to be executed for improved inter-State telecommunications links, as does the proposed

telecommunications project also needs to be executed for improved inter-State telecommunications links, as does the proposed interconnection of electricity grids and the West Africa Gas Pipeline project linking Nigeria to Ghana through Benin and Togo. Ultimately, the gas pipeline project should be extended to all countries in the region.

397. Sectoral policies in each of the areas identified above should be co-ordinated at the regional level, and convergence indicators chosen. These could include the number of telephones per inhabitant; annual power consumption in terms of kilowatt/hour per inhabitant; the number of kilometres of tarred roads and the rate of school enrolment.

398. Each Member State should also take appropriate steps to include Community programmes in its public investment programme.

399. In addition, as a first step to elaborating a Community investment code, ECOWAS should embark on wide-ranging dialogue with donors, national administrations, private investors and the agencies representing the private sector in the European Union, in order to attract investments to the regional market.

x) Harmonisation of fiscal regimes

400. Differences in pricing arising from the use of differing tax regimes translate into adjustment costs for countries. This underscores the need for ECOWAS countries to harmonise their internal indirect taxation. Any programme in this regard should focus on the following:

- harmonisation of VAT;
- harmonisation of excise duties;
- harmonisation of petroleum taxes;
- harmonisation of direct taxation, particularly stocks and shares;

- control of exemptions;
- taxation of the informal sector;
- taxation of the rural sector.

xi) Harmonisation of the legal, accounting and statistical framework of public finance

401. In order to achieve the harmonisation of public finance in its Member States, ECOWAS must introduce harmonised public finance management tools to be applied in the following areas:

- structure of national budgets;
- general rules of public accounts;
- budgetary nomenclatures of ECOWAS Member States;
- general accounting plans of Member States;
- public finance operation tables.

402. The experience of UEMOA, which has harmonised some of these instruments, could be beneficial to ECOWAS.

2.2 Reflecting the macroeconomic convergence criteria in the economic reform policies of Member States

403. In order to facilitate the application of the economic convergence criteria, it is essential that they figure prominently in the discussions on economic reforms between the Member States, the Executive Secretariat, the Bretton Wood Institutions and the European Union. These criteria could be in the Economic Policy Framework Document of each Member State under SAP.

3. Institutional framework for macro-economic convergence

404. A surveillance mechanism must be set up to ensure regular and effective monitoring of compliance with the convergence indicators.

405. The following measures are necessary for the establishment of the ECOWAS monitoring mechanism:

- **Adoption of a Council regulation and Authority decision fixing economic policy guidelines and defining convergence criteria;**
- **Establishment of the institutional arrangement for the monitoring mechanism, consisting in the creation of a national economic policy committee (NEPC) in each Member State, as is the case in UEMOA. Within the monitoring mechanism, the NEPCs will function as complements of the ECOWAS institutions, for the collection, processing and interpretation of data relating to their countries. Each NEPC will also serve as a national organ for the formulation of economic policy scenarios for that country;**
- **Establishment of a macro-economic data base having a specific scope, with the variables assembled into different files: economic accounts; prices, public finance operation tables; balance of payments; monetary situation and public indebtedness. A decision of the appropriate ECOWAS organ will define the scope of the database and the mode of updating and transmission of data;**
- **Connection of Member States (particularly the Ministries of Finance and the Central Banks) to WAMA and the ECOWAS Executive Secretariat using the Internet;**

- Technical training for all the actors involved in monitoring the implementation of the convergence policy.

406. ECOWAS needs to draw up a statistics protocol for the constitution of a data base, create national economic policy committees and define modalities for data transmission. NEPCs exist already in UEMOA countries and should be set up in non-UEMOA ECOWAS Member States. The functions of the existing NEPCs in UEMOA countries would be expanded to include preparation and transmission of data to the West African Monetary Agency (WAMA) and the ECOWAS Secretariat.

4. Towards effective implementation of ECOWAS programmes

407. It will not be enough for Member States merely to adopt the measures proposed for the improvement of ECOWAS procedures and instruments presented in the earlier sections dealing with trade liberalisation and harmonisation of macroeconomic policies. These measures must be put into application. This will entail finding the most operational framework within which such actions can be discussed, negotiated, adopted and their implementation monitored.

408. These proposals which relate mostly to arrangements for implementation of economic policies at regional level overlap with economic reforms at national level. The attendant risk of divergence will require creating a strong synergy between regional and national programmes. The ideal structure would be a body that can examine all issues relating to economic reform at Community level.

409. It is pertinent to point out here that WAMA's Economic and Monetary Committee and the Committee of Central Banks deal essentially with monetary matters, whereas the problems of economic integration

transcend these aspects. Also, the annual meeting of Ministers of Planning, Finance and Governors of Central Banks is only a consultative forum.

410. This and other reasons make it necessary to set up a regional consultative framework on economic reforms, at which will be discussed all issues pertaining to market integration particularly trade liberalisation, the common external tariff and the means of achieving macro-economic convergence. It may be necessary to hold regular meetings of ECOWAS experts in the area of economic reform at least twice a year and these could be attended by donors, principally the European Union and the Bretton Woods institutions. The experts will report to the joint meeting of Ministers of Finance and Planning and Governors of Central Banks, a ministerial forum on ECOWAS development and integration issues.

5. Donor support for the implementation of the programme on the harmonisation of policies

411. In order to facilitate the harmonisation of economic and financial policies of ECOWAS Member States, due regard must be taken of the need to reflect macro-economic convergence criteria in national economic programmes, particularly in terms of fiscal measures, monetary and currency exchange measures applied within adjustment programmes. Member States, the ECOWAS Executive Secretariat and WAMA, together with the ADB, should raise this issue in discussions with the Bretton Wood institutions and the European Union during the elaboration of their economic reform programme.

412. The European Union provided sustained support in the formulation of the UEMOA macro-economic convergence programme. The Union has agreed to provide similar institutional assistance to ECOWAS as part of

the same integration programme B PARI-PIR¹² (regional integration support programme). This support will focus principally on market integration, and will be in two parts: i) harmonisation of economic and financial policies and ii) establishment of a common external tariff (CET).

413. Assistance from the European Union will be required for the following activities:

- harmonisation of macro-economic concepts and their measurement techniques;
- harmonisation of internal taxation, national budgets and a legal, accounting and statistical framework compatible with that of UEMOA;
- definition of a surveillance mechanism for monitoring application of convergence criteria, the sanctions to be applied and aid envisaged as budget or balance of payments support to Member States;
- elaboration of an ECOWAS common external tariff (CET);
- preparation and publication of a six-monthly ECOWAS progress report;
- institutional capacity building, strengthening the human and operational capacities of the Executive Secretariat, WAMA and national offices of statistics.

¹² The European Union will make a grant of 14 million Ecu to ECOWAS under the PARI programme, for the conduct of economic reforms. A further 10 million Ecu will be given to the ECOWAS Secretariat for the conduct of sectoral studies under the Regional Indicative Programme.

II.

**REGIONAL INVESTMENT
PROGRAMME**

1. Justification

414. The global objective to be pursued in the years to come is to enhance in a significant and durable manner the capacity of ECOWAS to intervene in West African economies.

415. The choice of the strategy to be adopted and the activities to be undertaken under the programme is guided by the desire by ECOWAS to implement programmes concerning the development of all our Member States in the priority sectors of the economy.

416. As part of efforts towards the physical integration of the sub-region, ECOWAS has embarked on programmes to interconnect existing networks in the areas of transport, communications and energy. These are projects capable of promoting integration and constitute the major links in the development of the Community's territory.

417. The importance of efficient infrastructure linking Member States cannot be over-emphasised in the light of our goal of integrating the economies of West Africa. Accurately measuring production overheads, and the quality of transport, communications and energy services is a crucial element in improving economic competitiveness and strengthening regional integration. In particular, for export promotion and intra-regional trade, the improvement of road and telecommunications networks, and provision of energy at affordable cost should be treated as key priority areas as we strive to carve a place for

ECOWAS countries within the world economy. Essentially, our efforts will focus on elaborating and executing regional infrastructural programmes to connect member countries, with each country bearing the cost while benefitting from revenue generated through such interconnection. The involvement of the private sector should be actively sought in this regard.

418. The different strategic lines of action included in the programme are the construction of the remaining portions of the trans-West African highway, the promotion of the development of telecommunications in West Africa, and the development of the energy sector. The private sector is expected to participate in the implementation of some of these projects.

2. Objectives of the programme by sector

419. The provisional programme is based mainly on the priority sectors defined by the Community, namely:

- road and telecommunications infrastructures;**
- industrial and energy development;**

420. The projects to be financed will include economic integration projects as well as national public and private projects.

421. The launching of the projects by sector will be carried out essentially as follows:

- Road infrastructure:**
 - consolidation of previous gains, with special emphasis on maintenance and rehabilitation of portions of the trans-West African road network ;**

- completion of the construction of the missing links in the trans-West African road network.

✓ **Telecommunications:**

- maintenance of the existing network (INTELCOM I) ;
- execution of the INTELCOM II programme which is aimed at promoting the integrated development of telecommunications in West Africa and improving links between Member States. This will involve the establishment of a reliable and modern telecommunications network capable of providing all services, including bandwidth and multimedia services.

✓ **Energy production:**

- ensure the production of sufficient energy to make up for the deficit in some of the countries;
- promote the interconnection of electricity networks in the sub-region;
- exploit the immense gas resources existing in West Africa.

3. Funding

422. The programme will be financed by the Member States, the ECOWAS Fund, the private sector and international donor agencies.

4. Expected results

423. At the completion of the programme, the following achievements are expected to be recorded:

- completion of the remaining portions of the highway. This will further facilitate road transport and the physical integration of Member States;
- significant improvement in the movement of persons and goods, thereby boosting intra-Community trade;
- modernisation of the West African telecommunications network;
- reduction in the energy needs of Member States;
- promotion of the private sector.

5) Sectoral analysis of the investment programme

424. This section summarises the Community sectoral programmes included in the regional investment programme.

5.1 Transport Sector

425. The ECOWAS priority road transport programme was conceived as part of attempts to promote regional economic integration and trade between Member States. The programme is divided into two phases. The first phase of the programme is outlined in Decision A/DEC.20/80 relating to the Community transport programme. It consists of the following two components:

- a) facilitation of road transport across national borders; and
- b) construction of the trans-West African highway network which includes the trans-costal highway linking Lagos to

Nouakchott and the trans-Sahelian highway linking Dakar to N'Djamena.

426. The second phase of the priority road transport programme is contained in Decision C/DEC.8/12/88 relating to the various sections of the interconnecting roads for the opening-up of landlocked countries.

5.1.1 Facilitation of road transport

427. Measures adopted to facilitate the movement of goods between Member States include:

- a) rules and regulations relating to technical specifications for vehicles, infrastructure, road safety and driving standards; and**
- b) customs and border-crossing formalities such as customs inspection, sealing and insurance arrangements.**

5.1.2 Development of the Trans-West African Highway Network

428. The second phase of the ECOWAS priority road transport programme is devoted to the completion of the remaining sections, namely:

- a) the Lagos-Nouakchott trans costal highway (4 560 km) which starts from Nigeria, passes through Benin, Togo, Ghana, Côte d'Ivoire, Liberia, Sierra Leone, Guinea, Guinea Bissau, Gambia, and Senegal, and ends in Mauritania; and**
- b) the Dakar-Niamey-N'Djamena trans-Sahelian highway (4 460 km) which commences in Senegal and passes through Mali, Burkina Faso, Niger, Nigeria and Chad.**

5.1.3 Interconnecting roads for opening-up of landlocked countries

429. The objective of this phase of the programme is to construct the remaining sections or to rehabilitate the roads linking landlocked countries to the sea ports. Under this phase, a total of 48 interconnecting roads measuring 7,591 km were identified.

5.1.4 Status of implementation

i) *Facilitation measures*

430. An evaluation of the status of implementation of the facilitation was carried out in the chapter on the status of execution of Community priority programmes, particularly the ISRT Convention, the ECOWAS Brown Card, and the committee on road transport.

ii) *Construction of the trans West African highway network*

431. Results from field missions to determine the status of implementation of the priority programme showed that about 83% or 3,777 km out of the 4,560 km of the trans costal highway had been completed. The remaining sections to be completed are:

- Damane (Liberia border) 26 km in Côte d'Ivoire ;
- Bloloquin-Toulepleu-(Liberia border) 64 km - Côte d'Ivoire
- Ganta-Tappita-Douanes Tobli-Blay (Côte d'Ivoire border): 15 km in Liberia ;
- Bandajuma-Zimmi-Mru Bridge (Liberia border) : 97 km, in Sierra Leone ;
- Freetown-Pamelap (Guinea border : 126 km, in Sierra Leone;
- Boke (Guinea) - Quebo (Guinea Bissau) : 206 km
- Akatsi/Dzodze (Togo border): 31 km in Ghana ;
- Noepe-Hilla Condji (Benin border) : 80 km, in Togo.

432. With respect to the trans-Saharan highway, the field mission results showed that out of the 4,460 km, 3,894 km or 87% had been completed. The sections remaining to be completed are as follows:

- Senegal : Saraya-Faleme-Mali border: 47.5 km; and
- Mali : Bamako-Kenieba-Senegal border: 450 km

433. The following sections of this network need urgent rehabilitation:

a	Niamey-Dosso	138 km
b)	Dosso-Sabongari	96 km
c)	Maradi-Nigeria border	50 km
d)	Niamey - Burkina Faso border	120 km

In Burkina Faso

a)	Ouaga-Koupela	140 km
b)	Koupela - Fada	82 km
c)	Boromo-Bobo	169 km

In Senegal

d)	Kedougou-Saraya	62.5 km
e)	Kaffrine-Tambacounda	211 km

iii) Profiles of selected road projects

434. The profiles of the road projects identified under the priority road programme are still being prepared.

COST OF THE ROAD PROJECTS SELECTED

PROJECT TITLE		COST (US\$ in million)
1	Construction of Bamako-Kenieba-Senegal border road 450 km	130
2	Construction of Akatsi-Dzodze-Noepe road 31 km	15
3	Construction of Noepe-Hilla Condji road 80 km	10.47
4	Construction of Natitingou-Porga road ¹³	20.31
5	Construction of Saraya-Faleme-Mali border road 45 km	4.5
6	Construction of Bandajuma-Zimmi-MRU Bridge road 97 km	50
7	Construction of Ganta-Tappita-Tobli-Blay customs road 151 km	82.86
TOTAL		313.14

6. Telecommunications sector programme

435. The Authority of Heads of State and Government, on the recommendation of the Council of Ministers, approved the Community telecommunications programme known as INTELCOM I at its May 1979 session held in Dakar. The objective of the programme was to improve and expand the sub-regional telecommunications network.

436. The principal objectives of the INTELCOM I programme were as follows:

¹³ Le Bénin a demandé au Fonds de la CEDEAO de transférer les ressources allouées à la route Natitingou-Porga à la route Savalou-Djoton.

- to open-up the Member States which did not have reliable links with the outsider world;
- to complete the missing links in the PANAFTTEL network in West Africa;
- to establish direct micro wave links between the capital cities of Member States;
- to increase telecommunications traffic within ECOWAS.

437. From 1983 to 1992, the Community, through the ECOWAS Fund, made significant efforts to finance the first programme which attained 95% of its initial objectives as confirmed by the evaluation undertaken by the International Telecommunications Union (ITU). The Authority directed the Executive Secretariat to elaborate and implement a second telecommunications programme to be known as INTELCOM II.

6.1 INTELCOM II

General objectives

438. The main objective of the INTELCOM II programme is to provide the Community with a regional telecommunications network that is modern, reliable, and capable of offering a wider variety of services, including multimedia and wide band services. This will reduce transits through countries outside Africa and improve direct links between Member States.

Convergence objectives

a) ECOWAS telecommunications regulatory framework

439. A suitable regulatory framework is now in place in all the Member States. The objectives pursued are as follows:

- **separation of postal and telecommunications services and merging of national and international telecommunications branches;**
- **separation of operations from regulatory functions;**
- **establishment of national telecommunications companies to operate on commercial basis in order to enhance profitability;**
- **liberalisation of telecommunications services with possibility of privatising the public outfit, under an arrangement that would allow the government to keep strategic shares;**
- **increase awareness on the part of operators that the sector has a mission to provide universal service under the supervision of a regulatory body.**

b) Telephone density

440. Telephone density figures for ECOWAS are derived from average estimated density for Member States

- **one main line for 100 inhabitants by the year 2002 and two main lines for 100 inhabitants by 2005;**
- **by the year 2000, 2, 2.5% of the total number of main lines in each country should be located in the rural areas. The figure should rise to 5% by 2005;**
- **shared lines should comprise 3% of the total number by 2000 and 5% by 2005.**

c) Full digitalisation of the network

- the level of digital switching should be 90% by 2000 and 100% by 2005;
- the level of digitalised transmission should be 95% by 2000 and 100% by 2005;
- the standard digital system to be employed will be the European E1 standard;
- synchronous digital hierarchy (SDH) should be introduced into the networks by 2005.

d) Integrated systems network (ISDN)

- basic access (144 kb/s) should be available to 5% of residential users by 2000;
- primary access (2 048 Mb/s) should be available to 10% of professional users by 2002 ;
- the ISDN should be available in all Member States not later than 2005.

e) Intelligent Network

- National networks should include the minimal "intelligent network" function by the year 1997 and the integral function by 2005.

f) Cellular technology

- all countries should operate cellular networks by 2000 at the latest;
- GSM is the standard adopted for the entire Community for the digitalisation of cellular networks and all cellular operators in the Community must sign roaming agreements by 2005;
- Member States should have harmonised their positions with regard to GMPCS systems by the year 1998

g) Information superhighway

- Direct access to the Internet and Global Information Highway by all States not later than end of 1998; minimum output 128 kb/s.

h) Standardisation of telecommunications hardware

- limiting of the number of systems and manufacturers;
- definition of standards for interconnection, uniformity and compatibility of national networks.

i) Industrialisation and preferential treatment for ECOWAS in the supply of equipment and services

- The Community will include preferential clauses in favour of equipment already purchased by Member States:
 - equipment produced wholly or partly in any Member State;

- preference will also be granted to manufacturers operating an assembly plant in any Member State.

j) Short and medium-term priority projects

441. The following is a list of short- and medium-term priority projects for the modernisation of State links:

- ➔ digitalisation of the Panaftel CIDA link;
- ➔ digitalisation of the Kaolack-Banjul-Ziguinchor-Cacheu link;
- ➔ digitalisation of the Tambacounda-Kédougou-Conakry link;
- ➔ digitalisation of the Conakry-Freetown-Monrovia-Mt. Nimba-Abidjan-Accra-Lomé-Cotonou-Lagos coastal link;
- ➔ digitalisation of the following transversal links:
 - Bamako-Conakry
 - Bamako-Abidjan
 - Ouagadougou-Abidjan
 - Niamey-Sokoto-Ilorin-Lagos
 - Niamey-Maradi-Katsina-Abuja-Lagos.

442. Member States should:

- take necessary action to ensure more effective utilisation of telecommunications capacities and resources in the Community;
- involve primate operators in the realisation of the Community's objectives. ECOWAS should keep abreast of new

technological and institutional developments in the telecommunications sector in order to advise and assist Member States.

443. ECOWAS should closely monitor institutional and technological developments in this sector and should provide assistance and advice to member states.

7. Energy Sector

444. ECOWAS has prepared a master plan for the development of the energy potential of the sub-region. This master plan is awaiting adoption by the Community decision-making authorities. The master plan covers the following areas:

7.1 Hydro-electric dam sites

445. The following hydro-electric dam sites which are deemed to be of regional interest are to be developed: MAU in Ghana, Fomi in Guinea, Salthino in Guinea Bissau, Bumbuna in Sierra Leone, Manantali in Mali, Garafiri in Guinea, and Adjarala in Togo and in Benin. The Manantali and Garafiri sites are currently being developed. A donors' conference has been held in connection with the Adjarala site. The development of this site will make it possible to interconnect the North of Togo with the North of Benin.

7.2 Thermal plants

446. The construction of gas-fuelled thermal plants in Côte d'Ivoire and Ghana and the rehabilitation of thermal plants in Nigeria will make it possible to have a capacity of roughly 9000 MW. The cost of the investments necessary is estimated at 6.4 billion US dollars.

7.3 Interconnection of national electricity grids

447. Roughly 5600 km of electricity lines interconnecting the following segments of national grids will be put in place:

PHASE I

INTERCONNECTION	DISTANCE (KM)	VOLTAGE	STATUS
▪ Ikeja / Sakete	78	330	Studies phase
▪ Sakete / Tema	410	330	
▪ Kaduna / Maradi / Zinder	260	132	Completed
▪ Bolgatanka / Ouagadougou	220	132	Negotiation
▪ Bobodioulasso / Ferkessedougou	300	225	Under implementation
▪ Ferkessedougou/ Quelesseboudou	280	225	Studies phase
▪ Bamako / Manantali	275	225	Completed
▪ Manantali / Dagana	525	225	DAO- implementation
▪ Dagana / Nouakchott	155	225	DAO- implementation
▪ Dagana / Sakal	127	225	DAO- implementation
▪ Freetown / Bumbuna	50	90	under implementation

PHASE II

INTERCONNECTION	DISTANCE (KM)	VOLTAGE (KV)	STATUS
▪ Conakry / Bumbuna	93	90	Studies phase
▪ Conakry / Fomi	280	225	Studies phase
▪ Fomi / Selingue	240	225	Studies phase
▪ Fomi / Man	450	225	Studies phase
▪ Bissau / Saltinho	152	225	Studies phase
▪ Dakar / Banjul	275	225	Studies phase
▪ Banjul / Ziguinchor	242	225	Studies phase
▪ Ziguinchor / Bissau	100	225	Studies phase
▪ NEPA - NIGEELEC (3 rd line)	F.I.	330	Studies phase
▪ Bobo Dioulasso / Ouagadougou	330	225	Studies phase

448. The NEPA-CEB (Nigeria-Benin) interconnection project is also at an advanced stage as regards resource mobilisation for its financing. The project aims at:

- i) regularising the flow rate at the Nangbéto dam; and
- ii) a three-fold (3) increase in the current potential of the Mono - 496 GWH per annum for the Nangbéto-Adjarala and dams put together, representing 44.3% of the total estimated demand by the year 2004 (1120 GWH) for the two countries.

449. The total cost of the project was estimated in January 1998 at 89 250 million CFA francs or roughly 149 million US dollars, based on the results of the tender launched in 1997.

450. The cost of execution of these segments was estimated at 1.3 billion US dollars.

451. On the whole, investments to be made in respect of the entire electricity generation and interconnecting line infrastructure stand at roughly 11.8 billion US dollars, inclusive of contingencies, over a nineteen-year period. This infrastructure would make it possible to provide the ECOWAS sub-region with an installed capacity of 10000 MW, corresponding to the capacity necessary to satisfy the estimated demand by the year 2015. The investments envisaged under the project will be made in four distinct phases on the basis of the schedule and cost breakdowns indicated in the table below:

**SUMMARY OF PROJECT COSTS
ACCORDING TO THE PHASES OF PROJECT EXECUTION
Cost of capital (US \$ 000)**

	P H A S E				
PERIOD	1	2	3	4	TOTAL
	1997-2000	2001-2005	2006-2011	2011-2015	
ENERGY GENERATING PLANT					
HYDRO-ELECTRIC	595000	590474			1185474
THERMAL					
Oil-fired	997500				997500
Gas-fired		1237703	2177970	2922253	6337926
TOTAL	1592500	1828177	2177970	2922253	8520900
TRANSMISSION					
High voltage lines	1165720				1165720
Sub-stations	107453				107453
TOTAL	1273173				1273173
20% margin (Contingencies)	573135	365635	453594	584451	1958815
GRAND TOTAL	3438808	2193812	2613564	3506704	11752878

7.4 West African Gas Pipeline Project

452. It is envisaged to use naturel gas, a non-polluting source of energy currently considered as the cheapest source of energy compared to the other sources of conventional energy, as supplement for hydroelectric energy which is adversely affected by the uncontrollable vagaries of the weather. To this end, Benin, Ghana, Nigeria and Togo decided to construct a gas pipeline which will make it possible for the four countries to utilise natural gas from Nigeria for the generation of energy. Details of the project are as follows:

- construction of a gas pipeline between Warri in Nigeria and the border between Ghana and Cote d'Ivoire, using the system used in the construction of the Lagos-Escavos pipeline;
- total length of the pipeline: 781 km ;
- total construction cost: US\$ 693.189.000;
- gas consumption pattern:
 - Ghana: 84% of the market
 - Benin: 7% of the market
 - Togo: 9% of the market
- internal profitability rate: 15%
- the price of gas varies between 1.70 and 2.43 US dollars per million British Thermal Units (MBTU)

453. The cost of implementation of this project has been estimated at about 800 million US dollars. The private sector has already expressed interest in the implementation of the project. The project is at an advanced stage.

7.5 *Regional renewable energy programme*

454. As part of attempts to diversify energy sources, ECOWAS drew up a regional programme for the utilisation of renewable energy sources in response particularly to the energy needs of the under-privileged rural areas which are remote from the national electricity grid. This programme aims mainly at solar energy, (photovoltaic), biomass, mini and micro hydro-electric projects and energy conservation.

455. The total cost of the programme has been estimated at 600 million US dollars. The programme is expected to be executed over a five-year period.

456. For the financing of all these programmes, ECOWAS intends to play the role facilitator before the development partners and to participate in the financing of a number of projects through the ECOWAS Fund.

CONCLUSION

457. The countries of West Africa face enormous challenges in their quest for development. They have failed, over the past few years, to attain the kind of economic growth that can guarantee progress in the fight against poverty. This notwithstanding, a consensus has emerged regarding the essential elements that they will need to augment growth, and in association with which they must apply measures that specifically target the eradication of poverty. For our sub-region to be assured of accelerated growth, we must make better use of existing resources, increase investments, and put in place an independent and effective legal and judicial framework that will guarantee security of private enterprise. In particular, macro-economic reform must be continued, especially efforts being made to restructure public finances and open the economies to private investment. However, growth cannot be durable unless accompanied by investment in the human and social infrastructure, particularly in the areas of technical training, education and health. These structural elements of development can only exist within a climate of peace and stability.

458. ECOWAS countries must act on two fronts simultaneously: they must pursue both the political and the economic transformations which they need to consolidate the regional integration process, and ensure that the West African economy finds a place in the world order.

459. The lesson we can draw as a region from our experience of economic integration in West Africa is that it is taking a lot of time to materialise. Impressive progress has been made in the areas of free movement of persons and road infrastructures but, on the other hand, intra-regional trade remains low, economic and sectoral policies are not uniform and a common external tariff is yet to be introduced. Moreover,

ECOWAS has not yet established the Court of Justice , the Community Parliament and the Economic and Social Council, the institutions that will exercise control and arbitrate as necessary in the application of decisions.

460. Member States have, in the course of numerous statutory meetings, deliberated long and hard on the reasons responsible for this near failure, and the remedial measures they will need to take to reinforce regional integration. The regional integration process is stalemated by economic constraints in the form of structural, infrastructural and financial obstacles. Generally, the problems identified are in themselves a clear indication that Member States accord very little priority to regional integration.

461. For ECOWAS to continue to function and to contribute meaningfully to the recovery of national economies, this situation must change. Member States need to take robust measures that will place them irrevocably on the path of regional integration. The Secretariat has, as its principal role, the formulation of cooperation programmes. The responsibility for applying these programmes rests squarely with the Member States.

462. The forty-fourth session of the Council of Ministers, held in Abuja in August 199, adopted the strategy to accelerate the regional integration process in West Africa. The strategy proposes that ECOWAS reorientate its actions towards the establishment of a regional market built around trade liberalisation, a common external tariff and the harmonisation of economic and financial policies. If correctly implemented, the strategy will endow West Africa with a unified regional market of 210 million consumers, placing the region in a position to benefit fully from globalisation, and to be an efficient partner to the big regional economic blocs of the developed countries.

463. We need to focus serious attention on the issues at stake in our negotiations on the renewal of the Lome convention. The countries of the European Union have proposed the signing of Regional Economic Partnership Agreements (REPA) with the regional economic groupings of developing countries, sending a clear signal that they no longer wish to trade with or invest in countries with narrow markets.

464. The new regional integration effort in West Africa must therefore take on a new approach informed by political and strategic considerations, in order to be able to fulfil these new conditions. Primarily, we must build a politically solid ECOWAS, capable of entering into negotiations with the trading blocs in the developed countries to define the bases for a mutually beneficial form of cooperation that will give West Africa access to larger markets. West Africa must establish the right conditions to attract foreign investment, within the framework of a single regional market that can exploit economies of scale for the benefit of local and international private enterprise. With this new arrangement, the countries of West Africa will have a chance to consolidate their effort to bring about economic and political change within a wider framework of consultation.

465. There is therefore an obvious need to review the development strategy in West Africa, by adapting it to the new world economic and geopolitical realities but without losing sight of the specific characteristics of our national economies. This we can achieve through regional integration, which is the best strategy open to us for integrating West African economies into the world economy.

ANNEX 1

ECOWAS PRIORITY PROGRAMMES STATUS OF IMPLEMENTATION

TITLE OF PROGRAMME	STATUS OF IMPLEMENTATION Countries implementing the programme	OBSERVATIONS
A. Free movement of Persons		
I) abolition of visa and entry permit	All Member States	Numerous check-points exist on highways
ii) introduction of ECOWAS travel certificate	Burkina Faso, Gambia, Ghana, Guinea, Niger, Nigeria, Sierra Leone, Togo	Colour, format and quality vary from country to another. High printing cost poses a problem in some Member States
iii) introduction of harmonised immigration forms	No Member State	The form was not widely circulated in Member States
iv) establishment of national committee for monitoring programmes on free movement of persons and vehicles	Benin, Burkina Faso, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo	
v) introduction of ECOWAS Brown Card scheme	Benin, Burkina Faso Côte d'Ivoire, Ghana Guinea, Guinea Bissau Mali, Niger, Nigeria Senegal, Sierra Leone Togo	Both the Brown Card and the CIMA Code are used in some Member States

TITLE OF PROGRAMME	STATUS OF IMPLEMENTATION Countries implementing the programme	OBSERVATIONS
<p>B) Free Movement of Goods</p> <p>i) printing and introduction of harmonised customs declaration forms:</p> <ul style="list-style-type: none"> - certificates of origin - customs nomenclature (HS) - customs declaration form - protocol on ISRT (Transit certificate) 	<p>Benin, Burkina Faso, Gambia, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo</p> <p>Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea Bissau, Mali, Niger, Senegal, Sierra Leone, Togo</p> <p>Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea Bissau, Mali, Niger, Senegal, Sierra Leone, Togo</p> <p>Benin, Côte d'Ivoire, Mali, Niger, Togo</p>	<p>The decalaration form was printed in Ghana; however, the colour of the form was not the recommended colour.</p>

TITLE OF PROGRAMME	STATUS OF IMPLEMENTATION Countries implementing the programme	OBSERVATIONS
<ul style="list-style-type: none"> - designation of national guarantor for transit operations ii) elimination of tariff barriers concerning the TLS <ul style="list-style-type: none"> - unprocessed products - industrial products - contribution to compensation budget 	<p>Benin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo</p> <p>Benin, Gambia, Ghana, Niger, Nigeria, Senegal, Sierra Leone, Togo</p> <p>Benin</p> <p>Benin¹, Burkina Faso, Gambia, Mali, Nigeria²</p>	

¹Partial payment²Partial payment

TITLE OF PROGRAMME	STATUS OF IMPLEMENTATION Countries implementing the programme	OBSERVATIONS
C. Monetary Cooperation Programme		
i) elimination of non-tariff barriers of monetary nature	Bénin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Guinée Bissau, Liberia, Mali, Mauritanie, Niger, Nigéria, Sénégal, Togo	Ghana has removed all monetary NTBs with the exception of payment of road transit tax in foreign currencies by vehicle owners moving cross the country.
ii) payment of arrears of contribution to the West African Clearing House (WACH) ³	Bénin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinée, Mali, Mauritanie, Niger, Nigéria, Sénégal, Sierra Léone, Togo	Cape Verde was not WACH member. Guinea Bissau owes \$US9,8 million and Liberia \$US 7,4 million

³The West African Clearing House (WACH) has been replaced by the West African Monetary Agency (WAMA), a specialised institution of ECOWAS

TITLE OF PROGRAMME	STATUS OF IMPLEMENTATION	OBSERVATIONS
	Countries implementing the programme	
D. Harmonisation of Economic and Financial Policies :		New macro-economic convergence criteria are in the process of being adopted by the decision-making organs of the Community.
E. Protocol on Community Levy		
i) ratification	Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Niger, Togo	Revenues from the Community levy were however not directly paid into the bank account opened by the Secretariat.
ii) insertion in national budget	Benin, Burkina Faso, Ghana, Guinea, Niger, Togo	
F) Payment of contributions		
i) Secretariat budget	Benin, Côte d'Ivoire, Mali, Nigeria	Contributions in arrears amount to US\$31.7 million. Ghana owes only two years arrears. Liberia owes 20 years of arrears. Mauritania 16, Sierra Leone 11 years, Gambia 11 years, Cape Verde and Guinea Bissau 9 each, and Niger, 8 years.
ii) Fund's capital: 1st tranche	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo	The only two countries yet to pay the first tranche are Liberia (with arrears amounting to US\$858,200) and Mauritania (US\$1.6 million)
iii) Fund's capital: 2nd tranche	Benin, Burkina Faso, Côte d'Ivoire ⁴ , Guinea, Mali, Nigeria, Togo	Contributions in arrears is US\$16.9 million

⁴Partial payment

TITLE OF PROGRAMME	STATUS OF IMPLEMENTATION Countries implementing the programme	OBSERVATIONS
iv) Special telecommunications fund	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo	Mauritania owes US\$155,830
v) loan arrears to the Fund		Loans owed in arrears by Guinea Bissau, Liberia, Mali, Niger and Nigeria amount to US\$5.5 million
vi) construction of headquarters	Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Nigeria, Togo	Loans owed in arrears by Cape Verde, Gambia, Ghana, Guinea Bissau, Liberia, Mauritania and Senegal.
G. Sensitisation of the public and economic operators on ECOWAS programmes - creation and transmission of ECOWAS radio programme «ECOWAS Time»	Benin, Burkina Faso, Ghana, Guinea, Guinea Bissau, Mali, Senegal,	Loans owed in arrears by Cape Verde, Gambia, Ghana, Guinea Bissau, Liberia, Mauritania and Senegal.

ANNEX 2

ATTENDANCE OF MEMBER STATES AT MEETINGS OF THE COUNCIL OF MINISTERS AND SUMMITS OF HEADS OF STATE AND GOVERNMENT

COUNTRIES	1990		1991		1992		1993		1994		1995		1996		1997		1998		Number of participation **	
	CM	S	CM	S	CM	S	CM	S	CM	S	CM	S	CM	S	CM	S	CM	S	CM	S
BENIN	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	9	9
BURKINA FASO	M	H	M	H	M	H	M	H	M	R	M	H	M	H	M	H	M	H	9	8
CABO VERDE	M	R	M	R	M	H	M	H	M	R	M	H	M	R	M	R	M	H	9	4
COTE D'IVOIRE	M	R	M	R	M	H	M	H	M	R	M	H	M	H	M	R	M	H	9	5
THE GAMBIA	M	H	M	H	M	H	M	H	M	R	M	R	M	H	M	H	M	H	9	7
GHANA	M	R	M	R	M	H	M	H	M	H	M	H	M	H	M	H	M	H	9	7
GUINEE	M	H	M	H	M	H	M	H	M	H	M	H	M	R	M	H	M	H	9	8
GUINEE BISSAU	M	H	M	H	M	H	M	R	M	H	M	R	M	R	M	H	M	H	9	6
LIBERIA	M	H	M	R	M	H	M	R	M	R	M	R	M	R	M	H	M	H	9	4
MALI	M	H	M	R	M	H	M	H	M	R	M	R	M	H	M	H	M	H	9	6
MAURITANIA	M	R	M	R	M	R	M	R	R	R	R	R	M	R	R	R	R	R	5	0
NIGER	M	R	M	R	M	R	M	H	M	H	M	H	R	H	M	H	M	H	8	6
NIGERIA	M	H	M	H	M	H	M	H	M	H	M	R	M	H	M	H	M	H	9	8
SENEGAL	M	H	M	H	M	H	M	R	M	R	M	R	M	R	M	R	M	H	9	4
SIERRA LEONE	M	H	M	H	M	H	M	H	M	H	M	R	M	H	M	H	M	H	9	8
TOGO	M	H	M	H	M	H	M	H	M	R	M	R	M	H	M	H	M	H	9	7

- CM : Council of Ministers
- M : Ministers
- S: Summit
- H : Head of State
- R Representative

** Number of participation : i.e. a Minister's participation in the ministerial session or a Head of State's participation in the Summit.