

**ECONOMIC COMMUNITY OF
WEST AFRICAN STATES**



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



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MESSAGE FROM THE EXECUTIVE SECRETARY

The year 2005 marks a milestone in the annals of the Community; it marks her thirtieth anniversary of the establishment of the Economic Community of West African States (ECOWAS). Thirty years ago, the ECOWAS founding fathers adopted the regional approach to economic development. By that act, they made a formal commitment to work together to achieve a collective dream of a free, peaceful, prosperous and united West Africa. In addition, the international community has labeled 2005 "The Year of Development", with specific focus on the progress made globally in reducing poverty and improving the lives of people in developing countries. Hence, in consonance with the global interest in development and poverty reduction, I have chosen as the theme of this annual report "***Achieving the MDGs in West Africa***".

In this report of ECOWAS' activities and financial operations for 2005, there are sections on:

- *Recent Socio-economic Developments in West Africa.* This presents the social and economic trends observed in the ECOWAS countries in 2004 and 2005, against the backdrop of the world economic situation. It highlights the recent economic performance of the region and examines the performance of the countries in meeting the Millennium Development Goals (MDGs). This section is concluded by highlighting the challenges and prospects for the region in 2006.
- *Community Work Programme.* This section reviews the evolution of the Community work programme and highlights the activities in 2005. Additionally, the integration prospects for the region in 2006 and beyond are presented in the light of possible developments in the global economy.
- *Topical Community Issues in 2005.* This section is devoted to the reflections of the Community leadership on the regional development challenges over the past thirty years, with particular focus on topical issues of debt relief and the MDGs.
- The fiscal 2004 statement of Budget Execution of the ECOWAS Institutions.

The mission that our founding fathers embarked upon thirty years ago: *improving the standard of living of the peoples of the Community* remains valid and pertinent. The ECOWAS efforts to build a borderless West Africa are based on the founding fathers' vision of our 250 million citizens living in peace, security and

democracy, are free to move about and able to harness the tremendous economic resources in the region.

The current Community Work Programme is shaped by three imperatives: deepening of the regional integration process; pursuit of a regional approach to the implementation of the New Partnership for Africa's Development (NEPAD) in West Africa; and facilitating the West African focus on poverty reduction. Given the limited financial and technical capacity of ECOWAS and its Member States, there has been the need to set priorities in meeting these regional challenges, particularly, the over-riding need to utilise regional integration as a means for accelerating the development of the region. The ECOWAS integration process has the objective of achieving market integration, monetary integration, physical integration, production integration and very close political cooperation. Much progress has been made over the past thirty years in the priority areas including areas of good governance, conflict prevention, peace and security; without political stability there cannot be any meaningful economic development.

Our achievement has been made possible by the sustained commitment of the Community leadership in working together to ensure a common economic space in West Africa. I wish to pay tribute to our leaders for fostering the spirit of regional solidarity that sustains our regional approach to economic development. This is reflected in the collaboration the Community institutions enjoy from ministers and government officials, and also in the public-private sector partnerships being evolved.

In addition, the international donor community has been very supportive. There has been an increasing interest of development partners in ECOWAS and its programmes. Through missions to the Secretariat and working visits to donor institutions, it has been possible to translate previous commitments into concrete assistance and also secure fresh commitments. External resources have been mobilised in support of all the different regional initiatives – consolidation of economic integration, monitoring of NEPAD implementation, harmonisation of sectoral policies, regional peace and stability, and the institutional capacity building of the ECOWAS Secretariat. On behalf of the Community, I offer my most sincere thanks to all our development partners.

The ECOWAS institutions are supported in all their endeavours by dedicated professional staff members who perform on the basis of collegiality principle. ECOWAS officials are fully committed to the goal of improving the lives of the peoples of the Community. Working with them has been very rewarding and a pleasant experience that I shall always cherish.

(Signature)

Dr Mohamed Ibn Chambas
Executive Secretary

THE ECOWAS EXECUTIVE (2004/2005)



Dr. Mohamed Ibn Chambas
Executive Secretary



Mr. Seybou Gatl
Deputy Executive Secretary
(Administration and Finance)



Dr. (Mrs.) Oluremi Aribisala
Deputy Executive Secretary
(Integration Programmes)



Major-General Cheick Oumar Diarra
Deputy Executive Secretary
(Political Affairs, Defence and Security)



Mr. Mame Cor Sène
Deputy Executive Secretary
(Policy Harmonisation)



Mrs. Nellie Taylor
Financial Controller

EXECUTIVE SUMMARY

The internationally community is observing 2005 as the "Year of Development". The year also marks the thirtieth anniversary of the establishment of the Economic Community of West African States (ECOWAS), the most populous and integrated of the regional economic groupings in Africa. Over the three decades, concerted efforts have been made by the Community leadership to create a single regional economic space with a single market and a single currency capable of generating accelerated socio-economic development and competing more meaningfully in the global market. Progress made toward the achievement of this long-term vision of the Community is the thrust of the ECOWAS Annual Report.

The Annual Report for 2005 focuses on the socio-economic developments in the region, the thirtieth anniversary celebrations, some topical development issues, and the evolution of the Community Work Programme. Other issues discussed in the Report include the operational activities of other ECOWAS institutions and the Financial Statements of the three arms of ECOWAS – the Secretariat, the Parliament and the Court.

The recent socio-economic developments in West Africa are reviewed against the backdrop of events in the international community, given the significant effects that movements in the global economy have on this region. The global economy experienced only moderate growth in 2004, as a result of the rising oil prices, and the effects of the huge human cost and physical destruction of the December 2004 tsunami in South Asia. The performance of the world economy in 2004 produced mixed results. While the United States, China and most emerging market and developing countries experienced appreciable growth, growth in Europe and Japan was disappointing, reflecting faltering exports and weak final domestic demand. The global economic recovery had a positive impact on world commodity prices, including most commodities of interest to West Africa. The depreciation of the dollar since early September 2004 largely contributed to price increases.

In 2005, the global economy is estimated to be growing at 3.1%; while the high income countries' economy grew by 2.4%, the developing countries' economy had a growth rate of 5.7%. Interestingly, all the blocs in the group of developing countries have an above-world-average performance, although their performance is uneven; while East Asia and Pacific bloc has the highest growth rate of 7.4%, sub-Saharan Africa (including all the fifteen Member States of ECOWAS) is experiencing a growth rate of 4.1%.

In 2004, the real GDP of the ECOWAS region was estimated at \$93,542 million. The contributions of the three sectors to the regional GDP in 2004 were estimated at 37.7% from the tertiary sector, 32.1% from the secondary sector and 30.2% from the primary sector. This confirmed the trend of the region's less reliance on the primary sector for economic survival.

West Africa's regional average growth of 5.2 percent in 2004 was the fastest for the decade, and it attests to the commitment of the leadership of the Community to attain the economic growth of 7.0 percent which is the minimum expected for the achievement of the MDGs. The improved performance was as a result of macroeconomic stability in the region; most Member States have been striving to achieve macroeconomic convergence targets set by ECOWAS and UEMOA for the monetary integration of the region. Even though inflation in West Africa averaged 5.7 percent in 2004, which was 2.0 percentage points below the continental average, double-digit inflation figures were recorded in the WAMZ countries except The Gambia. These are all countries operating a flexible exchange rate system in the region which have set price stability as their main monetary target. Projections for the second-half of 2005 show that by 31 December 2005, not all the WAMZ countries would have met the WAMZ single-digit inflation rate target.

Prospects for the region appear favourable for 2006 in spite of the lingering political crisis in Côte d'Ivoire and drought experienced in the Sahel in 2005. There has been continued improvement in the region's economic performance and the expectation that growth will increase further in 2006 as a result of improved macroeconomic stability, and the easing of the external debt burden through the debt relief package, offered by the Paris Club of Creditors. However, the prospects in 2006 are subject to political and economic risks. The fragile political situation in many parts of the region, particularly in Côte d'Ivoire and Guinée Bissau is an important concern, given the potential security, political and economic implications for neighbouring countries. Furthermore, many ECOWAS Member States are vulnerable to drought and natural disasters. The uncertainties in the oil market also constitute a major economic risk for non-oil producing countries.

Given all these uncertainties in the world economy, it is important that countries formulate their overall economic policy within a medium-term expenditure framework, avoiding long-term expenditure commitments that are not sustainable. It would also be important for ECOWAS Member States to strengthen public expenditure management systems to ensure that resources are used for their intended purposes. There should be a stronger commitment to the strategy of diversification of the production base. Specifically, countries need to

adopt export diversification policies that would help to mitigate the impact of future exogenous shocks.

As part of the celebrations to commemorate thirty years of ECOWAS existence, a number of activities were organised both at the level of Member States and at the regional level during the anniversary week, i.e. 23 to 28 May 2005. The anniversary activities included a regional seminar on the involvement of the private sector in the West African integration process, a three-day brainstorming session on the West African integration process, a mock Court session and a musical concert. Other activities were children's swimming competition and party on May 27 – Children's Day – and an ECOWAS trade fair which was held in Lagos from 22 to 31 October.

During the year, the Community leadership reflected deeply on the development challenges that have been facing the region in the past thirty years. The development challenges facing the region include trade policy and market access, indebtedness and development finance, poverty, and achieving the MDGs, all of which have an international dimension. Nonetheless, the Report focuses attention on two of the issues, namely indebtedness and the MDGs. This is done with a view to mobilising international support to complement the efforts the ECOWAS Member States are making, both collectively and on individual national basis, to improve the standard of living of the peoples of the Community. Apart from Nigeria, six ECOWAS Member States, namely, Benin, Burkina Faso, Ghana, Mali, Niger and Senegal are qualified for immediate debt relief (having reached HIPC completion point) provided they continue to pursue their reform agenda and sustain their commitment towards poverty reduction, economic growth, transparency and good governance, regional integration, and peace and security. In the case of the MDGs, the region has performed abysmally in achieving the goals, and both the national PRSPs and the regional PRSP need to be MDG-based.

The Report gives a general overview of evolution of the Community work programmes and links it to the activities in 2005. Since its establishment in 1975, ECOWAS has adopted and been implementing a comprehensive set of regional programmes geared towards promoting the 'four liberties' of regional integration, namely the free movement of persons, goods, services and capital. It is noted that even though considerable progress has been made, much more could have been achieved. Moreover, it examines the integration prospects for 2006 in the light of the developments in the global economy. The increased international attention drawn to the pace and scope of the regional integration process in West Africa in recent years gives cause for optimism about the future prospects for sustainable development in the ECOWAS region. The increasing enthusiasm of the

governments of the Member States participating in the regional integration process, and the growing belief of West Africa's traditional development partners in the regional integration process are some of the potent factors that will sustain the integration effort in the years ahead.

The designation of ECOWAS as the NEPAD Focal Point in West Africa and the on-going programme of strengthening the institutional capacity of the ECOWAS Secretariat within the framework of NEPAD's Short-term Action Plan (STAP) are among the regional measures being taken to achieve rapid economic growth and sustainable development to alleviate poverty and foster a conducive environment for stability, peace and security.

The Report also contains an account of the operational activities of the other ECOWAS institutions. The institutions whose activities are reported are the Parliament, the Community Court of Justice, the Gender Centre, West African Health Organisation, ECOWAS Bank for Investment and Development, West African Monetary Institute and the West African Monetary Agency. The Report also contains a summary statement of budget execution of the ECOWAS Executive Secretariat, Community Parliament, Community Court of Justice and West African Health Organisation for the period January – September 2005.

Finally, the Report concludes that national governments should guarantee political stability in their domains and cooperate with ECOWAS in its conflict management and post-conflict reconstruction programmes. In addition, the Member States are implored to adopt a regional approach to national economic development as well as implement the decisions of the ECOWAS Authority of Heads of State and Government, beginning with ratification of the regional protocols and conventions through their national legislative processes.

CHAPTER 1

RECENT SOCIO-ECONOMIC DEVELOPMENTS IN WEST AFRICA¹

1. **Summary:** This chapter presents the social and economic trends observed in the ECOWAS countries in 2004 and 2005, against the backdrop of the world economic situation, given the countries' high level of external dependence. The chapter highlights most recent economic performance, measured in terms of macroeconomic internal and external balance including economic growth, inflation and the balance of payments position. It also examines the performance of the countries in meeting the Millennium Development Goals (MDGs).
2. In addition, the chapter discusses the economic and financial policies of ECOWAS member States with emphasis on the structural reforms required of the countries to sustain economic development. In the concluding part, the chapter presents the challenges and prospects for the region in 2006.

1.1. OVERVIEW OF THE WEST AFRICAN ECONOMY

3. ECOWAS member States occupy a land surface of 5.1 million km², which accounts for 17% of the total area of the African continent. The largest countries are Niger (24.8%) and Mali (24.3%) while the smallest country is Cabo Verde (0.1%). The West Africa population, which is increasing at an average rate of 2.67% per annum, was estimated in 2004 at 247.89 million inhabitants. Nigeria is the most populous country in the region with an estimated population figure of 127.332 million (51.4%), followed by Ghana with a population figure of 21.387 million (8.6%) while the least populous Member State is Cabo Verde with a population figure of 0.473 million (0.2%).
4. The ECOWAS organization comprises fifteen countries in the West African region, and it is the most populous of the regional economic communities in Africa. The ECOWAS region has two distinct economic groups: the eight UEMOA countries which form a monetary and customs union, with the CFA franc as its common currency, and the seven non-UEMOA countries, each with its national currency. This second group accounts for about 75 percent of the regional GDP, and 70 percent of the population. Five members of the second group, namely, The Gambia, Ghana, Guinea, Nigeria and Sierra Leone are preparing towards the formation of a second monetary zone (the West African Monetary Zone – WAMZ)

¹ Information in this section was derived from publications of ECOWAS, WAMA, WAMI, African Development Bank, International Monetary Fund, Organisation for Economic Cooperation and Development (OECD) Secretariat, United Nations Economic Commission for Africa, United Nations Development Programme and the World Bank.

11. Output growth in the developed economies moved from its 2003 level of 2.0 percent to 3.4 percent in 2004. Among the developed economies, the U.S. economy continued to grow at or above trend, driven by strong domestic demand occasioned by solid private consumption and business investment as well as high public spending. In contrast, growth in most other developed economies fell short of expectations. In the euro area, GDP growth was sluggish in the second half of 2004, as the contribution of net exports turned sharply negative. Growth in Japan was stagnant in the second half of 2004, as exports, investment and consumption faltered.

Table 1: World Economic Output

	Percentage Annual Variation (%)				
	2000	2001	2002	2003	2004
Global	4.7	2.2	3.0	4.0	5.1
Developed Countries	3.8	0.8	1.6	2.0	3.4
Developing Countries	5.7	3.9	4.8	6.4	7.2
- Asia	6.7	5.6	6.6	8.1	8.2
- Latin America & the Caribbean	4.0	0.6	-0.1	2.2	5.7
- Africa					
- West Africa	3.3	3.5	3.5	4.6	5.1
	3.1	4.0	2.0	4.0	5.2
Consumer Prices:					
Advanced economies	2.1	2.1	1.5	1.8	2.0
Emerging and developing economies					
of which Africa	7.3	6.7	6.0	6.0	5.7
	13.0	12.1	9.8	10.6	7.7

Sources: ECOWAS database
IMF (2004 & 2005) World Economic Outlook,
ADB (2004) African Development Report

12. The level of inflation remained relatively subdued throughout the world in 2004 despite the escalating oil prices. Inflation (i.e. annual percentage change of consumer prices) was estimated at 2.0 percent compared with 1.8 percent in 2003 in the advanced countries whilst the emerging and developing countries recorded 5.7 percent compared with 6.0 percent in the previous year. In Africa, recent improvement in the management of fiscal policy contributed to a decline in average level of inflation, reaching single digit in 2004 - from 10.6 percent in 2003 to 7.7 percent in 2004, the lowest rate in nearly three decades. This overall favourable development in the price level reflects improved monetary policy, excess capacity, weak labour markets and limited producer pricing power in the face of strong domestic and global competition.

13. In 2003, growth in West Africa was below the African growth rate of 4.6 percent. However, it experienced a 30 percent increase in growth from 4.0 percent in 2003 to 5.2 percent in 2004 yielding a real GDP of \$93,542.28 million. This impressive performance was as a result of macroeconomic stability in the region; most Member States have been striving to achieve macroeconomic convergence targets set by ECOWAS and UEMOA for the achievement of monetary integration in the region. On a country by country basis, it should be noted that performance was mixed. Nigeria's economic growth rate, which though estimated to have declined to 7.9 percent in 2004 from 10.4 percent in 2003, was a major factor in the growth outcome for the region. Nigeria accounts for more than half of the region's GDP. In fact in 2004, the Nigeria's real GDP of \$51,761.33 was 55.3% of the regional GDP, followed by Côte d'Ivoire and Ghana with GDP of \$10,531.19 million (11.3%) and \$6,466.07 million (6.9%) respectively. Guinea-Bissau had the least GDP of \$193.69 million (0.21%). It is instructive to note that in spite of the continued crisis in Côte d'Ivoire, its economy recorded some positive growth from -1.67 percent in 2003 to 1.80 percent in 2004.

14. As at mid-2005, the performance of the regional economy was not impressive. Out of the ten ECOWAS macroeconomic convergence criteria that Member States are expected to satisfy in order to ensure a strong and resilient regional economy, only 60 % had been satisfied. In fact, ten of the Member States did not satisfy more than 5 convergence criteria. In addition, projections show that by December 2005, none of the Member States would have been able to satisfy more than six convergence criteria.

1.2.2 World Commodity Prices

15. The global economic recovery had a positive impact on world commodity prices. The prices of most commodities of interest to West Africa rose in 2004. The depreciation of the dollar since early September largely contributed to price increases. In addition, metal prices continued to increase sharply by 16 percent in 2004, in large part because of China's high demand for metal products. Details about the performance of the world commodity prices are provided below.

16. **Coffee:** Coffee prices increased in 2004, reflecting a continued upward trend in coffee prices since the beginning of the century. As at August 2005, the prices further moved to \$0.56/lb for coffee robusta and \$1.05/lb for coffee Arabica. However, a slump was experienced in September 2005 when the prices declined to \$0.50/lb and \$0.98/lb for coffee robusta and coffee arabica, respectively. This was a reflection of high supply and weak demand.

17. **Cocoa:** After the slump in prices from \$1779/mt in 2002 to \$1551/mt in 2004, cocoa prices recovered back to \$1678/mt in the first quarter of 2005. However, this increase could not be sustained as the price declined to \$1482/mt in August 2005, although it increased to \$1504/mt the next month. In the last two years, prices were very volatile as a result of the political instability in Côte d'Ivoire, the world's largest cocoa producer. Unless the country's political crisis is resolved soon, the price volatility may remain high.

18. **Cotton:** As predicted in the 2004 ECOWAS Annual Report, price increase experienced in 2003 was short-lived as a decline set in during 2004; a price fall from \$0.63/lb in 2003 to \$0.62/lb in 2004, and further still to \$0.55/lb in September 2005. This was in part as a result of the large subsidies provided by the United States and European countries to their cotton farmers. This development has adversely affected the revenue of the cotton-exporting countries of Benin, Burkina Faso, Mali and Togo; and it may be a major threat to the effective implementation of the eventual economic partnership agreement between West Africa and the European Union. The "Cotton Initiative" remains a topical issue, following the request by the cotton-4 countries for the creation of an "emergency cotton fund" to support their cotton producers. Most bilateral and multilateral donors, however, have expressed some scepticism to the idea of another commodity fund. Needless to say, progress on the Initiative will determine the success of the Doha Development Round of trade negotiations.

19. **Aluminium:** Prices have been increasing in recent years; they increased from \$1351/mt in 2002 to \$1719/mt in 2004, and further increased to \$1838/mt in September 2005.

20. **Gold:** Due to buybacks of hedged positions by gold producers, the price rose to \$463.5 per troy ounce (toz) on 21 October 2005 from the October 2004 price of \$420.5 toz.

21. **Crude Oil:** The crude oil price increase experienced in end 2003 continued through 2004 into 2005. From \$29.44 per barrel at the end of 2003, crude oil prices in 2004 peaked at \$45.37 in October 2004 but declined to \$35.70 in December 2004. However, the upward trend resurfaced in 2005; it hit \$70 per barrel in November 2005, well beyond the projected 2005 price of \$44.7 per barrel. The hike in prices is a reflection of a number of factors including: the level and growth in oil production and the tensions in oil-exporting nations – particularly Iraq, Nigeria, Russia and Venezuela; the low levels of spare oil production capacity; and the low inventories of crude oil in the OECD countries.

22. In spite of the general increase in the world commodity prices, prices of several key commodities for Africa remained well below their historical averages.

1.3 PERFORMANCE OF THE WEST AFRICAN ECONOMY

1.3.1 Macroeconomic Indicators

i) Economic Growth and Inflation

23. Economic growth in West Africa accelerated from 4 percent in 2003 to 5.2 percent in 2004, reflecting the salutary effect of generally tight monetary and fiscal policies. Inflation in West Africa averaged 5.7 percent in 2004, which was 2.0 percentage points below the continental average. However, double-digit inflation figures were recorded in the WAMZ countries of The Gambia, Ghana, Guinea, Nigeria and Sierra Leone. The economic performance of the 15-member regional economic grouping presents mixed results. Details of the country performance are presented below.

24. **Bénin.** In 2004, economic activity was characterized by a slowdown in growth rate, standing at 3.1% as against 4.1% in 2003. This slowdown stemmed from the sluggish performance in the secondary and tertiary sectors as a result of restrictions imposed by Nigeria on the re-exportation of goods from Benin.

25. The primary sector accounted for 33.4% of the nation's GDP in 2004 as against 33.3% in 2003. However, the sector grew faster in 2004 (4.6% as against 2.2% in 2003) due to the improvement in food production and an upturn in fishing activities. Cotton production fell as a result of problems associated with the sector, which made it less attractive to farmers. This impeded the achievement of the targeted growth rate of 5.7% set for the primary sector on the assumption that there would be a significant increase in cotton production.

26. The secondary sector, which accounted for 20.9% of the GDP, declined by 0.5% as against an increase of 3.0% in 2003. This sector was marked by a slowdown in activities at cotton ginneries due to the fall in cotton production and the temporary closure of some cotton production and processing units. The tertiary sector contributed 45.7% to the GDP in 2004 and the growth rate was 2.1% as against 5.5% in 2003. The downward trend in this sector was partly due to the adverse effects of restrictive measures taken by Nigeria in respect of the ECOWAS trade liberalisation scheme.

27. Economic activity was conducted against the backdrop of a moderate increase in prices. The annual inflation rate was 2.6% as against 1.5% in 2003; the figures are within the ECOWAS convergence criterion of 5% for inflation rate.

28. **Burkina Faso.** The growth rate in economic activity in Burkina Faso recorded downward trends in 2004. The growth rate stood at 6.4% as against 8.0% in 2003. The slowdown in economic activity was due to a 14.5% shortfall in cereal production which led to a 2.8% decline in the value added in the primary sector due to less favourable climatic conditions on one hand, and locust invasions experienced in the northern region of the country, on the other. Thus, the primary sector accounted for 36.4% of the GDP. The livestock sector recorded almost 20% increase in exports, as a result of the reopening of the border with Côte d'Ivoire and the reorganization of trade flows now channelled through other neighbouring countries.

29. The secondary sector accounted for 18.7% of the GDP, and grew by 7.4% in terms of value added due mainly to manufacturing and construction activities. Manufacturing industries recorded an 8.0% growth resulting from the processing of cotton lint produced during the 2003 – 2004 season. With regards to building and construction, the growth rate stood at 6.2% as a result of extensive construction projects carried out prior to international meetings as well as the construction of roads and other public infrastructure under the national public investment programme.

30. With regards to the tertiary sector, it recorded a high growth rate of 9.6%, contributing 44.9% to the GDP. The boom was propelled by the performance in the "Transport, Warehousing and Communication" and "Trade" sub-sectors, especially telecommunications, which took advantage of improved mobile telephone services.

31. Prices were relatively stable throughout 2004. The economy experienced a deflation figure of -0.4% in 2004 from 3.1% in 2003 due to declining prices of foodstuff and beverages (both alcoholic and non-alcoholic), tobacco, accommodation and telecommunications.

32. **Cabo Verde.** The rate of growth of Cabo Verde's economy recorded a slight decline in 2004 with a growth rate of 4.0% against 4.3% in 2003. The decline in economic growth stemmed from the poor performance of the agricultural sector due to locust invasions and the severe drought that hit the country during the year. The poor performance recorded in the real estate sector

and delays in the implementation of some public investment projects also accounted, to a lesser extent, for this decreased performance.

33. Economic activity was conducted against the backdrop of falling prices. The deflationary situation, which began in 2003, continued in 2004. The annual average rate of inflation stood at – 1.9% in 2004 as against 1.2% in 2003. As a result of the bumper harvest recorded during the previous farming season, prices of foodstuffs remained low. Besides, the beginning of 2004 was characterized by the implementation of a new customs reform policy aimed at reducing the average rate of customs duties in force. This situation largely helped in absorbing the effects of the hike in the prices of petroleum products, even though it was less pronounced as a result of the appreciation of the escudo, pegged to the euro.

34. **Côte d'Ivoire.** In 2004, there was an upturn in economic activity, with the country recording a real GDP growth rate estimated at 1.8% as against –1.7% in 2003. This was mainly due to the good performance of the primary and secondary sectors.

35. In effect, primary sector production, which accounted for 24.3% of the GDP, rose by 3.7%. Food production rose by 2.6% and export products recorded 8.5% growth; these were the main factors responsible for this improved performance. The secondary sector accounted for 21.5% of the GDP and grew by 3.1% compared to a 10.7% decline in 2003. This performance also reflected the favourable trend in oil production, which recorded a 34.3% growth, the upturn in building and construction activities and those of the food processing sub-sector.

36. On the other hand, activity in the tertiary sector declined by 0.5% in 2004 although the sector contributed more than half of the nation's GDP (54.2%). This was linked to the poor performance recorded in the financial services sector which declined by 6.8% and also in the transport sector, which declined by 2.0% as a result of the increase in fuel prices.

37. The economic recovery was accompanied by a decline in the general price level. In effect, the annual average rate of inflation declined from 3.3% in 2003 to 1.5% in 2004. In spite of the difficulties in mobilising external resources, the public finance situation improved slightly in 2004. This was mainly due to the 6.2% increase in budget revenue which stood at 17.6% of GDP as against 16.9% in 2003. The improvement in budget revenue was related to an increase in tax revenue that accounted for 15.2% of GDP as against 14.9% in 2003 on one hand, and 21% growth in non-tax revenue boosted by telephone service charges as well

as oil and gas revenue, on the other. Total expenditure and net borrowings fell to 20.0% of GDP as against 20.1% in 2003.

38. **The Gambia.** In 2004, the macro-economic performance of The Gambia was encouraging. Real GDP grew by 8.0%, compared to 8.6% in 2003. The inflation rate decreased from 17.6% in 2003 to 8.0% in 2004. The exchange rate was much more stable, with only a 4.1 % depreciation compared to 32.3 % in 2003. The country maintained gross external reserves, which were equivalent to more than five months' imports.

39. The economy of The Gambia showed remarkable flexibility during the period under review. The increase in real GDP in 2004 reflected the continued good performance of the agricultural sector, the underlying factor being favourable weather conditions. Improvement in the services sector, particularly the marketing of groundnuts and other trading activities, as well as the manufacturing sector, was also instrumental to the growth in real GDP.

40. In the agricultural sector, groundnut production (which accounts for nearly 10 % of GDP) recorded an increase of 46 % in 2004, owing to the expansion in cultivated area and the use of better inputs. Similarly, rice production went up by 22 %, following the introduction of new high-yielding varieties (with a 90-day gestation period), which are also more drought-resistant. Total cereal production increased by 11 % in 2004. Although maize production reduced in 2004, there was a sharp improvement of 33 % compared to the period under review. This was due to enhanced marketing of this cereal. Locust invasion, which affected agricultural production in 2004, is reported to have caused insignificant losses. Marketing of groundnuts and other products increased by 12 %, compared to 5 % in 2003.

41. Nonetheless, although the contribution of the manufacturing sector to economic activity was minimal, owing to the modest size of the national economy and the unreliable and expensive nature of power supply, production increased by 18% compared to 2% in 2003.

42. **Ghana.** Economic growth in Ghana firmed up gradually in 2004 and the overall macro-economic results were generally encouraging. Real GDP growth rate improved from 5.2% in 2003 to 5.8% in 2004. Growth in the agricultural sector, on the average, was 6 % during the period under review, and the contribution of the agricultural sector to the overall GDP growth was 46.7 % in 2004. Improvement in the performance of the real sector was due to the government's policy of massive spraying of cocoa farms to fight swollen shoot disease during the

period. Among the other factors were favourable weather conditions and prices. In spite of the fall in gold production compared to a year earlier, gold export volumes remained at the same level as those of the previous year. The fall in gold production by nearly 200,000 ounces of fine gold was due to structural problems in the sub-sector. However, a 12% rise in gold price led to a slight increase in gold export revenues. However, growth in the forestry and lumbering sub-sector fell in 2004, whereas growth in the crops and livestock sub-sector remained at 5.3% as in 2003.

43. Inflation rate fell significantly from 23.6% in 2003 to 11.9% in 2004. The fall in consumer prices was due primarily to the fall in prices of foodstuffs and durable goods, the downturn in money supply growth, the relative stability of the exchange rate and the supplementary budget operation of the State. The rate of privatisation slowed down considerably during the period under review. Following the government's measures in 2003 to alleviate the financial problems of the Tema Oil Refinery (TOR) through the policy of full cost recovery of petroleum products, the government bore part of the debt of the refinery through the issuance of TOR bonds (State securities) to the tune of ₵800.2 billion (\$88.13 million) in May 2004.

44. **Guinea.** In 2004, the general macro-economic performance of Guinea showed signs of recovery. However, there were still some worrisome trends: domestic and external shocks, which affected particularly production and prices as well as poor mobilization of revenue in the face of excessive expenditure, continued to have a negative impact on overall performance. The situation worsened, following the fall in bauxite prices, considerable shortfalls in expected external aid and upsurge in prices of petroleum products.

45. The real GDP growth rate increased from 1.4% in 2003 to 2.7% in 2004. The fall in the GDP growth rate in the previous years was due to both natural and structural changes, particularly unfavourable weather conditions, infestations by insects/animals that destroy crops and poor input supplies, particularly water and electricity, upsurge in the prices of petroleum products and fall in world prices of bauxite, the country's main export product, which is the main ingredient needed to produce alumina that is used in fabrication of aluminium metals. With an annual production of 17 million tonnes, Guinea is the second highest world producer of bauxite (Australia leads with 55 million tonnes).

46. Good rainfall enabled the primary sector, especially the agriculture and forestry sub-sectors to grow faster in 2004, by 3.6% compared to 2.8% in 2003. The livestock and fisheries sub-sectors however recorded a lower real growth rate.

In 2004, the overall real growth rate in the secondary sector also showed an improvement; the growth was estimated at 3.4% i.e. an appreciable increase compared to the 0.4% growth rate in 2003. The manufacturing industry, water, electricity and mining sectors, all of which had recorded low production in 2003, recovered in 2004. Water and electricity production went up by 6% compared to -5.5% in 2003. Similarly, the construction sector went up by 5.5% during the period under review, compared to -1% the previous year.

47. The added value of the growth rate of the mining sector fell from 2.6% in 2003 to 2.2% in 2004. Although the volume and prices of bauxite shot up during the period under review, the added value of this product did not increase in the same manner, owing to hikes in the prices of intermediate inputs in the sector.

48. Inflation went up rapidly during the year under review. The increase from 14.8% in 2003 to 27.6% in 2004 was as a result of the impact of exchange rate depreciation and the upward adjustment of the prices of petroleum products.

49. **Guinea-Bissau.** In 2004, economic activity revealed a real GDP growth rate of 4.3% as against 0.3% in 2003. This performance was attributed to the recovery experienced in all sectors of the economy.

50. The primary sector recorded a growth rate of 3.4% in 2004 as against 1.6% in 2003. This increase was due to an impressive agricultural output especially, cashew nuts. In fact, cashew nuts export rose by 23.7% in 2004. The secondary sector also recorded an upturn in activities due to the normalization of the political situation. However, industries continued to suffer from poor electricity supply. The growth in this sector was therefore only 1.2% as against 1.8% in 2003.

51. Finally, the tertiary sector, with revamped activities in the transport and telecommunications sub-sectors resulting from the marketing of cashew nuts and the development of mobile networks, recorded a growth rate of 7.3% as against 0.3% in 2003.

52. In 2004, economic activity was pursued against the backdrop of a decline in the general price level. The annual average rate of inflation was 7.8%, as against 10.4% in 2003 which was outside the ECOWAS inflation target. This relatively poor performance was due to the increase in domestic demand following the payment of all domestic arrears. However, the upward trend in prices was

mitigated by good performance in the agricultural sector especially in cereal production which enjoyed abundant rainfall.

53. **Liberia.** The economic situation in Liberia was still dominated by the reconstruction process and the restoration of administrative and productive structures of the country. The normalization of the socio-political situation is progressing but it would take a lot more time before economic activity can achieve the normal pace.

54. During 2004, available statistics indicate that the country recorded a GDP growth rate of 22.3%. However, this figure needs to be treated with caution since the country is still recovering from an economic slump. The 2004 achievement comes after a serious recession experienced in 2003 that caused GDP to decline by 24%. The gradual restoration of security in agricultural production areas helped in ensuring a resumption of agricultural activities. However, the United Nations embargo on mining and marketing of diamonds and timber is still paralyzing the mining and forestry sectors, the mainstay of the country's economy.

55. Price movements were relatively significant in 2004. As at end of December 2004, the annual average inflation rate stood at 7% as against 10.4% in 2003. This inflation was due to the unfavourable prices of foodstuffs as the agricultural output was still far below local demand levels.

56. **Mali.** In 2004, there was a significant slowdown in economic activity. In effect, the real GDP growth rate stood at 1.2% as against 7.8% in 2003 mainly due to the low growth rate in the primary sector, which was limited to 4.2% as a result of a decline in agricultural output. The sector's contribution to the GDP was 44.8%.

57. The value added in the secondary sector improved with a growth rate of 9.7% against 8.6% in 2003, fuelled by the manufacturing industry which recorded a growth of 19% in value added. The resumption of activity in cotton ginneries, following the impressive performance recorded during the 2003 - 2004 season, accounted for this trend. The tertiary sector grew by 7.4% as a result of an upturn in activities in the transport and telecommunications sub-sectors especially with the expansion of mobile phone services and the extension of the GSM (Global System of Mobile communication) network of two telecommunication companies (SOTELMA and IKATEL).

58. In 2004, economic activity was characterised by stagnation in the general price level (the inflation rate in both 2003 and 2004 was 3.0%). This was basically due to the slump in prices of cereals and fresh vegetables resulting from the bumper harvest during the 2003- 2004 season, as well as the decline in the cost of sugar, and in electricity and water tariffs.

59. **Niger.** In 2004, the economic environment in Niger was marked by factors that constrained economic activity. Although the economic growth rate of 4.7% in 2004 was an improvement over the 3% growth rate in 2003, it was below the rates registered in 2001 and 2002. This downturn was specifically due to drought and locust invasions that led to a 12% reduction in agricultural production and 4.7% reduction in overall value added in the primary sector. The secondary sector recorded a growth rate of 4.3% against 3.0% in the previous year as a result of an upturn in mining activities and the good performance of the construction sector, through activities under the poverty reduction programme and preparation for the *francophonie* games scheduled for December 2005 in Niamey. The growth recorded in the tertiary sector was 4.4% as against 2.5% in 2003. This performance was basically due to the upturn in the trade, transport and telecommunications sectors, which grew by 5.3% and 6.4% respectively.

60. The slowdown in economic activity occurred against the backdrop of price stability. The annual average rate of inflation for 2004 was 0.4% as against 1.8% in 2003. State financial operations were carried out in an unfavourable national and regional environment marked by the persistent crisis in Côte d'Ivoire and the effects of the drought. Despite these constraints, efforts made in the area of tax collection guaranteed higher levels of budget revenue which increased by 10.3%, representing 12% of GDP as against 11.3% in 2003. Total expenditure and net borrowings grew by 14.0% to reach 21.7% of GDP against 19.8% in 2003 following the increase in recurrent and capital expenditure.

61. **Nigeria.** In 2004, the Nigerian economy showed clear signs of recovery, mainly due to expenditure restrictions, a stricter monetary policy and improvement in terms of trade. However, the real GDP growth of 7.9% in 2004 could not match the impressive rate of 10.4% in 2003. The major sources of growth during the period were oil production and agriculture. Budget operations of the State showed a surplus of 10.9% of the GDP in 2004 compared to a deficit of 1.1% the previous year. Government did not borrow from the Central bank in 2004 and money supply growth slowed down considerably. Gross international reserves increased by more than 100% from 8.4 months of import cover in 2003 to 18.7 months of import cover in 2004, and inflation dropped from 23.8% in 2003 to 10% in 2004.

62. During the period under review, oil production (growing at 6.8%) continued to determine growth in the real sector, although agriculture also improved considerably (6.5%) in 2004. The real GDP growth which surged to 10.4% in 2003, fell thereafter by 2.5%, and settled at 7.9% in 2004. Favourable weather conditions and government policies, particularly financing, improvement in seedlings and availability of inputs, particularly fertilizers, were the underlying factors of better agricultural performance in 2004. The manufacturing sector continued to stagnate, whereas the services sector experienced considerable downturn. Prices of most export goods also went up.

63. Implementation of structural reforms continued during the period under review, particularly with regard to improvement in transparency and accountability, as well as the privatisation programme. In 2004, the government disposed of its shares in a number of companies.

64. **Senegal.** In 2004, the Senegalese economy was the major catalyst of economic growth in the UEMOA zone. The real GDP growth rate estimated at 6.2% in 2004, even though slightly lower than the rate recorded in 2003, was well above the average performance of other countries in the zone. This was due to the upturn in activity in the secondary and tertiary sectors that made up for the downturn in the primary sector hit by locust invasion and poor rainfall.

65. The primary sector recorded a growth rate of 2.3% in 2004 as against 19.8% in 2003 as a result of a 21% drop in cereal production. The secondary sector grew by 6.5% as against 6.7% in 2003 due to the good performance of the energy and construction sectors. Similarly, the tertiary sector, through the dynamism in transport and telecommunication activities, recorded a growth rate of 6.8% in 2004.

66. Movements in prices were under control in 2004. The annual average rate of inflation stood at 1.7% as against a deflation of -1.5% in 2003. This development was particularly the result of the surge in fuel prices that affected the transport sector.

67. **Sierra Leone.** Following an improvement in the security situation and renewed confidence in the economy, which resulted in sustained recovery, the pace of GDP growth rate slightly declined from 7.0% in 2003 to 6.5% in 2004 relative to the previous year's performance. Nevertheless, the external reserves position improved from 1.7 months of import cover in 2003 to 3.3 months of import cover in 2004. In spite of this appreciable performance which reflects the

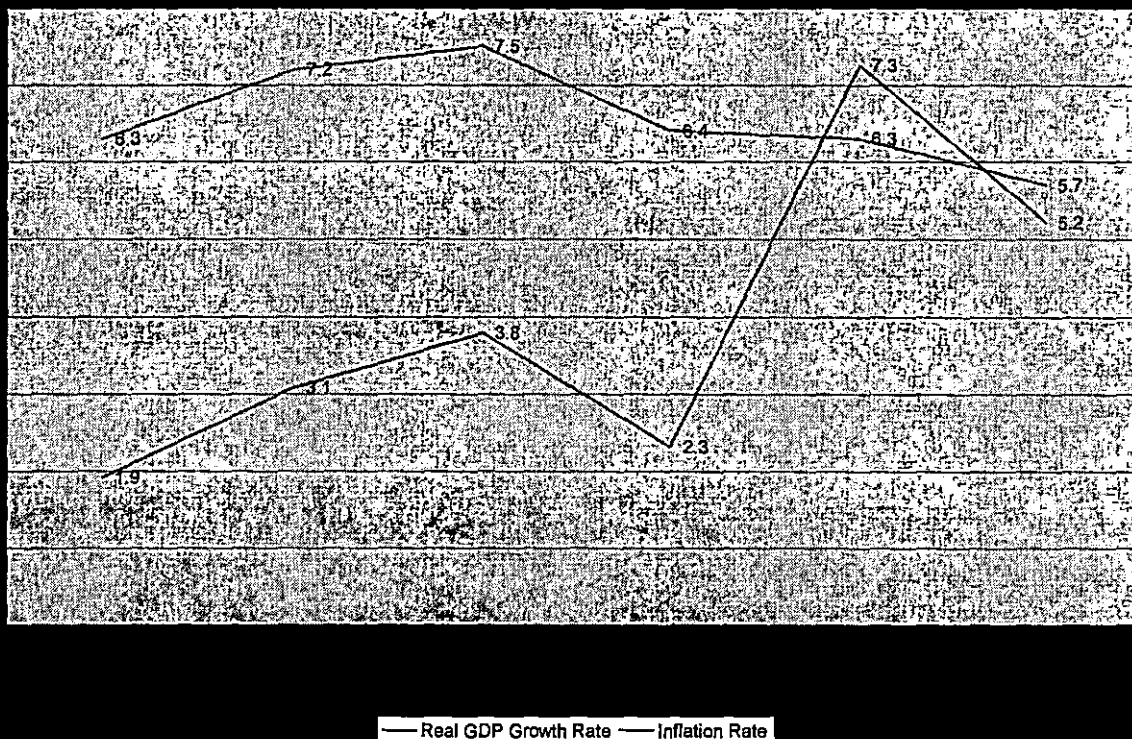
sustained efforts of the authorities, macro-economic stability remained fragile due to both external and domestic factors. Double-digit inflation rate was experienced in 2004 (14.4%), just as in 2003 (11.3%), which was well outside the ECOWAS inflation target of not more than 5%. The constant rise in the prices of petroleum products, the inability of donors to deliver aid on time, in addition to the dominance of the public sector in economic activities, largely explain the situation in 2004.

68. Performance in the real sector was determined by favourable conditions in diamond production, the services sector and, to a lesser extent, the agriculture sub-sector. The increase in domestic production during the period can also be attributed to the improvement in the security situation, the establishment of State control over the entire country, the integration of refugees and displaced persons, the availability of raw materials and the support of international financial institutions..

69. **Togo.** Economic activity recorded a growth rate of 4.0% in 2004 as against 1.1% in 2003. This increased growth stemmed from the good performance of the secondary sector, which helped to compensate for the stagnation of activities observed in the primary and tertiary sectors.

70. Growth rate in the primary sector stood at 1.9% as against 2.0% in 2003. This slight downturn was attributable to the stagnation in the livestock sector. The secondary sector recorded a growth rate of 7.2%, benefiting from the performance of manufacturing industries. The tertiary sector grew by 1.8% as against 5.0% in the previous year, with growth rates of 1.5%, 3.9% and 9.8% in the sub-sectors of "trade", "transport, warehousing and communications" and "insurance and banking" respectively.

71. With regards to prices, the annual average rate of inflation in 2004 was 3.9% as against -1.7% in 2003, which, however, was within the ECOWAS inflation rate target. The inflation was due to the rising cost of foodstuff in spite of the surplus recorded during the last two years.



ii Current Account Developments

72. **Bénin.** The external accounts of Benin improved in 2004, with the balance of payments deficit standing at 2.0% of GDP as against 6.5% in 2003. This was attributable to the reduction in the recurrent transaction balance deficit and good management of the capital and financial operations account.

73. **Burkina Faso.** The country's balance of payments in 2004 recorded a slight deficit, representing 0.1% of nominal GDP as against a surplus of 0.8% of GDP in 2003. These developments, to a large extent, resulted from the increase in the recurrent deficit coupled with a shortfall in the capital and financial operations account. The deficit in external current account increased by 11.8% as a result of the worsening trade deficit and shortfall in the flow of net current public transfers. However, the current account balance ratio excluding grants in relation to GDP improved marginally from -12.7% in 2003 to -11.7% in 2004.

74. **Cabo Verde.** The overall balance of payments evolved from a deficit position in 2003 to a surplus in 2004. In relation to GDP the balance improved from -17% to 41.6%. This situation was mainly attributed to the positive trends in

the capital and financial operations account resulting from the inflow of funds earmarked for the implementation of projects. Current operations balance also improved as a result of the slow down in the rate of increase in imports (14.0% in 2004 as against 22.9% in 2003) and a vibrant tourism sector. The current balance deficit thus dwindled by 25.5%, representing in an improvement from -95.4% to -67.6% of GDP in 2004.

75. **Côte d'Ivoire.** The external situation was characterized by an improvement in the overall balance of payments surplus estimated at CFAF 83.0 billion (\$148.2 million) in 2004 as against CFAF 40.0 billion (\$71.43 million) in 2003. As at end December 2004, the external current balance accounted for 2.0% of GDP, a slight decline compared to the situation at the end of 2003 (2.1%). The current balance excluding grants stabilized at 1.8% of GDP as against 2.0% in 2003.

76. **The Gambia.** The external position of The Gambia deteriorated slightly in 2004. In nominal terms, the deficit in current transactions widened from US\$ 47.3 million in 2003 to US\$ 56.9 million in 2004. The worsening of The Gambia's current account position over the period under review reflected the increase in imports, particularly petroleum products, and a decrease in export revenue, due mainly to export shortfalls in 2003 caused by drought. However, the considerable increase (267%) in net foreign direct investment (FDI) due to the financial and tourism sectors resulted in a general improvement in the capital account balance, which was US\$ 46 million in 2004. In 2004, the upswing due primarily to the massive influx of FDI resulted in an overall balance of payments surplus of US\$ 26.6 million.

77. The Gambia's exports increased by 16% over the US\$ 101.1 million export revenue in 2003. The underlying factor in the increase in exports was the increase by 53% in groundnut production and other groundnut-based products; this is in sharp contrast with the fall (56%) recorded the previous year. However, imports shot up by 23% during the year, compared to a fall of 6% in 2003. The increase in the value of imports was due to the sharp increase in crude oil imports, due mainly to the escalation of world oil prices. Consequently, the trade balance situation worsened from a deficit of US\$ 39.7 million in 2003 to US\$ 55.1 million in 2004. The external debt was estimated at about US\$ 527.5 million, or 126 % of GDP at the end of 2004. This reflects the growing difficulties encountered in accessing non-debt generating capital flows. The debt-servicing ratio also increased from 7.8 % in 2003 to 15 % in 2004.

78. Gross reserves in terms of months of imports increased to 5.1 months of imports in 2004. This upward trend was due to an increase in private capital flows into the economy, particularly in investments in the financial and tourism sectors. The exchange rate of the Dalasi grew stronger by 4.1 % compared to the US dollar in 2004. The firming-up of the exchange rate in 2004 had a positive effect on inflationary trends in the economy. However, this could have created problems of competitiveness, as indicated in a clear worsening of the trade balance and the balance of current transactions in 2004.

79. **Ghana.** The external sector experienced considerable change during the period under review. Overall balance of payment figures worsened from a surplus of US\$558.3 million in 2003 to a deficit of US\$123.4 million in 2004. The deterioration was due to the exceptional increase in import of goods, which widened further the deficit, from US\$ 670.4 million in 2003 to US\$ 1425 million in 2004. The relatively high increase in importation of capital and intermediate goods explains the average rate of 65% rise of imports recorded during the year. The high value of petroleum imports, resulting from the upsurge in the world crude oil prices was also instrumental in the increase in the value of imports. Besides, increase in the exportation of goods was due to gold and cocoa, which accounted for more than 70% of the country's export revenues. Although cocoa recorded increases in both volume and value, the volume of gold remained the same, even though its value shot up compared to that of the previous years, due to increase in world market prices.

80. The current account (including transfers from the public service) recorded a deficit of US\$151.2 million in 2004, compared to a surplus of US\$302.4 million in 2003. The worsening of the current account situation was due mostly to the negative trend in goods trade. However, an appreciable surplus on the transfer account mitigated the impact of the deficit in goods trade, services and revenue accounts of the current account. Private funds receipts – transfers from NGOs, religious groups and individuals – through the banks and other financial institutions amounted to US\$1,283 million in 2004, i.e. an increase of 26.1% compared to the corresponding period in 2003. The situation of gross international reserves improved considerably and reached the equivalent of 4.6 months of import coverage at the end of 2004. The cedi exchange rate remained relatively stable in 2004, as it depreciated by only 2.2% during the year. Following the government's successful implementation of the HIPC initiative and the attainment of the completion point in July 2004, an amount of US\$1.64 billion in nominal terms on Ghana's debt was cancelled. Moreover, the country has been granted a supplementary debt relief, estimated at about US\$2 billion in nominal terms over

the next twenty years. Thus, Ghana will save nearly US\$230 million yearly under debt servicing over the period.

81. **Guinea.** Guinea's external sector position deteriorated during the period under review. The balance of payments deficit increased from US\$46.8 million in 2003 to US\$48.2 million in 2004. Official reserves in terms of months of imports fell from 1.8 months of imports coverage in 2003 to 1.5 months at the end of 2004.

82. The unrealistic official exchange rate, the lack of diversification of the export base leading to a high dependency on the unstable mining (bauxite and aluminium) sector for foreign currency, as well as the lack of external support, caused severe foreign exchange shortage for the Central bank on the auction market. In spite of this situation, the Guinean Franc, however, recorded a relatively stable exchange rate in 2004 against most international currencies.

83. At the end of the year, the premium on the dollar and the euro was estimated at 27.4 % and 25.4 % respectively. High premium has continued to be a dissuasive factor for flows and repatriation of export revenues on the auction market. The main concern raised by the Guinean authorities had to do with the negative effect of a crowding out policy of the short-term parallel market rates on the import bill, and hence on inflation, in so far as rates on the parallel and official markets could all go up. The precarious situation of the external sector was worsened by the deterioration in relations with donors; this resulted in the non-availability of budgetary aid and external debt relief. Efforts to re-introduce the suspended FRPC programme were hardly successful, as domestic reforms were implemented only partially.

84. **Guinea-Bissau.** The current account deficit excluding grants worsened and accounted for 10.4% of GDP as against 8.7% in 2003. The unfavourable trends recorded on this account were due to a worsening trade balance caused by levels of imports well above exports. Imports grew by 34.0% while exports expanded to 23%. On the whole, the balance of payments recorded a deficit equivalent to 28.1% of GDP.

85. **Liberia.** The current account deficit (excluding grants) worsened further, dwindling from 11% of nominal GDP in 2003 to 52% of GDP in 2004. This was mainly due to high increases in imports (85.1%) for humanitarian purposes and a reduction in exports because of the United Nations embargo on major export products. The deficit was wholly financed by external assistance in the form of project grants.

86. **Mali.** In 2004, trends in the country's balance of payments reflected a 42.7% decline in the surplus of the external payments balance. This trend was due to the reduction in the surplus recorded on the capital and financial operations accounts partially compensated by the reduction in the current deficit. In fact, the deficit in current transactions excluding official transfers dropped to 7.0% of GDP as against 9.3% in 2003, as a result of the healthy trade balance. The surplus on the capital and financial operations accounts recorded a downturn in 2004 due particularly to the decline in inflows of public external resources.

87. **Niger.** Operations in 2004 reflected a 41.3% reduction in the overall deficit of external payments balance due to the sound management of the capital and financial operations account, with the balance of recurrent transactions remaining almost stable. The ratio of current account deficit (excluding grants) in relation to GDP fell from 11.6% in 2003 to 11.0% in 2004. These favourable developments were due to a reduction in the revenue balance deficit by more than half as a result of the implementation of the HIPC initiative and strengthening of current account transfers.

88. **Nigeria.** The external sector of Nigeria improved as a result of better terms of trade during the period under review. Oil prices went up on the average to \$37 per barrel in 2004. This resulted in a current account surplus of 15.7% of GDP in 2004, i.e. an improvement of 1.1% compared to 2003. In view of the increase in reserves and budget prudence, increased confidence in the economy and improvement in foreign exchange supply on the auction market in 2004, the Naira appreciated by 3.1% against the dollar, compared to 7.7% depreciation in the previous year. The ban on importation of certain goods in 2004, which was strictly enforced by the customs service, was also instrumental in the stability of the Naira.

89. Gross external reserves went up considerably to US\$ 17 billion; this was enough to finance 18.7 months of imports. However, external debt continued to rise due to postponement of payments on the recapitalization of the principal and interest. The outstanding external debt increased to US\$35.9 billion in 2004. The greater portion of the debt (\$30.8 billion) is owed to creditors of the Paris club. At the end of 2004, Nigeria was to pay \$5.6 billion for debt servicing; of this, \$1.9 billion was for capital repayment and \$3.7 billion for payment of interest. However, Nigeria has successfully negotiated in 2005, a debt relief deal involving the cancellation of \$18 billion against payment of \$12.8 million in two equal instalments over an agreed period.

90. **Sierra Leone.** The year 2004 was exceptionally good for the external sector, which recorded appreciable improvement in the trade balance, resulting in increases in export revenue and decreases in imports. The improvement in export revenues was due to diamond sales both in terms of value and volume, coupled with an overall upturn in the operations of Koidu Holdings and mining activities in other areas of the northern province of the country. The reduction in the import bill was mainly due to a fall in foodstuffs imports because of a vigorous upturn in domestic rice production and slowdown in activities of UNAMSIL (United Nations Assistance Mission in Sierra Leone).

91. The fall in the importation of machinery and equipment was also significant, as this was very high in 2003 due to imports by three big companies whose processing plants were under rehabilitation. The services account continued to be in the deficit, although there was anticipation that the tourist potential of the country would be developed. Moreover, the current account transactions (including public sector transfers) decreased from 10.9% of GDP in 2003 to 5.8% in 2004 as a result of increased current transfers. This development was strengthened through an improvement in the capital account balance due to investments relating to the rehabilitation of the Koidu Kimberlitic mines. For the first time in seven years, the overall balance of payments recorded a surplus of 2% of GDP in 2004.

92. This surplus reflects an increase in the external reserves of the Bank of Sierra Leone and exceptional financing (debt relief). Gross external reserves went up considerably, as official reserves reached the equivalent of 3.3 months of imports coverage. At the end of 2004, the overall outstanding debt was US\$1.6 billion. The government received a provisional aid under the HIPC initiative.

93. **Senegal.** Operations ended in the worsening of the current account deficit in 2004. The account deteriorated by 10.3% compared to the 2003 level while the trade deficit worsened by 13.5%. The deterioration of the trade balance was due to the increase in the volume of imports (9.0%) well above that of exports (6.1%). The current account deficit accounted for 7.0% of GDP in 2004 as against 6.8% in 2003. This ratio (excluding grants) remained at 8.6% as in 2003. With regards to the overall balance of payments, it recorded a surplus of CFAF 95.4 billion, equivalent to 2.4% of nominal GDP.

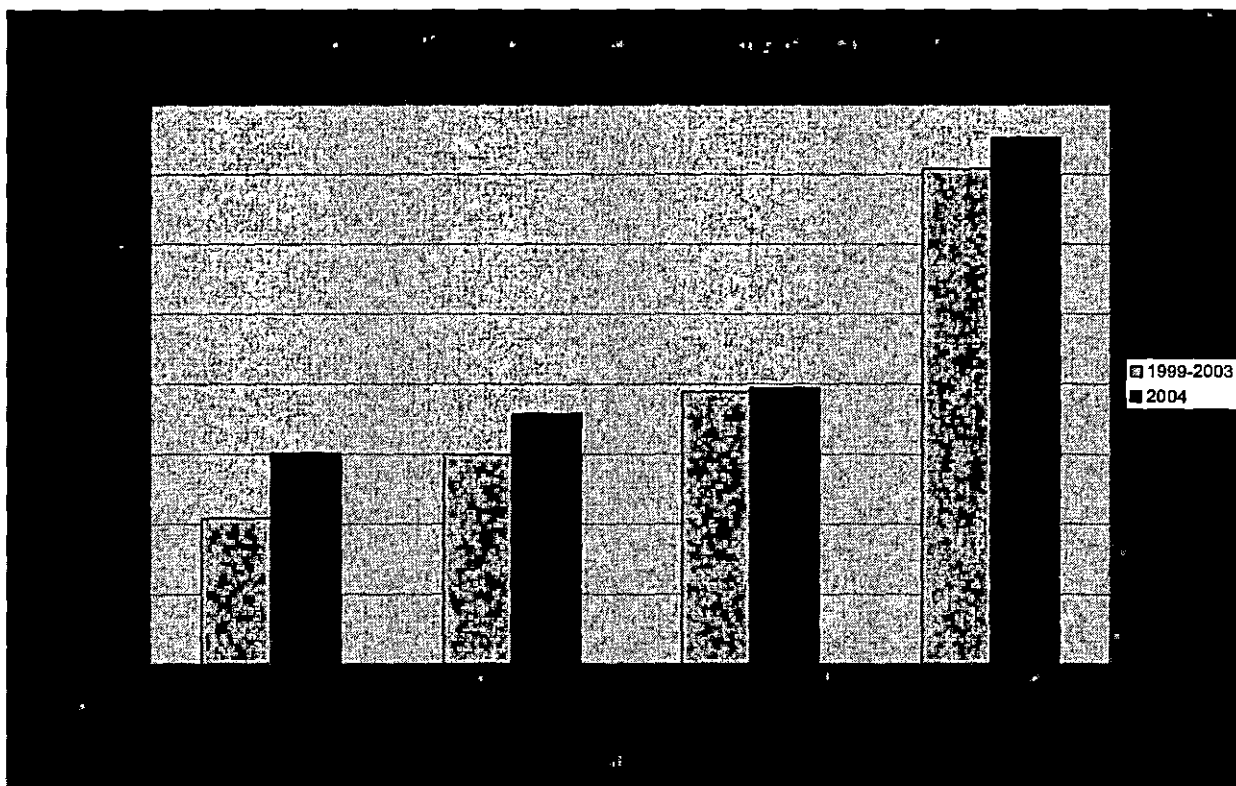
94. **Togo.** The balance of payments recorded a surplus of CFA 67.9 billion in 2004 as against a deficit of CFAF 11.8 billion CFAF. This improvement in the external accounts was attributed to the strengthening of the capital and financial operations account on one hand, and the reduction in the deficit of recurrent

transactions by 37.0% and the current account deficit, on the other. The current deficit was equivalent to 5.5% of GDP as against 9.2% in 2003. This ratio, excluding grants, was 6.1% in 2004 as against 9.8% in 2003.

Table 2: West Africa: Macroeconomic Performance, 1999 – 2004

	Real GDP Growth Rate		Inflation Rate		Budget Deficit (% of GDP)		Tax Revenue (% of GDP)	
	Average 1999-2003	2004	Average 1999-2003	2004	Average 1999-2003	2004	Average 1999-2003	2004
Benin	4.87	3.10	2.9	2.7	2.9	5.5	13.9	14.6
Burkina Faso	3.05	6.36	1.6	0.7	11.8	8.8	11.5	12.1
Cabo Verde	6.53	3.98	3.7	-0.3	12.1	7.6	18.3	19.6
Côte d'Ivoire	-0.91	1.80	2.3	4.4	1.7	2.6	14.7	15.2
Gambia, The	5.91	5.31	8.2	8.0	6.6	9.9	16.7	22.4
Ghana	4.43	6.09	22.9	11.8	9.6	9.5	17.9	22.3
Guinea	3.23	2.78	7.2	27.6	6.8	5.9	10	9.5
Guinea-Bissau	1.95	4.30	2.5	0.9	20.3	25.4	9.5	8.3
Liberia	6.78	22.26	11	16.1	0.9	4.4	12.2	9.2
Mali	5.27	1.16	0.5	1.5	8.3	7.2	13.2	15.3
Niger	2.79	4.71	1.2	3.6	9.2	9.8	9.7	11.6
Nigeria	4.56	5.98	13.4	10.0	4.5	1.7	23.2	19.8
Senegal	4.36	6.18	1	1.7	3.2	4.7	17.5	18.4
Sierra Leone	8.07	12.31	9.1	14.4	16.8	14.3	12	13.7
Togo	1.47	4.04	2.3	3.9	2	0.9	11.9	13.6

Sources: (i) ECOWAS database (www.ecostat.org)
(ii) WAMA



iii ***Monetary and Exchange Rate Developments***

95. West African countries, except Liberia, Cabo Verde and the eight CFA countries, operate a flexible exchange rate system, making price stability their main monetary target. Price stability was constrained in a number of member States because of fiscal dominance and excessive increases in money supply. Analysis of the economic performance of member States shows that inflation is a monetary phenomenon in the region. The money supply-inflation relationship was observed across the region. In the CFA countries, the growth rate of money supply was moderate and consistent with their nominal GDP growth rates, declining gradually over the period from 2001 to 2004. This development effectively eliminated the problem of excess liquidity; thus resulting into a correspondingly low level of inflation in the CFA countries. Cabo Verde also had generally low money supply growth rates; a situation that enabled it to contain inflationary pressures within the required maximum ECOWAS limit of 5.0 percent.

Table 3: Broad Money Supply (M₂) Growth in ECOWAS (2001-2004)

	2001	2002	2003	2004
Benin	12.3	-6.5	-12.7	-8.6
Burkina Faso	2.2	2.9	16.3	0.2
Cabo Verde	9.9	14.8	8.6	10.5
Côte d'Ivoire	11.7	30.6	-6.4	1.4
Gambia, The	19.4	35.3	43.4	13.3
Ghana	41.4	50.0	37.8	26.0
Guinea	14.8	19.2	35.2	37.0
Guinea-Bissau	9.8	22.9	14.4	19.2
Liberia	6.6	36.8	8.3	49.3
Mali	19.3	28.6	22.0	11.8
Niger	32.8	-0.4	-13.7	20.0
Nigeria	27.0	21.6	24.1	14.0
Senegal	14.5	7.6	12.8	13.5
Sierra Leone	33.7	29.6	21.9	20.1
Togo	-2.7	-2.5	6.2	16.5

Source: WAMA

96. By contrast, high levels of inflation recorded in Guinea, Liberia and Sierra Leone were attributable to excessive liquidity. For instance, 35.2% and 37.0% increases in money supply in Guinea in 2003 and 2004 respectively led to the surge in inflationary pressures. The situation was not different in Liberia, whose money supply accelerated significantly by 49.3 percent in 2004 compared to 8.3 percent in the preceding year, leading to an inflation of 16.1%. However, inflation declined markedly in The Gambia, Ghana and Nigeria as a result of conscious efforts made to slow down the money supply growth.

97. With regard to exchange rate developments in the region, currencies of ECOWAS member States fluctuated at different rates between 2003 and 2004 in relation to the WAUA. On the whole, currency depreciation was higher than appreciation during the period for all currencies, except those pegged to the Euro. Table 4 below shows the quarterly average fluctuations (calculated on the basis of monthly averages) of the various currencies.

Table 4: Fluctuations of ECOWAS Currencies in relation to the WAUA² (in %) from 2003 to 2004 (on quarterly basis)

Country/ Region	Currency	2003				2004			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
UEMOA countries	CFA Franc	1.42	1.66	-1.08	1.37	-0.12	-0.16	0.21	1.41
Cabo Verde	Escudo	1.42	1.66	-1.09	1.39	-0.12	-0.16	0.21	1.41
The Gambia	Dalasi	-8.46	-2.62	-5.22	-0.33	0	0.12	-0.79	0.5
Ghana	Cedi	-1.70	-1.56	0.49	-2.11	-0.68	-0.04	-0.03	-1.57
Guinea	GNF	-0.94	-1.06	0.56	-1.99	-0.2	0.16	-7.53	-1.65
Liberia	Lib. Dollar	-4.23	-2.77	0.56	7.86	-2.9	-0.94	-0.63	-1.65
Nigeria	Naira	-1.04	-1.15	0.38	-3.9	0.32	0.87	0.02	-1.65
Sierra Leone	Leone	-1.94	-2.04	-0.71	-3.24	-1.67	-0.33	-0.57	-2.87

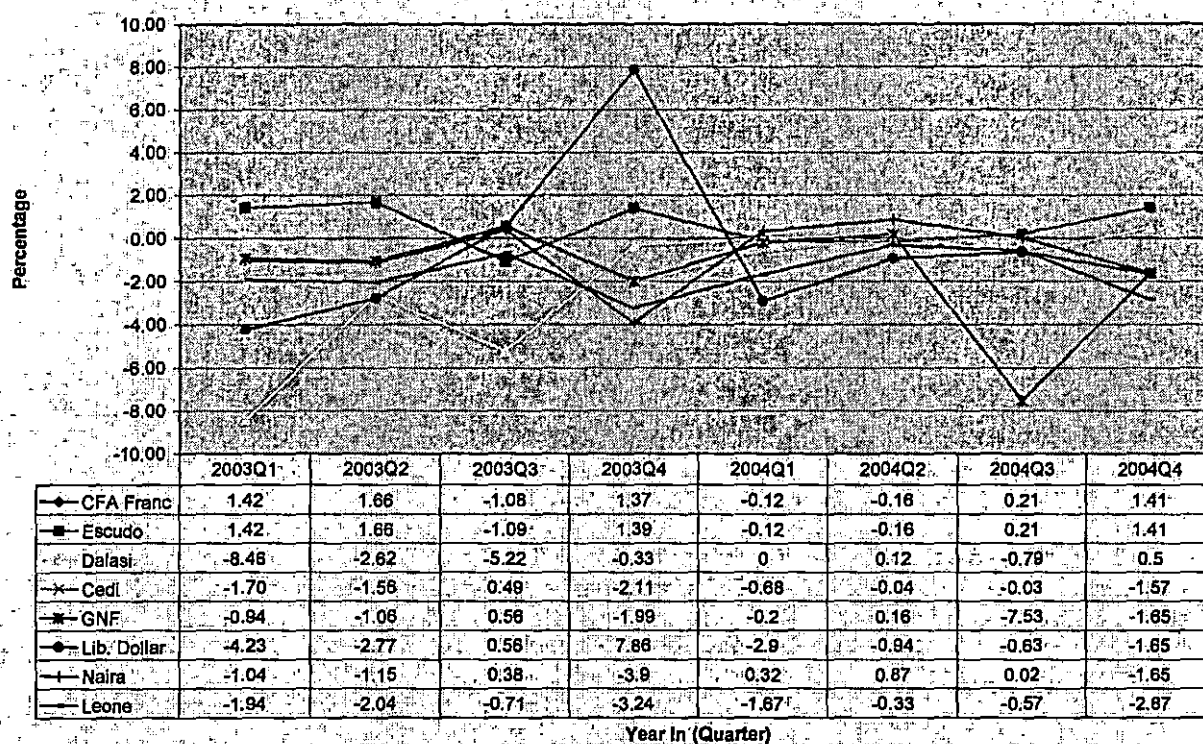
Sources: WAMA, Central Banks of ECOWAS and IMF, + = appreciation - = depreciation

98. Adoption and effective implementation of an exchange rate mechanism within ECOWAS is indispensable for the proper implementation of domestic monetary policies, considering the constraints imposed on the establishment of a monetary zone. As indicated in the table above, the West African region is saddled with various currencies, each pegged to one of the major international currencies, i.e. the U.S Dollar, the Euro and the Pound sterling; the CFA Franc and the Escudo are pegged to the Euro through a fixed exchange rate.

99. During the period under review, there were significant fluctuations in the currencies except the Guinean Franc and the Leone, which kept an upward trend (with a record level in 2004), as well as the Liberian Dollar, which fell significantly in value. It should be noted that fluctuations in the nominal exchange rates of WAUA are, to a large extent, attributable to the continuous implementation of inappropriate monetary and budgetary policies in countries outside the Franc zone and fluctuations in the rates of intervention currencies among themselves for the Franc zone countries. Therefore, there is the need for the non-Franc zone countries to pay particular attention to strict discipline concerning adherence to economic and monetary policies for a more effective management of the exchange rates of their respective currencies. For UEMOA countries, more attention should be paid to external trade policy in order to take advantage of the appreciation of the CFA Franc.

² 1 WAUA – the West African Unit of Account – is equivalent to 1 SDR (Standard Drawing Right) of the IMF.

Figure 3: Fluctuation of ECOWAS currencies in relation to the WAUA (%) (2003 - 2004)



1.3.2 Poverty, Income and Health Situation in ECOWAS member States

100. According to the United Nations Development Programme in its "Human Development Trends 2005", Africa is the home of one third of all the world's poor, and in 2015 Africa will account for most world poverty. Given that almost all of the West African countries are included in the African poor nations, the ECOWAS region therefore faces a serious challenge.

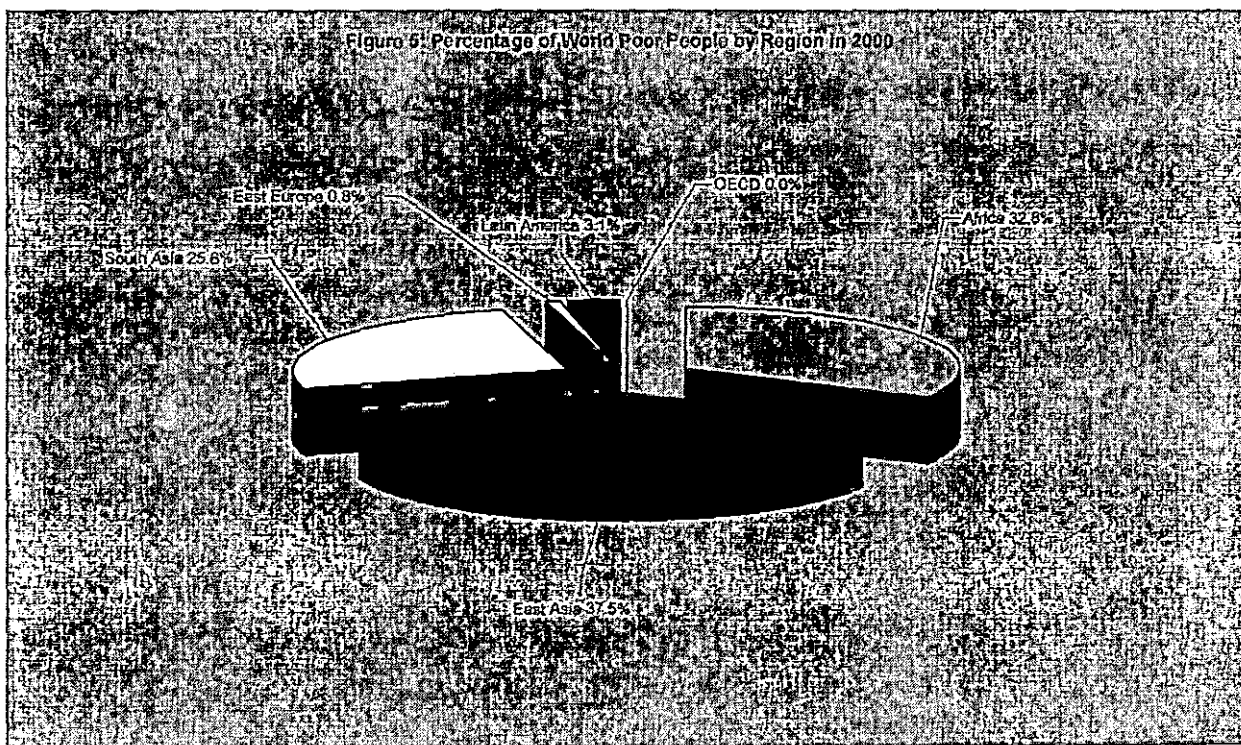
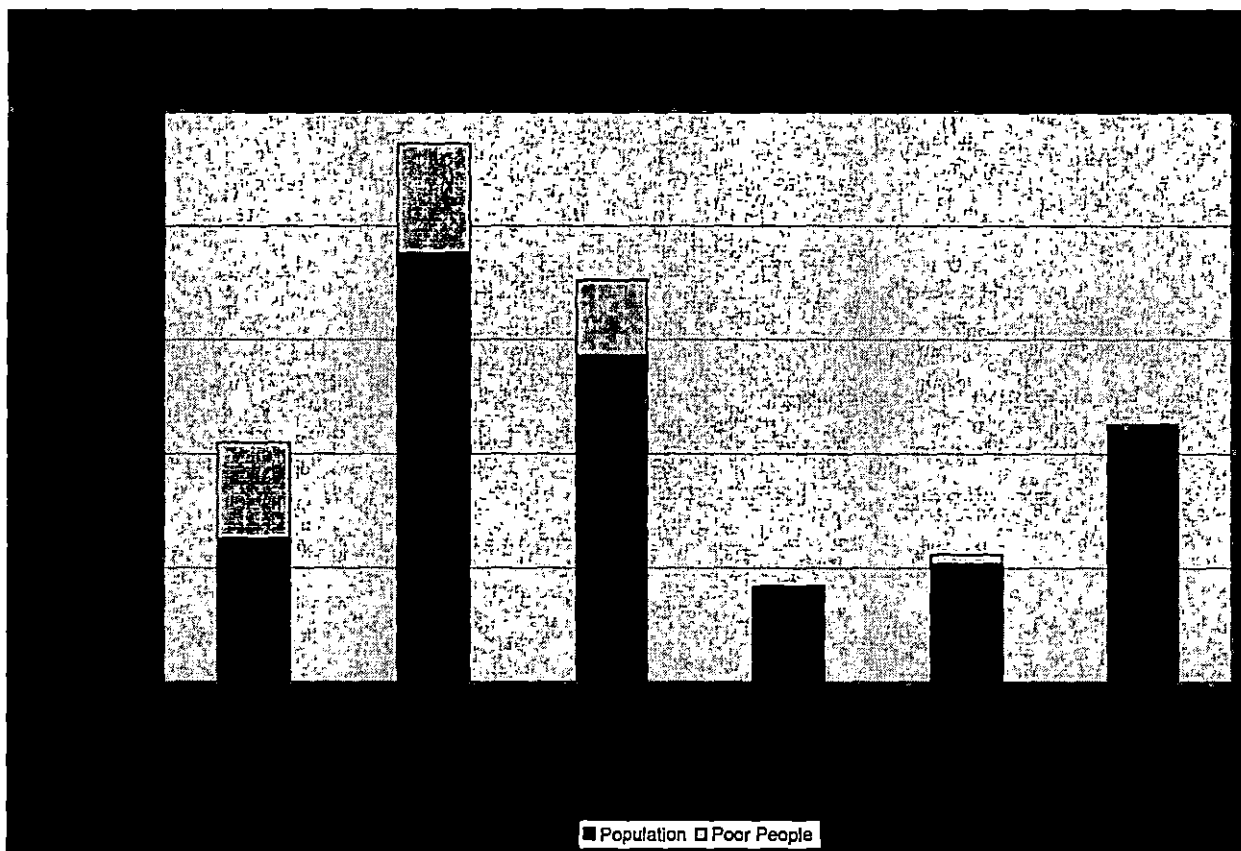
101. Historical records show that in 1970, 38% of the world population lived below the poverty line of \$1 a day in a world with lower incomes and less people. By 1990, the poverty rate had fallen to 26%, but due to population growth, the number of poor was the same. The United Nations goal is to halve this proportion to 13% by 2015. As at 2000, 21% of the world population, more than 1 billion people, lived on less than \$1 a day; an indication that the world as a whole is on track to meet the goal. In a projected world population of 7.2 billion people by 2015 and the number of poor people at 0.7 billion (i.e. 10% below poverty line), a simulation of the future indicates that poverty reduction goal can be met on a global level. The global goal of halving poverty by 2015 will be met because of fast progress in Asia. But on current trends Africa and Latin America will not meet

the goal. Table 5 shows the regional differences in poverty levels in 2000. In Africa more than half of its population live below the poverty line. This is in sharp contrast to the OECD and East European countries where their citizens living below the poverty line are 0% and 2% respectively. The other continent where there are many poor people is Asia. South Asia and East Asia accommodate more than 60 percent of the world's poor people (see Figure 5). In spite of the fact that there are more poor people in Asia than in Africa, the proportion of the poor people in Asia to the total population is about one fifth, compared to Africa which has over half of its population (67%) living in abject poverty.

Table 4: Regional Differences in Poverty Levels in 2000

Region	Population (million)	No. of Poor People (million)	Poor People as % of Population
Africa	630	420	67
East Asia	1880	480	26
South Asia	1430	330	23
East Europe	410	10	2
Latin America	520	40	8
OECD	1130	0	0

Source: UNDP (2005) Human Development Trends



102. In terms of income and health, the performance of most Member States has been less impressive. On a regional basis, sub-Saharan Africa had the highest child mortality³ rate of 18% and the lowest GDP per capita of \$1,750 in 2003 while the North African countries had a much lower child mortality rate of 5.6% and higher GDP per capita of \$5,370 (Table 6). This dismal situation shows that sub-Saharan Africa, to which all ECOWAS Member States belong, is the poorest and least healthy region in the world.

Table 6: Regional Differences in Income and Health Levels in 2003

Region	GDP per capita (\$)	Child Mortality Rate (000)
Africa (North African States)	5,370	5.6
Africa (sub-Saharan)	1,750	18
East Asia	4,820	4
South Asia	2,740	9.2
East Europe	7,500	4.1
Latin America	6,990	3.2
OECD	28,500	0.6

Source: UNDP (2005) Human Development Trends

103. On a country-by-country basis, Cabo Verde, with a real average income of \$1,514 and child mortality rate of 3.5% in 2003, is the best performer in West Africa. On the other hand, Sierra Leone had the lowest average per capita income of \$212 and the highest child mortality rate of 28%. This would seem to suggest a positive relationship between child mortality and average income of a nation, as generally indicated in the world table above. However, in spite of the fact that Nigeria had more than three times the income of Guinea-Bissau (which had the least average income in the region), they both had the same child mortality rate of 20%; implying that one out of every five children born in the two countries dies before the age of five years, irrespective of the average level of income. Unfortunately, in all the ECOWAS member States, excluding Cabo Verde and Ghana, more than one child out of every ten children born die before they reach their fifth birthday. In other words, child mortality rate in the affected countries is a double-digit phenomenon. This shows that much has to be done in the region if the goal of improving the standard of living of its people is to be achieved.

³ This is the number of children dying before age five, per thousand live born; it is a general measurement of health level.

Table 7: Income and Health of ECOWAS Member States in 2003

Country	Real GDP per Capita (US \$)*	Child Mortality Rate (%)**
Benin	403.84	15
Burkina Faso	229.16	21
Cabo Verde	1,513.80	3.5
Côte d'Ivoire	621.83	19
Gambia, The	276.10	12
Ghana	291.30	9.5
Guinea	378.71	16
GUINEE BISSAU	124.45	20
Liberia	137.76	n.a.
Mali	260.67	22
Niger	161.51	26
Nigeria	393.62	20
Senegal	516.37	14
Sierra Leone	212.30	28
Togo	280.23	14

Sources:

* ECOWAS database

** UNDP (2005) Human Development Trends

1.4 GROWTH PROSPECTS AND CHALLENGES FOR THE REGION IN 2006

104. Prospects for the region appear favourable for 2006 in spite of the lingering political crisis in Côte d'Ivoire and drought experienced in the Sahel in 2005. There has been continued improvement in the region's economic performance and the expectation that growth will increase further in 2006. Underlying the pickup in growth are improved macroeconomic stability, and easing external debt burdens through the debt relief package, offered by the Paris Club of Creditors. However, there may be shrinkage in world trade, notably through lower demand for commodities at lower prices.

105. Improved macroeconomic stability is underpinned by the resolve of the member States to achieve monetary integration in the region through macroeconomic convergence and policy harmonization. In addition, the general increase in global commodity prices, especially non-fuel commodities, is projected to have a positive net impact on the trade balances of many countries in the region. The elimination of textile quotas in industrial countries will also benefit the cotton-exporting countries of Benin, Burkina Faso, Mali and Niger.

106. Given the uncertainties in the world economy, it is important that countries formulate their overall economic policy within a medium-term expenditure framework, avoiding permanent expenditure commitments that are not sustainable. It would also be important for ECOWAS member States to strengthen public expenditure management systems to ensure that resources are used for their intended purposes, and adopt export diversification policies that would help to mitigate the impact of future exogenous shocks.

107. The prospects in 2006 are subject to political and economic risks. The fragile political situation in many parts of the region, particularly in Côte d'Ivoire and Guinea-Bissau is an important concern, given the potential security, political and economic implications for neighbouring countries. Furthermore, many ECOWAS Member States are vulnerable to drought and natural disasters. The uncertainties in the oil market constitute a major economic risk for non-oil producing countries.

108. In spite of the positive economic outlook of the region in 2006, much more effort is needed to ensure sustainable growth. It is crucial to build on the achievements that have been made and strive for sustained economic growth. Thus, it is essential to entrench macroeconomic stability, further reduce government involvement in the economy, promote private sector activity and investment, reduce vulnerability to exogenous shocks, develop infrastructure and deepen institutional reforms as well as make efforts to avoid the resurgence of armed conflicts. The effort to reach the Millennium Development Goal of halving poverty by 2015 to 13% from its 1990 level of 26% should also be intensified. Moreover, there is need to improve substantially the manufacturing capacity of the region. Most of the exports from the region are primary products, prices of which are volatile and exogenously determined. Thus, for the region to realise maximum benefits from globalisation, it has to diversify its production base to be able to increase the range and volume of manufactured exports. Improving the region's manufacturing capacity will help West Africa to become a less disadvantaged player in the world economy, especially in the light of the proposed economic partnership with the European Union that will inevitably entail the establishment of a free trade area between West Africa and Europe.

109. Fortunately, the renewed international efforts to further reduce the indebtedness of developing countries and increase overall development assistance related to the Millennium Development Goals could enhance the region's prospects for growth and poverty reduction. For the growth prospects envisaged for the region in 2006 to be achieved, much commitment is expected from both the member States and the development partners. Member States are expected to

continue to promote macroeconomic stability and facilitate intra-regional trade by removing the many non-tariff barriers (unofficial road blocks, unnecessary red tape at border entry points, etc.) and by improving transport links that currently militate against the free flow of intra-regional trade. It is the ECOWAS expectation that our development partners, for their part would complement our regional efforts and provide additional assistance in the form of less restrictions on exports, removal of subsidies on agricultural products and fulfilment of higher aid flows promised at the July 2005 Gleneagles G8 summit.

CHAPTER TWO

EVOLUTION OF THE COMMUNITY WORK PROGRAMME

INTRODUCTION

110. The current Community Work Programme is shaped by three imperatives: deepening of the regional integration process; regional approach to NEPAD implementation in West Africa; and facilitating the West African focus on poverty reduction. These imperatives have helped in setting priorities necessary to meet the development challenges facing the Community. Given that ECOWAS does not possess the resources to enable it tackle effectively all the development challenges at once, the Community has set priorities to meet the objectives of the NEPAD initiative (which also reflect ECOWAS aspirations), and the United Nations Declaration on the MDGs. The presentation of the implementation status of the Community work programme takes due account of such emerging issues, and reflects the evolution of each programme to its current status in December 2005.

111. This chapter, therefore, gives an account of the progress that has been made on the implementation of the Community Work Programme, and particularly, since the beginning of 2005. The component sections are devoted to the economic integration programmes, regional peace and security, administrative and financial matters, as well as reports from other ECOWAS institutions.

1) OVERVIEW OF EVOLUTION OF COMMUNITY INTEGRATION

112. Consistent with its objective of *improving the standard of living of peoples of the Community*, as enshrined in the Treaty, ECOWAS has, since its establishment three decades ago, adopted and been implementing a comprehensive set of regional programmes in the areas of market and monetary integration, physical and product integration as well as close political cooperation. The efforts are geared towards promoting the liberalisation of the regional economy to achieve the free movement of persons, goods, services and capital.

113. In its quest to promote market integration, ECOWAS has worked to liberalise the labour market and has achieved the free movement of Community citizens through the abolition of visa and entry requirements and provision of the right of residence and establishment in any Member State. In addition, ECOWAS has caused to be circulated in Member States the ECOWAS Travel Certificate and the ECOWAS Brown Card to facilitate human and vehicular movement respectively across the Member States. On this score, ECOWAS is unique on the continent

since no other regional grouping in Africa has a similar functioning mechanism that assures the free movement of its citizens.

114. With regard to the free movement of goods, ECOWAS launched a Trade Liberalisation Scheme (TLS) in 1990 which is aimed at eliminating tariff and non-tariff barriers among Member States, leading to the formation of a free trade area. The free trade area status was achieved in January 2000 and since then emphasis has been on the consolidation of this scheme, and progressing to the establishment of a common external tariff.

115. In the area of monetary cooperation, the ECOWAS Monetary Cooperation Programme (EMCP) was introduced in 1987 to promote financial and monetary cooperation among the Member States with the ultimate objective of achieving a single currency area. This initiative received a boost in 1999 when the ECOWAS authorities decided on a multiple speed approach to regional integration. This encouraged five out of the seven countries outside the CFA franc zone to initiate the establishment of a second monetary zone, the West African Monetary Zone (WAMZ). The aim is to create a second regional currency arrangement which will subsequently merged with the CFA zone to create a single West Africa-wide currency zone. In order to satisfy the requisite pre-condition of a sustainable macroeconomic convergence through the process of harmonization of economic, financial and legal policies, the launch of the second regional currency "eco" which was originally scheduled for 1 July 2005 has been shifted to 1 December 2009.

116. Concerning physical integration, needed to support market integration, the development of regional infrastructural networks has been initiated in the areas of transport, telecommunications and energy. In the transport sector, interventions focused on instituting rules and regulations relating to technical specifications for road and travel facilitation across national boundaries. ECOWAS also embarked on the physical construction of the West African Highway network as part of the continental network (trans-costal, from Lagos to Nouakchott and trans-sahelian, from Dakar to N'djamena). In order to promote efficient air and sea transportation among the Member States, the ECOWAS leadership endorsed plans to actively promote the creation of a regional airline (ECOAIR) and a regional shipping line (ECOMARINE) by private sector operators. The overall objective of ECOWAS intervention in the air transport sub-sector is to formulate programmes for the implementation of the Yamoussoukro Decision on Air Transport Liberalisation.

117. In the telecommunications sector, significant progress has been made in increasing telecommunication traffic in the region, and establishing direct microwave links to connect regional capital cities. In the energy sector, a regional energy master plan has been developed covering the development of hydro-electric sites and thermal plants in the West African Power Pool projects, and the construction of the West African Gas pipeline for the shipment of gas from Nigeria to Benin, Togo and Ghana, and subsequently to other Member States.

118. In the area of defence and security, ECOWAS has demonstrated a regional capacity in the area of conflict management, which is a model for the continent. In the area of conflict prevention, ECOWAS has taken a very pro-active and aggressive stance; the ECOWAS leadership in 1999 adopted a "Protocol on the Mechanism for Conflict Prevention" to help the region deal with the destabilising conflict situations on a more comprehensive and systematic basis. Threats to peace and security in the region necessitated the creation of a regional mechanism to address the compelling dynamics and nature of civil conflicts. To this end, the ECOWAS Council of Elders has been utilised in various mediation efforts and also in the observation and monitoring of elections.

119. However, despite these considerable efforts, it is evident that much effort still need to be made to achieve deep integration, to build the physical infrastructure required to promote greater intra-regional trade and to remove constraints that would make the region more competitive vis-à-vis the rest of the world. Indeed, it is also evident that the low level of implementation of Community Acts and Decisions has not enabled the integration process to have much meaningful impact on the development of Member States.

2) OPERATIONAL ACTIVITIES IN 2005

SECTION 1. SOCIO- ECONOMIC PROGRAMMES

a) *NEPAD Implementation*

120. The decision of the ECOWAS Authority to adopt a regional approach to the NEPAD agenda involved a re-orientation of ECOWAS to better face the added challenge of NEPAD implementation. Consequently, the Executive Secretariat has taken the following measures: (i) evolved a short-term action plan (STAP) to build institutional and human resource capacity, which has been endorsed by the ECOWAS leadership and is strongly supported by development partners; (ii) created a close working relationship and a coordination mechanism with the development partners; (iii) created a forum for participation of civil society

organisations (CSOs) in the integration process through the establishment of the West African Civil Society Forum (WACSOFF); and (iv) maintained close working relations with the AU Commission and NEPAD Secretariat, including the hosting of a jointly organised meeting.

Capacity Building

121. The ECOWAS Secretariat has taken concrete steps to enhance its capacity in order to fulfil its mandate of coordinating the implementation of NEPAD projects in West Africa. It has completed the process of recruitment of the NEPAD consultants and nine of them have assumed duty. A similar recruitment exercise has been going on regarding the employment of permanent staff. In addition, administrative and financial procedures of the Secretariat are being modernized and strengthened. These steps have enabled the Secretariat to embark on the formulation of medium-term action plans in the various NEPAD priority areas. The action plans were presented in November 2005 to the development partners already assisting with the NEPAD implementation at the regional level.

Programme Implementation

122. Within the framework of the NEPAD short-term action plan (STAP), ECOWAS has received assistance in respect of infrastructural projects, implementation of which is coordinated by the ADB. Under the STAP, ECOWAS Secretariat is in the process of establishing a special regional facility, Project Development and Implementation Unit (PDIU), approved by the Council of Ministers at its session in January 2005 at Accra. When operational, the unit will enhance the effective preparation, implementation, monitoring and evaluation of the NEPAD regional projects.

123. Furthermore, in pursuit of the objectives of NEPAD and the United Nations Summit on MDGs, the ECOWAS Secretariat, in collaboration with the NEPAD Secretariat and the AU convened a consultative meeting at the ECOWAS Secretariat on 30 and 31 May 2005 to review progress being made in West and Central Africa towards the achievement of the MDGs. The meeting brought together leading practitioners and key stakeholders engaged in economic integration and the development process to adopt a strategy for accelerating efforts towards achieving the MDGs. The meeting identified issues for inclusion in the Africa Common Position which was presented at the UN review conference on the MDGs in September 2005.

b) *Formulation of a Regional Poverty Reduction Strategy*

124. In its quest for enhancing the prospects of achieving the Millennium Development Goals and supplementing national efforts at reducing poverty, the Authority has adopted a regional approach to the fight against poverty. It has directed the formulation of a Regional Poverty Reduction Strategy Paper (RPRSP) which Member States would incorporate into their national PRSPs. This document is also to give priority to the region's economic development policies that would facilitate achieving the Millennium Development Goals.

125. In pursuit of the 2001 directive of Council on the adoption of a regional PRSP, the ECOWAS Secretariat, in collaboration with the UEMOA Commission and the World Bank, has been undertaking the necessary preparatory activities. Given the multi-sectoral nature of poverty issues, a multi-disciplinary technical team has been formed within the ECOWAS Secretariat for the implementation of the regional PRSP mandate. After defining the issues involved and the approaches to be adopted, a joint ECOWAS/UEMOA/World Bank technical group embarked on the formulation of the regional PRSP. That preliminary draft was reviewed at a regional workshop involving senior officials in charge of national PRSPs. The meeting which held in Ouagadougou in June 2005 discussed the revised draft regional PRSP; the draft is now being finalised for adoption by the ECOWAS decision-making organs. The adopted regional PRSP would be presented to development partners associated with its formulation and others involved in the poverty reduction exercise at national level, in order to mobilise their assistance in its implementation at both regional and national levels.

c. *Multilateral Surveillance Mechanism*

126. Since December 1999, ECOWAS has been implementing a macroeconomic policy convergence programme aimed at establishing a single monetary zone in West Africa. The ECOWAS Secretariat and the West African Monetary Agency (WAMA) have the joint responsibility of facilitating the monetary integration process. The programme was adopted by the ECOWAS Authority as a strategy to deepen the integration process through the establishment of a monetary union. In addition, the ECOWAS Authority adopted at its Dakar Summit in December 2001 a mechanism for multilateral surveillance to monitor the economic and financial policies of Member States. Compliance with the required benchmarks provides the basis for assessing progress towards macroeconomic convergence. In order to accelerate the process, the countries outside the CFA Franc zone have been pursuing since 2000 the creation of a second West African monetary zone

(WAMZ). The West African Monetary Institute (WAMI) has been set up to pilot the WAMZ initiative.

127. During the course of 2005, ECOWAS Secretariat collaborated with both WAMI and WAMA on study reports and other activities of the programmes of both the Second Monetary Zone and Single Monetary Zone respectively (see details in the sections below).

128. The Secretariat initiated the institutionalisation of formal consultations (April and September) between West African Ministers of Finance and the senior management of Bretton Woods institutions (World Bank and International Monetary Fund). The initiative is to ensure that Member States integrate the regional agenda into their national policies and programmes, and the full support of donors is obtained for effective implementation. In addition, the Secretariat took steps to enhance the capacity of National Coordination Committees (NCCs), which is a vital organ of the Multilateral Surveillance Mechanism. The steps taken include a request to the European Union for allocation of funds under the 9th EDF to support the activities of the NCCs.

129. It is necessary to strengthen the technical competence of the NCCs in the preparation of quarterly economic reports within the multilateral surveillance framework. Within this framework, the Joint Secretariat (WAMA and ECOWAS Secretariat) met to consider the functioning of the multilateral surveillance mechanism in Abuja in July 2005. The meeting prepared issues for the consideration of the chairmen of the NCCs. During their 24 August 2005 meeting in Accra, the NCC officials examined some action plans for strengthening the capacities of the NCCs in the fifteen Member States. The recommendations of the Accra meeting on the establishment and effective operations of the NCCs were approved by the Convergence Council on 1 September 2005.

i. Performance under the ECOWAS Multilateral Surveillance

130. The concept of macroeconomic convergence, which is a core component of the ECOWAS Monetary Cooperation Programme (EMCP), focuses on price stability, fiscal sustainability, restraint on budget deficit financing and maintenance of sufficient levels of gross external reserves. Member countries are required to comply with the targets in order to achieve the stable macroeconomic environment necessary for successful monetary integration. Compliance with the required benchmarks provides for assessing progress towards macroeconomic convergence. The convergence criteria have been classified into four primary and six secondary benchmarks.

131. The performance of Member States in achieving the ten macroeconomic convergence criteria, especially the four primary criteria has been less than satisfactory. Since the inception of the programme, no country has been able to achieve the entire set of criteria, or even sustain its performance on the criteria that were achieved in previous years. Following poor performance in 2003, progression under macroeconomic convergence in the 2004 and the first half of 2005 remained mixed as there was no significant improvement in overall performance. Generally, Member States continued to have difficulty in sustaining their performance in respect of targets realised in preceding years. Table 3.1 below provides an overview of the number of countries (out of the fifteen ECOWAS countries) that complied with the established convergence criteria.

Table 3.1: Number of Countries that met the Convergence Criteria

Convergence criteria	2000	2001	2002	2003	2004	2005	
						June	Dec. /1
Primary criteria							
Budget deficit/GDP	6	6	5	5	3	5	5
Inflation	11	10	10	9	9	9	8
Central bank financing of Budget deficit	11	13	11	11	14	15	15
Gross external reserves	9	9	9	9	9	9	9
Secondary criteria							
Domestic arrears /2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tax receipts/GDP	1	0	0	0	2	2	4
Salary mass/tax receipt	6	5	5	8	5	6	7
Public Investment/tax receipts	4	6	5	6	7	6	9
Positive real interest rate	12	7	8	9	7	10	10
Real exchange rate stability	3	10	11	2	2	4	6

/1 Projected end-2005 position

/2 Not evaluated due to inadequate data

Source: West African Monetary Agency (2005) *Convergence Report for 2004 and First-Half of 2005*; Freetown, August.

132. Performance under the key primary criterion of budget deficit/GDP ratio proved particularly difficult to meet; the number of countries that met the criterion declined from six to three between 2001 and 2004, before increasing to five in June 2005. The performance under inflation witnessed only a slight improvement throughout the region during the period. This situation is not unconnected to the budget deficit/GDP situation, given that inflation in West Africa is both a monetary and structural phenomenon.

133. Performance under the central bank budget deficit financing was the most satisfactory as all the countries met the criterion by mid-2005. However, performance under the gross reserve criterion was less satisfactory as only Nigeria and the eight UEMOA countries met the required target. In essence, all the Member States were disciplined not to make recourse to the central bank for the financing of their expenditure through "ways and means". Rather, they have now been exploring other sources of financing such as the capital market.

134. The table further shows that performance under the secondary criteria has also generally been less than satisfactory. Only two countries met the tax receipts/GDP ratio while the real exchange rate was unstable in most countries. Performance relating to the wage bill and public investment was also poor in many countries due to lower-than-expected domestic revenue generation and burgeoning public expenditure outlays.

135. While performance at the regional level was dismal, the situation was quite different at the sub-regional level. The UEMOA countries as a group performed better and were able to achieve convergence under inflation, central bank budget deficit financing and gross external reserves. The WAMZ countries recorded their best performance under the central bank budget deficit financing and gross external reserves criteria. Similarly, Cabo Verde and Liberia (countries outside the UEMOA and WAMZ blocs) also made modest gains under the budget deficit, central banking financing of budget deficit, gross external reserves and salary mass criteria.

136. At the national level, there was little evidence of significant progress towards macroeconomic convergence in spite of improved efforts at achieving economic governance and economic stability. Table 3.2 indicates that none of the countries has yet been able to meet all the primary and secondary convergence criteria. As at mid-2005, the best performance of six (6) targets was recorded by five countries: Benin, Cote d'Ivoire, Guinea Bissau, Mali and Senegal. Burkina Faso and Niger followed with five (5) targets each, while Cape Verde, The Gambia, Nigeria and Togo got four (4) each. Guinea and Liberia realized three targets, and Ghana and Sierra Leone only met two targets each.

Table 3.2: Total Number of Convergence Criteria Met

	Country	2000	2001	2002	2003	2004	2005	
							June	Dec /1
1	Benin	5	6	7	6	6	6	6
2	Burkina Faso	5	5	5	5	5	5	5
3	Cape Verde	3	4	3	3	3	4	5
4	Cote D'Ivoire	5	5	5	5	5	6	6
5	The Gambia	8	2	0	1	5	4	5
6	Ghana	2	1	0	1	2	2	4
7	Guinea	1	4	3	2	1	3	3
8	Guinea-Bissau	3	5	5	4	6	6	6
9	Liberia	7	4	4	5	2	3	3
10	Mali	6	5	6	6	6	6	6
11	Niger	4	5	5	4	5	5	6
12	Nigeria	5	4	3	4	4	4	5
13	Senegal	6	8	8	7	6	6	6
14	Sierra Leone	3	4	4	0	1	2	2
15	Togo	4	5	6	6	5	4	5

/1 Projection to end December

Source: West African Monetary Agency (2005) *Convergence Report for 2004 and First-Half of 2005*; Freetown, August.

ii. Performance under West African Monetary Zone (WAMZ)

137. The ECOWAS Authority acknowledged at its Dakar Summit in January 2003 that the ECOWAS Single Monetary Zone could not be achieved in 2004 as originally scheduled because the second regional currency could not be created in 2003. It was therefore decided that all WAMZ countries and indeed all ECOWAS countries should re-double their efforts at macroeconomic and structural adjustments to accelerate the convergence process. The Summit agreed to review developments in the WAMZ at the end of December 2005 so that a decision could be taken on the launching of the ECOWAS single currency.

138. In August 2004, the WAMZ Authority of Heads of State reviewed developments in the monetary programme from 2000 to June 2004 and noted the poor performance of Member States in achieving macroeconomic convergence, as

well as slow progress in the other areas of policy harmonisation. The countries were, consequently, urged to intensify their efforts at strengthening macroeconomic and structural policy reforms in order to enhance their compliance with the convergence criteria. Moreover, WAMI was directed to undertake a comprehensive study on the state of preparedness of the WAMZ Member States for monetary union, and provide a basis for a firm date for the commencement of the monetary union.

139. A report of the study was presented at the WAMZ statutory meeting in Banjul, The Gambia in May 2005. It indicated that the outcomes on macroeconomic convergence were generally mixed during the review period of 2000 - 2004. At the initial point of the WAMZ programme, macroeconomic convergence was relatively strong, but there was a deteriorating trend during 2001-2003 before an improvement occurred in some countries in 2004. The persistence of high fiscal deficits was the key problem affecting the economies. Over the five-year period of assessment, with the exception of one country which met all four primary criteria in 2000, no country satisfied all four primary benchmarks in any given year. In 2004, only two countries satisfied three primary benchmarks, two countries satisfied two and one country met only one criterion (Table 3.3).

Table 3.3. Status of Convergence of WAMZ Member States (2000 – 2004)

Country	2000	2001	2002	2003	2004
Number of primary criteria satisfied					
Gambia	4	3	2	2	3
Ghana	0	2	0	2	2
Guinea	1	2	1	0	1
Nigeria	3	2	2	2	3
Sierra Leone	2	2	2	0	2
Number of secondary criteria satisfied					
Gambia	3	3	1	1	3
Ghana	1	1	1	2	2
Guinea	2	2	3	1	1
Nigeria	3	4	3	3	3
Sierra Leone	2	1	2	1	2

Source: Compiled from WAMI (2005) "Study on the State of Preparedness of the West African Monetary Zone Countries for Monetary Union on July 1, 2005", Main Report.

140. The absence of macro-economic convergence is also manifested by slow progress on policy harmonisation in respect of trade liberalisation, payments system development, banking supervision, statistical harmonisation, and capital account liberalisation. Based on the current trends and an expectation of re-doubling of efforts, 2009 was projected for full convergence.

141. Furthermore, the evaluation report made contains concrete recommendations on resolving the problems impeding the monetary integration process and urges the countries to sustain their efforts at ensuring monetary and fiscal reforms. The WAMZ summit meeting, held in Banjul (The Gambia) on 6 May 2005 decided to postpone the introduction of the second regional currency to 1 December 2009. The Heads of State adopted a comprehensive work programme, with specific targets, for the required policy harmonisation and macroeconomic convergence. The elaborated Work Programme focuses on macroeconomic convergence/multilateral surveillance; establishment of customs union; statistical harmonisation and database development; financial sector integration; ratification of WAMZ legal instruments; operationalisation of all WAMZ Institutions; development of zonal payments and settlements system for cross border transactions; single regional market programme; sensitisation and preparation towards the introduction of the eco; as well programmes for promoting regional integration and development.

142. The WAMZ Authority of Heads of State also decided that WAMI should be restructured and given an extended mandate to implement the new work programme for the second monetary zone. The Banjul Declaration that was adopted indicates the reaffirmation of the commitment of all the countries involved, and their preparedness to make greater efforts at meeting the different requirements. In view of these recent developments in the WAMZ programme, especially the shift in date for monetary union to 1 December 2009, the Authority of ECOWAS would have to decide on the future programme for the ECOWAS single monetary zone and regional currency.

d *Statistical Harmonisation Programme*

143. The Community statistical system supports the operations of the ECOWAS multilateral surveillance mechanism with specific focus on the harmonisation of national accounts, consumer price indices, external trade, balance of payments, and public finance. The ECOWAS statistical harmonisation programme (ECOSTAT) covers the first three areas and is being financed by the European Union. The ECOSTAT programme and information on the related ECOWAS multilateral surveillance mechanism can be accessed on the internet at www.ecostat.org.

144. Updating of Statistical Information on Member States: The annual compilation of statistical information on Member States facilitated the preparation of the 2005 edition of the ECOWAS Statistical Bulletin. In addition, two publications – the 2006 regional publication on Poverty Statistics and a website publication on the State of Environment Statistics in West Africa – are also under preparation with support from the United Nations Statistics Division. Between March and July 2005, the Secretariat, with supplementary funding from the UN Statistics Division and the EU ECOSTAT project, undertook connectivity missions to Member States to connect national statistical offices to the internet and facilitate the functioning of "EUROTRACE" for external trade statistics.

145. Measures are also underway to strengthen the capacities of Member States in database development and data dissemination under the French Cooperation statistical assistance scheme. Other key activities undertaken during the year include (i) installation of a database for data dissemination (Stat Base) at the ECOWAS Secretariat with technical assistance from the Economic Commission for Africa (ECA); (ii) operationalisation of the EUROTRACE database including the installation of the new version (windows) of EUROTRACE software used by Member States; and (iii) uploading and test running of the database for the multilateral surveillance mechanism (ECOMAC) with data collected from the Member States.

146. Harmonisation of National Accounts, Consumer Price Indices and Update of External Trade Statistics Framework: The Secretariat, with technical assistance from AFRISTAT, has, in accordance with the action plan adopted in January 2003, finalized the harmonized ECOWAS framework for improved GDP and CPI as well as an update of customs and statistical framework for external trade. In this regard, the Commission of Trade, Customs, Taxation, Statistics, Money and Payments at its meeting of October 17 and 18, 2005 in Banjul, The Gambia recommended them for adoption by the Council of Ministers at the next Statutory meetings in January 2006.

147. Statistical Cooperation: As in previous years, the Secretariat carried out technical cooperation arrangements with key development partners namely (i) AFRISTAT in the area of statistical harmonisation and dissemination of data (ii) ECA and the ADB in International Comparison Programme for Africa (ICP-Africa) through notably the Advisory Council for Statistics in Africa (ABSA) ; (iii) Development Forum for Africa (FASDEV); (iv) the Committee on Development Information (CODI); and (v) EU's Statistical assistance projects (ECOSTAT).

148. It would be noted that ECOSTAT project is scheduled to end on 31 December, 2005. Although another arrangement for assistance is expected under the 9th EDF, project execution may encounter significant delay due to the lengthy lending process to the signing of the financing agreement.

149. Future Programmes: In 2006, the Secretariat, in collaboration with the United Nations Statistics Division, will take action towards strengthening the capacities of Member States in energy, environment and poverty statistics as well as in monitoring the MDGs. Furthermore, an action plan for the harmonisation of public finance, monetary and balance of payments statistics will be elaborated within the framework of the 2006 work programme of the Executive Secretariat.

e *Investment and Private Sector Promotion*

150. ECOWAS Member States are implementing reforms to make the private sector truly the engine of economic development and growth. The private sector development objective of the Secretariat is expected to pursue the implementation of programmes aimed at promoting private entrepreneurship in collaboration with national investment promotion agencies and other regional and international private sector development institutions. Specifically, the Secretariat seeks to foster cooperation among national investment promotion agencies, strengthen the operations of regional professional bodies and the organized private sector, encourage cross-border investments/business transactions, promote business partnerships between West African and foreign investors/development agencies, and harmonise the regulatory framework and policies governing private sector activities in the region.

151. In May 2005, during the annual meeting of the ADB Group in Abuja, the ECOWAS Secretariat, in collaboration with the West African organised private sector, particularly the African Business Round Table (ABR) and West African Enterprise Network (WAEN) organised a forum on Regional Integration and NEPAD Infrastructural Projects for national investment promotion agencies and professional bodies involved in private sector development and investment promotion to facilitate the involvement of the private sector in the regional integration process. The ECOWAS Authority, in underscoring the centrality of the private sector to the development of the region, created in 1999 a division charged solely with the responsibility for investment and private sector promotion in the ECOWAS Secretariat and urged the Secretariat to scale up its effort at involving the regional private sector in the integration process. Within the context of promoting the private sector, ECOWAS has organised several investment fora, buyer-seller meetings and regional trade fairs.

2. COOPERATION IN THE INFRASTRUCTURE AND INDUSTRY SECTORS

1. Transport Programme

152. Transport is a key sector in the ECOWAS integration efforts. The ECOWAS Secretariat has developed a plan of action for cross-border movements through the implementation of road transport facilitation measures. The plan has as its main components the construction of joint border posts to expedite immigration formalities and the clearing of goods; the creation of observatories along inter-state corridors to detect mal-practices; and awareness campaigns to educate all stakeholders in the road transport sector and the fight against the HIV/AIDS pandemic. Other issues currently receiving attention under this initiative relate to:

- 1 legal and institutional framework of joint border posts;
- 2 harmonisation of road legislations;
- 3 evaluation of the physical status of road networks; and
- 4 port security and advanced cargo information system.

153. Preparations for the feasibility study on interconnection of railway networks in ECOWAS Member States are on-going. A Study Implementation Unit (SIU) has been set up and a Study Support Team (SST) comprising representatives of the Union of African Railways and five officials of railway authorities in ECOWAS Member States has also been established and it is operational. The selection of consultants for execution of the study which is expected to last about 12 months is in progress and will soon be completed.

154. In the air transport sub-sector, the Secretariat is encouraging Member States to make a concerted effort to implement the undertaking on air transport liberalisation which was made by the whole continent under the Yamoussoukro Decision. Member States are being encouraged and assisted to incorporate the Decision in their national legislation. In this regard, a regime is in place to determine their compliance with the Decision and to resolve difficulties being encountered in its implementation. Proposals on common air transport economic regulations for West Africa comprising rules on passenger compensation, ground handling, and airport slot allocation will be submitted to the next annual summit of the Authority for consideration in January 2006.

155. Early in the year, the ECOWAS Secretariat and EBID agreed to jointly promote the creation of a regional airline in collaboration with BOAD, ECOBANK, BCEAO, and the UEMOA Commission. A Regional Airline Promotion Company (RAPC) has been

established to spear-head the process and carry out feasibility studies that will enable the key partners to define the strategy for the implementation of the project. Also, the internal capacity of the Secretariat is being strengthened in line with the relevant Council Decision of January 2005 relating to the establishment of an air transport unit, and proposals have been made in this regard in the Secretariat's budget for 2006.

156. Concerning maritime transport, the Secretariat has been sensitising the coastal Member States concerned on the January 2005 ECOWAS Authority Decision, which requests preferential treatment for ECOMARINE at West African seaports.

ii Energy Programme

157. The ECOWAS Secretariat has made further progress in the implementation of its three major programmes in the energy sector: the West Africa Power Pool (WAPP) Project, the West Africa Gas Pipeline (WAGP) Project and the ECOWAS Initiative on Access to Energy Services.

158. Following the signing of the major WAGP Project agreements and regulations, the WAGP company made a final investment decision and awarded some major contracts on 23 December 2004. The WAGP Project has now entered into the construction phase: the first pipes arrived at Tema harbour on May 27 2005. It is expected that gas would start to flow in December 2006. During the last few months, the Member States concerned have completed the remaining administrative and legal tasks to which they were committed, including the ratification of the Project Treaty, the passing of enabling legislations, and the signing of Pipeline Development Plan, Access Code and WAGP Regulations. Moreover, the Project Company has been granted the Environmental Certificates and Pipeline Licenses by the Member States involved.

159. Nevertheless, a few "conditions precedent" to legally oblige the project to build the pipeline are yet to be met, such as granting the exchange control waiver by BCEAO, finalizing land acquisition in Togo, adoption and signing of the Rules of Procedures, approval of Ghana WAGP Regulations by Parliament, and obtaining the Presidential Assent on Nigerian Legislation. However, in the light of progress made, the purchasing countries (Benin, Ghana and Togo) are expected to initiate the development of the secondary networks. This would create a West African gas industry beyond Nigeria that is expected to benefit from the preferential rate awarded to industries.

160. Consequent upon the adoption of the revised ECOWAS Generation and Transmission Master Plan by the ECOWAS Authority in January 2005, the Secretariat, in collaboration with the national electricity companies and energy ministries, embarked on project preparatory studies in respect of priority generation and transmission projects identified in the Master Plan. The Secretariat has also secured a funding facility of US\$ 350 million from the World Bank – the WAPP Adaptable Programme Lending Facility (WAPP APL) – to support the implementation of WAPP priority projects in generation, transmission and system control infrastructure in the 2005-2010 period. The remaining amount of about US\$1.5 billion required for the full implementation of the Master Plan is being negotiated with the World Bank and other development partners.

161. Furthermore, the Secretariat signed two contracts in June 2005 with two international consultants from Canada and France to carry out feasibility studies, detailed engineering and environmental impact assessment respectively for the Ghana –Togo –Benin interconnection line. The consultants commenced work in August 2005 and are expected to complete the studies by January 2006.

162. With respect to the ECOWAS initiative on Access to Energy Services, the ECOWAS Secretariat, in collaboration with UEMOA, and with the assistance of UNDP, the Government of France and the European Union, proceeded with the elaboration of a white paper on access to energy by rural and peri-urban populations of the region. To this end, the Secretariat held a regional forum of stakeholders in the energy sector to define, in a collaborative and coordinated manner, the components of a regional policy on access to energy for the attainment of the MDGs. The forum formulated a roadmap for the implementation of the white paper. In addition, a consulting firm was recruited to finalise the white paper which includes a regional policy, a plan of action, an investment programme and an implementation strategy. The white paper, which was submitted to ECOWAS Energy Ministers in October 2005 for endorsement, would subsequently be presented to the January 2006 Summit of the ECOWAS Authority of Heads of State for adoption.

iii Telecommunication Programme

163. Telecommunications impacts on all the sectors of the economy: real, government, financial and external sectors. Hence, ECOWAS accords great importance to the regional telecommunications programmes. As specified in the 1993 Revised Treaty, the main objectives of the telecommunications sub-sector are as follows:

- 1 Development of a regional reliable, modern telecommunications infrastructure through the execution of INTELCOM II and I programmes;
- 2 Harmonization of telecommunications policies, legal and regulatory frameworks for the establishment of a single liberalised telecommunications market within the Community.

164. In line with these Treaty provisions, the Council of Ministers, on the basis of recommendations from the fifth meeting of Ministers of Telecommunications, adopted:

- 1 a harmonization model based on "Centralised Policies with Individual National Implementation";
- 2 a roadmap for the implementation of a single liberalized telecommunications system within the Community by 2007; and
- 3 a roadmap for the implementation of effective GSM Roaming within the region by December 2006.

165. Regional guidelines on the harmonised regional telecommunications market on licensing, interconnection, spectrum management and numbering, tariffs, universal access and competition prepared with the assistance of ITU were adopted by stakeholders. In this regard, a regional telecommunications stakeholders' forum on regional cross-border connectivity and GSM was held during the year. The forum recommended the removal of regulatory and political impediments to the emergence of a liberalised telecommunications system in the region, as well as measures to bridge the connectivity gap in the region. For this purpose, a study funded by the World Bank has been concluded and the findings have been considered by stakeholders. Moreover, a programme is being executed for the facilitation of West African countries' transition to the Meteorological Satellite 2nd Generation (MSG) installation in ECOWAS Member States for the purpose of gathering meteorological data for monitoring the environment for sustainable development.

iv. Industry Programme

166. In pursuance of the objective of harmonization of national industrial policies and promotion of partnerships and joint ventures with foreign investors in the creation of industrial enterprises in West Africa, the Secretariat undertook the following activities during the period under reference.

a. Formulation of Common Regional Policies for Industry and Mineral Resources Development.

167. As part of the requirements for the implementation of the African Productive Capacity Initiative of UNIDO, within the NEPAD agenda, the ECOWAS Secretariat has formulated a Common ECOWAS Industrial Policy and a Common Regional Policy for the Development of Mineral Resources. As part of the validation and adoption process, the Secretariat organised stakeholder consultations in Nigeria, Cote d'Ivoire, Ghana and Senegal. The objective of these consultations is to provide an opportunity for all stakeholders to make an input into the final policy documents.

b. Regional Standardization, Accreditation and Quality Control Programme

168. The Secretariat, in collaboration with UNIDO, has finalized a project profile for the development of trade-related infrastructure and services in the area of standardization and quality control. The main objective of this project is to facilitate the participation of Member States in international trade through enhancement of quality, standard, metrology and testing of manufactured products. As part of the preparations for launching this important programme, the Secretariat has concluded arrangements, in collaboration with the Standards Organisation of Nigeria (SON) and UNIDO, for organising the inaugural meeting in the first half of 2006. The Secretariat has also facilitated bilateral technical cooperation for capacity enhancement between the Standards Organisation of Nigeria (SON) and the National Standards Bureaux of Ghana, Sierra Leone and the Gambia.

c. Promotion of Partnerships and Enterprise Promotion

169. The Secretariat prepared a dossier of priority projects in the water, energy and transport sectors as a working document for the 2005 INPUT Investment Promotion Conference, organised by the European Union in Accra, from 30 November to 3 December 2005. The objective of the conference was to mobilise and bring together the major actors in the sectors in Europe, West and Central Africa. In addition, it provided an opportunity for decision-makers and key stakeholders in the sectors to interact and explore possible business opportunities; the conference also identified opportunities for Public-Private Partnerships for investment in the sectors.

3 CREATION OF ECOWAS CUSTOMS UNION

170. The creation of an ECOWAS customs union is predicated on the achievement of a free trade area involving total removal of import duties on products originating from the region, and adoption of a common external tariff in the Community.

i. Consolidation of the Free Trade Area

171. The effective functioning of a free trade zone is one of the current ECOWAS priorities and the Secretariat has been conducting a sustained campaign of sensitisation of all stakeholders on the trade liberalisation scheme; this is being done in collaboration with the national units in Member States. The main areas of focus under the programme in 2005 were (i) effective implementation of the ECOWAS trade liberalisation scheme (ETLS); (ii) trade facilitation, harmonisation and simplification of customs clearance procedures; (iii) establishment of a common external tariff (CET); (iv) harmonisation of indirect internal tax laws; (v) and monitoring the implementation of the Community levy.

172. In addition, in order to consolidate the free trade area that has been established since January 2000, the ECOWAS and UEMOA trade liberalisation schemes have been harmonized; some Member States have effectively started the implementation of the harmonized scheme.

173. Organisation of sensitisation campaigns and awareness seminars: To encourage the participation of all Member States in the implementation of the scheme, awareness campaigns on the free trade area were undertaken by the ECOWAS Secretariat,. With the assistance of the European Union capacity building project, seminars were organised in Abuja, Lagos, Bamako, Accra, Freetown and Conakry for economic operators, civil society and the private sector. During the 30th anniversary celebrations of ECOWAS in May, the Secretariat conducted sensitization campaigns and awareness seminars in the Member States on the ETLS and the regional integration process.

174. Organisation of workshop on approval procedures: A workshop was conducted for members of the National Approval Councils in the Member States to promote quick processing of applications for approval, and proper drafting of approval of applications submitted by firms subscribing to the preferential regulations of the ECOWAS ETLS. Two hundred and forty two (242) industrial products have to date been approved by the National Approval Councils of the Member States.

175. Compensation of losses of customs revenues: The Secretariat has received compensation requests on losses of customs revenue from Benin, Burkina Faso, Ghana and Senegal. These requests were examined by the Secretariat and approval has been given for payment to be made accordingly.

d. Facilitation of Intra- Community Trade

176. The facilitation of intra-Community trade is expected to be achieved through the harmonisation and simplification of customs procedures and clearance as well as adoption and implementation of the harmonized text by the Member States. Against this background, the ECOWAS Secretariat organised a meeting for senior customs officials to draw up terms of reference for a study for the adoption of a customs code and an ECOWAS customs value. The meeting, which was held in Accra on 21 and 22 March 2005 also explored ways to ensure an effective implementation of the conventions relating to inter-State transit of goods (ISRT) with the following recommendations:

- Effective take-off date of the ECOWAS Inter-State Road Transit would be on January 1, 2006.
- Acknowledgement and acceptance of ISRT declarations by each Member State should be sent to the customs office of departure
- Guarantee provided to the departure office should cover the transit operations up to the destination office.
- Removal of customs escort for vehicles, containers, tanks and refrigerator lorries approved under the ISRT.
- Organisation of information and sensitisation campaigns on the ISRT for relevant decision-makers and economic operators.
- Establishment of a National Approvals Council for vehicles within the framework of ISRT in the Member States.
- Interconnection of data processing systems of Member States under the aegis of the ECOWAS Secretariat to ensure rational management.
- Organization in October 2005 of a meeting of customs experts and national guarantor for the effective implementation of ISRT from January 1, 2006

177. Besides, the ECOWAS Secretariat participated in the 7th meeting of the General Assembly of National Guarantors appointed by Member States to provide guarantees for ISRT operations on 21 and 22 March 2005 in Niamey. The Assembly adopted a new agreement linking the national guarantees and made several recommendations including the following:

- Publication of a supplementary sheet that will be annotated and delivered directly to the customs agents while waiting for the dispatch of Sheet No. 3 for balancing.
- Interconnection of the data processing/computer services of the customs offices concerned.
- Use of crossing papers/sheets to confirm the exit of goods from the territory.
- Elaboration and distribution of a manual of administrative and financial procedures to define the institutional framework and the practical modalities of implementing the agreement.

e. Adoption of a Common External Tariff

178. The implementation of the ECOWAS common external tariff (CET) is a crucial step towards the establishment of the customs union. In 2002, a road map for the adoption of CET and for the establishment of the customs union was drawn up by the Secretariat and the non-UEMOA Member States of Cabo Verde, Gambia, Ghana, Guinea, Nigeria and Sierra Leone. To implement this decision, CET national units have been created by the non-UEMOA Member States to facilitate the conduct of the impact studies and to promote national ownership of the process leading to the initiation of necessary reform measures.

179. In pursuit of these objectives, ECOWAS institutions have enjoyed the assistance of development partners such as the European Union and USAID. Although some activities are still pending regarding the adoption of a regional programme covering all Member States during the transition period, most of the individual countries concerned (the Gambia, Ghana, Guinea, Nigeria and Sierra Leone) have drawn up national plans, and are now quite prepared for the ECOWAS CET, which is based on the UEMOA CET.

180. Following the finalisation of the national plans, a meeting was convened in Banjul from 30 March to 1 April 2005 to (i) assess progress on the application of the CET; (ii) harmonise requested exceptions with the UEMOA rates; (iii) consider the special situation of agriculture; (iv) prepare a draft regional plan for the adoption of the CET; (v) agree on a monitoring mechanism for the application of CET in the region and within Member States; and (vi) update the roadmap for the application of the CET and establishment of the customs union. It is planned to launch the ECOWAS CET formally at the next session of the ECOWAS Authority.

181. A key recommendation emanating from the impact studies, which have been completed at both the regional level, and at the level of the five non-UEMOA countries (the Gambia, Ghana, Guinea, Nigeria and Sierra Leone) is the need for a transitory period during which the rates of certain tariff lines would be progressively aligned with those of the UEMOA CET. In this regard, the Member States have recommended the following categorization for some specific products:

- The products for which the countries are ready to align their rates with those of the UEMOA CET in the application of the ECOWAS CET.
- The products for which the rate of taxation will be different from those of the UEMOA CET in the course of the transitory period.
- The products for which the Member States would require a category change and some form of negotiations in order to arrive at a consensus.

182. In view of the above-mentioned proposals from the Member States, the Secretariat has approved the following categorisation of the ECOWAS CET that would become effective on January 1, 2008:

- Category 0: Essential social goods and agricultural inputs and equipment.
- Category 1: Basic raw materials, capital goods and specific agricultural inputs
- Category 2: Intermediate products
- Category 3: Final consumer goods

183. The rates of customs duties have also been approved as follows:

- Category 0 : 0%
- Category 1 : 5%
- Category 2 : 10%
- Category 3 : 20%

184. Besides the above mentioned rates, certain products that are deemed sensitive would benefit from a special complementary protection tax under different forms that would be determined by the Council of Ministers during the transitory period on the basis of negotiation and complementary studies.

185. **Transition Period:** Although several non-UEMOA Member States (the Gambia, Ghana, Guinea, Nigeria and Sierra Leone) have already begun the process of alignment with the ECOWAS CET, the transition period has been fixed to start from January 2006 to December 31, 2007. During the period, Member States would benefit from a special dispensation concerning products that are

identified as the object of exemption lists of A type or of B type. Against this backdrop, the 48th Meeting of the Trade, Customs, Taxation, Statistics Money and Payments Commission recommended that:

- Member States should submit to the ECOWAS Secretariat their final exemption lists of A type and B type with their necessary justifications. The UEMOA Member States are also invited to present their exemption lists of B type under the cover of the UEMOA Commission;
- The Secretariat should propose a text on the legal framework of the ECOWAS CET and the accompanying measures; and
- A Joint ECOWAS/UEMOA Committee for the management of the ECOWAS CET should be established.

186. In accordance with the recommendations of the Commission, a meeting was held with the UEMOA Commission to discuss modalities for the creation of the Joint Management Committee of the ECOWAS CET. The key outcomes of the meeting were the preparation of terms of reference for the Joint ECOWAS/UEMOA CET Management Committee and a joint roadmap for the implementation of the ECOWAS CET.

187. The Secretariat is currently preparing a consolidated list of exemptions (of both A and B types) as well as a draft Decision of the ECOWAS Authority that spells out the terms for the implementation of the CET for submission to the January 2006 session of Council of Ministers and the Summit of ECOWAS Authority.

188. Harmonisation of Indirect Internal Taxation of Member States: A number of activities carried out in respect of the harmonization exercise during the year include procurement of consultancy services between January and April 2005 and commencement of a study on harmonization of indirect taxes, especially VAT and excise duties in November 2005. The study is expected to be completed in March 2006.

189. Implementation of Community Levy: As had been pointed out on previous occasions, implementation of the trade liberalization scheme had been hampered by the poorly-funded compensation mechanism. However, the Community levy which is now being applied more satisfactorily will facilitate the functioning of the free trade area by ensuring the payment of loss in customs revenue. Monitoring of the application of the Community levy is being done more regularly.

190. In accordance with the provisions of the Protocol relating to the implementation of the Community levy, the ECOWAS Secretariat undertook evaluation missions to seven Member States namely, Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo. The main objective of the mission was to assess the status of implementation of operations relating to the effective application of the Community levy in the selected Member States and recommend measures to address the constraints identified in the mission. In addition, the ECOWAS Secretariat organised a seminar on 4 and 5 April, 2005 in Abuja for national officials involved in the management of the Community levy to agree on a common strategy for the correct and effective collection of the Community levy. The seminar adopted succinct recommendations that were adopted by all the representatives of the Member States.

191. Creation of ECOWAS Solidarity Fund: Following the recommendations of the 52nd session of Council of Ministers held on 16 and 17 July, 2004 in Abuja, the ECOWAS Secretariat has finalised the terms of reference of the study on ECOWAS Solidarity Fund with participation from all the Community Institutions, most notably the ECOWAS Investment and Development Bank. The tendering of bid has been launched and the selection of Consultants done in the third quarter of 2005. The study effectively commenced in the fourth quarter of 2005 and will end in March 2006.

3. EVOLUTION OF NEGOTIATION OF ECONOMIC PARTNERSHIP AGREEMENT BETWEEN WEST AFRICA AND EUROPEAN COMMUNITY

192. It would be recalled that the second phase of the Negotiation of the West Africa-European Union Economic Partnership Agreement (EPA) was launched on 6 October 2003, in Cotonou. Prior to this, the ECOWAS Authority had mandated ECOWAS to negotiate on behalf of West Africa (ECOWAS + Mauritania) with the European Union an economic partnership agreement. The Authority Decision No.A/DEC.8/01/03 adopted in January 2003 on preparations for the West African -EU EPA negotiations covers the negotiation structure, areas of priority action, terms of the negotiation mandate and the plan of action for the preparation of the negotiations.

193. In implementing the negotiation mandate, the ECOWAS Executive Secretariat and the UEMOA Commission organised regional preparatory meetings as well as workshops and seminars, with the participation of representatives from Member States, the private sector and civil society. These interactions made it

possible to identify pertinent issues and achieve convergence of views, necessary for the deliberations at the regional level and between the two regions.

194. The road map adopted in August 2004 by the two parties covers the following:

- i) Deepening the regional integration process;
- ii) Improvement of competitiveness : capacity building and upgrading;
and
- iii) Activities related to the preparation and conduct of negotiations.

195. It should be pointed out that the negotiations timetable is in three stages:

Stage 1. From December 2004 to September 2005 : integration priorities, setting the EPA reference framework and programme for upgrading;

Stage 2. From September 2005 to September 2006 : general scope of the EPA and draft agreement in trade-related areas;

Stage 3. From September 2006 to December 2007: negotiations on liberalisation and conclusion of the negotiations.

196. Following the adoption of the joint road map for the negotiations, there have been meetings with the European Commission which have also facilitated the elaboration of the composition and internal work procedures of the contact group and the thematic technical groups, and the determination of the work programme for both the Senior Officials and the Chief Negotiators.

197. Five technical thematic groups were identified by the two parties to facilitate the definition of the negotiation positions.

The First stage of negotiations

198. As indicated in the schedule above, stage 1 covers December 2004 to September 2005. The main objective of the first stage of negotiation was to consider the economic and market integration priorities of West Africa; the strengthening of the integration process is necessary for the EPA and also as a way of meeting one of its essential objectives.

199. This first stage of negotiations which started in September 2004 has led to four meetings of senior officials (February, June and twice in October 2005), nine meetings of experts (contact group and/or technical thematic groups), and five meetings, two of which were the Regional Preparatory Task Force (RPTF). Even

though much still needs to be done in some areas, progress made in 2005 was in line with the stipulated objectives.

200. It was possible to record success in areas directly linked to trade in goods: free trade area, customs union, trade facilitation, technical norms and quality control, sanitary and phytosanitary measures. Studies have been conducted to determine West African interest in vital areas such as market access, sanitary and phytosanitary (SPS) issues, trade in agricultural and manufactured goods, trade in services, investments and competition. These are some of the issues that call for national policy harmonization and the adoption of common policies at the regional level. It is by so doing that specific regional positions and interests can be identified and defended at the EPA negotiations.

201. Other areas such as intellectual property rights, competition policy, services and investment framework, to which eventually other trade-related issues could be added – have also been part of the discussions between the two parties; such discussions would be continued. With regard to activities on the production sectors, it was agreed that these will continue during the negotiation phase and beyond, into the EPA implementation period.

202. The eight thematic technical groups⁴ that have been set up are fully operational in the region and technical consultations with the European Union are regularly carried out in consonance with the EPA work programme. The preliminary meetings of the eight groups were held in Abuja from 13 to 26 February 2005. However, during the meeting and a subsequent one in July 2005, the eight regional groups agreed to limit their intervention to only five thematic groups, namely, (i) free trade area, customs union and trade facilitation; (ii) normalisation, quality control and related services, health measures etc.; (iii) other domains related to trade; (iv) investment and services; (v) production sector analysis consisting of agriculture, cattle rearing, fishing and non-agricultural products.

203. Concerning the interactions between the two parties in these technical issues, all the five groups have contributed to the elaboration of the technical framework of the EPA negotiations through their joint technical reports that cover all the issues in the first phase of the negotiations. The joint technical reports were first approved by the appropriate government authorities in the Member

⁴ The eight groups are : customs union, free trade area and trade facilitation ; standardisation, certification, quality control, SPS measures and technical barriers to trade (TBT) ; competition and intellectual property ; investment ; agriculture ; fishery ; services ; and non-agricultural and handicraft products.

States prior to their submission to the meeting of Chief negotiators that was held in October 2005.

204. The two parties have reaffirmed their determination to conclude the agreement in 2007 and to implement the EPA as from January 2008. To this end, it has been decided that every effort would be made to achieve progress in areas where no success was recorded during the first stage and to commence the negotiations of the second stage from the beginning of 2006. There has been an indepth exchange of views between the two parties on the respective regional integration processes, especially in the areas of intra-regional issues, common external tariff, customs issues, and technical norms, and SPS. The discussions on trade services and intellectual property rights have also facilitated the definition of a joint approach to the second phase of negotiations, in line with the road map for negotiations.

205. The European team has expressed regrets that it was impossible to deliberate on competition policies and investment envisaged in the road map. It is also of the view that if necessary, discussions could cover public procurement rules, environmental issues and labour laws as contained in the Cotonou Agreement. On the issue of competition and investment, West Africa does not consider it necessary to start discussions at this stage. West Africa has also stressed that the issues of environment, labour laws and procurement are not included in the road map for negotiations.

206. Both parties agreed that in line with the road map, discussions should lead to the establishment of an EPA reference framework covering all the negotiation areas.

The second stage of negotiation

207. The second stage which covers the period September 2005 to September 2006 encompasses the general structure of the EPA and a draft agreement in the trade-related areas. The West African team is of the opinion that activities in the stage 2 cannot be carried out until all the activities envisaged in stage 1 have been concluded, including the report on the reference framework. In line with the road map, both parties have agreed to create groups for continuing the negotiations of the second phase.

208. During this stage, the Regional Preparatory Task Force (RPTF) will continue its duties in accordance with the provisions of the road map. The RPTF was established in the road map of the EPA negotiations between West Africa and EU

with the objective of facilitating the link between the EPA negotiations and the financial cooperation arrangements for development, which are the two pillars of the Cotonou Agreement.

209. The West African region, aware of the implications of the EPA for the development process of Member States, emphasises the importance of taking into consideration the development dimension of the EPA. In this regard, the region plans to give more attention during the negotiations to include the fiscal and economic adjustment costs of the EPA as well as the definition of an appropriate reference framework which will include the development priorities of the region, especially strengthening competitiveness. A partnership with the European Union must consider all these issues for it to be beneficial to the two regions and more importantly, meet the expectations of the West African population.

4. ECOWAS TRADE FAIR

210. During its session held on December 5, 1992, the Council of Ministers institutionalised the organisation of a regional trade fair every four years in one of the Member States of the Community. The regional trade fair initiative was adopted by ECOWAS to provide incentive and support structures to enhance the effective participation of the private sector in the regional integration process. The first regional trade fair was organised in Dakar in 1995, the second one in Accra in 1999 and the third one in Lomé in 2003. At the close of the third fair in Lomé, the Community decided to change the periodicity of hosting the fair from every four years to every two years. The hosting right of the fourth trade fair was granted to Nigeria.

211. The fourth ECOWAS trade fair was organised in Lagos from 22 to 31 October, 2005. It provided an ideal forum for buyers and sellers to meet and trade in key sectors, especially in pharmaceutical, textile, leather and garment products. The trade fair also provided the basis for promoting business interaction among professionals in key sectors like industry, banking and finance, telecommunications, transport and information technology. The trade fair was expected to:

1. promote the development of external trade among the Member States of the Community;
2. enhance the development of new products through adaptation of existing products and development of new ones;

3. sensitise economic operators on the regional integration process and promote joint ventures among Member States; and

4. promote access to modern technology from abroad as well as develop appropriate technology using available resources from the region.

212. The official launching of its publicity campaign was held on 30 June 2005 at the ECOWAS Secretariat. The trade fair was exclusively financed by the ECOWAS Secretariat, the Federal Government of Nigeria and the Member States of the Community. Majority of the Member States took part in the fair which had a registration of more than 10,000 exhibitors and over 100,000 visitors. For the fifth ECOWAS trade fair in 2007, the hosting right has been granted to Burkina Faso.

5. COOPERATION IN AGRICULTURE AND RURAL DEVELOPMENT

213. A major recent achievement of this regional programme was the adoption of the ECOWAS Agricultural Policy (ECOWAP) at the January 2005 ECOWAS Summit in Accra. ECOWAS Ministers of Agriculture had earlier endorsed the policy, which was formulated in a stakeholders' meeting in Cotonou, Benin on 8 January 2005. The ECOWAP provides the basis for attaining sustainable food security, promotion of trade in agricultural produce and eradication of poverty in the region. It enjoins Member States to harmonise their national agricultural policies, take due account of the relevant regional policies, and evolve common positions during international negotiations. Other key components of the agricultural policy include the establishment of a Regional Food Security Information System (RFSIS) and the promotion of the safe and efficient use of pesticides. When it becomes operational, the RFSIS will provide up-to-date information on all aspects of food security and agricultural trade in the Member States.

214. Following the adoption of ECOWAP, the Secretariat formulated a medium-term plan of action (2006 – 2010) to guide its implementation. The draft plan of action was reviewed and adopted by a meeting of ECOWAS Ministers of Agriculture on 2 and 3 May 2005 at Accra. The first annual segment of the plan of action was designed toward the implementation of the Comprehensive African Agricultural Development Programme (CAADP/PDDAA). That annual programme was also adopted at a meeting in Accra from 5 to 7 May 2005 of NEPAD/G8 high level officials. The plan of action contains information on the regional priority programmes and a region-wide sensitization strategy on the implementation of the plan.

215. Implementation of the action plan included the following priority actions which were undertaken in November 2005: validation of sector-based policies in the fishing and forest domains; validation of studies/research on the agricultural stakes in the TEC/EPA/OMC and the putting in place of thematic groups provided for in the coordination plan.

216. In the area of livestock, transborder transhumance constitutes a major source of concern considering all the problems associated with the practice. That is why, in addition to the programmes on the control of animal diseases and the establishment of cattle breeding centres, ECOWAS has concentrated on the resolution of problems caused by transborder transhumance. During the period under review, the following activities were executed within the framework of the transhumance regulation programme:

- Printing of a specimen copy of Transhumance International Certificate (CIT) and their distribution in Member States.
- Organisation of meetings on animal rearing for Experts and Ministers in charge of animal health and livestock production in the region.
- Elaboration of a pilot study on durable pastoral resources management and transhumance control in West Africa.

217. The Secretariat has also launched a support programme in animal health to strengthen the veterinary laboratories engaged in vaccine production in the region. During the course of 2005, the ECOWAS Secretariat, with support from the ECOWAS Bank for Investment and Development, assisted the execution of sheep rearing projects in Daoukro region in Cote d'Ivoire and Borgou in Benin.

218. The Secretariat is also deepening cooperation with UEMOA, FAO and other stakeholders in the implementation of ECOWAP, especially in transborder transhumance. In this regard, the ECOWAS Secretariat carried out a working visit to the FAO Headquarters on 28 and 29 July 2005 to hold technical discussions with the Director-General of FAO on cooperation arrangements for the implementation of ECOWAP. The visit ended with a financial assistance of \$280,000 towards the implementation of the policy. Similarly, the Secretariat participated in a retreat organised for RECs (regional economic communities) by the NEPAD Secretariat on 24 and 25 October, 2005 to validate a plan of action for CAADP and prepare a roadmap for its implementation.



6. ENVIRONMENTAL AND NATURAL RESOURCE PROGRAMMES

219. In the environment sector, the Secretariat has launched a study towards the formulation of a Common Environmental Policy for West Africa. Such a policy needs to be adopted to ensure a regional and coherent approach to environmental issues. ECOWAS is also addressing the environmental problems of desertification, floating weeds, the integrated management of water resources, and the definition of a common West African position on biotechnologies. In this regard, the Secretariat cooperated with the United Nations in organising a meeting from 12 to 16 April, 2005 to prepare a regional plan of action on the environment. It is expected that a joint study by the ECOWAS Secretariat, UEMOA and CILSS on the elaboration of an environmental policy for West Africa will commence shortly.

220. On the specific issue of controlling desertification, a regional plan of action is being implemented in collaboration with other organisations in the region. It should be noted that, already, a water resources coordination unit has been set up in Ouagadougou and a coordinator was appointed in August 2005 to supervise the unit. The programme for the control of the spread of floating weeds, which is benefiting from the financial assistance of ADB, includes studies carried out in ten ECOWAS countries.

221. The Secretariat also organized a meeting for Ministers of Agriculture in June 2005 in Bamako, Mali to define a common position on biotechnologies. This was followed by an Experts Working Group meeting from 10 to 12 August, 2005 in Abuja to prepare a plan of action that will be submitted to the Member States in accordance with the recommendations of the Bamako Ministerial meeting.

7. INFORMATION AND COMMUNICATION TECHNOLOGY

222. The Secretariat is implementing an ICT programme which aims at modernizing the operational systems and mechanisms of not only the ECOWAS institutions but also of the Member States. In this regard, in order to enhance the trade capacity of the region, the Community Computer Centre has developed and installed software such as Customs Computerisation Systems (ASYCUDA), trade statistics system (EUROTRACE), and SIGOA-TOPS business information system. ASYCUDA, which is operational in 12 Member States is aimed at standardising customs data format for easy processing. Customs data obtained from ASYCUDA are collected by national statistical offices using EUROTRACE software to produce national external trade statistics. EUROTRACE is operational in 14 ECOWAS countries. The latest version of SIGOA-TOPS has been developed and installed in

four of the Member States that are fully implementing the ECOWAS Trade Liberalisation Scheme.

223. In recognition of the potential role of Information and Communication Technology in the integration process, an ICT policy is being developed in ECOWAS with the aim of harmonising existing national policies and assisting Member States in formulating and implementing their policies. Already, the Secretariat has begun a project of IT inter-connectivity of Member States to enhance the implementation of some regional programmes such as statistics and multilateral surveillance of macro-economic performance. The activities carried out during the period under review include the following:

- Installation of EUROTRACE for Windows in Member States.
- Integration of the ECOWAS Community Configuration (statistical codes) into ASYCUDA ++ for training purposes and agreement with UNCTAD for integration into future versions of the software for distribution to Member States.
- Organisation of meetings on the design and specifications of the Regional Trade Information System (RTIS).
- Capacity building and training programmes for Member States and staff of ECOWAS Secretariat.
- Consultancy services to Customs and national statistical offices of Member States and non-ECOWAS Member States
- Organisation of stakeholder policy framework forum to harmonise the ICT policies and NICT Plans in collaboration with the Economic Commission for Africa (ECA)
- Formulation of the Community's distance e-learning policy in consultation with ICDE and ITU
- Updating of hardware and software standards and holding of technical discussions on the Community internet services.
- Participation in international meetings on ICT policy and applications.

8. GENDER

224. Promoting gender equality and women's empowerment, Goal 3 of the MDG, is an effective pathway for combating poverty, hunger and disease and for enhancing a truly sustainable development. Thus, between 2000 and 2005, ECOWAS successfully developed a gender policy and guidelines for the establishment of an effective gender management system. The gender policy was approved at the January 2005 Summit. The gender policy provides guidelines for Member States to fulfil their obligations in gender mainstreaming under regional

and international agreements and protocols. The gender policy initiative has been driven by a close partnership with the United Nations Development Fund for Women (UNIFEM), the Commonwealth Secretariat and the Economic Commission for Africa (ECA). The result of this partnership has placed ECOWAS on a solid pedestal for the effective mainstreaming of gender issues in the region. Consequently, a three-year gender strategic action plan for the region has been formulated.

9. EDUCATION

225. Within the framework of the Decade for Education in Africa, adopted by the African Union, the NEPAD Initiative of Education for all (EFA), and the MDGs, ECOWAS in 2003 adopted a Regional Protocol on Education and a Convention on the recognition and Equivalence of Degrees, Diplomas and other qualifications. The protocol sets out priority objectives in education, and the means to achieve them within the framework of cooperation among Member States. ECOWAS also adopted an action plan attached to the protocol on education relating to the following areas: HIV/AIDS; girls' education; teacher training based on new information and communication technologies (NICTs); science and education; and teacher education and vocational training (TVET).

226. During the year, the Secretariat held two consultative meetings with UNESCO/BREDA. The first meeting was held from 19 to 27 March, 2005 and discussed the (i) status of regional educational priority programmes; (ii) mandate and terms of reference of the ECOWAS Education Task Force; (iii) terms of reference and proposed date for meeting of the Resource Mobilisation Strategy Committee; and (iv) proposal and strategies for a donors conference in 2005. The second consultative meeting which was held from 28 to 31 August, 2005 in Abuja discussed the recommendations of the first consultative meeting. Key outcomes were the completion of the terms of reference and modalities for the functioning of the Education Task Force; formulation of a concept paper on resource mobilisation strategy; and preparation of a summary paper on the status of implementation of the regional education priority programmes by Member States.

227. Other significant achievements made in the sector during the course of the year were as follows:

- Formulation of Draft Statutes of the ECOWAS Fund for Education and Training in accordance with the directive of the Second ECOWAS Ministers of Education Conference held in January 2004 in Accra.

- Constitution and inauguration of a regional Task Force on Education from 26 to 29 September, 2005 in Accra in line with the recommendations of the First ECOWAS Ministers of Education Conference held on 24 and 25 September, 2002 in Dakar, Senegal.
- Formulation of a concept paper and inauguration of a Resource Mobilisation Strategy Committee on September 29, 2005 in Accra in consonance with the Second ECOWAS Education Conference.
- Formulation of a five-year regional education strategic plan.
- Completion of a study for the development of a regional action plan against HIV/AIDS in West Africa.

10. HEALTH DEVELOPMENT PROGRAMME

228. In the health sector, the Secretariat and the West African Health Organisation (WAHO) collaborate to implement regional health programmes approved by the Community. It would be recalled that the Protocol establishing the WAHO accords it the primary task of conducting medical training and research as well as implementing Community health programmes in concert with the Member States and the Executive Secretariat.

229. To enhance its operations, WAHO has developed and is currently implementing a 4-year strategic plan (2004-2007) on comprehensive health delivery programmes in the region. It has developed a regional strategy for the health component of NEPAD. Additionally, it has developed a regional programme on the prevention, treatment and care of people living with HIV/AIDS; developed a sectoral 3-year plan on HIV/AIDS control among the Armed Forces of ECOWAS Member States; formulated a regional strategy for the reduction of maternal and pre-natal mortality; developed action plans to contain the polio epidemic; and implemented advocacy programmes for the prevention and treatment of malaria.

11. COMMUNICATION PROGRAMME

230. The following activities were undertaken during the year under review:

- 1 Information and Sensitisation.** Sensitisation campaigns were conducted in Senegal and Sierra Leone on ECOWAS programmes and activities. For

many days, there was broadcast of information on the Community integration activities in the national electronic media in the two countries. The ceremony marking the opening of these campaigns was presided over by high-ranking officials in the countries. All the stakeholders in the integration process including ECOWAS national unit officials, economic operators, customs and immigration officials, transporters, youth, women and civil society representatives participated in the campaigns.

During the campaigns which featured all ECOWAS institutions, papers were presented on ECOWAS achievements, activities and programmes. Through these campaigns, journalists were informed about the regional integration process and were urged to inform the public accordingly.

- 2 **Journalists in West Africa Programme.** Under this programme, the ECOWAS Secretariat sponsored some journalists from a set of Member States (Burkina Faso, Ghana and Senegal) to visit some other Member States (Niger, the Gambia and Togo) to report on the implementation status of integration programmes in the countries visited.
- 3 **AIF/UJAO Workshop:** The ECOWAS Secretariat organised a workshop, in collaboration with the inter-governmental agency for French-speaking countries (AIF) on "***Which future for the Public Press in West Africa***" from 26 to 28 September 2005. The workshop helped to identify the constraints facing the press agencies and some remedial measures to enhance their effective operations in West Africa.
- 4 **ECOWAS Anthem:** The ECOWAS Secretariat appointed a Committee of Experts to review the translation of the original English version of the ECOWAS Anthem into French. The Committee met from 14 to 16 September, 2005 to examine the French version of the Anthem and made some amendments to the text. The final version of the text will be submitted to the January 2006 session of the Council of Ministers for adoption.
- 5 **Publications/Commercial publicity:** Some publications were produced during the course of 2005, most notably the "***West African Bulletin***", "***ECOWAS and its Member States***" "***ECOWAS in Brief***" (three editions) and "***The Information Brochure***" – a special edition of the 30th ECOWAS anniversary. Also, some advertisements were placed in two special editions of the "Jeune Afrique" Group namely "The State of Africa in 2005" and "The

African Report in 2005". As part of the 30th ECOWAS anniversary celebrations, some advertisements on ECOWAS institutions appeared in **"Africa Today"**, **"New African"** and **"G8 Summit 2005 publication"**. Furthermore, some publicity broadcasts on the 30th anniversary celebrations were done in some local and international radio stations. Besides, the ECOWAS Secretariat is collaborating with the Africa Institute of South Africa (AISA) and the Nigerian Institute of International Affairs in the production of an edited compendium on **"ECOWAS at 30: Perspectives on Milestones and Challenges"**. The book, when completed, will examine various aspects of ECOWAS integration process with recommendations on the way forward.

- 5. Media Coverage of ECOWAS Activities:** During important events of the Community, the ECOWAS Secretariat endeavours to secure maximum media coverage. Apart from the official information agencies, journalists employed by regional and international media houses are invited to cover these events. Thus, during, the January 2005 ECOWAS Summit, the Secretariat sponsored a journalist from each Member State to cover this major event in the life of the Community. This enabled the fifteen journalists from the region and two other journalists of the international media to effectively report on the ECOWAS Summit in 2005. Their reporting made it possible for the public to be informed on a regular basis about the issues discussed and the outcome of the 2005 summit. Similar media coverage was arranged during the July 2005 session of the Council of Ministers.
- 6 Enhancement of Library Capacity:** Fifty titles of books (monographs) and over one thousand five hundred (1,500) volumes of periodicals and newspapers were acquired and processed for use by staff and Community citizens in 2005. A JVC camera and accessories were acquired for the use of the audio visual section of the library. There was also an increase in demand by researchers for photographs and video images of ECOWAS events, projects and programmes for insertion in official documents, brochures and calendars; this necessitated the Audio-Visual Services Division to embark on visual documentation coverage of ECOWAS projects in three ECOWAS Member States namely, Nigeria, Togo and Benin.

- 7 **Printing of Official Journals:** In fulfilment of Council Decision C/DEC.2/11/91 on the documentation of the activities and decisions of the Authority and Council, new issues of the Official Journal were printed in 2005.
- 8 **Reference Services:** The Library provided reference services to 3,750 individuals (in person, by telephone, and through written and electronic correspondence). Seventeen institutions visited the Library on excursion, of which three were primary schools while the rest were from Universities, Polytechnics, Colleges of Education and the Nigeria War College.
- 9 **Information Communication Technology (ICT) Section:** Not less than one hundred and eighty five (185) researchers used the internet facilities in the library during the period under review; some of them were assisted by the Library staff.

12. TECHNICAL COOPERATION AND COORDINATING ARRANGEMENTS

231. ECOWAS receives policy guidelines from Member States through the ECOWAS Authority, the Mediation and Security Council and the Council of Ministers. In addition, through the technical commissions, Member States accompany the Executive Secretariat in providing expert services to the Community.

232. The Executive Secretariat and other ECOWAS institutions have established close working relations with ECOWAS focal points in Member States and permanent representatives of Member States based in Abuja to ensure effective implementation of ECOWAS programmes and projects. Additionally, Special Representatives of the Executive Secretary in particular Member States help the Executive Secretary to maintain direct and regular contact with authorities of those States to address key issues on peace, security, elections and post-conflict reconstruction.

i) ECOWAS-UEMOA

233. The working relations between the two regional organisations have been intensified since the visit of the then in-coming President of the UEMOA Commission, Mr. Soumaila Cisse, to ECOWAS Secretariat in May 2004. Already instituted are meetings, one in Abuja, and the other in Ouagadougou to build synergy and deepen cooperation between the two institutions in all the key

integration areas. Current areas of close collaboration between the two organisations include the programming of the regional component of the 9th EDF, the joint formulation of a regional PRSP, and the negotiations with the European Commission on the regional EPA.

234. On the basis of the decision of the ECOWAS Authority in December 1999 on the need to harmonize integration programmes in the region, and guided by treaty obligations of ECOWAS and UEMOA, the ECOWAS Executive Secretariat has developed working relations with the UEMOA Commission. The coordination mechanism has been institutionalised through a Memorandum of Understanding signed in May 2004. This enhances the consultation and collaboration required to create appropriate synergy for harmonised action.

235. In the Memorandum of Understanding, ECOWAS and UEMOA have agreed to cooperate in needed areas of convergence such as economic and monetary policy, customs union, and sectoral policies (transport, telecommunication, industry, energy and agriculture). This is being achieved through the exchange of experiences, development and implementation of joint programmes/projects, joint resource mobilization, definition of common positions on key issues, and coordination of relations with third parties. A joint Technical Secretariat has been established; it consists of a coordinator and alternate for each institution. The Heads of the two institutions meet at least once a year.

ii) **ECOWAS-CILSS**

236. ECOWAS maintains close working relations with the Permanent Inter-state Committee on the Fight Against Drought in the Sahel (CILSS). CILSS works to promote food security and fights the effects of drought and desertification. The two institutions have collaborated and developed a Regional Programme of Action on the Fight Against Desertification (RPAFAD). CILSS provided expert technical assistance to ECOWAS during the formulation of the regional agricultural policy (ECOWAP) and will be closely involved in its implementation. Together with UEMOA, ECOWAS and CILSS are working to develop a common regional environmental policy for West Africa.

iii) **ECOWAS-AU**

237. As one of the regional economic communities (RECs) designated as the building blocs of the African Union, ECOWAS maintains close working relations with the African Union Commission. ECOWAS participates actively in building a continental economic and political union through a decentralised system of

management. This includes ECOWAS participation in studies and meetings organised by the AU and the RECs. In the area of peace and security, ECOWAS is arranging to provide one of the five (5) brigades of the African Union Stand-by Force which is in consonance with precursor initiatives by ECOWAS to build its own capacity in peace-keeping.

iv) ECOWAS-Civil Society Organisations

238. The ECOWAS Secretariat appreciates the important role of non governmental organisations and civil society organisations in the promotion of the aims and objectives of the Community programmes. It would be recalled that ECOWAS observer status is granted to NGOs that have fulfilled the conditions laid down in the Decision of the Authority on granting observer status to Non-governmental Organisations. The main objective of the ECOWAS Secretariat Civil Society Non-governmental organisations programme is to promote permanent dialogue between West African Civil Society and the ECOWAS Secretariat on vital issues concerning West Africa and its future. In pursuit of this objective, the Secretariat played a key role, with support from development partners (notably DANIDA, DFID, CIDA, USAID) in the establishment of the West African Civil Society Forum (WACSOF) as an umbrella organisation for civil society organisations from the fifteen Member States of ECOWAS. The ECOWAS Secretariat is currently enhancing this collaboration by facilitating the creation of a West African Network of Research Centres and Think-tanks, with additional funding from DFID. WACSOF could evolve to become an integral part of the ECOWAS Economic and Social Council (yet to be established).

239. Since its establishment in 2003, WACSOF has organised two West African Civil Society Fora on the fringes of the meeting of ECOWAS Council of Ministers and has been allowed to address the Council on issues of regional integration, and on how civil society could complement the activities of ECOWAS. The 2005 Summit of Heads of State and Government held in Accra, Ghana endorsed the activities of WACSOF and requested ECOWAS to facilitate its establishment. The organisation has since been established in Nigeria and a new Secretary-General was recruited in October 2005 to supervise its operations.

v) ECOWAS-Development Partners

240. The current relations between ECOWAS and its development partners are driven by the need to assist ECOWAS build the capacity to implement better the NEPAD agenda and mobilise support for ECOWAS/NEPAD priority programmes and projects. The coordination mechanism put in place for the purpose involves

monthly coordination meetings, quarterly thematic sub-group meetings and the annual coordination meetings. The annual coordination meeting for 2005 was held on 21 and 22 November at the ECOWAS Secretariat. The accreditation of Heads of development partner missions to ECOWAS Executive Secretariat as permanent representatives has enhanced the ECOWAS/Development Partner collaboration and coordination (see section on Financial Statement).

SECTION II: REGIONAL PEACE AND SECURITY

241. The regional peace and security situation continues to be tenuous and of major concern to all stakeholders, not only because of the loss of life and physical destruction, but also because of the close inter-relationship between socio-economic development, and peace and security. In the last couple of years, the region had been faced with major crises in Côte d'Ivoire, Liberia, Guinea-Bissau, Togo and Sierra Leone. It is heartening to note that recently there has been some improvement in the security situation in the region.

242. In addition to the many difficult development challenges, these political upheavals have made the region to contend with the challenges of refugees and internally displaced persons; demobilisation, disarmament and rehabilitation of ex-combatants; disruption of socio-economic development; peace-building and reconstruction. There is particular urgency about the formulation and implementation of well-funded reconstruction programmes; ECOWAS and the international community have the task of assisting the affected countries to address the rebuilding of the social fabric and the national economic systems

243. On the issue of democratic governance, elections in Togo and Guinea-Bissau, which were held on 24 April and 24 July 2005 respectively, were fair and transparent. The elections ended the political and constitutional crises in Togo following the death of President Eyadema and facilitated the return of political normalcy in Guinea-Bissau. Nevertheless, in the region, the situation in Cote d'Ivoire has been characterised by the deadlock in the implementation of the different agreements and the impossibility of effecting a smooth transition on 30 October 2005 in the presidential arrangement.

1. MONITORING THE SECURITY SITUATION

i) Mano River Zone

244. In the Mano River Basin, the maintenance of peace and security remain a dominant preoccupation, as a result of the crisis situation in Liberia, Sierra Leone

and Cote d'Ivoire. It is important to note that the special summit of the Mano River Union on 28 July 2005 reaffirmed the commitment of the Heads of State to support all initiatives aimed at promoting confidence-building measures along border areas and strengthening security in the region. The Heads of State undertook to pursue a fraternal and peaceful solution to the border issue along the Makona-Moa River in conformity with the Memorandum of Understanding signed in Conakry on 2 September 2004. They affirmed that, in conformity with the agreement reached between Guinea and Sierra Leone, the border areas should be demarcated. In this regard, the demarcation process began on 20 August 2005 with Liberia Observers on site.

245. ECOWAS is also actively involved in the activities of the International Contact Group on Mano River Basin (ICG-MRB), which held its last meeting in New York, on 19 September 2005. The Group welcomed the signing of the Liberian Government Economic Management Assistance Programme (GEMAP) and encouraged the NTGL to work actively with its international partners to ensure rapid implementation of the programme. It expressed hope that the implementation of the programme would result in additional assistance to Liberia's reconstruction efforts and would contribute to the lifting of sanctions imposed on the country.

ii) Liberia

246. ECOWAS observation mission and the Mediator's team observed voting in selected polling precincts in Liberia during the Presidential and Legislative elections of 11 October 2005 and the run-off of 8 November 2005. On the whole, despite some shortcomings recorded, the team was of the view that the exercise was free and fair. In addition, the ECOWAS mediator, General Abdulsalami Abubakar, regularly visited the country to review the implementation of the agreement with all the parties involved. The routine consultations and dialogue generally undertaken by the Mediator helped considerably in resolving some thorny and sensitive issues.

247. In addition, ECOWAS engaged both the NTGL and the President-elect to facilitate a smooth transition of power, to discuss crucial issues relating to inclusiveness, recognition and accommodation of healthy opposition and also to ensure that the newly elected government understands the need for ECOWAS to continue to monitor the process and provide the link for continued international assistance from its partners. ECOWAS will remain engaged in the peace process in Liberia.

iii) Sierra Leone

248. The May 2002 Presidential elections in Sierra Leone ushered in the process of returning normal life to the country. UNAMSIL has operated to improve the security situation, thus enabling the government to pursue the security sector reforms necessary to restore public confidence in the security institutions. The residual force of UNAMSIL had been totally drawn down and the mission closed in December 2005. However, the UN will continue to maintain its offices in Monrovia, Liberia as part of a broader region-wide security framework to monitor peace and security. In order to create conditions for lasting peace and stability, Sierra Leone needs the support of the international community to undertake security reform programmes as part of post-conflict reconstruction policy.

249. Peace in Sierra Leone is also critical for stability in neighbouring Liberia and Côte d'Ivoire and that is why ECOWAS is pleased with the tremendous progress the country has made. ECOWAS will continue to play its role and work closely with various partners - International Contact Group on Mano River Basin (ICG - MRB), ECOWAS-EU Troika, the UN and the AU.

iv) Guinea

250. Urged by a strong resolve to reform the economy, the Government of Guinea is liberalising State enterprises including the electronic media - radio and television. On 18 December 2005, municipal elections were held in Guinea under the auspices of an Independent Electoral Commission. It is encouraging to note that most of the opposition parties took part in the elections, organized in a free, fair and transparent manner leading to consolidation of the political dialogue and democracy in Guinea.

v) Guinea Bissau

251. Presidential elections in Guinea Bissau were successfully concluded on 24 July 2005. The inauguration of the President, Mr. Joao "Nino" Bernardo Viera was held on 1 October 2005. However, there has been political imbroglio since the inauguration. On 28 October 2005, the President, acting within his constitutional rights, dissolved the Cabinet and also relieved the Prime Minister of his position. It is in this context that ECOWAS decided to maintain its Office in Guinea-Bissau and the Special Representative of the Executive Secretary provides regular updates on the situation in that country.

252. The challenges for Guinea-Bissau remain undertaking the security sector reform, implementing a programme of economic reforms in order to consolidate the political gains from elections and create conditions for lasting stability. The ECOWAS Secretariat continues to urge the international community to fulfil its commitment to extend financial, technical and material assistance to Guinea-Bissau.

v) Côte d'Ivoire

253. ECOWAS is fully committed to resolving the crisis in Côte d'Ivoire, and has been appealing to the Ivorian leaders to put aside their personal interests and work towards the restoration of durable peace and reconciliation in the country. All parties to the crisis have been urged to abide by decisions of the African Union and the UN Security Council in order to achieve full preparation for democratic elections and post-war reconciliation, rehabilitation and reconstruction.

254. Several joint initiatives have been taken by ECOWAS and the AU to enable the Ivorian political parties to reach a consensus on the full implementation of the Ceasefire Agreement (October 2002), Marcoussis Agreement (January 2003), Accra II Agreement (March 2003), Accra III Agreement (July 2004), Pretoria I (April 2005) and Pretoria II (June 2005).

255. Following the decision of the AU Peace and Security Council on the situation in Cote d'Ivoire, held in New York in September 2005, and at the initiative of the ECOWAS Authority, His Excellency, Mamadou Tandja, President of the Republic of Niger, at an extraordinary session of the ECOWAS Authority was held on 30 September 2005 at the ECOWAS Secretariat. The meeting reiterated that the Linas Marcoussis, the Accra and Pretoria Agreements constituted the preferred framework for the peaceful resolution of the Ivorian crisis and made some recommendations to the AU Peace and Security Council that met in Addis Ababa, Ethiopia on 6 October 2005.

256. The AU Peace and Security Council endorsed the observation of the ECOWAS Extraordinary Summit on the end of President Laurent Gbagbo's term on 30 October 2005. Consequently, the AU Council decided that the arrangements agreed upon in the Linas-Marcoussis Agreement should continue from 31 October 2005 for a period not exceeding twelve (12) months on the basis of the following conditions:

- 1 President Gbagbo shall remain Head of State during the above-mentioned period.
- 2 A new Prime Minister acceptable to all Ivorian parties who were signatories to the Linas-Marcoussis Agreement shall be appointed.
- 3 The Prime Minister shall not be eligible to stand for elections to be organized, in accordance with the Linas-Marcoussis Agreement.
- 4 An International Working Group (IWG) shall be established at ministerial level, which shall meet once a month in Cote d'Ivoire to evaluate, monitor and follow-up the peace process, including the roadmap agreed upon in Pretoria and any other subsequent agreements. In addition, the IWG, which shall receive regular reports from the Mediation Group, shall make appropriate recommendations to the AU Peace and Security Council and the UN Security Council.
- 5 The Foreign Minister of Nigeria shall chair the IWG, in his capacity as the representative of the Chairman of the AU Heads of State and Government. The office of the Special Representative of the Executive Secretary of ECOWAS in Cote d'Ivoire and the office of the Special Representative of the Chairperson of the AU Commission in Cote d'Ivoire shall serve as the secretariat.
- 6 The IWG shall comprise the following: Benin, Ghana, Guinea, Niger, Nigeria, South Africa, France, United Kingdom, USA, United Nations, European Union, African Union, ECOWAS, the International Organisation of the Francophonies, the World Bank and the International Monetary Fund.
- 7 The day-to-day mediation shall be undertaken by the following representatives of the IWG: the Special Representative of the UN Secretary General, the High Representative of the United Nations for elections in Cote d'Ivoire, the Special Envoy of South Africa, the Special Representative of the Executive Secretary of ECOWAS in Cote d'Ivoire and the Special Representative of the Chairperson of the AU Commission in Cote d'Ivoire. The Mediation Group shall be chaired by the Special Envoy of South Africa, as the representative of the AU Mediator.

257. The UN Security Council at its meeting of 21 October 2005 in its Resolution 1633 (2005) commended the continued efforts of the regional and continental leaderships, and reiterated its full support for them. Specifically, the

Security Council commended the African Union, in particular President Olusegun Obasanjo of Nigeria, Chairman of the African Union; President Thabo Mbeki of the Republic of South Africa, Mediator of the African Union; ECOWAS and the leaders of the region for promoting peace and stability in Côte d'Ivoire.

vi) TOGO

258. Following the death of President Gnassingbe Eyadema, who had been in power since 1967, there was an attempt to install his son Faure Gnassingbe as the Interim President, in contravention of the constitution of Togo. The move was strongly condemned within and outside Togo. Condemnations of this act of the Togolese military and pressure from ECOWAS leaders forced the resignation of Faure Gnassingbe, and initiated the process for presidential elections within sixty days, in line with the provisions of the constitution. ECOWAS and other international bodies sent observers to monitor preparations for the Presidential elections, which were eventually held on 24 April 2005.

259. Despite certain anomalies during the organisation of the elections, the election observers concluded that the Presidential elections could be deemed to have been free, fair and credible. Mr. Faure Gnassingbe was elected with 60.22% of the vote cast. Following the elections, the Prime Minister was nominated from the moderate opposition and a government, which included representatives of the civil society and the opposition was formed.

260. The ECOWAS leadership, particularly the ECOWAS Chairman and AU Chairman have been at the fore-front of the efforts to end the political crisis in Togo. They have condemned the violence, warning that it is likely to undermine the opportunity presented in Togo to build a stable democracy, and called upon all Togolese forces to work together in a government of national unity and reconciliation. In furtherance of these efforts, an ECOWAS mini-summit which was also attended by President Omar Bongo of Gabon, was convened and chaired by President Obasanjo in Abuja on 18 May 2005. President Faure Gnassingbe and all the political party leaders in Togo actively participated in the deliberations. It was agreed that a government of national unity would be formed, whose main preoccupations would be electoral reforms, national reconciliation, early return of refugees and improvement of the national security system.

261. ECOWAS considers the discussion on the 22 key EU requirements as essential to the normalization of the relationship between Togo and EU. The two parties are urged to continue working together. ECOWAS will continue to work with the Togolese authorities, UNDP, UNHCR and other relevant bodies in the

reintegration process of the remaining refugees still in the neighbouring countries of Benin and Ghana.

2. THE HUMANITARIAN SITUATION

262. Setting up a management mechanism for disaster management: In accordance with the Council Decision of December 2003, the Executive Secretariat organised two meetings of experts: one at the level of Ambassadors representing Cote d'Ivoire, the Gambia, Niger and Nigeria, and the other meeting at the level of experts and delegates of international humanitarian agencies, institutions and organisations which took place from 8 to 10 March 2005. A key outcome of these meetings was the preparation of a mechanism for disaster management by a United Nations sponsored Consultant. The Executive Secretariat engaged a Consultant for the collection of information relating to the formulation of a regional framework for humanitarian policies. A draft report on the project has already been submitted to the Executive Secretariat.

263. Joint Project and cooperation agreements with Humanitarian agencies, institutions and organisations: In order to enhance and improve upon relations between the military and civilians, the ECOWAS Secretariat and the Geneva Armed Forces Democratic Control have put in place a code of conduct for the security sector, especially for the armed forces. The code of conduct is enforceable during times of both natural disaster and peace. The inaugural presentation of the code was made during the meeting of the Defence and Security Commission held on 12 April, 2005 in Niamey.

264. The ECOWAS Secretariat, in collaboration with the International Red Cross, organised a seminar on 6 and 7 July, 2005 to assess the efforts made by ECOWAS Member States in the implementation of international humanitarian rights treaties, and to identify the constraints and challenges to the implementation of these instruments. Furthermore, in response to addressing the emergency needs of internally displaced persons and refugees in different parts of West Africa, the Executive Secretariat and the United Nations High Commission for Refugees (UNHCR) organised a regional meeting of experts at the Kofi Annan International Peace Keeping Training Centre (KAIPTC) from 30 May to 1 June, 2005. The meeting endorsed an interventionist strategy for achieving a lasting solution to the situation of refugees in West Africa.

265. Annual Consultations and Joint Missions with Partners: Following the post-election violence that erupted in Togo, and the accompanying displacement of a large number of persons, the ECOWAS Secretariat undertook a joint mission

with UNHCR and other United Nations Agencies from 16 to 21 May 2005 to evaluate the situation of refugees in Ghana and Benin. The Mission held a meeting with the representatives of the Togolese Government to discuss modalities for expediting the return of Togolese refugees in Benin and Ghana. In the case of Liberia, the Secretariat sent an evaluation mission from 11 to 18 September 2005 to assess the humanitarian situation of internally displaced persons and some voluntarily repatriated persons. The Mission also held fruitful discussions with other operating partners and humanitarian agencies regarding the plight of internal displaced persons in Liberia.

266. Financial assistance: Following the disaster caused by locusts and drought in Niger, Mali and Burkina Faso, ECOWAS contributed a financial assistance of nearly \$900,000 to the Governments of the three Member States to help them in managing the crises.

267. Peace Fund: The ECOWAS Fund for Peace that is being managed by the Executive Secretariat has entered its operational phase with the recruitment of some of the administrative and accounting staff in the first half of the year 2005.

3 CHILD PROTECTION PROGRAMME

268. During the period under review, the Child Protection Unit was formally incorporated into the organogramme of the Executive Secretariat. The programme seeks to improve the protection of the rights of children, especially children who are victims of armed conflict, abuse and exploitation; the programme activities also include strengthening ties with child protection agencies. In pursuit of these objectives, the Secretariat conducted follow-up monitoring visits to Cote d'Ivoire, Liberia and Sierra Leone to evaluate programmes for children affected by armed conflicts. The main objectives of the monitoring visits were to: (i) ensure that the memorandum relating to the protection of children in conflict is respected in all the three countries; (ii) ensure that the issue of child soldiers is given prominence in the disarmament, demobilisation, reintegration and rehabilitation programmes; (iii) evaluate the activities of child protection agencies to ensure that their programmes effectively target child soldiers; (iv) promote cooperation between government authorities and child protection agencies regarding the implementation of child protection programmes; and (v) advocate for the inclusion of child right issues into the training programmes for military officers.

i) **Child Trafficking**

269. A training workshop on the rights and protection of children was organised for Togo, Benin, Burkina Faso and Cote d'Ivoire where cases of child abuse and child trafficking have been reported. In this regard, a manual on child rights and children protection services has been prepared by the Secretariat and will soon be distributed to all Member States. Extensive sensitisation on child trafficking and child slavery has led to the ratification of the multilateral agreement for the fight against trans-border trafficking of children among eleven Member States.

ii) **Reinforcement of cooperation with Child Protection Agencies**

270. The Executive Secretariat is forging cooperation links with some child protection agencies such as the International Defence of Children, NGO Group for the Convention on the Rights of Children, and the Coalition to Put an End to the Use of Child Soldiers. A regional structure has been put in place to enhance cooperation and coordination among child protection agencies intervening in post-conflict situations in the region. The cooperation agreement with UNICEF is expected to be updated shortly to make it consistent with the new strategy on child protection adopted by the Executive Secretariat. Furthermore, the celebration of the Day of the African Child on 16 June 2005 provided a suitable opportunity for the reinforcement of ECOWAS cooperation and collaboration with child protection agencies such as Save the Children, Plan International and UNICEF on the rights and protection of children.

4. FUNCTIONING OF THE ECOWAS MECHANISM ON CONFLICT PREVENTION

271. ECOWAS is collaborating with the United Nations Office in West Africa (UNOWA) to formulate a joint strategy for the advancement of peace and security in the region. The Protocol relating to the Mechanism on Conflict Prevention, Management and Resolution, Peace Keeping and Security and its additional Protocol on Democracy and Good Governance are the main instruments for the promotion of regional peace and security. After five years of its existence, nearly all the institutions provided for by the Protocol have become operational, meeting regularly and carrying out their scheduled assignments.

272. **The Mediation and Security Council:** The Mediation and Security Council is one of the three institutions of the mechanism and operates at three levels namely, Heads of State and Government, Ministers and Ambassadors. During the course of the year, the Council held two meetings at the level of Heads of State

and Government, two meetings at the Ambassadorial level and three meetings at the Ministerial level to analyse the political situation in the region. During the meetings, the Council took several decisions aimed at promoting lasting peace in the region.

273. The Council of Elders: The new Members of the ECOWAS Council of Elders were elected for a period of one year at the 28th session of the ECOWAS Authority in Accra on 19 January 2005. The swearing in ceremony took place in Niamey on 15 March 2005. During the course of the year, some elders were assigned by the Executive Secretariat to conduct fact-finding and observation missions during the legislative and presidential elections held in Burkina Faso, Ghana, Guinea Bissau, Liberia, Niger and Togo.

274. Elections: An important component of the Protocol on Democracy and Good Governance is the holding of democratic elections, a very important barometer for democracy in our region. However, elections are also a potential source of conflict and threat to peace and democracy. During the course of the year, the Executive Secretariat actively participated in the peaceful conduct of presidential and parliamentary elections notably in Ghana, Niger, Togo, Guinea Bissau and Liberia.

275. ECOWAS is at an advanced stage in establishing an Electoral Assistance Unit as part of its effort to operationalise the Supplementary Protocol on Democracy and Good Governance. Activities channelled along this line include a preparatory experts meeting in Minna, Nigeria on 25 and 26 August 2005 as well as a consultative meeting of national electoral commissions held in Accra, Ghana from 23 to 25 November 2005.

276. In the case of Togo, the Executive Secretariat, acting in accordance with the ECOWAS Supplementary Protocol on Democracy and Good Governance of 2001 and the desire to ensure a successful presidential election, sent a team of 162 election observers to monitor the presidential elections of 24 April 2005. The Secretariat implemented fully an exit strategy consisting of (i) return to constitutional rule; (ii) assist in the holding of democratic elections as provided in the constitutions; and (iii) support to the Togolese parties for national reconciliation, peace and security.

277. Following the decision to hold presidential elections in Togo on 24 April 2005, the ECOWAS Chairman named a Special Envoy of the Executive Secretary to Togo to monitor the state of preparedness for the elections. The ECOWAS Secretariat also decided to provide the Ministry of Internal Affairs in Togo with

three Electoral Experts from Benin, Mali and Niger to assist the electoral process. Furthermore, throughout the period leading to the presidential elections in Togo and Guinea-Bissau, ECOWAS consistently encouraged and called on all parties taking part in the process to show restraint, avoid all forms of violence and respect the laws governing the political process.

278. Involvement of Civil Society in Conflict Prevention and Management: During the year, several meetings were held by civil society activists aimed at exploring ways and means to strengthen the ECOWAS Mechanism for Conflict Prevention, emphasising the need for more civil society participation in the regional integration process and greater public awareness of regional peace and security programmes. Also, the ECOWAS Secretariat played a pivotal role in the establishment of WASCOF as an umbrella organisation for civil societies in West Africa.

279. Accreditation of Ambassadors to ECOWAS: Following renewed calls by the Executive Secretary to Member States to accredit their Ambassadors to the Secretariat and in compliance with Article 14 of the Protocol on the Mechanism for Conflict Prevention, thirteen Ambassadors of ECOWAS Member States have formally presented their letters of credence. These are the Ambassadors of Benin, Burkina Faso, Cote d'Ivoire, Gambia, Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. The Executive Secretariat also received letters of accreditation from the Ambassadors of Algeria, Belgium, Cuba, Canada, China, Finland, France, Germany, Greece, India, Ireland, Italy, Portugal, Netherlands, Morocco, The Russian Federation, Japan, South Africa, Spain, Sweden, Switzerland and the UNHCR.

280. Ratification: The ECOWAS Authority at its January 2005 Summit in Accra urged Member States to endeavour to ratify the Protocol relating to the Mechanism on Conflict Prevention, Management and Resolution, Peace Keeping and Security and its Supplementary Protocol on Good Governance before the end of 2005. However, after four years of the implementation of that Protocol, and in spite of repeated appeals to the Member States that are yet to ratify the protocol, only seven (7) countries, namely Burkina Faso, Guinea, Ghana, Mali, Senegal, Sierra Leone and Togo, have so far ratified the protocol.

281. The Supplementary Protocol on Good Governance aims primarily to tackle the root causes of conflict in the region. Only nine (9) Member States have so far ratified the protocol. They are Benin, Burkina Faso, Ghana, Guinea, Mali, Niger, Senegal, Sierra Leone and Togo. The Secretariat has however commenced the

implementation of the specific decisions of the Authority on issues relating to the protocol.

282. The ECOWAS Observation and Monitoring System: The ECOWAS Observation and Monitoring System (OMS), or the Early Warning System, is a regional mechanism established in line with the provisions of the ECOWAS Mechanism for Conflict Prevention. It consists of the Observation and Monitoring Centre (OMC) located at the Executive Secretariat, and four Zonal Bureaux in Banjul (The Gambia), Cotonou (Republic of Benin), Ouagadougou (Burkina Faso) and Monrovia (Liberia). The process of operationalisation of the early warning system began in January 2005 and is expected to be completed in February 2006; in this respect, two major activities have been conducted with the support of USAID and WANEP, namely:

i) Development of a database system capable of supporting the exchange of commentary, narratives and unstructured observations; and

ii) A Field Reporter to facilitate systematic, structured field reporting and interactive, real-time analysis and visualisation of baseline measures for early warning. These "modules" offer an integrated system designed to strengthen the local capacity for a transparently sustainable effort to monitor conflict situations before they escalate into violence or disruption.

283. Capacity Building: The ECOWAS Secretariat has embarked on a series of professional training of the MPMC staff through courses, workshops and a study tour of the Departments of Peacekeeping Operations and Political Affairs at the United Nations Headquarters. Significant among the training activities was the International Peace Support Operations course at KAIPTC which is aimed at improving staff capacity in mission planning and management.

284. Conflict Resolution: In the area of conflict resolution, ECOWAS has implemented actions, in line with the AU roadmap, for establishing the ECOWAS Standby Force (ESF). A five (5) line path was approved this year at the 12th meeting of the Defence and Security Commission in Niamey, Niger for the development of the ESF. The Secretariat will continue to use the roadmap to ensure the establishment and operationalisation of the Task Force of the ESF by 2008 and the Main Brigade by 2010.

285. ECOWAS Small Arms and ECOSAP Project: The new ECOWAS Small Arms Control Programme (ECOSAP), supported by the UNDP Regional Bureau for Africa and other partners, is a successor to the Programme of Coordination and

Assistance for Security and Development (PCASED). Following a series of ECOWAS-led consultations with the UNDP and other development partners, culminating in a technical meeting on 20 September 2005, consensus was reached for a gradualist and result-based approach to the programme. This would consist of the formulation of a viable three-year work programme as a basis for resource mobilisation in an ECOWAS-led Pledging Conference to be co-sponsored by development partners. The cost of the priority activities identified in the three-year work plan has been estimated at US\$12.7 million.

5. FREE MOVEMENT OF PERSONS

286. The achievements made under the ECOWAS Protocol on Free Movement of Persons include the abolition of entry visa requirements for Community citizens and the use of the ECOWAS Traveller Certificate. Nonetheless, there are still violations of the provisions of the protocol which continue to go unabated, such as the non-introduction of the ECOWAS passport in many Member States, and the erection of non-tariff barriers and toll gates along the border and inter-state regional highways. The legitimate concern to reinforce security at national borders ought not, in any way, to serve as a pretext for the erection of supplementary roadblocks which may undermine security of Community citizens and trading among Member States. As regards ECOWAS travel documents, Benin and Senegal remain the only countries that have printed and are using the ECOWAS passport.

6. BORDER-COUNTRY INITIATIVE PROGRAMME

287. Since the introduction in January 2005 of the "*Border Countries*" concept in the regional integration programme, at the express request of the Authority, the Executive Secretariat has been working relentlessly, with the support of OECD/Sahel and West Africa Club, to identify and formulate an appropriate cross-border project. Thus, from 27 to 29 September 2005 and from 24 to 26 October 2005, ECOWAS successfully launched pilot operations in the Sikasso-Bobo-Dioulasso and Southern Sene-gambian zones respectively. These two events brought to the fore the necessity to rely more on cross-border dynamics in order to speed up the harmonious integration of the regional economy. ECOWAS has found in SWAC a perfect partner for this initiative because of the focus that the Club gives to strategic and balanced development of the region; apart from cross-border cooperation, SWAC involves ECOWAS in its critical programmes such as medium- and long-term development perspectives; agriculture and sustainable development; and governance conflict dynamics, peace and security.

288. The Executive Secretariat has embarked on certain activities within the framework of the medium-term programme on the cross-border initiatives; the activities include the elaboration of a protocol relating to cross-border cooperation and the creation of a support fund for cross-border initiatives. In order to minimise duplication in programme implementation, the Executive Secretariat has proposed coordination and follow-up mechanism involving other key regional partners such as UEMOA and CILSS.

SECTION III: ADMINISTRATIVE AND FINANCIAL ISSUES

1. ADMINISTRATIVE ISSUES

i) Reorganisation of the Department of Administration

289. As part of the on-going reorganisation of the Executive Secretariat, the Department of Administration is being restructured and repositioned for optimum performance. With the revision of existing administrative procedures and the pledge of improved donor support in respect of staff training and manpower development, the Department will be better equipped to facilitate the Community's expanded operations in the coming years.

290. In collaboration with the *Organisation Internationale de la Francophonie*, the Executive Secretariat is to undertake a massive language training of its workforce in the year 2006. And following a protocol recently signed with the Republic of Portugal, plans are being formulated to establish a language Centre at the Executive Secretariat. Such a Centre will not only provide all the required training but will also enable the organization produce working documents and reports of meetings in all three official languages of the Community.

ii) Review of Conditions of Service

291. As a way of boosting the morale of the staff for optimum performance, the Council of Ministers, approved at its session in January 2005, an upward review of the salary structure and the fringe benefits of all categories of staff members of Community institutions. Accordingly, the Executive Secretary, on 1 March, 2005, convened a meeting of officials of the institutions to discuss the modalities for implementing the new package. These incentives have since been put into operation and the current morale of our staff members bears eloquent testimony to the benefits of the exercise.

292. Following the approval of the Council of Ministers in January 2005, the Executive Secretariat has already implemented the conversion of thirty-one (31) drivers and thirty-two (32) messengers from the Auxiliary to the General Service Category. This exercise has not only harmonized the classification of these staff cadres with what obtains in other international organizations, but has also provided a veritable fulcrum for their motivation.

iii) **Staff Recruitment**

293. The need to provide adequate office accommodation, equipment and orientation for the thirty (30) professional officers recruited in 2004, obliged the Executive Secretariat to stay action on the second phase of the recruitment exercise, designed to enhance the capacity of the Executive Secretariat through the engagement of twenty seven additional professional officers. The partitioning of empty spaces in the headquarters building and re-distribution of offices among the staff solved the problem only partially. Therefore, in line with the approval given by Council, the Executive Secretariat has continued its search for a block of offices to hire in Abuja. A number of office-blocks were identified during the period and suitable premises at reasonable cost will be secured in the new year.

294. However, four (4) thematic consultants, the last batch of a group of ten (10) such consultants sponsored by our development partners, were engaged during the year. The engagement of these consultants is part of the contributions of the donor agencies to reinforce the capacities of the Executive Secretariat as well as those of the ECOWAS Member States for the effective execution of NEPAD and other ECOWAS programmes. Bearing in mind that many departments still have the problem of understaffing, it is anticipated that the second phase of this major recruitment exercise will be speedily carried at the end of the reorganization of the management of the Executive Secretariat.

iv) **Staff Training & Development**

295. As is often said, the knowledge and expertise of today can easily turn obsolete tomorrow. Against this background, and having regard to the crucial role of manpower development in staff motivation and the smooth-functioning of the institution, the Executive Secretariat carried out an aggressive training programme during the year. A total of 116 staff members benefited from various training courses. In the coming year, the training programme will be designed to be more results and needs-oriented. The package will include short courses, seminars/workshops, language training and report-writing.

v) **Permanent Housing for Staff Members**

296. While approving the monetisation of the housing benefits of the G and M Staff, the 51st Ordinary Session of the Council of Ministers in December 2003 directed ECOWAS institutions to assist these categories of staff members to have access to mortgage facilities. In compliance with this directive, the Executive Secretariat has since the beginning of 2005, assisted about 58 staff members of all categories, or 25% of the total staff strength to secure mortgage facilities from financial institutions. This policy will be pursued vigorously in the coming year.

vi) **Katampe Housing Project**

297. Construction work is going on satisfactorily on the main structures as well as on the installation of infrastructural facilities at the Katampe Staff Housing Estate. It is hoped that the entire project will be completed and commissioned during the first quarter of 2006.

vii) **Transformation of the Executive Secretariat into a Commission**

298. During the ECOWAS summit in January 2005 at Accra, the Authority directed its Chairman and the Executive Secretary to examine the possibility of transforming the Executive Secretariat into a Commission. With the assistance of Eriksen, Faulkner and Partners, an international management consultancy firm, the Secretariat studied relevant executive bodies such as the Commissions of the African Union, European Union and UEMOA. These are regional groupings like ECOWAS whose member countries are similarly committed to deep integration which entails considerable surrender of national sovereignty: the organs and institutions of the regional organisation are endowed with the supranational powers needed to enact regional laws and regulations that are binding and directly enforceable in all the member countries. While the revision of the ECOWAS treaty in 1993 aimed at enhancing the powers of the Community, the degree of supranationality has in practice not been adequate for the level of integration that ECOWAS has attained or is hoping to achieve. In the light of these considerations, a set of proposals for transforming the Executive Secretariat into a Commission was presented for the consideration of Council of Ministers in June 2005. At the request of Council, the Secretariat has subsequently examined the financial and technical implications of a 9-member and 15-member Commission, and appropriate recommendations are being presented to the decision-making organs during the 2005 end of year statutory meetings.

299. While the decision of the Authority on this matter is being awaited, the Ad Hoc Ministerial Committee on the Selection and Evaluation of the Performance of Statutory Appointees sat in Abuja on 18 and 19 November, 2005, to interview candidates nominated by four Member States for filling the four vacant positions of Deputy Executive Secretaries. The report of this meeting is being presented to the forthcoming session of the Council of Ministers for consideration.

viii) ECOWAS representation in Member States.

300. In line with a directive of Council, the Executive Secretariat has submitted proposals on the establishment of ECOWAS representations in Member States. The representation is to ensure a greater presence of ECOWAS in the country, facilitate the implementation of Community programmes at the national level, and provide a strong link between Member States and the Community institutions. Related to this is the need for a well-structured institutional arrangement within each country for ensuring an effective participation of the country in the regional integration process. Proposals have therefore also been prepared by the Executive Secretariat for the consideration of Council on the mission, role and functions of the ECOWAS National Units.

301. The partitioning of empty spaces in the headquarters building and re-distribution of offices among the staff solved the problem only partially. Therefore, in line with the approval given by Council, the Executive Secretariat has continued its search for a block of offices to hire in Abuja. A number of office-blocks were identified during the period and suitable premises at reasonable cost will be secured in the new year.

ix) Obituary

302. In the course of the year, the Executive Secretariat experienced the tragic loss of three key officers in the crash of the Bellview Airlines flight 210 at Lisa, Ogun State, Nigeria on 22 October, 2005. These were General Cheick Oumar Diarra, Deputy Executive Secretary responsible for Political Affairs, Defence and Security, Mr. Emmanuel Quaye, Director of Finance, and Mr. Andreas Petermann, the Project Manager of the European Commission - sponsored ECOWAS statistical Development Programme (ECOSTAT). The Secretariat also lost Mrs Oyinlola Adeniji on 10 June 2005 and Mr Salifou Diouf on 1 November 2005. The entire Community is united in prayers for solace to the bereaved families.

2. ECOWAS FINANCIAL MANAGEMENT

303. The Finance Department plays a vital role in the operations of the Executive Secretariat based on the fact that it is responsible for the financial management of funds, preparation of the draft budget, implementation of the budget, and maintenance of financial records. The effective and efficient operation of this department has been of great concern to ECOWAS development partners, and has in the past delayed/prevented the release of funds to the Secretariat or has resulted in very stringent requirements on the part of the development partners for the release of funds.

304. The evaluations conducted by CIDA and USAID in 2003 into the financial management system of ECOWAS Secretariat showed significant weaknesses in the organizational structure, internal control procedures and the accounting system. The main findings of the report were inadequate and incomplete financial reports, irregular and late production of financial reports, lack of comparative data especially for development partner funds, lack of technical human resources, and weak budgetary control system. A number of recommendations were put forward aimed at improving the system. ECOWAS has accepted these recommendations in principle and has put in place a short-term capacity building programme covering a period of three years.

i) Computerization of Accounting System

305. The computerization of the accounting system is at an advanced stage. The system has been used to produce monthly trial balances and budgetary control statements on a timely and regular basis. Various other reports are also being produced on a pilot basis. In September 2005, the Finance Department achieved full and complete automation of its payment process (vouchers, commitment orders, cheques, etc.). The computerization of the department has resulted in several achievements which include harmonization of budgetary and financial codes; automated production of financial reports (2004 & 2005); production on monthly budgetary control reports; automated generation of commitment orders, payment vouchers, and bank withdrawal letters; general improvement in the payment process; and elimination of virtually all manual procedures.

306. In addition, with financial support from CIDA, all staff of the department now have computer facilities.

ii) Budgeting and Control

307. The ECOWAS Secretariat has been making efforts to improve its budget preparation management and control. At the November 2004 Annual Donors Coordination meeting, ECOWAS committed itself to a balanced budget and bringing down the administrative expenditure budget to 50% from 2005 onwards. The ECOWAS Council of Ministers in December 2004 approved a balanced budget.

308. For the 2006 budget, the Department has instituted a new budgeting process, which is focused on cost-centres rather than activities. The Department in conjunction with the office of the Financial Controller designed a timeline and organized workshops to educate all departments on the new budgeting procedure, formats, and expectations. In addition, the Secretariat fielded a mission to the Economic Commission of Africa (ECA) to study its budgeting exercise. As a result of the mission, there are plans to prepare a detailed budget preparation manual/handbook, in addition to seminars and workshops to educate the technical departments on the budgeting process.

iii) Update of Financial Regulations and Procedures

309. The Financial Regulations and Manual of Accounting Procedures of the Community Institutions was adopted by the Council of Ministers on 30 November 1989 vide its Decision *C/DEC.4/11/89* and amended by Regulation *C/REG.2/12/95* dated 13 December 1995 to take account of the specific requirements of the then ECOWAS Fund, a financial and development institution. It has been observed that important aspects have been omitted from this document, which has led to some institutions having their own in-house financial regulations. Many changes have occurred over the period also warranting a revision of the document. Major developments such as the restructuring and strengthening of Community institutions to meet the challenges of ECOWAS, establishment of new and specialized institutions, changes in the financing mechanisms and the growing interests of the donor Community have changed the landscape in which the Community operates.

310. As part of management's commitment to improving the financial management system of ECOWAS, plans are at an advanced stage to update the financial regulations and the accounting manual for the ECOWAS institutions. Ernst & Young, Accra has been engaged to undertake the task.

iv) **Donor Funds Management Unit**

311. A unit has been created to specifically focus on the management of donor funds (Pool Fund & Parallel Funds). The need for the unit arises from the increase in the number of development partners funding ECOWAS/NEPAD programmes. The unit shall be responsible for the following:

- 1) **Fund Operations** - Ensure compliance to donor requirements and procedures and serve as centralized support and training to donor fund users as well as manage and analyse donor funds information for users across the organisation.
- 2) **Accounting** - Responsible for overseeing donor funds' financial, accounting and administrative policies; maintains the donor fund master data and financial ledger and produces financial reports for donors and ECOWAS management.
- 3) **Compliance** - Responsible for monitoring compliance with donor agreements, helping to improve organisation-wide consistency of controls and practices and providing feedback to ECOWAS management on the overall quality of funds' use; identifies problems and opportunities related to fund compliance and quality, and takes actions as appropriate.
- 4) **Procurement** - Ensure compliance to donor procurement requirements and procedures.

312. The unit is currently staffed by the Principal Accountant (External Funds), Project Officer – NEPAD and Accounting Assistant (Grants). There are plans to recruit two professional accountants and a procurement officer.

v) **Donor Pool Fund**

313. At the November 2004 Annual Donor Coordination meeting, Canada, U.K. and France agreed to participate in the Donor Pool Fund. Subsequently, the Secretariat and the three development partners have been working on developing a framework for the operations of the Fund. The Finance Department prepared model financial reports, a financial management manual and a procurement manual, which were reviewed and finalized in conjunction with the participating partners. Moreover, the budget and work plan for the fund have been prepared and shall soon be finalized with the participating donors. In addition, a special bank account has been opened for the fund. The Secretariat and the partners

involved are currently working on finalizing the Fund's work plan and Joint Financial Arrangement (JFA).

vi) Implementation of the Community Levy

314. The Executive Secretariat spent the first few months of 2005 to analyse the experience ECOWAS gained from the autonomous financing mechanism in 2004 – the first full year that, instead of the direct contributions from national budgets, the Community depended on the proceeds of the Community levy. It turned out that a little over UA⁵ 70 million was recorded as levy collections for 2004 in the thirteen Member States applying the Community levy (no proceeds were received from Cabo Verde and Liberia). Of the amount collected, however, not more than UA64 million or 91% was deposited in the ECOWAS accounts at the central banks; the remaining amount was left in national treasuries, contrary to the provisions of the protocol on the application of the Community levy. One country unilaterally imposed restrictions on withdrawals from the ECOWAS account, while some countries made unauthorised withdrawals from the ECOWAS accounts. There were excessive delays at times in the release of funds; only UA 29.5 million was released in 2004, which was UA 11.3 million less than the total budget of UA40.8 million. In many instances, statements from customs and the central banks were not received on time and on a regular basis – to facilitate the monitoring process.

315. While some Member States (Niger and Togo) were making an additional effort (by applying 1% levy instead of 0.5%) to generate sufficient resources to clear their arrears, some others failed to meet such outstanding financial obligations to the Community. Twelve Member States have more than UA43 million outstanding, most of which has been due for more than ten years. In all cases, the Executive Secretariat endeavoured to point out these instances of non-compliance to the Member States concerned, so that appropriate remedial measures could be adopted. These deficiencies were also discussed at the seminar organized in Abuja by the Executive Secretariat on 4 and 5 April 2005 by the Executive Secretariat for Member States' officials involved in the management of the Community Levy. The Secretariat itself is taking steps toward adjusting the existing financial regulations and procedures to accommodate the changes that the new funding mechanism has introduced; an appropriate revision to the basic texts on financial management would be submitted for the purpose, including a corresponding re-structuring of the Finance Department, particularly with regard to the creation of a Treasury Division.

⁵ UA (the West African Unit of Account – WAUA) is equivalent to the Standard Drawing Right of the IMF. The UA exchange rate to the US dollar, as at December, is on the average 1 UA = \$1.3.

316. The internal reform that was initiated as part of enhancing the capacity to coordinate and manage NEPAD implementation in West Africa has been pursued further this year. The modernisation of the financial management system is proceeding smoothly. A more rigorous monitoring mechanism has been instituted for better management of the expenditure pattern in the Executive Secretariat. A series of staff workshops are being run to improve the preparation of the operational budget of the Secretariat. The inter-institutional committee on resource allocation has been operating to facilitate understanding of the problems with the inflow and distribution of the funds generated by the Community levy.

317. A Joint Inter-institutional Committee has been set up by the Executive Secretary charged with the administration of the proceeds of the Community levy. The Committee has been meeting quarterly since it was constituted in March 2004. It has been monitoring the implementation of the Community levy protocol by Member States and authorizing quarterly allocation of levy proceeds to the institutions. The membership of this committee comprises representatives of all the community institutions including the ECOWAS Bank for Investment and Development (EBID). During the period under review, the Committee intensified its monitoring visits to all member states, except Guinea Bissau. This resulted in an improvement in the implementation of the protocol and remittance of Community levy proceeds into ECOWAS accounts. The Committee is also looking into ways of improving the management and utilization of the Community levy proceeds. Institutions have prepared three-year strategic plans to assist in the preparation of guidelines for the utilization of levy proceeds. Furthermore, there has been strict implementation of the 4.5% subvention to Member States.

vii) External Resource Mobilisation

318. The increasing interest of development partners in ECOWAS deepened further during the period under review. This resulted in significant inflow of donor funding into the Secretariat to finance regional activities, notably regional peace and stability, consolidation of economic integration, monitoring of NEPAD implementation, harmonisation of sectoral policies, and reinforcement of the Executive Secretariat's institutional capacity.

ECOWAS/Donor Coordination Mechanism

319. **European Union:** During the year, ECOWAS cooperation with the European Union included the negotiation of an economic partnership agreement (EPA), the programming of the regional component of the 9th EDF, and the consolidation of the political dialogue between ECOWAS and the European Union.

The 2005 activities of the Regional Indicative Programme (RIP) of the 9th EDF were based on the programming of 235 million Euro allocated to the West Africa Region (ECOWAS and Mauritania) to support mainly economic integration and regional trade (50%) and transport facilitation (35%). Additional sectors that benefited from the RIP allocation were conflict prevention, health and other sector-based programmes (15%). The framework for the implementation of the programme was approved to consist of the following:

- Regional health programme in West Africa (15 million Euro) from January 9, 2004.
- Technical assistance on the implementation of ECOWAS road programme (2 million Euro) from 22 December 2004.
- Support to regional integration and the EPA negotiations between the European Commission and West Africa (7 million Euro) from 14 July 2005.
- Coordination and follow-up mechanism of the RIP 9th EDF(6 million Euro) from 27 July 2005.
- Conflict prevention (5.5million Euro) from 7 September 7 2000

320. Additionally, a Technical Cooperation Facility of 2 million Euro was used for the presidential and parliamentary elections in Togo as well as for the preparation of the EPA negotiations. Also, two other financing agreements are being currently negotiated to support the programme on regional integration in West Africa and the conclusion of the EPA (105 million Euro), and transport facilitation programme (63 million Euro).

3) COMMUNITY NTEGRATION PROSPECTS FOR 2006

321. International attention has been drawn to the pace and scope of the regional integration process in West Africa in recent years. This gives cause for optimism about the future prospects for sustainable development in the ECOWAS region. The increasing enthusiasm of the governments in the regional integration process, and the growing belief of West Africa's traditional development partners in the regional integration process are some of the potent factors that will sustain the integration effort in the years ahead. Needless to say, the achievements already recorded will provide the foundation for the effective and accelerated implementation of ECOWAS programmes.

322. The on-going programme of strengthening the institutional capacity of the ECOWAS Secretariat within the framework of NEPAD's Short-term Action Plan (STAP) will lead to enhanced financial and management service delivery in the

ECOWAS Secretariat as well as improved opportunities for financial and technical assistance for the implementation of Community programmes. The recruitment of both permanent ECOWAS staff and NEPAD consultants, which is well underway, will also strengthen the capacity of the ECOWAS Secretariat to effectively formulate and monitor Community programmes in the medium term.

323. With the designation of ECOWAS as the NEPAD Focal Point in West Africa (the 2003 Yamoussoukro Decision), the West African integration process has gained additional impetus to enable it achieve rapid economic growth and sustainable development that could alleviate poverty and foster a conducive environment for stability, peace and security. Greater political commitment and resources are, nevertheless, indispensable for better results. In order to sustain the present momentum and accelerate the Community integration process, some priority actions have been scheduled for implementation. The actions include the following:

i) **Articulation of action plans for setting priorities or spelling out function**

324. Choosing ECOWAS as the focal point for implementing the NEPAD agenda and the MDGs in West Africa has placed considerable demands on the existing institutional and financial infrastructure. Indeed, the challenges faced by ECOWAS are the same as those faced by the other RECs: non-clarity of mandates, poor mechanisms for dealing with countries, inadequate resources to deliver on original objectives and activities, and the additional task of coordinating the NEPAD agenda.

ii) **Strengthening the regional integration process by having fewer RECs**

325. Given the overlapping memberships of RECs and the attendant high transaction costs, duplication of efforts and wastage of resources, there is an outstanding decision of the ECOWAS Authority to rationalise the West African inter-governmental organisations. The eventual fusion of ECOWAS and UEMOA into one REC will require political will and special efforts at programme harmonisation and coordination.

iii) **Strengthening the Multilateral Surveillance Mechanism**

326. ECOWAS is encouraging its Member States to operate a sound macroeconomic framework based on the multilateral surveillance mechanism.

During the course of 2006, the Secretariat will seek to strengthen the operation of the multilateral surveillance mechanism in order to accelerate the pace of macroeconomic convergence in the region. In this regard, the Secretariat will strive to ensure a more effective implementation of the Authority Decision on the multilateral surveillance mechanism by the Member States through enhanced donor cooperation and coordination, especially with the World Bank and the IMF. In addition, it will seek to ensure the effective operations of the NCCs in the Member States by enhancing their technical and financial capacities.

327. Concerning the establishment of the Second Monetary Zone, the Secretariat will cooperate with the relevant statutory organs of the West African Monetary Zone to strengthen the operations of the West African Monetary Institute. In view of recent developments in the WAMZ programme, timely and effective implementation of the new work programme for the WAMZ will have to be scrupulously monitored to ensure consistency with the timelines and targets set for the introduction of the second regional currency.

iv) Formulation, Adoption and Implementation of Regional PRSP

328. Given the overriding importance of poverty reduction policies in the economic management of Member States, the formulation and implementation of the regional Poverty Reduction Strategy Paper (PRSP) will constitute a priority activity in the medium term. The final draft of the RPRSP, when completed in December 2006 will be validated by the Member States before it is subsequently adopted by the World Bank and the rest of the donor community. Key activities envisaged in 2006 include elaboration of a work programme with specific timelines and targets; preparation of a financing schedule and a resource mobilization strategy for the RPRSP; organization of a regional forum on the RPRSP; and formulation of a monitoring and evaluation strategy for the implementation process.

v) Development of Community Statistics

329. In 2006, the Secretariat, in collaboration with the United Nations Statistics Division, will elaborate action plans for strengthening the capacities of Member States in energy, environment and poverty statistics as well as monitoring the MDGs. Furthermore, an action plan for the harmonisation of public finance, monetary and balance of payments statistics will be elaborated within the framework of the 2006 work programme of the Executive Secretariat.

vi) Establishment of a Customs Union

330. The ECOWAS free trade area, which was officially established in 2000, is yet to function effectively. This is mainly because the elimination of barriers to intra-regional trade is generally incomplete. Tariff reductions pose difficulties for several countries because of the impact on government revenue. Other difficulties arise from the uneven distribution of benefits and costs because of differences in the size and capabilities of Member States. Therefore, intra-ECOWAS trade, particularly intra-ECOWAS exports, has been significant in only a few economies. In 2006, the Secretariat will deepen its on-going sensitisation drive in the Member States on the operations of the ECOWAS Trade Liberalisation Scheme (ETLS). In addition, enhanced monitoring and stricter compliance with the provisions of the protocol on the Community levy as well as other protocols and regulations on the creation of the customs union will be enforced.

331. With regards to the Common External Tariff (CET), the main activities envisaged in 2006 will include preparation and adoption by the Member States of region-wide consolidated list of exemptions of both A type and B type to the ECOWAS CET. Other activities would also include the commencement of the transition period for the ECOWAS CET from January 2006 to December 31, 2007, formulation of a text on the legal framework of the ECOWAS CET, establishment and operation of the Joint ECOWAS/UEMOA Management Committee for the implementation of the ECOWAS CET, and implementation of the agreed roadmap for the ECOWAS CET

vii) Infrastructure development

332. Much remains to be accomplished in upgrading the infrastructure for energy, transport, and telecommunications. In this regard, there is a strong need to upgrade the limited capacities of ECOWAS to manage the infrastructure and other sectoral programmes aided by the development partners. In that context, the 2006 work programme has been designed to consolidate the past achievements while stressing on implementing the projects, decisions and strategic priorities adopted by the Community.

333. In the field of energy, the ECOWAS programme will aim at effectively developing the energy resources of the region and promoting cooperation and harmonization of national energy development policies, by focusing on: (i) the West African Power Pool (WAPP) Project, (ii) the West African Gas Pipeline (WAGP) project, and (iii) the ECOWAS Initiative on Access to Energy Services. Other key activities envisaged for implementation in the infrastructure sector include

enhancement of transport facilitation measures; harmonisation of telecommunication policies, and regulatory framework for the establishment of a single liberalized telecommunications market in the region; fostering of industrial competitiveness of supply capacities through enterprise upgrading, increased capacity to meet international standards and client requirements, and the harmonization of standards and technical regulations.

viii) Peace and Security, Democracy and Good Governance

334. Key activities envisaged for this sector in 2006 include establishment of a functional early warning system for a more effective prevention of conflicts in West Africa, operationalisation of the ECOWAS Standby Force; establishment of a responsive disaster management and humanitarian management mechanism, and promotion of good governance and democracy.

ix) Promotion of Human Development

335. The 2006 strategy of the Secretariat will be to build upon the important studies made on the policy issues of gender, civil society, health and education. Activities envisaged in 2006 include (i) implementation of the convention on the equivalence of diplomas and certificates; (ii) implementation of a regional action plan for controlling the consumption and trafficking in drugs, and addressing money laundering; (iii) promotion of the involvement of the civil society, youths and women in the integration process; and (iv) implementation of a regional strategy for addressing health problems confronting the region in collaboration with the West African Health Organisation.

x) ECOWAS institutional capacity building

336. In 2006, concerted efforts will be made to enhance the implementation of the capacity building programme of the Secretariat. It is indispensable for the success of the integration process to have a mass of adequately motivated staff to implement the integration policy, programmes and projects.

CHAPTER THREE

TOPICAL COMMUNITY ISSUES IN 2005

i) Introduction

337. The West Africa region has spent 2005 commemorating the thirtieth anniversary of the establishment of the Economic Community of West African States (ECOWAS). When the Community was born on 28 May 1975, the dream of the Founding Fathers was to foster regional harmony and solidarity as the basis for a regional approach to an accelerated and sustained development of the national economies. The thirtieth anniversary has been observed through various activities, at both regional and national levels to celebrate the achievements of the Community. The anniversary also provided the opportunity for some sober reflection. This chapter highlights the key activities of the thirtieth anniversary celebrations and also examines some of the topical issues that dominated the integration and development debate in the Community.

ii) Thirtieth Anniversary Celebration Activities

338. Thirty years ago, the ECOWAS founding fathers made a formal commitment to work together to achieve a collective dream of a free, peaceful, prosperous and indivisible West Africa. An analytical study conducted by the ECA – Assessing Regional Integration in Africa (ARIA) places West Africa ahead of all the other regions in terms of the degree of integration. ECOWAS achievements are in the areas of market and monetary integration, physical integration, production integration, political cooperation, and institutional capacity-building. The landmark regional achievements include the establishment and effective functioning of the ECOWAS Parliament, the Community Court of Justice, the ECOWAS Bank; the introduction of an ECOWAS Passport and Travel Certificate, the ECOWAS flag and anthem, the free movement of Community citizens throughout the region, the free trade area, the bold steps towards a single regional currency, the many regional infrastructural developments, the regional projects of our business community (ECOBANK, ECOMARINE, ECOAIR, West African Gas Pipeline project), the ECOWAS mechanism for conflict prevention.

339. During the week of the anniversary, specifically from 23 to 28 May 2005, a number of activities were organised both at the regional level and at the level of member States to mark the anniversary. ECOWAS Secretariat made available materials to facilitate the celebration of the anniversary at the national levels,

including such activities as seminars and workshops on integration, quiz competitions, cultural activities, games and sports.

340. The activities organised at the regional level included a regional seminar on the involvement of the private sector in the integration process. This was done in collaboration with the African Business Roundtable and the West African Enterprises Network, and it was programmed to coincide with the 2005 Annual Meeting of the African Development Bank here in Abuja. There was also a workshop which engaged officials of ECOWAS national units in a debate with researchers, academicians, private sector operators and donors on the West African integration process. The deliberations covered an in-depth review of the evolution of the Community, the current regional imperatives, the perspectives and possible future directions of economic integration in West Africa. The workshop was organised in collaboration with the OECD Club du Sahel and West Africa, based in Paris; its recommendations are to be presented to the ECOWAS Authority.

341. Other anniversary events were a mock session at the Community Court of Justice and a musical concert. There was the children's swimming competition and party on May 27 as part of the celebration of Children's Day anniversary. The 30th anniversary celebrations continued in the last quarter of the year with the 4th ECOWAS trade fair which was held in Lagos from 22 to 31 October. The final event will be the summit of the ECOWAS Authority, during which important decisions would be taken concerning the deepening of the economic integration process, specifically as it relates to the achievement of a customs union and monetary union.

iii) **Indebtedness and achieving the MDGs**

342. Back in 1975, the ECOWAS treaty envisaged that regional integration would foster rapid development and help to raise the standard of living of West African citizens. Thirty years on, the integration process still does not influence development policy and therefore has not had much tangible impact on West African development. The citizens are not enjoying any higher standard of living because economic development continues to elude the region. Over the three decades, the Community and its Member States have faced a number of development challenges which have militated against the rapid economic development of the region. The West African countries have resolved to engage in a collective effort through the instrumentality of ECOWAS to overcome most of these challenges. Thus the Community Work Programme has been expanded beyond the traditional domain of market integration, to encourage a regional

approach to tackling developmental issues as infrastructural development, good political and economic governance, national capacity to develop and manage natural resources, promotion of the private sector, and the general problem of eliminating poverty.

343. During the year, the regional debates over these challenges have been conducted within the context of reviewing the ECOWAS integration programmes and the NEPAD agenda, which address specific development issues from a regional perspective. The results of the many retrospective analyses and the consequent proposals for enhancing the regional development prospects are being systematically incorporated in the medium-term strategic plans that the ECOWAS Secretariat is currently formulating for adoption by Council and the Authority.

344. Many of these development challenges have an international dimension, such as trade policy and market access, indebtedness and development finance, achieving the millennium development goals (MDGs). It is necessary that West Africa should engage its development partners in a similar debate and dialogue. The aim here is to mobilise international action so that the requisite international measures could be undertaken to complement the laudable reforms that ECOWAS Member States are engaged in, collectively and on individual national basis.

345. Fortunately, 2005 has been "***The Year of Development***" for the international community; international attention has focused on helping the developing countries to improve the living conditions of their citizens. The development issues have been debated this year in many arenas: the UK-sponsored Commission for Africa, the G8 summit in Gleneagles, the UN Summit on the Millennium Declaration, preparations for the WTO ministerial meeting in Hong Kong, and the draft EU Strategy for Africa. Particular attention came to be focused on debt relief and achievement of the MDGs. In the light of the importance of these issues to the economic development of the region, the rest of this chapter examines, first, the issue of indebtedness and the conditions that ECOWAS Member States need to satisfy in order to benefit from the debt relief. In addition, this chapter reviews the progress Member States have made in achieving the MDGs, and what needs to be done to enhance performance.

- Debt Relief

346. High debt can be detrimental to a country's economic growth. It can increase the risk of financial distress or crisis, when foreign creditors rush to cash their claims, resulting in the failure of banks and firms. However, if official creditors hold the bulk of the poor country's debt, it is unlikely they will precipitate

a crisis, so the country will not experience a recession no matter the level of its debt.

347. In addition, a high debt profile creates a debt overhang problem causing the country not to be credit-worthy for fresh loans. For instance, when a country has high debt outstanding, private investors hesitate to invest for fear that the government might levy extra taxes on corporations in order to service the debt. Similarly, the government may hesitate to invest because the returns will largely go to service debt. Consequently, high debt can impair investment and growth, and reducing debt may be necessary to encourage growth. This situation aptly describes the debt situation in the ECOWAS Member States; indebtedness has seriously constrained their ability to record substantial economic growth (the minimum 7% growth rate) necessary for the achievement of the Millennium Development Goals (MDGs).

348. Debt relief alone, however, no matter how generous, cannot guarantee long-term debt sustainability. Sound policies, good governance, prudent new borrowing, and sound debt management by debtor nations, as well as responsible financing by creditors, will be necessary to ensure debt sustainability. The importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, particularly the ECOWAS Member States, cannot be over-emphasized since debt financing and debt relief have a direct bearing on a country's available capital for development. Debt relief could effectively provide predictable additional resources directly to the budget (via the repayments that no longer have to be made) and could offer a way to force coordination on conditionality among donors. Equally important, debt relief could allow a poor country to obtain access to loans from foreign private investors. Private investors may be unwilling to lend to a highly indebted country for fear that the country will be unable to repay, but if because of the country's reform agenda official debt is completely forgiven, the investors will be encouraged to lend. Thus, official creditors may, through debt forgiveness, be able to expand a country's access to private resources.

349. Debt sustainability is therefore essential for promoting economic growth and achievement of national development goals, including the Millennium Development Goals. In addition, debt relief can play a key role in liberating resources that can be directed towards activities consistent with poverty eradication, sustained economic growth and sustainable development.

350. Realising the importance of debt relief to economic development and the achievement of the MDGs, the Group of Eight (G8) countries⁶ in their 2005 annual summit of 6-8 July agreed to cancel 100 per cent of the outstanding debt of eligible Heavily Indebted Poor Countries (HIPC) owed to the International Monetary Fund, the International Development Association and African Development Fund and to provide additional resources to ensure that the financing capacity of these international financial institutions is not reduced.

351. During the G8 summit, African leaders reaffirmed their commitment to drive forward plans to reduce poverty and promote economic growth, deepen transparency and good governance, strengthen democratic institutions and processes, show zero tolerance for corruption, remove all obstacles to intra-African trade, and bring about lasting peace and security across the continent. On the strength of this commitment, the G8 leaders agreed to a comprehensive plan to support Africa's progress. Specifically, they agreed to:

- provide extra resources to enhance the capacity of Africa's peacekeeping forces to deter, prevent and resolve conflicts in Africa;
- give enhanced support for greater democracy, effective governance and transparency, and to help fight corruption and return stolen assets;
- boost investment in health and education, and to take action to combat HIV/AIDS, malaria, TB and other major diseases; and
- stimulate growth, to improve the investment climate and to make trade work for Africa. This includes helping to build Africa's capacity to trade and working to mobilise the extra investment in infrastructure which is needed for business.

352. The G8 leaders agreed to back countries which have strong national development plans and are committed to good governance, democracy and transparency. By the year 2010, the G8 members expect to have doubled their development assistance to Africa; this will mean an additional inflow of at least \$25 billion per year. The decision by the Paris Club of creditors to write off \$18 billion of Nigeria's \$30 billion debt is also a welcome development. The G8 and African leaders agreed that if implemented these measures could:

- double the size of Africa's economy and trade by 2015;
- deliver increased domestic and foreign investment;
- lift tens of millions of people out of poverty every year;

⁶ Members of the G8 are: Britain, Canada, France, Germany, Italy, Japan, Russia and United States of America.

- save millions of lives a year;
- get all children into primary school;
- deliver free basic health care and primary education for all;
- provide, as close as possible, universal access to treatment for AIDS by 2010;
- generate employment and other opportunities for young people; and
- bring about an end to conflict in Africa.

353. In order to ensure delivery, the G8 and African leaders agreed to strengthen the African Partners Forum and establish a Joint Action Plan. The G8 decisions are an acknowledgment of the substantial progress that Africa has made in recent years in both economic and political fields (stronger economic growth, entrenchment of democracy and the ending of long running conflicts). The G8 countries wish to strengthen their partnership with Africa and have declared a common interest to create a strong, peaceful and prosperous Africa.

354. ECOWAS Member States that qualify for immediate debt relief are Benin, Burkina Faso, Ghana, Mali, Niger and Senegal. These are the countries that have reached completion point in the HIPC initiative. It is important to stress that the ECOWAS Member States will benefit from the debt relief only if they pursue the reform agenda, and more specifically, are able to continue to show commitment towards:

- poverty reduction and promotion of economic growth;
- deepening of transparency and good governance;
- strengthening democratic institutions and processes;
- zero tolerance for corruption;
- removal of all obstacles to intra-regional trade; and
- ensuring lasting peace and security.

- Achieving the Millennium Development Goals in West Africa

355. Realising that the world shares a common fate, the General Assembly of the United Nations during the United Nations Millennium Summit in September 2000 expressed an unprecedented determination to end world poverty. The world leaders declared their commitment not only to the people of their own individual countries but to the peoples of the world as a whole. The 189 countries at the summit adopted the Millennium Declaration, committing themselves to do their utmost to achieve key objectives of humanity in the 21st century including eradicating poverty, promoting human dignity and achieving peace, democracy

and environmental sustainability. The Declaration encapsulates the Millennium Development Goals (MDGs) which are expected to be achieved by 2015.

356. The MDGs are the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions - income poverty, hunger, diseases, lack of adequate shelter, and exclusion - while promoting gender equality, education, and environmental sustainability. The MDGs also constitute basic human rights - the right of each person on the planet to health, education, shelter, and security as pledged in the Universal Declaration of Human Rights and the UN Millennium Declaration. The MDGs, encompassing a total of eight goals, eighteen targets and forty-eight indicators with 1990 chosen as a baseline for measuring progress are too important to fail. They are the most broadly supported, comprehensive and specific poverty reduction targets the world has ever established. For the international political system, they are the fulcrums on which development policy is based. For the billion-plus people living in extreme poverty, the MDGs represent the means to a productive life. For every one on earth, they are a linchpin to the quest for a more secure and peaceful world.

357. African leaders have adopted the MDGs as a tool to end the tragic condition in which so many Africans find themselves: deprivation of their basic human rights, which include health, education, shelter and security. The 14-15 May 2005 Conference of African Ministers of Finance, Planning and Economic Development held in Abuja, under the auspices of the United Nations Economic Commission for Africa, had as its theme "Achieving the Millennium Development Goals". The theme was apposite and timely with just 10 years left before the target deadline of 2015 and also because a review of the impact of the MDGs was going to be carried out in September this year.

358. From the September 2005 MDG Review Summit in New York, it was observed that of all the regions of the world, Africa has fared worst in meeting the MDGs. Between 1990 and 2002, it had the slowest overall progress and suffered setbacks in some crucial areas. In sub-Saharan Africa (SSA), majority of its countries are off-track for many MDGs, even though some countries are on track in achieving individual goals. In the specific case of West Africa, performance falls far short of expectation. The growth level required to progress vigorously towards the MDG remains beyond the reach of many West African countries. In contrast to the required minimum growth rate of 7% per annum, West Africa's fastest real GDP growth this decade was 5.2 percent in 2004. The relatively slow growth contributed to the region's dismal performance in achieving the MDGs. Nonetheless, on individual Member State's basis, significant progress has been achieved on meeting some of the MDGs.

- Status and Constraints to the Achievement of the MDGs

a ***Status Report***

359. The ECOWAS member States' overall performance during the 1990-2000 period, with respect to achieving the MDG targets, was dismal. Performance was particularly weak on halving poverty, reducing maternal mortality rate and increasing the primary education completion rate, though there was some progress on meeting the target of halting and reversing the spread of malaria. As shown in Table 8, even though some countries may achieve some of the goals by the year 2015, the majority still lag behind and special efforts will be required to enable them achieve the MDGs.

Table 8: Achieving MDGs in sub-Saharan Africa: ECOWAS Performance

Goals	Targets	Sub-Saharan Africa	ECOWAS countries likely to achieve target
Goal 1 Eradicate extreme poverty and hunger	Reduce extreme poverty by half	High; no change	Burkina Faso, Ghana
	Reduce hunger by half	Very high; little change	The Gambia, Ghana
Goal 2 Achieve universal primary education	Universal primary schooling	Progress but lagging behind	Cabo Verde, Togo
Goal 3 Promote gender equality and empower women	Girls' equal enrolment in primary school	Progress but lagging behind	None
	Girls' equal enrolment in secondary school	Progress but lagging behind	None
	Literacy parity between young women and men	Lagging behind	Cabo Verde
	Women's equal representation in national parliaments	Progress but lagging behind	None
Goal 4 Reduce child mortality	Reduce mortality of under-five-year-olds by two-thirds	Very high but no change	Cabo Verde
	Measles immunization	Low, no change	Not available
Goal 5 Improve maternal health	Reduce maternal mortality by three-quarters	Very high incidence	Cabo Verde, The Gambia
Goal 6 Combat HIV/AIDS, malaria and other diseases	Halt and reverse spread of HIV/AIDS	Stable	None
	Halt and reverse spread of malaria	High incidence	Benin, The Gambia, Guinea Bissau
	Halt and reverse spread of TB	High and increasing	The Gambia
Goal 7 Ensure environmental sustainability	Reverse loss of forests	Progress	Cabo Verde
	Halve proportion without improved drinking water in urban areas	No change	The Gambia
	Halve proportion without improved drinking water in rural areas	Progress but lagging	None
	Halve proportion without sanitation in urban areas	Low access; no change	Ghana, The Gambia
	Halve proportion without sanitation in rural areas	No change	None
	Improve the lives of slum dwellers	Rising numbers of slum dwellers	None
Goal 8 A global partnership for development	Youth employment	High; no change	None

Sources: (I) UN Millennium Project 2005, Investing in Development: A Practical Plan to achieve the Millennium Development Goals. Overview, page 3.

(II) Economic Commission for Africa (2005) Survey of Economic and Social Conditions in Africa 2004 – 2005.

360. On a goal-by-goal assessment, the ECOWAS member States' performance is adjudged as follows:

Goal 1: *Eradicate extreme poverty and hunger*

361. Recent economic trends in West Africa do not match the minimum growth rate of 7% and an equitable distribution of wealth. From 3.5% in 2001, growth slowed down to 1.5% in 2002. In 2003, the growth rate accelerated to 4.0% and reached 5.2% in 2004. At the national level, none of the member States attained in 2004 the 7% minimum level of growth required to reach the MDGs.

362. The proportion of the population living under the poverty level is increasing in the region. Poverty is more accentuated in the rural areas than in the urban areas. Also in relation to the goal of reducing poverty, the reduction of the population suffering from hunger is not yet evident owing to the precariousness of food security and the nutritional status of children in the region. The decrease observed in the proportion of the underweight children of less than 5 years of age is not high enough to hope for the region to reach the goal by 2015.

Goal 2: *Achieve universal primary education*

363. Notable progress has been recorded in the rate of primary schooling throughout the region. Togo and Cabo Verde⁷, with rates higher than 90%, had the best performances. Regional disparities as well as urban/rural inequality remain high throughout the region. In addition, in seven countries, namely Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger and Senegal, more than half of the children registered never complete primary school. Also, advances in the literacy rate of the age group of 15 to 24 years are low. Cabo Verde, Ghana, Nigeria and Togo are the only countries where more than three-quarters of the population aged 15 to 24 are literate.

Goals 3: *Promote gender equality and empowerment of women*

364. Despite some improvements in addressing gender inequality since the 1995 World Conference on Women in Beijing, much remains to be done in West Africa to make gender policy an effective instrument for poverty reduction. MDG3's first target is to eliminate gender disparity at all levels of education. In this area, the ratio of girls to boys at all levels of education improved in the majority of West African countries between 1990 and 2000. In primary education during the entire

⁷ The net rate of primary schooling in Cabo Verde has been around 100% since 1998.

decade, the ratio was more than 4 girls to 5 boys in Cabo Verde, The Gambia, Ghana and Senegal. Since 2000, girls number more than half of the number of boys with primary education in all countries.

365. The improvement is less marked in secondary school and higher education, which have not benefited much from recent policies on the education of girls that have for the most part stressed primary schooling. Only Cabo Verde, The Gambia and Ghana show a ratio higher than 50% for secondary school. Moreover, there is an improvement in the literacy rate of women aged 15 to 24 years in comparison with that of men. The disparities between the sexes with regards to literacy have been considerably reduced since 1990 in all countries. However, Cabo Verde, Ghana and Nigeria are the only countries to record a gap of less than 20% in literacy rates between the sexes. The extent of the task of successfully eliminating disparities in education is thus still great.

366. As regards women representation in politics, in the legislature, at the highest level of the corporate sector and other economic institutions, women are still under-represented. The number of seats in national parliaments held by women is less than a quarter of the total number of seats in all the countries of the region. As shown in Table 9, modest gains were recorded in Burkina Faso, The Gambia and Senegal and recently in Niger. More needs to be done for women to have their say in governance, democracy and decision-making.

Table 9: Proportion of seats held by women in national parliaments (%)

Country	1990	1997	1998	1999	2000	2001	2002	2003	2004
Benin	3	7	7	7	6	6	6	6	7
Burkina Faso		4	9	8	8	8	8	12	12
Cabo Verde	12	11	11	11	11	11	11	11	
Côte d'Ivoire	6	8	8	8			9	9	9
Gambia, The	8		2	2	2	2		13	13
Ghana		9	9	9		9	9	9	
Guinea		7	7	9	9	9	9	19	19
Guinea Bissau		20	10	10	10		8	8	8
Liberia		6				8	8	8	8
Mali		2	12	12	12	12	12	10	10
Niger	5		1	1	1	1	1	1	12
Nigeria					3	3	3	7	
Senegal	13	12	12	12	12	12	17	19	19
Sierra Leone	6			9	9	9	15	15	
Togo	5	1	1	1		5	5	7	7

Source : United Nations Statistics Division (2005) Millennium Indicators.

Goal 4: Reduce child mortality

367. Available data indicate that there is no significant reduction in the rate of child mortality in most of the West African countries. As depicted in Table 7, the under 5-mortality rate is high in all the countries except Cabo Verde and Ghana which in 2003 recorded child mortality rates of 3.5% and 9.5% respectively.

Goal 5: Improve maternal health

368. According to the regional office of the WHO (WHO/AFRO),⁸ the estimates of this indicator are of the order of 1060 for East Africa, 1020 for West Africa, 950 for Central Africa, 340 for North Africa and 260 for South Africa in 1990. The level of this indicator remained high in 2000 and comprises disparities among countries. Thus, while a rise in the maternal mortality rate is noted in Burkina Faso, Guinée Bissau, Niger and Sierra Leone since 1990, Guinea and Senegal have, by contrast, reduced the rate by half. Also, a relatively low maternal mortality rate is to be noted in Cabo Verde (150 per 100,000 live births) and to a lesser extent in Ghana and The Gambia, whereas in some other countries it reached above 1,000 thousand deaths per 100,000 live births.

⁸ The road to safe motherhood (2001)(http://www.afro.who.int/drh/safe-motherhood/safe_road.html)

Goal 6: *Combat HIV/AIDS, malaria and other diseases*

369. Goal 6's first target is to halt the spread of HIV/AIDS and begin to reverse it. The second is to halt and reverse the incidence of malaria and other major diseases. The prevalence of HIV/AIDS pandemic in the region was advancing steadily, rising from 4.11% in 1997 to 4.68% in 1999 and 4.93% in 2001. The recent improved performance (drop to 4.40% in 2003), which is due to the decrease in the prevalence rate in Nigeria, Côte d'Ivoire, Burkina Faso and Togo remains to be confirmed in the longer term.

370. Among HIV positive adults⁹, women are more affected and represent more than half of this fringe of the population since 1999 in most countries. Between 1999 and 2002, the prevalence rate among pregnant women aged 15-24 years was very high, for example in Burkina Faso and Côte d'Ivoire. At the regional level, the contraceptive method practised by adult women remains low although the coverage improved during the course of the decade 1990-2000.

371. Estimated at 199,240 for the entire region in 1997, the number of children orphaned as a result of AIDS doubled between 1999 and 2001, rising from 251,980 to 509,860; the number was 439,700 in 2003. At the country level, the number of AIDS orphans more than tripled between 1999 and 2003 in Liberia and Guinea. In Nigeria, 290,000 orphans were counted in 2003, which represents 65.98% of the regional total. Progress seems to have been made in Benin and Côte d'Ivoire with a reduction by more than half of these AIDS orphans between 2001 and 2003. In Togo and Burkina Faso, the reduction is estimated at 38% and 49%, respectively.

372. Malaria is endemic practically in the entire region. Mortality is predominantly among children aged 0-4 years; the prevalence rate in this group is four times the rate for the national population. The prevention of the disease remains very low in the age bracket 0-5 years, and in effect, it was less than 15% in 2000. This performance is associated with insufficient coverage in appropriate treatments, the level of which remained less than 65% in 2000.

373. With regards to tuberculosis, the ECOWAS member States have incidence rates ranging from 122 to 695 per 100,000 between 2000 and 2002 and are thus in the category of countries with the highest prevalence rates worldwide, above the WHO (World Health Organization) benchmark of 100 per 100,000 people. Côte d'Ivoire, Mali, Sierra Leone and Togo with more than 6% of their population

⁹ Adults aged from 15 - 49 years.

affected, had the highest rates during this period. Benin recorded the lowest rates with 122, 123 and 131 per 100,000 persons infected in 2000, 2001 and 2002, respectively. Mortality due to tuberculosis is accentuated in these countries with high prevalence rates.

Goal 7: *Ensure environmental sustainability*

374. Goal 7's first target is to integrate sustainable development principles into country policies and programmes and to reverse loss of environmental resources. Poverty across the region means continued loss of forest and valuable natural resources. The countries of West Africa do not seem to be on course in reversing the trend towards environmental resource losses. The size of forested zones has shrunk between 1990 and 2000 in most countries. Deforestation is very rapid in countries such as Benin, Côte d'Ivoire, Niger, Nigeria, Sierra Leone and Togo. The proportion of protected areas, designed to cover biodiversity, ranges from 1% in Guinea and Guinea Bissau to 11% in Senegal and Benin in 1997. Cabo Verde and The Gambia are the only countries to have improved forest cover within their national territories. The performance of Cabo Verde is striking: the proportion of forested zones increased by 142.53% between 1990 and 2000. These advances originate from the adoption of legislative measures (such as creation of protected areas), the organization of basic research, as well as conduct of activities to promote awareness of environmental issues.

375. The proportion of the population with sustainable access to safe drinking water supplies remains low, having increased slowly from 50.11% in 1990 to only 61.86% in 2002 in West Africa. Cabo Verde, Côte d'Ivoire, Ghana and Senegal have recorded good coverage in terms of access to water. Rural zones have low coverage on a national scale. Hence, they have recorded low progress compared to urban zones in all the countries except in Ghana, Liberia, Nigeria and Senegal. The rural/urban gap has also widened in Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger and Sierra Leone.

376. With respect to access to an improved sanitation system, estimates show that the situation has not improved and that the rate for urban zones still doubles that of the rural zones. At the country level, the data show more than half of the inhabitants of the rural areas is excluded. The situation is alarming in Burkina Faso, Guinea, Liberia and Niger, where the proportions of the population having access to an improved sanitation system in 2002 were only 5%, 6%, 7% and 4%, respectively.

Goal 8: Develop a global partnership for development

377. This goal encompasses global trading and financial systems, tariff and quota-free access for Least Developed Countries' exports, debt cancellation, addressing special needs, creating employment, providing access to essential drugs and sharing new information and communication technologies, among other things. The recent trend in official development assistance (ODA) in West Africa does not match the ambitions of the MDGs, and the flow of assistance has been uneven since the sixties and especially during the period 1990-2002. In terms of percentage of GDP, ODA flows have increased only in Burkina Faso (from 10.6% to 15.1%), Côte d'Ivoire (from 6.4% to 9.1%), Ghana (from 9.6% to 10.6%) and Sierra Leone (from 9.4% to 45.1%).

378. The inflow of foreign direct investments remains generally low in Africa, in spite of the higher rates of profitability of invested capital in Africa than in most other regions of the world. In West Africa, a decrease in foreign direct investments compared with GDP can be observed between 1990 and 2002 in five countries (Table 10). In 2002, two-thirds of the countries recorded lower inflows than the average of 2.4% for sub-Saharan Africa.

Table 10: Foreign Direct Investments to ECOWAS Member States

Foreign Direct Investments (US\$ millions)						Net Inflows of Foreign Direct Investments (% of GDP)	
Country	1997	1998	1999	2000	2001	1990	2002
Benin	26.0	34.9	61.1	96.9	131.2	3.4	1.5
Burkina Faso	12.5	9.7	13.1	23.2	25.5	(.)	0.3
Cabo Verde	11.6	8.8	53.3	21.1	0.7	0.1	2.4
Côte d'Ivoire	449.9	416.1	380.7	255	257.8	0.4	2.0
Gambia	20.6	23.7	49.5	43.5	35.5	0	12.0
Ghana	81.8	55.7	62.6	114.9	89.3	0.3	0.8
Guinea	17.3	17.8	63.4	32.9	38.0	0.6	0
Guinée Bissau	11.5	4.4	8.6	22.9	30.1	0.8	0.5
Liberia	15.0	16.0	10.0	11.5	12.5		
Mali	74.3	35.8	51.3	106.4	102.8	0.2	3.0
Niger	24.6	9.0	0.3	19.3	13.3	1.6	0.4
Nigeria	1539.5	1051.3	1004.8	930.4	1104.4	2.1	2.9
Senegal	176.0	70.7	36.3	88.0	125.5	1.0	1.9
Sierra Leone	9.6	-9.8	6.2	4.9	4.0	5.0	0.6
Togo	23.0	42.0	69.7	57.2	66.9	1.1	5.4

Source: The UNCTAD World Investment Report, 2002, and the UNDP Human Development Report, 2004

b Constraints to Achieving the MDGs

379. Rapid and sustained economic growth as well as equitable distribution of national wealth in West Africa are the key to lifting people out of poverty. A range of factors militate against the ability of the region to attain the MDGs. They include poor governance, insufficient political and policy commitment, non-incorporation of the MDG programmes into the national policy framework, particularly the poverty reduction strategy, non-complementary production structures, dependence on primary export commodities, weak infrastructure and institutions, small and fragmented markets, as well as internal and external disturbances. Many countries do not possess adequate capacity to carry out State functions; they fail to make sufficient investment in education, health, water and sanitation, which are the main ingredients for human capital formation.

380. The challenge of HIV/AIDS looms large over the region's lacklustre performance in attaining the MDGs. The pandemic has aggravated weak economic growth in many countries and is depleting human capital, the very foundation of social development.

c) Role of ECOWAS in ensuring the Attainment of the MDGs

381. It can be asserted, nonetheless, that the constraints are surmountable. The key to achieving the Goals in West Africa is to ensure that each person has the essential means to a productive life. In today's global economy, these means include adequate human capital, access to essential infrastructure, and assurance of core political, social and economic rights. The regional programmes adopted by ECOWAS are designed to enhance the capability of its Member States to achieve both the MDGs and the NEPAD goals, which complement the MDGs. Below are some of the ECOWAS interventions in promoting the attainment of the MDGs.

Goal 1: Eradicate extreme poverty and hunger

382. The MDGs are based on the observance of good economic governance and are closely related to the issues that are addressed by the poverty reduction strategies being pursued by almost all ECOWAS member States. ECOWAS and UEMOA are working in collaboration with the World Bank to formulate a regional PRSP to complement the implementation of the national PRSPs (Poverty Reduction Strategy Papers). The regional PRSP will focus on how to maximize, through concerted effort, the contribution of both national and regional actions to reduce poverty in West Africa. The aim is to:

- improve the design, content and implementation of the national PRSPs through the interactions of the national and regional officials concerned;
- enhance the design and focus of regional programmes to address more directly the problems of the poor;
- harmonise and coordinate the national PRSPs, and determine the most appropriate set of policy measures for alleviating poverty;
- incorporate the regional dimensions of poverty into national policies;
- re-orient regional programmes to complement the national PRSPs; and
- directly address poverty issues in areas where a regional approach has a comparative advantage.

383. A preliminary draft of the regional PRSP was reviewed at a regional workshop in November 2003 at Accra by senior officials in charge of National PRSPs in Member States. It was decided at that workshop to create a West Africa Poverty Forum for networking, exchange of information and experience, learning from best practices, and discussion of common issues. A second draft and a plan of action were reviewed by a second regional workshop at Ouagadougou in July 2005. Since then, the joint ECOWAS/UEMOA task force has been finalising the draft document for presentation to the ECOWAS decision-making organs.

384. In addition, within the ECOWAS region, a collective approach to sound economic management and sustained growth is being pursued with determination through the multilateral surveillance of the macroeconomic policies of the fifteen countries. The main aim of the multilateral surveillance mechanism is to evolve sound economic policies that will promote investment, employment creation and strong economic growth in each Member State and in the region as a whole. With respect to the multilateral surveillance, performance targets have been set for inflation, budget deficit, central bank financing of budget deficits, gross external reserves, domestic arrears, tax revenue, government wage bill, public sector investment, interest and exchange rates. Detailed information on the surveillance mechanism and performance of Member States in respect of the convergence criteria is contained in Chapter 3 of this Report.

385. ECOWAS has adopted a regional agricultural policy out of which has been derived a regional programme for food security. The objective of this programme is to promote agricultural production within the region and increased market

access for agricultural goods produced in the region. Most of the poor are the rural population subsisting on traditional agriculture; regional action that enhances agricultural productivity and increases rural incomes would contribute significantly to poverty reduction. The programme also aims to establish and strengthen a Regional Food Security Information System (RFSIS).

Goal 2: *Achieve universal primary education*

386. In terms of actions to address this challenge, ECOWAS has been most instrumental in developing a regional platform for the sound development of education in each Member State. Some of the actions undertaken are as follows:

- the adoption of a protocol on education and the identification of areas in which priority regional programmes should be developed;
- a Convention on Recognition and Equivalence of Qualifications;
- the completion of the priority programmes for technical cooperation such as (1) the regional programme supporting girls education; (2) supporting HIV/AIDS Preventive Education; (3) promoting scientific and technological literacy; (4) Policy reform, access, equity, quality improvement for technical and vocational education and training; (5) teacher training using distance education; and
- the initiation of the establishment of a Regional Education Fund to effectively fund Education Priority Programmes and Training.

Goal 3: *Promote gender equality and empowerment of women*

387. At the regional level efforts are being made to create an enabling environment for gender equality. For example, a gender policy has been formulated and approved. This policy outlines measures to promote development of the region through cooperation and integration in the social, economic, cultural and gender-based fields. This includes the MDGs through which women and girls would be empowered with a view to not only bridging the gender disparity gap, but also enabling the female gender to contribute more productively to and benefit more equitably from the development process. In addition, ECOWAS has established a Gender Development Centre in Dakar and a Gender Unit within the Executive Secretariat for a more vigorous promotion of the mainstreaming of

gender issues in virtually all development programmes under the purview of ECOWAS and its development partners.

Goals 4 - 6: Reduce child mortality; improve maternal health; and combat HIV/AIDS, malaria and other diseases

388. The West African Health Organization (WAHO) is a specialized ECOWAS institution created by the Community to ensure a regional approach to the major health challenges of West African countries. This institution has adopted for regional action a 2003-2007 Strategic Plan which covers the following nine priority areas: (1) HIV/AIDS/STI/TB; (2) Control of epidemics; (3) Child Survival; (4) Malaria; (5) Nutrition; (6) Drugs and vaccines; (7) Prevention of blindness; (8) Training; and (9) Institutional Development.

389. Major constraints in the health sector, besides the prevalence of HIV/AIDS and other infectious diseases, include the lack of harmonized health policies and standards among Member States. WAHO has been stressing that, in the absence of a unified and collaborative approach to combating the major health problems, gains made by local and national-level campaigns will remain precarious and reversible.

390. In the transport sector programme of the ECOWAS Secretariat, the fight against the HIV/AIDS pandemic is one of the components of an action plan to facilitate cross border movements by ensuring the implementation of road transport measures to counter the health hazards involved. This is being done in line with the ECOWAS protocols on free movement of persons and goods.

Goal 7: Ensure environmental sustainability

391. West Africa faces the twin challenges of ensuring the conservation and improvement of its delicate environment on the one hand, and the management and sustainable exploitation of the natural resources of the region, on the other. Since the factors underlying these challenges have a regional dimension, the Community has found it necessary to initiate regional cooperation in these areas. The Community work programme thus covers issues such as:

- Formulation of Environmental Policy for West Africa;
- Integrated management of water resources;
- Regional programme for desertification control;
- Regional programme for control of floating weeds; and
- Socio-economic development of trans-border zones freed of onchocercosis.

Goal 8: *Develop a global partnership for development*

392. Under the provisions of the commercial and economic arrangements of the Cotonou Agreement between the African, Caribbean and Pacific (ACP) group of countries and the European Union, a regional economic partnership agreement (REPA) has been under negotiation between West African countries and the European Commission. Within the context of EPA negotiations, ECOWAS has initiated the rationalization and harmonization of national trade and customs policies and procedures.

393. In addition, it is to the credit of West African leaders that the promotion of political governance was initiated within the ECOWAS forum soon after the Community became operational; a landmark event was the 1991 declaration of political principles. This declaration has guided ECOWAS leaders and found renewed support in 1991 and 2001 with the adoption of the ECOWAS mechanism on conflict prevention, a regional protocol on democracy and good governance, and another protocol on the fight against corruption. The ECOWAS mechanism for conflict prevention, management and resolution puts priority on a regional early warning system (the regional observatory network, Council of Elders and the Mediation and Security Council - these are the regional instruments which facilitate preventive diplomacy and the operation of a regional peer review mechanism). Given the conflict situation in West Africa, ECOWAS has had to place a high premium on conflict prevention, resolution and peacekeeping and the Community has won justified praise for these efforts. It is significant to note that as at present, there is no on-going active war in the region.

- *What Needs to be Done and Responsibilities of Development Partners*

394. To build the momentum required for achieving the MDGs, there is need for an agenda of accelerated and concerted actions by ECOWAS, its Member States and the development partners – based on the Monterrey framework of mutual accountability. The agenda should include issues on increasing public investment, domestic resource mobilization and official development assistance as well as capacity building. Specifically, the action points in the agenda are expected to include the following:

- National PRSPs of the member States and the regional PRSP should be MDG-based. Each country should elaborate a 3-to-5-year MDG-based poverty reduction strategy within the context of a 10-year framework. The MDG-based poverty reduction strategy should be a detailed, operational

document, attached to a medium-term expenditure framework which translates the strategy into budgetary outlays. It is important that the 10-year framework and 3-to-5-year poverty reduction strategy include a public sector management strategy – with a key focus on transparency, accountability, human rights, and results-based management. They should also include a clear strategy for decentralizing target-setting, decision-making, budgeting, and implementation responsibilities to the level of local governments.

- Concerted effort to achieve significant improvement in governance (political, economic and corporate).
- There should be a clear private sector strategy to promote economic growth. This involves the improvement of the business environment for stronger, private sector-led economic growth through privatization of public enterprises, removal of regulatory and institutional constraints, and strengthening of the socio-economic infrastructure.
- Increase in the financing of health and education services in West Africa.
- Massive investment for the construction of basic and especially rural infrastructure, and for agricultural development.
- Doubling the irrigated area as recommended in the report of the Commission for Africa to combat famine 80 percent of which is water-related; only 4 percent of arable land in sub-Saharan Africa is irrigated and 1.6 percent of its renewable water reserves utilised.
- Dismantling of barriers in developed countries to imports from West Africa.
- Substantial increase in the level and effectiveness of aid (both bilateral and multilateral), which should at least double in the next five years to support attaining the MDGs in West Africa.
- Need to implement the recommendation by the UN High-Level Panel on Global Threats that countries aspiring to permanent membership of the UN Security Council should contribute 0.7% of GNP in official donor assistance to developing countries.

- Rapid implementation of the debt relief package to developing countries, especially sub-Saharan African countries, for them to be able to achieve the MDGs.

CHAPTER 4

OPERATIONAL ACTIVITIES OF OTHER ECOWAS INSTITUTIONS

Introduction

395. The West African integration process is a comprehensive agenda that touches on all facets of communal life: political, social, cultural and economic. The regional enterprise is aiming at the deepest form of integration: the establishment of an economic and monetary union. The ECOWAS Authority has consequently found it necessary to establish an elaborate institutional machinery that would facilitate the creation and functioning of the desired multi-faceted Community. The Authority, the highest decision-making organ of the Community, is assisted by the Defence and Security Council, the Council of Ministers, and the ECOWAS Ministers of Foreign Affairs as well as many other sector-specific ministerial bodies, e.g. the Assembly of Health Ministers, the Convergence Council (on monetary and fiscal issues), and ad hoc ministerial committees. There are also the statutory technical commissions and their various sector committees.

396. The ECOWAS treaty has also provided for the Executive Secretariat and other Community institutions to ensure the technical and financial support that the organs required for the realisation of the integration objectives. Thus the ECOWAS Parliament is the legislative arm of the Community, while the Community Court of Justice assumes the judicial functions. In addition, the ECOWAS Bank for Investment and Development (EBID) Group provides development finance, the West African Monetary Agency (WAMA) and West Africa Health Organisation (WAHO) cover monetary and health cooperation issues respectively. Other ECOWAS institutions include the Gender Development Centre, the Inter-Governmental Group Against Money Laundering (GIABA) and the Youth and Sports Development Centre. It should be noted that ECOWAS has also fostered the creation and functioning of several regional private sector professional bodies, other non-governmental and civil society organisations, as a means of mobilising and involving all segments of the West African Community in the integration process.

397. In this section, the programmes and activities of some of the Community institutions are presented, with particular focus on highlights of events of the past twelve months. The institutions covered are the Parliament, Court of Justice, EBID, WAHO, WAMA, Gender Centre and GIABA.

I) ECOWAS PARLIAMENT

398. The year 2005 was another landmark in the history of the Community Parliament. The first legislature of the Parliament ended 15 November, 2005. This is therefore a period for stocktaking and reflection of the activities of the Parliament during this historic first legislature and a review of the 2005 year.

399. Without any doubt, the decision on 6 August 1994 to establish the Community Parliament marked a turning point in the history of the Economic Community of West African States. It was a sudden development that followed a critical analysis of the situation in the region, the result of which was echoed in President Olusegun Obasanjo's speech at the 22nd session of the ECOWAS Authority in Lome on 9 December 1999. The Nigerian President declared: "If we are to be frank with ourselves, we have to admit that the achievements of the Community over the last twenty-five years have been very disappointing". In the speech, President Obasanjo listed a number of factors that could explain the sad situation. These included:

- the fact that peace continued to elude the region; West Africa has been unable to resolve conflicts and ensure its citizens' collective security. This posed a serious regional challenge because the region cannot realistically hope to achieve its objectives of cooperation and integration in an atmosphere devoid of peace and harmony;
- the failure to involve the private sector in the integration process; this is the group that, on its own, has contributed the most to integration through increased cross-border trade;
- the inability to carry along the peoples of the region; ordinary citizens are given no opportunity to participate actively in the integration process.

400. The fact, however, was that, despite this situation, an ambitious reform programme was already well under way in ECOWAS, the Community having taken a number of initiatives to accelerate the integration process. The inaugural session of the Parliament was held in two stages, first in Bamako and, later, in Abuja. The Bamako session lasted three days, from 16 to 19 November 2000. The second session took place in Abuja from 21 to 27 January 2001.

401. The Bamako session was declared officially open by the then President of Mali, His Excellency Alpha Omar Konare who had announced his determination, upon assuming the post of ECOWAS Chairman, to do everything possible to accelerate the integration process in the region. In a speech setting out his vision of West Africa's future and the role of the Parliament, the ECOWAS Chairman

congratulated his fellow heads of state on the birth of their Parliament which he described as a thing of great joy, because it symbolised a new Africa on the move, a democratic and responsible Africa full of confidence in itself. He congratulated the representatives for the privilege to serve as 'pioneer Members of the Community Parliament who, by virtue of that position, will embody the Community ideals of the peoples of the region.

402. President Obasanjo also graced the opening ceremony of the Abuja session with his presence. In a keynote address, he expressed his fulfilment in the birth of the Parliament and his desire for it to play a pivotal role in the march toward regional and continental integration.

i) **Activities**

403. The Parliament, since its inception, has been able to establish all its components organs. The Plenary, the Bureau, the Conference of Chairmen and the Secretariat of Parliament have since been operating in their various spheres of influence and have been instrumental in the rapid growth of the Parliament. The final version, adopted in September, is being submitted to the Council of Ministers for adoption.

404. The competence of the ECOWAS Parliament as clearly defined in its Protocol, which is currently advisory and consultative in nature. Parliamentary Committees were established to take charge of the various matters that fall within its jurisdiction. These Committees have been very visible throughout the region in their respective fields. There are 13 Standing Committees, namely: Transport and Communication; Social Affairs and Public Health; Education and Employment; Tourism and Culture; Environment and Rural Development; Youth and Sports; Energy, Technological and Scientific Research; Mines and Industry; Law Regulation Free movement of Persons and Human Rights; Foreign Affairs, Security and Defence; Finance and Trade; Budget Control and Accounts; and Women and Children's Rights.

405. **Parliamentary Committees.** The meetings of the standing committees are in practice held outside the seat of the Parliament in the fifteen ECOWAS Member States to exhibit the determination of the ECOWAS Members of Parliament to remain close to the peoples they represent and to give visibility to their actions. These meetings away from Abuja provide a good opportunity to introduce the citizens of the host countries to the work of the Parliament. This is not only an innovative approach but also one that has the benefit of convincing all concerned that they are full players in the integration process. Stakeholders

invited to these meetings include national assemblies, which serve as indispensable intermediaries, ministerial departments responsible for issues under discussion at such meetings, inter-governmental organisations, and representatives of civil society organisations. These participants present papers or provide first-hand information when called upon to do so. This strategy brings the debates to the doorsteps of citizens of the fifteen constituencies that make up the Community. The activity of the Community Parliament has reinforced the spirit of Community citizenship.

406. A comprehensive account of all the activities of the Parliament and its Committees is presented in a special First Parliamentary Legislature publication soon to be widely circulated.

407. **Restructuring of Parliament:** The restructuring process for the Parliament has commenced in accordance with the provisions of articles 7 (2) l and 14 (2) f of the Protocol relating to the ECOWAS Parliament, and in compliance with the directives of the ECOWAS Chairman of Authority, His Excellency, President Mamadou Tandja of Niger, to the effect that the proposed restructuring of the Parliament as decided at the 53rd session of the Council of ministers and endorsed by the Authority of Heads of State should take place before the reconvening of the next Parliament. In this regard, the Executive Secretary convened a meeting of Secretaries General/Clerks of West African Parliaments Abuja from 27 to 28 November 2005 in Abuja. The meeting was closely followed by a Meeting of Speakers of West African Parliaments scheduled on November 29, 2005. The two meetings examined documents relating to the proposed restructuring with the aim of giving its input, before the submission of the final proposal to the Authority of Heads of State and Government, through the Council of ministers at its forth coming session in Niamey in January 2006.

408. **Review of Community Text:** The advisory and consultative competence of the Parliament has been dogged by a lack of provision for a mechanism for institutions of the Community to access these functions. This therefore became a primary consideration when the revision of the powers of Parliament was considered. From the very first session held in January 2001, it became obvious that Parliament's ability to accomplish the mission assigned to it in the Protocol was conditional on its securing an enhancement of its powers. Accordingly, Parliament mandated the relevant committees to look into mechanisms that would enable the ECOWAS Parliament to effectively play its role as an assembly of representatives of the peoples of West Africa. This conviction was shared by the 25th session of the ECOWAS Authority held in Dakar in December 2001, which

directed the ECOWAS Executive Secretariat to carry out a study on the enhancement of the powers of the Community Parliament.

409. Parliament drew attention to shortcomings it had noted in the basic texts and in the Protocol establishing the Parliament. The terms of reference for the studies on the implementation of the present competence of the Community Parliament, the enhancement of its powers, and the election of Members through direct universal suffrage have been drawn up and the studies are being undertaken

410. The Parliament has since its inception made strenuous efforts to increase its cooperation within its traditional constituency and to take its rightful place in the Community. This has taken the form of increasing links between the Community Parliament and National Parliaments, Regional and Continental Parliamentary Organizations. The activities of the Parliament in relation to Regional and Continental Parliamentary Organizations were however significantly more pronounced than those relating to National Parliaments. During its first legislature the Parliament recorded considerable success toward this goal. Parliamentary relationships were established with the African Parliamentary Union (APU), the European Union Parliament (EU), the African, Caribbean and Pacific- European Union Parliamentary Assembly (ACP-EU), the Inter-Parliamentary Union (IPU), the Network of Parliamentarians, the Pan-African Parliament (PAP), and the Parliamentarians for Global Action (PGA). Working relationships have been established with international agencies such as the National Democratic Institute (NDI) in Nigeria, the Friedrich Ebert Stiftung Foundation, the World Bank, the European Union, the African Union, the United Nations (UN) and the OECD-Development Assistant Committee. The Parliament made significant contributions in various International for a such as the New Partnership for Africa's Development (NEPAD), the Forum of West African Parliamentarians on NEPAD, the Convention on Desertification held in Germany and at the 6th International Security Forum.

411. Another of the major highlights of the first legislature was the visit and presentation of Mr. Johannes Rau, President of the Federal Republic of Germany to the Plenary of the Community Parliament. In accordance with the rules of procedure of the Parliament and at the initiative of the President of Ghana His Excellency John Kufuor, the then Chairman of Authority of ECOWAS, Parliament met in extraordinary session from the 17th to 24th March, 2004 to receive the German President.

412. The Parliament is currently undergoing re-structuring in order to define and separate the functions and powers of the administrative and political wings of this institution and ensure that the Parliamentary Committees complement in terms of the subject matter, the existing Community Specialised Technical Commissions. The re-structuring exercise would not only strengthen its administrative and financial management but will also enhance its collaboration with other Community Institutions and guarantee greater contribution towards the integration process.

413. In accordance with the protocol on the Parliament, the tenure of the first legislature came to an end on 15 November 2005 after the prescribed period of five years. By the provisions of the Protocol, the next or second legislature ought to be convened by the Chairman of the Authority upon notification by the Executive Secretary of the submission of nominees of three quarters (3/4) of Member States for the next legislature.

414. However, the convening of the second legislature has been postponed upon the directives of the Chairman of Authority pending the conclusion of the re-structuring exercise within the Parliament. It is expected that Parliament will be convened within the first quarter of 2006.

ii) Prospects

415. The forthcoming inauguration of the Second Legislature of the ECOWAS Parliament is a sign of hope for the peoples of the region. For them, it is incontrovertible proof that the Community institution which protects their right of oversight over the integration process on their behalf has come to stay, having succeeded in effectively playing the role assigned to it during the past five years. The Community Parliament is, admittedly, a fledgling institution. However, the constitutional powers conferred on it make it a pillar among the three Community institutions; these powers constitute evidence that Parliament is, and will remain, an indispensable force in the building of an integrated West Africa.

416. This political imperative makes it incumbent on the executives at the regional level, the national assemblies and the entire political class in all the countries in the region to work together to nurture this Community. Events during the first legislature have demonstrated that the emergence of new organs on the Community institutional landscape constitutes a potentially big challenge, one which can be addressed only with the support and collaboration of the other institutions, the decision-making authorities, and the Members of Parliament and Judges of the Community Court. The problems encountered by the Parliament

were due essentially to inherent shortcomings in instrument establishing it as well as in the basic texts that have governed the Community for more than thirty years. The Community decision-making authorities need to review these texts to enable the Parliament and other new Institutions effectively play their roles in the integration process. As the Parliament terminates its first legislature, during which several activities such as the organization of meetings with representatives of different segments of the West African society, and, generally used every available opportunity to make the public aware of its activities, the institution is actively seeking to secure greater powers and a recognition of its special nature as the legislative arm of the Community.

417. The Incoming ECOWAS Parliament can legitimately hope to find an institution endowed with the competent staff needed to accomplish its mission, and can, in particular, hope to attain its ongoing quest to enhance the powers of the Parliament and ensure the election of Members by direct universal suffrage. Already, there are positive signs that the new Parliament will be able to count on the understanding of the other Community Institutions and decision-making authorities, who all view such matters as issues of common interest to the Community as a whole.

II) COMMUNITY COURT OF JUSTICE

Introduction

418. The major event which marked the year 2005 is, without doubt, the adoption of the Supplementary Protocol A/SP.1/01/05 on the Community Court of Justice by the ECOWAS Authority on 19 January 2005 in Accra. Apart from consolidating the competence of the Court, the Supplementary Protocol had introduced new provisions relating to the method of implementation of judgments of the Court. The Protocol grants individuals and corporate bodies access to the Court and expands its powers in several areas, notably, actions brought for failure to honour an obligation, determination of the legality of an act, action seeking reparation for damage, referral for preliminary determination, the contentious issue of Community civil service, and the violation of human rights in the ECOWAS region.

419. Another significant event in the year was the visit of the current Chairman of ECOWAS, His Excellency Mamadou Tandja, the President of the Republic of Niger, on January 28, 2005. The Court also organized press conferences on February 8 and October 10, 2005 to inform the public about the regional implications of the adoption of the Supplementary Protocol, and sensitize them on

the activities of the Court. Furthermore, the official launching of the African Union magazine on June 23, 2005 in Abuja, which was co-chaired by AU Chairman President Obasanjo and the former President of the Republic of Zambia, Dr. Kenneth Kaunda, provided the Court with an ideal opportunity to publicise its activities,, using the magazine as a suitable instrument.

i) **Activities of the Court**

420. **Jurisdictional Matters:** Following the adoption of the Supplementary Protocol, the Court experienced an upsurge in both jurisdictional and administrative activities during the year, as compared with 2004. The Court held 24 public sittings and examined one request for advisory opinion in camera. Six applications were lodged at the Court Registry, one of them seeking an advisory opinion, as follows:

- **ECW/CCJ/APP/01/05:** *Mrs. Tokunbo Lijadu Oyemade v. The Executive Secretary of ECOWAS and others*

A Staff Member of the ECOWAS Executive Secretariat brought an action against the Executive Secretary of ECOWAS for wrongful dismissal.

- **ECW/CCJ/APP/02/05:** *Hon Jerry Ugokwe v. The Federal Republic of Nigeria*

A Nigerian citizen, member of the National Assembly, appeared before the Court in a case concerning violation of his fundamental rights, following elections.

- **ECW/CCJ/APP/03/05:** *The Community Parliament of ECOWAS v. The ECOWAS Council of Ministers and the Executive Secretary of ECOWAS*

The Parliament came before the Court in a case concerning interference of the Executive Secretary in the running of its affairs

- **ECW/CCJ/APP/04/05:** *Chief Frank Ukor v. Racahd Laleye and The Government of the Republic of Benin*

A Nigerian citizen instituted proceedings against the Government of the Republic of Benin and a Benin businessman, for illegal seizure of his goods and infringement on his fundamental rights.

- **ECW/CCJ/APP/05/05:** *Prof. Moses Essien v. The Republic of Gambia and the University of The Gambia*

A Nigerian citizen lays claim to the violation of his economic and social rights by the Republic of The Gambia.

- **ECW/CCJ/ADV.OPN/01/05**

A request for an advisory opinion by the Executive Secretariat of ECOWAS regarding the legality of the decision of the Speaker of the Community Parliament to continue to run the affairs of the Parliament after November 15, 2005, being the expiry date of his term of office.

421. The Court delivered the following judgments:

- A declaratory judgment on the inadmissibility of the *Case Concerning Chief Frank Ukor v. Rachad Laleye and The Government of the Republic of Benin*.

- Two interim judgments on the *Case Concerning the Community Parliament of ECOWAS v. The ECOWAS Council of Ministers and The Executive Secretary of ECOWAS*

- An advisory opinion was also given on a request by the Executive Secretary of ECOWAS

- The other cases cited above are still being examined by the Court.

ii) **Sensitisation Programmes in Member States**

422. The sensitisation programmes of the Court were carried out in three Member States. With the cooperation of the Member States, the programmes were carried out at the Benin-Nigeria (Seme) border from 14 to 18 April 2005; Niamey from 9 to 13 May 2005; and Bamako from 23 to 30 September 2005. Themes of the presentations made during the programmes related to composition and competence of the Court, free movement of persons, goods and services, right of residence and establishment, violation of human rights, relationship between the Court and other ECOWAS institutions, and the relationship between the Court and the National Courts of Member States.

III) **ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT (EBID) GROUP**

423. The EBID group comprises the EBID Holding Company, the ECOWAS Regional Development Fund (ERDF), the ECOWAS Regional Investment Bank (ERIB) and the Special Fund for Telecommunication (SFT). The ERDF and ERIB are the operational subsidiaries of the EBID Group; ERDF focuses on the financing of the public sector while ERIB finances the private sector. The commitments of the Group for the period of 1 January to 30 September 2005 stood at UA 25,670,503

of which direct loans stood at UA 10,412,963 while guarantees stood at UA 15,257,540. These commitments are mostly for infrastructure projects in the following countries: Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Nigeria and Senegal.

424. The balance sheet of the Group showed a negative variation of 1.7% moving from UA 129,376,574 as at 31 December 2004 to UA 127,161,040 as at 30 September 2005. The provisional result as at 30 September 2005 showed a deficit of UA 1,198,434. There is therefore a need to improve upon the financial situation of the Group. For instance, the volume of the activities of ERIB is still far below the objectives assigned by the decision-making organs at the beginning of the year. This situation is explained by the prevailing inadequate financial resources and the fact that ERIB is still exploring its market.

425. As part of the measures to enhance the capital base, the Group has approached the central banks in the region (BCEAO, the Central Banks of Ghana, Guinea, the Gambia, Nigeria and Sierra Leone) to secure their participation in the capital of EBID. The share capital to be made available to the central banks for subscription is US\$ 63,000,000 and would be taken from the shares allocated to non-regional partners. Details about each of the Group entities, including their financial situation, are provided below.

i) EBID Holding Company

426. EBID is a financial institution, an equity holding company whose main income is expected to be earned from its investments. EBID has so far made investments in the following institutions: ERDF (UA 21,168,972 or 100% of the capital), ERIB (UA 10,542,164 or 100% of the capital), Special Fund for Telecommunication (UA 8,507,861 or 100% of the capital), ECOBANK (UA 9,000,000 or 10% of the capital) and CMTL (UA 157, 427 being 100% of the capital). EBID's total investment is UA 49, 376,424. However, as at 30 September 2005, EBID was only receiving income from the investment made in ECOBANK.

427. The ninth ordinary meeting of the bank's Board of Directors was held on 6 July 2005 in Cotonou and was followed by the ordinary meeting of the Board of Governors of EBID on 8 July 2005. The tenth meeting of the Board of Directors, held in Lome on 22 August, passed a resolution relating to the directives arising from the meeting of the Board of Governors of 8 July 2005 on the re-organisation of EBID Group and staff redeployment.

ii) **ECOWAS Regional Development Fund (ERDF)**

428. The Board of Directors of the Fund held its fifth and sixth ordinary sessions on 7 – 8 April and 4 July respectively in Lome. Resolutions adopted at the sessions include the 2004 – 2007 Strategic Plan of ERDF, the signing of an agreement with EBID for the provision of a line of credit for the partial financing of the Tinapa Resort and Export Processing Zone project in Cross River State, Nigeria to the tune of UA 6,525,371, and a 35 MW thermal plant to upgrade the Samou-Garafi-Kinkon interconnected system in the Republic of Guinea.

429. As at 30 September 2005, the total commitments of ERDF stood at UA 115,233,543 (including transferred loans), with direct loans amounting to UA 95,999,117 while UA 19,234,426 were in guarantees. In addition, between 1 January and 30 September 2005, an amount of UA 7,495,618 was disbursed, bringing total disbursements to UA 59,481,289 as at 30 September, representing a disbursement rate of 62%. Recoveries for the period amounted to UA 2,864,382 with interest and principal payments accounting for UA 1,049,398 and UA 1,814,984 respectively.

iii) **ECOWAS Regional Investment Bank (ERIB)**

430. Three sessions of the Board of Directors were held during the period. Specifically, the eighth, ninth and tenth sessions were held in Lome on 10 January, 10 May and 17 August 2005 respectively. Some of the resolutions adopted include the appointment of Mr. Armand Akobe as EBID Director on the Board of ERIB; authorisation of a partial guarantee of CFA F 4,076,526,800 to cover principal and interest payments under the ONATEL (Burkina Faso) debenture loan as well as approval of a loan facility of UA 3,162,662 to SONACOP (Benin) for financing of importation of petroleum products, and UA 670,000 for financing of the Airport West Hospitality Hotel (Ghana) project.

431. As at 30 September, the total commitments of ERIB stood at UA 30,212,206 with direct loans amounting to UA 12,098,471, 39% of which went into the energy sector. The situation of invoicings, recoveries and outstanding amounts as at 30 September 2005 shows that UA 439,988 had been recovered out of an invoiced amount of UA 1,518,018 leaving an outstanding amount of UA 1,078,030 or 71% of the amount invoiced.

IV) THE WEST AFRICAN MONETARY AGENCY (WAMA)

432. The 2005 WAMA Work Programme was designed to consolidate the progress made towards the effective implementation of the ECOWAS Monetary Cooperation Programme (EMCP). The year commenced with much expectation since the establishment of the second monetary zone and the launching of the *eco* was scheduled for July 2005. Given that the establishment of the single monetary zone is hinged on the progress made on the Second Monetary Zone front, it was also expected that in December 2005, the 29th Ordinary Summit of the ECOWAS Authority would determine a definite date for the establishment of the ECOWAS monetary union. Against this backdrop, WAMA's operations during the course of 2005 were focused on strengthening the multilateral surveillance system, and fine-tuning its role within the framework of the ECOWAS Monetary Cooperation Programme (EMCP).

433. The following account provides an overview of the technical and administrative activities undertaken during the period under review. In addition to the work programme, the activities undertaken were also guided by the decisions of the Committee of Governors held in Accra in January 2005 relating to a possible review of role and functions of WAMA. Against this backdrop, the activities of the Agency during the year were focused on the implementation of the ECOWAS Monetary Cooperation Programme (EMCP), the Multilateral Clearing Mechanism and the Travellers' Cheque Scheme.

i) The ECOWAS Monetary Cooperation Programme

434. In accordance with its multilateral function, WAMA monitored the performance of Member States in respect of the macroeconomic developments under the EMCP. In effect, the staff of WAMA undertook a number of missions to ECOWAS Member States during which discussions were held with top officials of Central Banks and government agencies responsible for regional integration policy formulation and implementation. The discussions generally centered on performance of the various countries under the multilateral surveillance mechanism and the effectiveness of the policy strategies that are being adopted to achieve the required macroeconomic objectives. The discussions were also centered on the need for all stakeholders to effectively play their respective roles towards the attainment of the single currency objective.

435. As indicated earlier in this annual report, the movement toward macroeconomic convergence during the period remained mixed as there was no significant improvement in overall performance. Generally, member countries

found it difficult to sustain their performance in respect of targets realized in preceding years. Performance under the key primary criterion, the budget deficit/GDP ratio, was particularly difficult. Against this backdrop, WAMA cautioned member countries on the need to adopt prudent macroeconomic policies to help improve performance under the convergence criteria.

ii) **WAMA/ECOWAS Joint Secretariat Activities**

436. In order to ensure the closest coordination of economic and financial policies under the multilateral surveillance mechanism, a meeting of the Joint Secretariat (i.e. WAMA and ECOWAS Secretariat) was held in Abuja in July 2005 to review the status of implementation of Decision A/DEC.17/12/01 of the Authority of ECOWAS Heads of State and Government, relating to the creation of the multilateral surveillance mechanism. In this respect, the two institutions discussed the need for effective establishment and functioning of the national coordinating committees (NCCs) in all member countries. Other issues discussed included technical aspects of the monetary cooperation programme; a review of the role and functions of the Joint Secretariat; and adoption of the ECOMAC database format as the approved format for the preparation of quarterly country report by the NCCs. In addition, the issue of installation of VSAT (Very Small Aperture Terminal) equipment in Member States was discussed.

437. **The ECOWAS Multilateral Clearing Mechanism:** Over the past few years, the ECOWAS multilateral clearing mechanism has been on the verge of collapse due to the dwindling volume of transactions. The mechanism, which was designed to promote the use of national currencies in trade and transactions involving travellers' cheques, has been adversely affected by recent developments in the financial sector of the region. This has been primarily due to the increased availability of foreign exchange and the continuous depreciation of most currencies in the region.

438. Determined to revamp the mechanism, WAMA held meetings with the West African Bankers' Association (WABA) to consider the possibility of establishing a synergy between the ECOWAS clearing mechanism and the West African Inter-bank Payments Systems (WAIPS) of WABA. To this end, a policy document determining the modalities for harmonizing the two mechanisms was submitted to the WAMA Technical Committee on Operations and Administration for review and further discussions.

439. **The ECOWAS Travellers' Cheque Scheme:** During the period, WAMA reviewed the implications of the decision of the Committee of Governors which directed the suspension of all measures relating to the planned transfer of the management of the travellers' cheque to a private operator. In view of the fact that the use of the instrument is no longer a topical issue, the Agency plans to withdraw the cheques from circulations as soon as it is expedient and appropriate.

440. **Administration:** In the past, WAMA had relied on professionals seconded from Central Banks on temporary basis. 2005 marked the second year of operations of the Agency by a corps of permanent staff. Given this relatively new set of officials, one of the key WAMA operations focused on enhancing staff capacity and competence through training, computerization of work space, and efficient management of the financial resources of the Agency. Close collaboration has therefore been developed with relevant partners for technical assistance and capacity building. The Agency also intends to explore the possibility of instituting periodic attachment and exchange programmes with the IMF and other international financial institutions. There was no new recruitment of staff during the period under review following the freeze on the staff recruitment programme of WAMA by the Committee of Governors at a meeting held in Accra in January 2005.

V) WEST AFRICAN HEALTH ORGANISATION

Introduction

441. The period under review has seen marked improvements in the institutional development of the Organisation and in the implementation of its Strategic Plan (FY 2003-2008). It is being recognised increasingly that WAHO does have a critical role to playing the development of the health sector in the West Africa region. Development partners, governmental and non-governmental organisations, UN agencies, the African Union and NEPAD are becoming more aware of the crucial role WAHO can play in achieving the necessary impact on the health of the Community citizens. WAHO intends to place itself in a leadership role in addressing issues of health in the region. This is the mandate given to it in the protocol establishing the organisation.

442. Based on its core principle of being an enabler rather than a provider and its normative functions, WAHO's operations will continue to be one of advocacy, brokerage and catalytic ("ABC") roles.

i) Training Programme

443. A regional multisectoral forum organised by WAHO and its partners on Human Resources for Health (HRH) in West Africa was held in Abuja from 4 to 6 April 2005. The forum reviewed the current situation of HRH in the region, strategies and action proposed by WHO for addressing the situation, report of the Joint Learning Initiative, and the detrimental effect of brain drain on the health workforce in the region. The regional forum identified a number of problems in the health sector and their causes as:

- non-recognition of the importance of health in development;
- expenditure on HRH not considered as a productive investment;
- non-implementation of the commitment of African governments to increase budgetary allocation to health to at least 15%;
- insufficient number of salaried posts;
- poor management of human resources;
- poor salaries of workers and lack of social security;
- deterioration in health care services;
- work overload especially in the rural areas, because of inadequate number of staff;
- political conflict and wars.

444. Some of the strategies proposed by the forum for overcoming the current crisis by 2010 include:

- situation analysis of HRH in all the 15 Member States;
- formulation of policy and plan for the development of HRH and mobilisation of resources to implement the plan;
- advocacy to government to increase funding of the health sector;
- increased intersectoral cooperation and collaboration among all sectors involved in HRH, especially education, health, finance and public administration;
- creation of a database on HRH, especially on migration and making contribution to the implementation of the international code of practice on migration;
- support for South-South cooperation and increased exchange of health professionals, especially during training;
- study of the motivation mechanism in place in the region, with a view to identifying weaknesses that contribute to migration and also identify best practices that could be replicated in other countries;

- reactivation/creation of centres of excellence to tackle common challenges in health.

445. WAHO intends to establish a HRH Task Force for West Africa for the monitoring of HRH and the implementation by countries of some of the recommendations from the forum. The institution is also in the process of establishing a Data base of Human Resource for Health in West Africa. At the last meeting of the Assembly of Health Ministers, the poor response to the request for data on available HRH was highlighted. In order to achieve a more credible and updated HRH Information System in the region, a meeting of officers responsible for HRH management in the ministries of health of Member States was held in Bobo-Dioulasso from 19 to 21 April 2005. WAHO is currently reviewing the action plans proposed at the meeting, and discussing with development partners on how to assist Member States achieve the above strategic objectives.

446. In continuation of the efforts of the organisation in the area of human resource development through the establishment of equivalencies of diplomas and standardisation of training of medical specialists, a number of activities were undertaken during the year to increase availability and enhance mobility of this cadre of health workers. National workshops on equivalencies in the francophone training institutions were held in Abidjan, Bamako, Cotonou, Lomé, Ouagadougou, Dakar and Conakry. The general consensus at these workshops was the need for harmonisation and standardisation of training of medical specialists in the region. Among the findings from the workshops were reviewing specialisation in the different disciplines and the duration of training in each, regrouping or merging some current specialisation, creation of a regional council, advocacy to government for development of institutional infrastructures, motivation of teachers, exchange of teachers and dissemination of information on existing training programmes, creation of centres of excellence and more involvement of WAHO in research institutions. The WAHO Expert Committee on Equivalencies and Standardisation of Training of Medical Specialists met from 22 to 24 February 2005 in Bobo-Dioulasso, to review activities and progress made. The committee adopted a vision for specialist medical training in the ECOWAS region and identified constraints that could impede the attainment of the vision, and proposed strategic objectives for achieving the vision.

447. As part of its efforts to ensure full participation of all relevant institutions and organisations in the process of ensuring harmonisation of training programmes towards ensuring free mobility of health professionals, in the spirit of the ECOWAS protocol, WAHO, met with CAMES at its Ouagadougou Headquarters in February 2005. The meeting afforded an exchange of information on training

activities being undertaken by both organisations, with particular reference to training of medical specialists in the region.

448. WAHO has commenced the Young Professional Internship Programme, designed to provide young professionals with skills and competences to improve the implementation of health programmes in the region, as well as improve their competences in another ECOWAS official language. The training was constrained by lack of adequate resources, thus limiting the number of trainees. The first stage of internship was held in Bobo Dioulasso from 31 January to 19 March 2005. The second stage was held on 21 March 2005 in various host institutions across the region. The financial assistance of the USAID/WARP in the organisation and logistic support of the training in the host institutions is commendable. Other programmes organised by WAHO include the support for Continuing Professional Development, conferences of postgraduate colleges in the region and preparatory workshop for the CAMES aggregation examination.

ii) Prevention of Blindness

449. The post of Vision 2020 coordinator for West Africa based at WAHO Headquarters was created and funded by Vision 2020 NGDO Coordinating Group. Dr Doulaye Sacko was appointed and assumed in Bobo-Dioulasso in November 2004. It is hoped that the NDGO financial commitment to support this post will continue in the coming year. The office undertook several activities in support of the Vision 2020 which included compilation of the status of the development of Vision 2020 Plans by Member States. In collaboration with partners, especially the International Centre for Eye Health, London (ICEH), and the International Agency for Prevention of Blindness (IAPB), WAHO continues to assist the national prevention of blindness programmes to develop their National Vision 2020 plans. National workshops were supported in Nigeria and Burkina Faso. Plans are underway to support the Vision 2020 planning workshops in Benin, Cape Verde, Guinea Bissau and Mali.

450. Cataract remains a major cause of avoidable blindness in the region. Among the efforts made to combat this menace is the Sight Savers International (SSI)-assisted workshop on project planning for Development of Human Resources for Cataract Management held in Accra from 22 to 24 July 2004. The workshop was attended by representatives from ministries of health, SSI country offices, training institutions and eye health professionals from Gambia, Ghana, Guinea, Mali, Nigeria, Senegal and Sierra Leone. The workshop analysed the situation in the countries with regard to the management of cataract, the barriers to uptake of surgery and the main causes of low cataract surgical rate in the

region which include low political commitment and poor governance, inadequate number of eye health personnel, especially in rural communities, poor human resources management, inequities on health care system, unaffordable cost of services, poor equipment management strategy. A draft action plan has been proposed and a committee would soon review and finalise a project plan for support from WAHO partners. Other training and workshop programmes carried out on eradication of cataract include the training of trainers in sutureless IOL cataract surgery from 8 to 12 November 2004 in Bamako. The workshop on refractive errors and Low Vision services in francophone countries was held in Accra from 5 to 10 April 2005. At the end of this workshop, an action plan was drawn for 2005 – 2007. The Vision 2020 Forum Annual Meeting was also held during the period under review.

iii) **Nutrition**

451. Iodine deficiency is the single greatest cause of preventable intellectual deficiency and brain damage in childhood worldwide. Universal Salt Iodisation (USI) is the least expensive (\$0.04/person/yr) and most effective strategy to control iodine deficiency. Over the past five years, a number of West African countries have recorded impressive progress in making iodised salt available to an increasingly large number of households. Currently, an estimated 71% of West African households have access to iodised salt. This remarkable progress in ensuring adequate nutrition during intra-uterine life is protecting over seven million West African children from mental impairment and subsequent poor learning ability. The relatively high average figure of iodised salt at the regional level conceals very significant intra and inter-country disparities. Household-level availability of iodised salt in the region ranges between 10% and 98%; this is due to the fact that iodised salt is available in 98% of households in Nigeria. With the exception of Nigeria, the regional average availability of iodised salt falls to 46%.

452. The new drive to achieve the goal of Universal Salt Iodisation in West Africa is to be achieved through renewed policy and programme commitment to ensuring the supply and quality of iodised salt and adequate iodine nutrition, fostering Community mobilisation and demand creation, fostering national and regional coalitions for sustained USI, ensuring process and outcome ownership by national and regional policy-makers, private sector decision-makers, international development agencies, media opinion leaders and civil service groups. It was in the achievement of this target that a regional workshop on standardisation, quality control, trade and taxation for Universal Salt Iodisation in West Africa was organised in Ouagadougou from 25 to 27 July 2005 by WAHO with the collaboration of UEMOA and the USI coalition. It was generally accepted that it

was necessary to better coordinate the different initiatives in the region, and to link all efforts with the wider strategy for food fortification related to vitamin and mineral deficiencies control. The involvement of the private sector in this initiative is of considerable importance.

453. The 9th Annual Meeting of the ECOWAS Nutrition Forum was also held from 20 to 24 September 2004 with the theme "Nutrition and HIV/AIDS – Opportunities and Challenges". At the end of the forum several recommendations were adopted which included the adoption of the Ugandan example and development of national guidelines for nutritional care and support of People living with HIV AIDS (PLWHA) which should be integrated into the existing health care service delivery system, updating and scaling up Parent Mother Transmission Control Treatment (PMTCT), with the focus on feeding of HIV exposed children, inclusion of nutrition as part of HIV/AIDS control programmes.

iv) Child Survival

454. As part of WAHO's objective of "coordinating existing health organisations, and support Community-focused, evidence-based interventions". WAHO's problem statement regarding Community Integrated Management of Childhood Illness (C-IMCI) is to avoid delayed implementation of C-IMCI that can contribute to the perpetuation of the high infant mortality rate. Based on the outcome of meetings of the C-IMCI partner consortium held in Dakar and Ouagadougou, WAHO undertook an assessment of the level of implementation of C-IMCI in Guinea, Senegal, Niger and Benin. A consultant was engaged to determine the level of implementation of C-IMCI. The report of the consultant has provided WAHO not only with the data involved but also served as a guide for improving upon the strategy. WAHO and partners will be supporting some of the best practices identified in the report in some Member States, which are to be encouraged in the family as well as at the Community level. To this end, several training programmes and workshops were organised with the assistance of WAHO partners such as the Health Communication Project (HCP) of John Hopkins, BASICS and PRN/Senegal.

455. WAHO is an active member of the Vision 2010 Initiative aimed at reducing maternal and perinatal mortality in the region. WAHO sponsored four Member States to the annual meeting Vision 2010 held in Nouakchott, in July 2005. Similarly, at a consultative meeting organised for partners and stakeholders by IPAS in Kenya on "Advancing women access to safe abortion", WAHO presented its strategic plan on "Reduction of Maternal and Perinatal Mortality in West Africa". WAHO also participated in the third Regional Reproductive Health Task Force

meeting organised by WHO/AFRO in Harare, in September 2005. At the meeting, the "Road Map" for Reproductive Health in Africa was reviewed and levels of implementation of its key strategies in country assessed. The last meeting of the Task Force, organised by the African Union, was held at Addis Ababa in October 2005.

456. The regional conference on Repositioning Family Planning in West Africa organised by **Advance Africa**, in collaboration with WAHO, was held in February 2005 in Accra. The conference provided a forum for key stakeholders in the region to focus on repositioning family planning to combat the impact of unmet needs. At the end of the conference, key stakeholders and decision-makers at the country level have been mobilised around concrete actions to reposition family planning.

v) **Malaria**

457. Malaria continues to be a major public health problem in the region. The health and socio-economic effects are prejudicial to development efforts in the region. Its impact on pregnant women and children under five is particularly devastating. The Abuja Declaration on Malaria does identify these vulnerable groups for particular attention. WAHO's strategic programme objectives call for the creation of a regional database and the training of trainers in malaria control, with the aim of harmonising treatment protocols and equipment for insecticide treated bed nets (ITNs) and strengthening national capacities and diversifying malaria control programmes. A workshop was held in Bobo-Dioulasso on the implementation of the malaria control strategies in the West Africa region in line with the Abuja Declaration. The workshop recommended the facilitation of the use of ITNs in Member States, through the removal of taxes and tariffs on insecticides for ITNs, increase in the budgetary allocation for malaria in the national budget and reduction on the cost of combination therapy (ACT) by the pharmaceutical companies; coordination/harmonisation of the use of ITNs and encouraging bulk buying; implementation of strategies for dealing with malaria as an epidemic. Consequently, WAHO has been calling on governments and partners for the necessary resources to cover expenditure for drugs and ITNs in Member States. WAHO will also advocate strongly for the elimination of taxes and tariff for bed nets, insecticides, drugs and other malaria-related control measures. A ministerial consultation on Malaria was held in Banjul with the assistance of the Roll-back Malaria (RBM) Secretariat and the Health for Peace Initiative (HFPI) countries. At the end of the meeting, the "Banjul Declaration on Malaria" was adopted.

vi) **Control of Epidemics**

458. The polio epidemic in the region demonstrated the need for countries to collaborate and cooperate in order to minimise the impact of epidemics on the population. A meeting of Ministers of Health on this issue was held in July 2004 during which a number of recommendations were made and WAHO's role in the control of the epidemic identified. These include: collaboration with its partners to prepare and implement an ECOWAS poliomyelitis eradication plan, mobilisation of international resources in support of the plan, working with the WHO disease surveillance unit in Ouagadougou to monitor the epidemic.

459. The population of the region continue to experience epidemics of meningitis, cholera, polio and yellow fever. Various assessments show that countries of the region are not sufficiently prepared to respond to the epidemics. Consequently, there is an urgent need for accurate data on the epidemiology of the diseases in West Africa from Member States to facilitate the formulation of a regional response plan. To this end, a regional workshop on the review of national plans for epidemiological surveillance and response was held in Bobo-Dioulasso in September 2004. The workshop recommended that WAHO should mobilise resources from partners (like the EU) to support countries with their epidemic response plans.

vii) **HIV/AIDS**

460. Following two consultative meetings in Dakar sponsored by WHO, WAHO, AWARE-HIV/AIDS and other partners, a strategy was developed for access to care and treatment for people living with HIV/AIDS. Resource mobilisation strategies were proposed to enable countries implement the strategies. In pursuance of the programme to strengthen the capacities of the ministries of health to undertake a multisectoral approach in the fight against HIV/AIDS, a Multisectoral Approach in AIDS Programme (MAP) consultation was organised in Niamey in May 2005. The consultation led to very strong recommendations such as the assumption of the leadership role in MAP by Ministries of Health, strengthening the capacities of ministries of health for care and treatment, necessity for accountability and transparency in resource mobilisation activities, monitoring and evaluation for all programmes, encouraging networking to share information on HIV/AIDS. The Niamey consultation also assessed the degree of implementation of the Abuja Declaration on HIV/AIDS.

viii) **Drugs**

461. Discussions are ongoing with partners, relevant ministries and ECOWAS Secretariat to encourage local production of generic drugs, including antiretrovirals. A forum was organised in Abuja in December 2004, where lapses were highlighted in the local production of these drugs. Only Nigeria has been able to make significant progress in the local production of drugs initiative. Ghana and Benin were identified for assessment of their capacity to commence local production of drugs.

ix) **Information System**

462. WAHO is putting in place the necessary infrastructure for the establishment of a health management information system. This is to enable it carry out its mandate as an information hub, as defined by the organisation. Modern intranet and internet facilities have been put in place by the headquarters which have improved intra-organisation and external communications. With regard to research, WAHO is in the process of looking for partners to support implementation of the recommendations of the meeting of the Directors of Research Institutes and Units for strengthening six laboratories in the region. Digitalisation of the documents of the ex-OCCGE continues, though the process is slow. It is expected that with the purchase of a new scanning equipment, the process will be speeded up. The library has been completely refurbished and equipped with the support of USAID/WARP.

x) **Administrative and Finance**

463. The year 2004 marked the second year of the five-year WAHO (2003 - 2007) Strategic Plan. WAHO's schedule has been hampered by the slow flow of resources to manage its programmes especially due to the cessation of direct payments by Member States and its replacement by the Community levy. WAHO therefore considers partners support very important which allows for direct sponsorship of participants to WAHO programmes as well as direct payments for the organisation of the programmes.

464. The staff strength of WAHO has increased considerably. The technical staff strength now stands at eighteen. A professional officer, a Vision 2020 coordinator was recruited. The position is sponsored by Partners of the Prevention of Blindness programme. Plans are underway for the recruitment of key professional staff. Staff training is of primary importance to WAHO and remained a continuing feature. All staff members are encouraged to acquire language and IT skills which

are very essential to productive work. Plans are also underway to enable staff undertake continuing professional development (CPD).

465. Funding from partners enabled WAHO undertake major infrastructural development within the organisation. Some rehabilitation works in offices currently in use and additional offices for professional staff have been undertaken. USAID/WARP, our major partner assisted in the rehabilitation and equipping of the offices and library and two flatlets for housing participants in the Young Professional Internships Programme (YPIP). The Government of Burkina Faso also undertook rehabilitation of some buildings WAHO inherited from the former OCCGE in Bobo-Dioulasso. WAHO is sincerely grateful to the Government of Burkina Faso and the Ministry of Health, in particular, for the continued support.

466. WAHO has developed the capacity to communicate electronically with all the Ministries of Health in the region. The organisation is undertaking a Mid-term review of its Strategic Plan and a Management Audit from March 2000 to March 2005. WAHO's partnership base has increased with Memorandum of Understanding (MOU) signed with more partners.

xi) Challenges

467. WAHO continues to strive to realise the mandate as enshrined in its protocol, in the face of tremendous challenges. These challenges are regarded as opportunities and not obstacles, galvanising the organisation to be more proactive in its quest to achieve its operational advocacy, brokerage and catalytic roles. Some of the challenges include predictable, timely and adequate funding from the Community levy by ECOWAS Secretariat, improvement in its staff strength, further updating of its communication facilities, improved communication with Member States, greater collaboration with partners, increased visibility of the organisation, monitoring and evaluation of activities of partners, improved disease surveillance in the region, improved advocacy strategy to governments, sustained efforts to mobilise additional resources, adequate technical support, special attention to countries in difficult situations, building on gains identified in Member States and assisting other countries to replicate such gains.

xii) Prospects

468. The increasing involvement of WAHO with partners regionally and globally points to the increasing realisation of its central role in health issues in the region. The leadership role assigned to the organisation calls for several heights to be attained such as closer contact with countries and policy-makers in Africa and

contributing positively to strategies to reduce the disease burden in the West Africa region and for better health outcomes.

VI) ECOWAS GENDER DEVELOPMENT CENTRE

469. Consistent with its mandate of promoting gender equality in West Africa, the ECOWAS Gender Development Centre (EGDC) based in Dakar, undertook a number of initiatives during the period, such as capacity building through training, finalisation of perspective study on Women's Capacity Building for Regional Integration, and facilitation and advocacy campaigns through participation in seminar and conferences.

470. The perspective study on "Women's Capacity Building for Regional Integration", which began in 2004, was finalised in February 2005. The study was done by three Consultants who visited all the Member States to collect and analyse information on:

- available structures and mechanisms dealing with gender issues in the region;
- the types of training programmes conducted in respect of women's capacity building process; and
- the actual inputs needed to make up for the lacunas in the acquisition of knowledge and expertise by women.

471. The debriefing and regional validation workshop of the study as well as the adoption of a three-year action plan for 2005-2007 was held in March 2005. The validation workshop was attended by regional focal points designated by Ministries responsible for Women's Affairs in the Member States. The focal points worked directly with the Centre and the Members of the ECOWAS Gender Consultative Committee. With this study, the Centre has acquired a *reference document* featuring comprehensive and reliable data on the current status of women of the region as well as a prospective analysis that could serve as a guide to the programmatic options of the institution.

472. The three-year plan of action, which was based on recommendations emanating from the study, is an operational document highlighting the following strategic procedures: capacity building for the Centre and national mechanisms dealing with gender issues; harmonising national gender policies with the ECOWAS Gender Policy; and establishment of a regional monitoring and evaluation mechanism. Other strategies are promoting women's rights (education, health and economic affairs); participation in the efforts to build an

environment of peace, security and good governance; and social mobilisation and communication.

473. *Training:* In accordance with its key mandate on capacity building, the Centre has embarked upon training programmes in the area of gender mainstreaming and women's rights for the focal points and members of the Consultative Committee. In this regard, a gender sensitisation and lobbying workshop for ECOWAS Parliamentarians was held in Abuja on 6 and 7 October 2005 with the aim of sensitizing ECOWAS Parliamentarians to the need to be more forthcoming in enacting gender sensitive legislations. Emanating from the workshop are recommendations for the ECOWAS Gender Development Centre, ECOWAS Secretariat and ECOWAS Parliament.

ECOWAS Gender Development Centre:

- Coopt a Parliamentarian on the Centre's Advisory Committee;
- Design a website for the popularisation of the Centre's activities;
- Submit the triennial plan of action to the Parliamentarians;
- Work with rural women, in view of the blatant disparities observed in the rural areas;
- Establish collaborative relations with the Association of Women Parliamentarians; and
- Offer equal opportunities to everybody irrespective of gender but it should be discretionary towards women because of their marginal situation.

ECOWAS Executive Secretariat:

- Set up a Women's Fund for their entrepreneurial capacity building;
- Popularise the Gender Policy at all levels; and
- Harmonise the gender policy of the Member States with that of ECOWAS.

ECOWAS Parliament:

- Encourage gender-based budgeting; and
- Mobilise and involve men in the advocacy campaigns for greater efficiency.

474. It is also gratifying to note that following a request by the Centre for technical support, the Commonwealth Secretariat agreed to provide the Centre with a Gender Consultant as well as support the organisation of a regional trainers' workshop on gender. The project aims at training regional focal points to conduct gender analysis that would serve as the basis for programme planning at national level.

475. In addition, during the first conference on the implementation of the African Union solemn declaration on gender equality and equity held in October 2005, the Centre, which actively participated in the meeting, was singled out to serve on the Preparatory Committee for the meeting of the African Union Ministers of Women's Affairs that was held in Dakar in December 2005.

VII) ECOWAS Representation in Brussels

476. Following a decision of the ECOWAS Authority, the Secretariat opened an ECOWAS Representation Office in Brussels. The objective of this office is to strengthen the relations between the European Union and ECOWAS and to ensure effective monitoring of the West Africa/European Union economic partnership agreement negotiations.

477. The preparation of the Headquarters Agreement between the ECOWAS Representation and the Belgium Kingdom is being finalised. At its last session in June 2005, Council invited the Secretariat to ensure the translation of the document into the Portuguese language, which is the third working language of the Community. The translation has now been concluded. Plans are underway to have the Agreement signed during the first half of 2006 by the two parties. The ratification process would commence immediately after adoption by the Belgian Federal Parliament and the four regional parliaments of the Kingdom. That process usually takes about two years to complete.

CHAPTER 5

STATEMENT OF COMMUNITY BUDGET EXECUTION

SUMMARY STATEMENT OF COMMUNITY BUDGET EXECUTION FOR THE PERIOD JANUARY - SEPTEMBER 2005

	2005 UA	2005 UA	2004 UA	2004 UA
Income				
Own Resources				
Community Levy Receipts		49,619,767		46,943,556
Contribution Arrears		1,221,441		1,518,775
Other Income		124,661		154,092
		50,965,869		48,616,423
External Resources*				
Japanese Government	99,423		48,044	
World Bank	75,156		123,405	
USAID	116,862		189,541	
European Union/Commission	616,219		538,550	
Canadian Government/CIDA	81,494		127,254	
ACBF/SIDA	620,905		803,136	
Algerian Government	331,410		126,253	
French Government	40,899		0	
Sight Savers International	38,836		42,289	
Others	363,959		66,088	
		2,385,163		2,064,560
Total Income		53,351,032		50,680,983
Expenditure				
Administrative Expenditure				
Executive Secretariat	9,616,693		8,030,118	
Community Parliament	3,606,334		3,537,282	
Community Court of Justice	2,439,777		1,561,520	
West African Health Organisation	1,039,381		462,163	
Total Administrative Expenditure		16,702,185		13,591,083
Programme Expenditure				
Health programmes	1,186,216		503,278	
Policy Harmonisation Programmes	1,643,029		854,584	
Integration Programmes	1,607,622		522,416	
Peace & Security Programmes	2,377,998		364,309	
Institutional Capacity Building	278,540		272,789	
Others	1,335,065		785,642	
Total Programme Expenditure		8,428,470		3,303,018
Total Expenditure		25,130,655		16,894,101
Surplus		28,220,377		33,786,882

STATUS OF APPLICATION OF COMMUNITY LEVY PROTOCOL AND POSSIBILITY OF FINANCING INVESTMENTS

478. The introduction of the full regime of the Community levy protocol for the financing of ECOWAS programmes and activities in July 2003 has brought about significant increases in the financial resources from Member States from less than UA 20 million per annum contribution receipts to more than UA 50 million as Community levy proceeds for the year 2005. At the end of September 2005, Community levy proceeds deposited into the Community bank accounts located in the central banks of Member States amounted to UA 49.6 million, exceeding the budget for the whole year by UA 1.4 million. A growth rate of 6% has been realized over the same period in 2004.

479. The budget of ECOWAS institutions to be financed from the Community levy for the year 2005 was set at 48.2 million. UA 31.9 million was to finance administrative expenditure, and UA 20.3 million for programme expenditure. The amount of levy proceeds that was transferred to the institutions during the period January to September 2005 was much lower at UA 26.3 million compared to the amount deposited into the Community bank accounts totaling UA 49.6 million. The main reasons for the slow rate of transfer of funds to Community institutions are the restriction imposed on withdrawals from the account and the problems relating to convertibility of some national currencies.

480. The Executive Secretariat still encounters problems with some Member States in the implementation of the Community levy protocol. Only three members, The Gambia, Ghana and Sierra Leone are fully complying with the Community levy protocol. Liberia ratified the protocol in May 2005 but has not yet commenced implementation, while Cape Verde has never paid the levy proceeds collected into the Bank of Cape Verde since the commencement of the full regime, and Nigeria continues to place restrictions on withdrawals from the account. The level of implementation for the remaining nine Member States varies from country to country. Some of these countries are not applying the levy on petroleum products, and/or are not paying all the levy proceeds collected into the Community bank accounts within the stipulated timeframe. A transition period of three years was observed to enable the countries prepare for the full application of the Community levy; more than two years later, the non-or partial compliance with the provisions of the substantive regime by a large number of Member States is a cause for concern for the Community. The level and scheduling of Community resources is uncertain under the current situation where the majority of the

Member States are not complying fully with the protocol. Efforts must be made by the Member States concerned to comply fully with the Community levy protocol to ensure a more stable income from Member States for the implementation of Community programmes.

481. There has been an increase in Community funds due to the advent of the Community levy protocol and an excess of Community funds over and above the current budgetary allocation to Community Institutions. However, there are increasing financial demands arising from the expansion of the Community work programme. This development calls for a review of the allocation of resources. The process would involve the rationalisation of all ECOWAS activities and programmes under a common umbrella, setting priorities for programmes and aligning budget allocations with strategic orientation programmes and priorities. ECOWAS would have to prepare a Medium Term Plan (MTP) for the Community as a whole which would serve as a framework for the formulation of programme budgets within the time frame of the plan.

482. The MTP would give ECOWAS more focus and direction and ensure that resources are allocated to the priorities set by Member States through the legislative organs of the Community. This system of budgeting known as Planning, Programming, Budgeting Monitoring and Evaluation (PPBME) is results-oriented and can be monitored by the institutions, the legislative organs and Member States. A road map has been developed for the transformation of the current budgeting system of ECOWAS to a PPBME. The vision and strategic orientation of ECOWAS which requires the participation of all stakeholders would guide the Council in adopting a plan for the effective and efficient utilisation of Community levy proceeds. The level of funds to be allocated to investments would depend on the outcome of consultations with stakeholders in drawing up the MTP.

CONCLUSION

483. ECOWAS, established on 28 May 1975, is the most populous and integrated of the regional economic groupings in Africa. The long-term objective of ECOWAS is to secure peace and prosperity in its Member States, through policies and programmes aimed at creating a developed and integrated regional economy. Thus, the vision of the founding fathers of ECOWAS was to create a single regional economic space as a prelude to the continental one, through integration and collective self-reliance; an economic space with a single market and a single currency that would foster accelerated socio-economic development and enable West Africa compete more meaningfully in the global market. In pursuit of these objectives, the organization adopted a comprehensive set of regional programmes in the areas of market and monetary integration, physical integration, integration of the production base, and close political cooperation. The ECOWAS efforts are geared towards promoting the "*four liberties*" of regional integration, namely the free movement of persons, goods, services and capital.

484. The year 2005 marks the 30th anniversary of ECOWAS. Over the past three decades, the Community has recorded a number of achievements towards realising its founding fathers' vision of *improving the standard of living of peoples of the Community*. ECOWAS has achieved a measure of success in all areas of its mandate: which include market integration, regional infrastructural development, development of regional production base, and regional peace and security. The designation of ECOWAS as the NEPAD focal point in West Africa by the ECOWAS Authority in Yamoussoukro in May 2002 has enabled the Community to embark on effective implementation of NEPAD programmes and projects in the areas of road transport, telecommunications, energy, monetary and fiscal policies, agriculture and food security, intra-regional trade development and external market access, as well as in the area of political governance with particular focus on enhancing regional peace and security.

485. The testimony to ECOWAS achievements and the enhanced prospects for West African integration is the large and increasing number of development partners willing to participate in ECOWAS initiatives. In fact, each of the ECOWAS programmes has been receiving some external sponsorship; more than 25 donor delegations attended the fourth annual ECOWAS-Donor Consultative Forum on 21 and 22 November 2005. However, in trying to realise this vision ECOWAS has faced several challenges which have militated against the smooth pursuit of the regional integration agenda. In effect, the integration process has not had any significant impact on the development of Member States principally because of the low level of implementation of Community Acts and Decisions. On

the basic issue of ratification, for instance, as at 30 May 2005, no Member State has ratified all the 46 ECOWAS protocols and conventions; only 40 percent of its membership had ratified not less than 39 protocols and conventions. In the quest for enhancing labour mobility in the region, for instance, only one Member State (Senegal) has ratified the convention that would facilitate labour movement, i.e. *General Convention A/C.1/01/03 on the Recognition and Equivalence of Degrees, Diplomas, Certificates and Other Qualifications in ECOWAS Member States*. Without the ratification and effective implementation of this convention by all the Member States, it would prove difficult to achieve the desired horizontal mobility of labour across the region.

486. The West African integration process is also seriously hampered by the incessant threats to peace and security in the region which in some instances lead to open conflicts. These conflicts are propelled by domestic or internal factors such as poverty, bad governance, denial of human rights and the rule of law, exclusion, lack of probity and accountability. Closely related to the absence of peace, is the high level of poverty in the region. Of the fifteen ECOWAS States, twelve are classified as least developed countries. Fighting poverty remains a daunting challenge for the region. The region lacks the capital inflows and effective demand to be able to take full advantage of an expanded market and the new trade opportunities that regional integration creates.

487. There is also the problem of small/domestic markets that regional integration has set out to address. Due to the small population and low incomes of most Member States, the national markets are small and intra-regional trade currently accounts for just 12 to 14 percent of the total regional trade. The region's industrial sector remains underdeveloped, and continued dependence on just one or two primary export commodities makes the Member States weak and very susceptible to external shocks.

488. These challenges require the ECOWAS leadership to pursue more vigorously the regional approach which provides alternative strategies to improve the economic conditions and development prospects. A deep reflection of the thirty-year journey reveals that not enough has been achieved to turn into reality the vision of the ECOWAS leadership. One needs to reflect on what, given the past trends and current challenges, the score card would be by 2015 when the MDGs are expected to have been met, and when ECOWAS shall have attained 40 years of existence. It is vitally important for all stakeholders in the West African integration process to appreciate the challenges as being faced and to resolve to make sustained efforts at contributing all that is required to achieve the set integration goals. The current international goodwill such as the debt relief by the

Paris Club of creditors and the donor interest in ECOWAS programmes should spur the Community on to implement the many adopted measures that will accelerate the integration process and make the region the cynosure of the continent.

489. It is important that the leadership in all Member States guarantee political stability in their domains; without political stability, peace and security there cannot be any meaningful economic development. Furthermore, there must be strong support of ECOWAS in its relations with its development partners to create synergy in conflict management activities and post-conflict reconstruction in the war-affected Member States. Member States have to show clear evidence that they have adopted a regional approach to national economic development. Member States must resolve to ensure faithful application of Community acts and decisions; this would depend on how well the regional policy measures and instruments are incorporated in the national agenda.

ACRONYMS

ABR	African Business Roundtable
ABSA	Advisory Council for Statistics in Africa
ACP	African, Caribbean and Pacific Group of States
AFRISTAT	African Statistical Observatory Office (Bamako)
AIF	Inter-governmental Agency of the Francophony
ARIA	Assessing Regional Integration in Africa
AWARE/HIV	Assistance to West African Region on HIV
BCEAO	Banque centrale des états de l'Afrique de l'ouest (Central Bank of West African States)
CAADP	Comprehensive African Agricultural Development Programme
CET	Common external tariff
CIDA	Canadian International Development Agency
CILSS	Inter-State Committee on Drought Control in the Sahel
C-IMCI	Community Integrated Management of Childhood Illness
CODI	Committee on Development Information
EBID	ECOWAS Bank for Investment and Development
ECOMAC	A software for the compilation of the multilateral surveillance mechanism
ECOSAP	ECOWAS Small Arms Control Programmes
ECOSTAT	ECOWAS statistical harmonisation programme
ECOWAP	ECOWAS Agricultural Policy
EDF	European Development Fund
ERDF	ECOWAS Regional Development Fund
ERIB	ECOWAS Regional Investment Bank
EUROSTAT	European Statistical Office (Luxembourg)
EPA	Economic partnership agreement
ETLS	ECOWAS trade liberalisation scheme
EU	European Union
EUROTRACE	(a software for compilation of external trade statistics)
FAO	Food and Agriculture Organisation
FASDEV	Development Forum for Africa
FTA	free trade area
GIABA	Inter-governmental action group against money-laundering in Africa
HIPC	Highly indebted poor country
HIV/AIDS	Human immunodeficiency virus/Acquired immune deficiency syndrome
HKI	Helen Keller International
IGOs	Inter-governmental organisations
ISRT	Inter-State road transit
IMF	International Monetary Fund
ITNs	Insecticide treated bed nets
ITU	International Telecommunications Union
KAIPTC	Kofi Annan International Peace keeping Training Centre
LDCs	Least developed countries

LLINs	Long lasting insecticide nets
MAP	Multisectoral Approach in Aids Programme
MDGs	Millennium development goals
NEPAD	New partnership for Africa's development
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
OMVG	Organisation for Development of the Gambia Basin
ONUCI	UN peace-keeping operation in Côte d'Ivoire
PCASED	Programme of Coordination and Assistance for Security and Development
PDIU	Project Development and Implementation Unit
PLWHA	People living with HIV AIDS
PMTCT	Parent Mother transmission Community
PRAFAD	Regional Programme of action on the fight against Desertification
PRSPs	Poverty reduction strategy papers
RBM	Roll-back Malaria
RECs	Regional Economic Communities
RTIS	Regional trade Information System
SIDA	Swedish International Development Agency
UEMOA	West African Economic and Monetary Union
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
UNHCR	UN High Commission for Refugees
UNMIL	United Nations mission in Liberia
UNMSL	United Nations mission in Sierra Leone
USAID	United States Agency for International Development
USI	Universal Salt Iodisation
WABA	West African Bankers Association
WAEN	West African Enterprise Network
WAGP	West African Gas Pipeline
WAHO	West African Health Organisation
WAIFEM	West African Institute for Financial and Economic Management
WAIPS	West African Inter-bank Payments Systems
WAMA	West African Monetary Agency
WAMI	West African Monetary Institute
WAMZ	West African Monetary Zone
WAPP	West African Power Pool
WARN	West African Regional Network
WHO	World Health Organisation
WTO	World Trade Organisation

APPENDICES

1. ECOWAS GOVERNANCE STRUCTURE

1.1 Introduction

The Economic Community of West African States (ECOWAS) comprises three arms of governance, namely, the Executive, the Legislature and the Judiciary. At the helm of the organization structure is the Chairman of the Authority of Heads of State and Government. The Chairman is the current Head of State and Government appointed by other Heads of State and Government to oversee the affairs for a period of one year. The Minister in charge of ECOWAS affairs in the country of the Chairman of the Authority automatically becomes the Chairman of Council of Ministers; similarly, that country presides over all other ECOWAS statutory meetings for the year (ministerial and senior level, such as the Technical Commissions).

At the helm of the Executive arm of the Community is the Executive Secretary appointed by the Authority for a period of four years (renewable once), and assisted by four Deputy Executive Secretaries in charge of Administration and Finance; Integration Programmes; Policy Harmonization; and Political Affairs, Defence and Security. The deputies are also appointed for a period of four years (renewable once).

The legislative arm of the Community is the Community Parliament headed by the Speaker of the Parliament. The administrative functions of the Parliament are directed by the Secretary General of the Parliament. Pending elections of direct universal suffrage, parliamentarians are seconded by national Parliaments to the Community Parliament for a period of four years.

The judicial arm of the Community is the Community Court of Justice, headed by the Chief Justice of the Community and assisted by other six judges of the Community. They are all seconded by the Supreme Courts of their respective Member States to fill the country positions. The Court ensures the interpretation and application of Community laws, protocols and conventions. The administrative functions of the Court are handled by the Court Registrar who is assisted by other professionals.

1.2 ECOWAS Authority of Heads of State and Government

The 2005 membership of the ECOWAS Authority comprises the following:

List 1: Current Membership of the ECOWAS Authority of Heads of State and Government

Country	President
▪ Benin	H.E. Mathieu Kerekou
▪ Burkina Faso	H.E. Blaise Compaore
▪ Cabo Verde	H.E. Pedro Verona R. Pires
▪ Cote d'Ivoire	H.E. Laurent Gbagbo
▪ Gambia, The	H.E. Alhaji Dr. Yahya A.J.J. Jammeh
▪ Ghana	H.E. John A. Kufuor
▪ Guinea	H.E. General Lansana Conte
▪ Guinee-Bissau	H.E. Joao Bernado Vieira
▪ Liberia	H.E. Charles Gyude Bryant*
▪ Mali	H.E. Amadou Toumani Toure
▪ Niger	H.E. Mamadou Tandja (Chairman)
▪ Nigeria	H.E. Chief Olusegun Obasanjo
▪ Senegal	H.E. Abdoulaye Wade
▪ Sierra Leone	H.E. Alhaji Dr. Ahmad Tejan Kabbah
▪ Togo	H.E. Faure Essozimna Gnassingbe

* Chairman of Interim Government of Liberia .

The annual ordinary sessions of the Authority of Heads of State and Government have been held since inception as contained in the list below:

List 2: Annual Summits of the ECOWAS Authority (1975 – 2005)

S/N	Date	Venue	Chairman
1	November 1976	Lome	H.E. General Gnassingbe Eyadema
2	22 April 1978	Lagos	H.E. General Olusegun Obasanjo
3	29 May 1979	Dakar	H.E. Leopold Sedar Senghor
4	28 May 1980	Lome	H.E. General Gnassingbe Eyadema
5	29 May 1981	Freetown	H.E. Dr. Siaka P. Stevens
6	29 May 1982	Cotonou	H.E. Mathieu Kerekou
7	29 May 1983	Conakry	H.E. Ahmed Sekou Toure
8	23 November 1984	Lome	H.E. General Gnassingbe Eyadema
9	6 July 1985	Lome	H.E. General Gnassingbe Eyadema
10	1 July 1986	Abuja	H.E. General Ibrahim B. Babangida
11	9 July 1987	Abuja	H.E. General Ibrahim B. Babangida
12	25 June 1988	Lome	H.E. General Gnassingbe Eyadema
13	30 June 1989	Ouagadougou	H.E. Captain Blaise Compaore
14	29 May 1990	Banjul	H.E. Alhaji Sir Dauda Jawara
15	6 July 1991	Abuja	H.E. General Ibrahim B. Babangida
16	29 July 1992	Dakar	H.E. Abdou Diouf
17	24 July 1993	Cotonou	H.E. Nicephore D. Soglo
18	6 August 1994	Abuja	H.E. General Sani Abacha
19	28 July 1995	Accra	H.E. Flight Lieutenant Jerry J. Rawlings
20	26 July 1996	Abuja	H.E. General Sani Abacha
21	28 August 1997	Abuja	H.E. General Sani Abacha
22	30 October 1998	Abuja	H.E. General Sani Abacha
23	9 December 1999	Lome	H.E. General Gnassingbe Eyadema
24	15 December 2000	Bamako	H.E. Alpha Oumar Konare
25	21 December 2001	Dakar	H.E. Abdoulaye Wade
26	31 January 2003	Dakar	H.E. Abdoulaye Wade
27	19 December 2003	Accra	H.E. John A. Kufuor
28	19 January 2005	Accra	H.E. John A. Kufuor

1.3. Current Membership of ECOWAS Council of Ministers

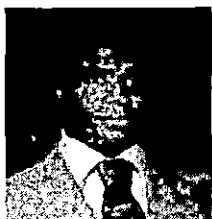





List 3: Council Of Ministers

S/N	Country	Minister	Ministry
1	Benin	Cosme Sehlin	Finance and Economy
2	Burkina Faso	Jean de Dieu Samda	Foreign Affairs and Regional Cooperation
3	Cabo Verde	Jose Armandou Duarte	Tourism, Industry and Commerce
4	Côte d'Ivoire	Theodore Mel Eg	African Integration
5	Gambia, The	Edward Singhatey	Trade, Industry and Employment
6	Ghana	Dr. Kofi Konadu Apraku	Regional Cooperation and NEPAD
7	Guinea	Cellou Dalein Diallo	Office of the Prime Minister
8	Guinea-Bissau	Joao Aladjie Fadia	Economy and Finance
9	Liberia	Christian Herbert	Planning and Economic Affairs
10	Mali	Prof. Oumar Hamadoun Dicko	Maliens in Diaspora and African Integration
11	Niger	Madame Aïchatou Mindaoudou (Chairperson)	Foreign Affairs, Cooperation and African Union
12	Nigeria	Senator Alhaji Lawan Gana Guba	Cooperation and Integration in Africa
13	Senegal	Abdou Aziz Sow	NEPAD, African Economic Integration and Political Good Governance
14	Sierra Leone	Mohamed B. Daramy	Development and Economic Planning
15	Togo	Payadowa Boukpassi	Economy, Finance and Privatization

1.4 ECOWAS Technical Commissions

- i. Food and Agriculture
- ii. Industry, Science and Technology, and Energy
- iii. Environment and Natural Resources
- iv. Transport, Communications and Tourism
- v. Trade, Customs, Taxation, Statistics, Money and Payments
- vi. Political, Judicial and Legal Affairs, Regional Security and Immigration
- vii. Human Resources, Information, Social and Cultural Affairs
- viii. Administrative and Finance

1.5 ECOWAS Executive Secretaries since Inception (1977 – 2005)

PHOTO	YEAR	NAME	COUNTRY
	1977 -1985	Dr. Aboubakar DIABY-OUATTARA	Cote d'Ivoire
	1985 – 1989	Alhaji Momodu MUNU	Sierra Leone
	1989 – 1993	Dr. Abass BUNDU	Sierra Leone
	1993 – 1997	Mr. Edouard BENJAMIN	Guinea
	1997 – 2002	Ambassador Lansana KOUYATÉ	Guinea
	2002 to Date	Dr. Mohamed Ibn CHAMBAS	Ghana

2. CONTACT

Registered Address:

ECOWAS Executive Secretariat,
60, Yakubu Gowon Crescent, Asokoro District,
P.M.B. 401, Abuja, Nigeria

Tel: [+234-9] 314-7646 to 9
[+234-9] 314-7427 to 9

Fax: [+234-9] 314-7646
[+234-9] 314-3005

Email: info@ecowas.int

Website: www.ecowas.int

3. SOCIO-ECONOMIC DATA (1999-2004)¹⁰

Table 1: Gross Domestic Product at Current Market Prices (Million \$ US)						
Country	1999	2000	2001	2002	2003	2004
Benin	2,488.88	2,359.12	2,499.30	2,807.53	3,557.69	4,093.43
Burkina Faso	2,979.26	2,637.90	2,634.65	3,236.28	4,217.11	5,078.18
Cabo Verde	638.53	570.59	640.53	565.92	743.02	745.29
Côte d'Ivoire	12,561.33	10,629.07	10,735.60	11,692.19	14,047.32	15,897.14
Gambia, The	379.76	378.23	357.68	278.84	244.70	254.50
Ghana	7,759.77	5,154.88	5,415.66	5,995.28	7,725.00	9,013.53
Guinea	3,554.50	3,204.26	3,030.55	3,223.89	3,621.59	3,742.37
Guinea-Bissau	224.46	215.47	198.99	203.62	238.69	280.15
Liberia	504.46	528.59	570.40	604.82	455.90	554.43
Mali	2,938.61	2,655.44	3,017.66	3,279.32	4,234.55	4,831.57
Niger	1,746.23	1,593.75	1,772.42	2,016.44	2,380.80	2,827.69
Nigeria	36,153.63	46,177.53	43,054.15	43,042.41	55,049.95	63,499.97
Senegal	5,144.05	4,679.62	4,871.81	5,336.56	6,898.03	8,178.95
Sierra Leone	548.73	701.14	889.02	1,131.79	1,546.39	2,002.54
Togo	1,519.10	1,289.90	1,321.11	1,463.59	1,845.28	2,151.59

¹⁰ Electronic version of the data can be downloaded from these ECOWAS websites: www.ecowas.int or www.ecostat.org. Main sources are ECOWAS statistical database and WAMA publications.

Table 2: GDP Per Capita (\$ US)

Country	1999	2000	2001	2002	2003	2004
Benin	410.30	379.16	391.31	428.11	528.35	592.06
Burkina Faso	257.65	221.58	214.92	256.36	324.40	379.34
Cabo Verde	1,495.39	1,308.69	1,439.39	1,246.52	1,604.16	1,577.17
Côte d'Ivoire	807.65	671.58	666.89	714.46	844.37	939.97
Gambia, The	298.32	288.29	264.75	200.89	171.60	173.71
Ghana	404.77	263.10	270.40	292.87	369.20	421.46
Guinea	445.20	394.76	367.70	385.68	427.19	435.26
Guinea-Bissau	168.89	157.62	141.43	140.52	159.95	182.29
Liberia	182.25	179.61	184.06	186.73	134.67	156.70
Mali	254.03	223.07	246.22	259.79	325.71	360.83
Niger	168.41	148.37	159.19	174.67	198.91	227.86
Nigeria	323.72	402.43	365.41	355.98	443.67	498.70
Senegal	560.84	498.20	506.37	541.51	683.33	790.98
Sierra Leone	127.79	158.81	194.41	237.57	311.59	387.32
Togo	343.30	282.75	281.93	304.85	375.15	426.94

Table 3: Real GDP Per Capita Income (\$ US)

Country	1999	2000	2001	2002	2003	2004
Benin	370.56	378.58	391.31	398.25	403.84	405.50
Burkina Faso	231.09	209.26	214.92	218.57	229.16	236.68
Cabo Verde	1,331.29	1,393.44	1,439.39	1,472.25	1,513.80	1,542.79
Côte d'Ivoire	707.65	682.07	666.89	643.07	621.83	622.69
Gambia, The	244.45	257.72	264.75	269.98	276.10	283.02
Ghana	267.05	270.24	270.40	281.83	291.30	302.34
Guinea	359.04	359.63	367.70	379.90	378.71	383.78
Guinea-Bissau	138.23	146.50	141.43	127.81	124.45	126.04
Liberia	160.49	184.76	184.06	189.37	137.76	161.15
Mali	241.10	225.70	246.22	249.09	260.67	256.03
Niger	164.99	155.14	159.19	162.51	161.51	163.10
Nigeria	352.15	361.44	365.41	363.91	393.62	406.51
Senegal	488.90	491.48	506.37	496.22	516.37	535.24
Sierra Leone	154.75	167.27	194.41	196.18	212.30	228.87
Togo	298.19	289.66	281.93	283.88	280.23	284.57
ECOWAS	347.89	349.24	353.12	352.12	368.03	377.35

Table 4: Inflation Rate (end period)

Country	1999	2000	2001	2002	2003	2004
Benin	3.3	4.2	4.0	2.4	0.7	2.7
Burkina Faso	0.7	-3.0	4.9	2.3	3.2	0.7
Cabo Verde	4.4	4.4	4.6	3.0	2.0	-0.3
Côte d'Ivoire	1.6	2.5	4.3	3.1	-0.1	4.4
Gambia, The	1.7	0.2	8.1	13.0	17.9	8.0
Ghana	13.8	40.5	21.3	15.2	23.6	11.8
Guinea	6.2	7.2	1.1	6.1	15.4	27.6
Guinea-Bissau	-2.1	8.6	3.3	-0.5	3.0	0.9
Liberia	8.1	3.2	19.4	11.1	13.0	16.1
Mali	-2.1	-0.7	5.2	5.0	-5.0	1.5
Niger	-1.9	2.9	4.0	2.6	-1.5	3.6
Nigeria	0.2	14.5	16.5	12.2	23.8	10.0
Senegal	0.5	0.7	3.0	2.3	-1.5	1.7
Sierra Leone	36.7	-2.8	3.4	-3.1	11.3	14.4
Togo	4.5	1.9	3.9	3.1	-1.7	3.9

Table 5: Budget Deficit (excluding grants) / GDP (%)

Country	1999	2000	2001	2002	2003	2004
Benin	1.6	3.6	2.6	3.1	4.4	5.5
Burkina Faso	11.8	11.7	6.7	9.1	7.8	8.8
Cabo Verde	13.8	15.0	9.0	11.1	9.0	7.6
Côte d'Ivoire	3.2	1.5	0.4	2.0	3.2	2.6
Gambia, The	4.4	3.6	9.8	9.1	5.2	9.9
Ghana	8.2	10.1	13.1	7.9	7.7	9.5
Guinea	5.8	5.2	3.4	6.2	8.8	5.9
Guinea-Bissau	14.0	24.9	24.7	13.6	23.0	25.4
Liberia	0.5	0.9	1.9	1.0	3.7	4.4
Mali	8.0	9.0	9.6	6.9	5.1	7.2
Niger	11.1	8.9	8.0	8.5	8.3	9.8
Nigeria	8.9	2.7	5.8	5.9	2.8	1.7
Senegal	3.3	1.6	3.8	1.8	3.2	4.7
Sierra Leone	14.9	17.3	16.7	16.5	19.4	14.3
Togo	4.6	5.0	2.3	1.0	1.8	0.9

Table 6: Central Bank Financing of Budget Deficit (%)

Country	1999	2000	2001	2002	2003	2004
Benin	0.0	4.3	0.0	4.6	0.0	0.0
Burkina Faso	0.0	9.0	0.0	0.0	0.0	0.0
Cabo Verde	0.0	59.3	0.1	20.7	6.3	0.2
Côte d'Ivoire	0.0	0.0	0.0	0.3	0.0	0.0
Gambia, The	0.0	0.0	80.7	22.0	63.1	0.0
Ghana	0.0	57.9	0.0	12.0	0.0	1.6
Guinea	16.6	24.0	0.7	24.5	14.6	26.2
GUINEE BISSAU	0.0	0.0	0.0	0.0	0.0	0.0
Liberia	0.0	0.0	0.0	0.0	0.0	0.0
Mali	0.0	0.0	0.0	0.0	0.0	0.0
Niger	31.2	0.0	4.9	0.0	0.0	0.0
Nigeria	63.4	0.0	29.3	0.0	19.7	0.0
Senegal	13.8	0.0	0.0	0.0	0.0	0.0
Sierra Leone	89.8	0.0	8.9	0.0	26.4	0.0
Togo	0.0	0.0	0.0	0.0	0.0	0.0

Table 7: Gross Reserves (in months of import)

Country	1999	2000	2001	2002	2003	2004
Benin	0.0	0.0	0.0	0.0	0.0	0.0
Burkina Faso	0.0	0.0	0.0	0.0	0.0	0.0
Cabo Verde	1.5	2.9	4.0	4.0	3.6	4.3
Côte d'Ivoire	0.0	0.0	0.0	0.0	0.0	0.0
Gambia, The	7.3	7.5	7.2	2.9	3.1	4.7
Ghana	1.3	0.8	1.2	2.3	4.1	3.7
Guinea	2.7	2.2	2.8	2.3	1.6	1.2
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0
Liberia	2.9	3.6	2.6	0.0	-0.2	0.2
Mali	0.0	0.0	0.0	0.0	0.0	0.0
Niger	0.0	0.0	0.0	0.0	0.0	0.0
Nigeria	7.6	13.6	11.3	9.9	8.5	16.1
Senegal	0.0	0.0	0.0	0.0	0.0	0.0
Sierra Leone	3.8	2.8	2.3	3.1	1.7	3.3
Togo	0.0	0.0	0.0	0.0	0.0	0.0
UEMOA*	5.2	6.9	7.7	8.8	8.2	7.7

* The UEMOA countries (Benin, Burkina Faso, Côte d'Ivoire, GUINEE BISSAU, Mali, Niger, Senegal and Togo) have their foreign reserves pooled together, a feature of monetary union.

Table 8: Tax Revenue/GDP Ratio (%)

Country	1999	2000	2001	2002	2003	2004
Benin	13.0	12.8	12.6	13.7	14.4	14.6
Burkina Faso	11.5	11.8	9.4	9.7	10.3	12.1
Cabo Verde	16.9	17.3	18.7	19.7	18.6	19.6
Côte d'Ivoire	14.9	14.3	14.6	15.8	14.5	15.2
Gambia, The	19.4	23.3	19.2	14.1	13.8	22.4
Ghana	14.8	16.3	17.2	17.5	19.3	22.4
Guinea	10.4	10.2	11.4	12.0	10.5	9.5
Guinea-Bissau	9.3	11.4	10.4	8.6	9.2	8.3
Liberia	14.0	13.7	11.4	10.7	6.4	9.2
Mali	13.0	12.3	12.7	12.5	14.2	15.3
Niger	8.1	9.1	8.9	10.5	10.5	11.6
Nigeria	12.4	16.7	19.5	14.0	15.7	19.8
Senegal	16.8	17.3	16.6	16.9	16.8	18.4
Sierra Leone	6.8	10.8	13.4	11.4	16.7	13.7
Togo	11.6	11.0	10.5	11.5	13.9	13.6

Table 9: Salary Mass/Tax Revenue (%)

Country	1999	2000	2001	2002	2003	2004
Benin	33.0	31.1	32.0	31.9	33.5	38.0
Burkina Faso	41.7	43.7	45.7	42.8	41.7	38.8
Cabo Verde	61.8	57.3	50.6	48.3	55.4	48.0
Côte d'Ivoire	37.0	42.1	41.4	41.6	45.3	44.0
Gambia, The	39.0	30.6	39.1	38.0	33.3	23.1
Ghana	49.7	52.1	52.9	49.1	44.4	38.9
Guinea	39.4	38.2	32.0	31.0	34.3	32.5
Guinea-Bissau	53.9	60.0	74.3	88.2	111.9	155.0
Liberia	17.0	24.8	29.0	19.1	26.4	39.0
Mali	27.8	31.3	29.1	30.6	27.7	31.2
Niger	50.3	50.4	40.2	38.2	37.5	35.2
Nigeria	34.1	34.5	26.4	47.2	32.6	33.8
Senegal	33.9	32.7	30.7	31.7	30.1	29.5
Sierra Leone	88.7	62.0	55.0	63.9	59.7	56.0
Togo	51.2	53.9	51.0	44.7	34.7	36.6

Table 10: Demographic and Socio-economic Data in 2004

Country	Area	Population*	Life expectancy at birth (years)	Adult literacy rate (% ages 15 and above)	HDI rank ¹¹	CPI 2004 Score ¹²	CPI country rank
	('000 km ²)	('000)	(2003)	(2003)	(2003 value)		(2004)
Benin	113	6903	54.0	33.6	162**	3.2	77
Burkina Faso	274	13289	47.5	12.8	175**	n.a.	n.a.
Cabo Verde	4	478	70.4	75.7	105*	n.a.	n.a.
Côte d'Ivoire	322	17227	45.9	48.1	163**	n.a.	n.a.
Gambia	11	1461	55.7	37.8	155**	2.8	90
Ghana	239	21549	56.8	54.1	138*	3.6	64
Guinea	246	8799	53.7	41.0	156**	n.a.	n.a.
Guinea-Bissau	36	1525	44.7	39.6	172**	n.a.	n.a.
Liberia	111	3410	n.a.	n.a.	n.a.	n.a.	n.a.
Mali	1,240	13288	47.9	19.0	174**	3.2	77
Niger	1,267	12152	44.4	14.4	177**	2.2	122
Nigeria	924	127280	43.4	66.8	158**	1.6	144
Senegal	197	10374	55.7	39.3	157**	3.0	85
Sierra Leone	72	5015			176**	2.3	114
Togo	57	5054	54.3	53.0	143*	n.a.	n.a.

*Population growth rate = 2.6%

n.a = not available

- Sources: (i) African Development Bank (2004) Selected Statistics on African Countries Vol. XXIII
(ii) Transparency International Index Report
(iii) UNDP Human Development Report (2005) – <http://hdr.undp.org>
(iv) Transparency International Corruption Perceptions Index 2004 – www.transparency.org

¹¹ HDI (Human Development Index) measures achievements in terms of life expectancy, educational attainment and adjusted real income. * Medium human development; ** Low human development.

¹² CPI (Corruption Perception Index) score relates to perceptions of the degree of corruption as seen by business people and country analysis and ranges between 10 (highly clean) and 0 (highly corrupt). The CPI, compiled by Transparency International, ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index, drawing on corruption-related data in expert surveys carried out by a variety of reputable institutions. It reflects the views of business people and analysts from around the world, including experts who are resident in the countries evaluated (Source: Transparency International Corruption Perceptions Index 2004 – www.transparency.org).

ECONOMIC COMMUNITY OF WEST AFRICAN STATES

RATIFICATION OF THE PROTOCOLS AND CONVENTIONS **AS AT 30TH MAY 2005**

PROTOCOLS AND CONVENTIONS		DATE OF RATIFICATION							
		BENIN	BURKINA FASO	CAPE VERDE	COTE D'IVOIR E	GAMBIA	GHANA	GUINEA	GUINEA BISSAU
1.	General Convention on Privileges and Immunities of the ECOWAS signed in Lagos on 22nd April, 1978.	27/02/79	20/04/82		11/08/83	30/07/84	30/03/79	16/03/82	27/04/79
2.	Protocol on Non-Aggression signed in Lagos on 22nd April, 1978.	26/02/79	04/08/82	28/05/84	11/08/83	30/07/84	30/03/79	16/03/82	13/11/90
3.	Protocol A/P1/5/79 relating to free movement of persons, residence and establishment signed in Dakar on 29th May, 1979.	04/01/81	06/04/82	11/06/84	19/01/81	30/10/80	08/04/80	17/10/79	20/08/79
4.	Supplementary Protocol A/SP1/5/79 amending the French text of the Protocol relating to the Definition of the concept of Products originating from Member States (Article 1) signed in Dakar on 29th May, 1979.	04/09/79	06/04/82	29/06/85	19/07/91	30/07/84	02/04/85	17/10/79	20/08/79
5.	Supplementary Protocol A/SP2/5/79 amending the definition of the concept of Products originating from Member States (Article 2) signed in Dakar on 29th May, 1979.	05/01/93	06/04/82		19/07/91	30/07/84	02/04/85	17/10/79	08/01/80
6.	Supplementary Protocol A/SP3/5/80 amending Article 8 of the French text of the Protocol relating to the Definition of Concept of originating Products from Member States (Treatment of Mixtures) signed in Freetown on 29th May, 1980.	05/01/93	04/08/82	29/06/85	19/07/91	10/07/89	02/04/85	13/10/89	

PROTOCOLS AND CONVENTIONS		DATE OF RATIFICATION							
		BENIN	BURKINA FASO	CAPE VERDE	COTE D-IVOIR E	GAMBIA	GHANA	GUINEA	GUINEA BISSAU
7.	Supplementary Protocol A/SP1/5/81 amending Article 2 of the Protocol relating to the Concept of Originating products (Handicraft Products) signed in Freetown on 29th May, 1981.	24/05/91	04/08/82	18/06/86	07/11/90	10/07/89	02/04/85	13/03/82	13/11/90
8.	Supplementary Protocol A/SP2/5/81 amending Article 4 of the ECOWAS Treaty relating to Community Institutions signed in Freetown 29th May, 1981.	24/05/91	04/08/82	24/06/85	11/08/83	10/07/89	02/04/85	13/10/89	13/11/90
9.	Protocol A/SP3/5/81 relating to Mutual Assistance on Defence signed in Freetown on 29th May, 1981.	Did not sign the Protocol	04/08/82	Did not sign the Protocol	11/08/83	26/08/97	12/05/89	16/03/82	02/07/91
10.	Protocol A/P1/5/82 on the establishment of an ECOWAS Brown Card relating to Motor Vehicle Third Party Liability Insurance, signed in Cotonou on 29th May, 1982.	30/10/91	28/06/89		15/03/88	05/03/84	02/04/85	17/02/83	10/02/83
11.	Convention A/P2/5/82 regulating Inter-State Road Transportation between ECOWAS Member States, signed in Cotonou on 29th May, 1992.	24/05/91	28/06/89		06/05/88	05/03/84	02/04/85	17/02/83	10/02/83
12.	Protocol A/P3/5/82 relating to the Definition of Community Citizen, signed in Cotonou on 29th May, 1982.	24/05/91	28/06/89	24/06/85	07/11/90	05/03/84	02/03/85	17/02/83	10/02/83
13.	Convention A/P4/5/82 relating to Inter-State Road Transit of Goods, signed in Cotonou on 29th May, 1982.		28/06/89	29/06/85	06/05/88	30/07/84	02/03/85	17/02/83	10/02/83
14.	Convention A/P5/5/82 on Mutual Administrative Assistance in Customs Matters, signed in Cotonou on 29th May, 1982.	05/01/93	28/06/89	18/06/86	06/05/88	05/03/84	02/04/85	17/02/83	27/06/91

PROTOCOLS AND CONVENTIONS		DATE OF RATIFICATION							
		BENIN	BURKINA FASO	CAPE VERDE	COTE D-IVOIR E	GAMBIA	GHANA	GUINEA	GUINEA BISSAU
15.	Protocol A/P1/11/84 relating to the Community Enterprises signed in Lomé, 23rd November, 1984.	1/02/02	24/04/90		19/07/91	10/07/89	12/05/89	13/10/89	13/11/90
16.	Supplementary Protocol A/SP1/11/84 amending Article 9, paragraph 1(c) of the Treaty of the Economic Community of West African States signed in Lomé, 23rd November, 1984.	24/05/91	25/04/90	13/03/90	19/07/91	10/07/89	12/05/89	18/07/92	27/06/91
17.	Convention A/P1/7/85 relating to the temporary importation of passenger vehicles into Member States signed in Lomé, 23rd November, 1984.		24/04/90	13/04/92	19/07/91	25/05/90	12/05/89	13/10/89	13/11/90
18.	Supplementary Protocol A/SP1/7/85 relating to the Code of Conduct for the Implementation of the Protocol on Free Movement of Persons the Right of Residence and establishment signed in Lomé, 6th July, 1985.	24/05/91	28/06/89	13/04/92	19/07/91	04/06/90	12/05/89	13/10/89	13/11/90
19.	Supplementary Protocol A/SP1/7/86 on the Second Phase on Free Movement of Persons (Right of Residence) signed in Abuja, 1st July, 1986.		28/06/89		19/07/91	04/06/90	12/05/89	13/10/89	13/11/90
20.	A/P1/7/87 Cultural Framework Agreement for the ECOWAS signed in Abuja, 9th July, 1987.	24/05/91	25/04/90	09/07/93	19/07/91	25/05/90	12/03/91	13/10/89	13/11/90
21.	A/P2/7/87 Protocol on the Establishment of a West African Health Organisation signed in Abuja, 9th July, 1987.	24/05/91	08/12/88	13/04/92	19/07/91	26/08/97	12/05/89	13/10/89	13/11/90
22.	A/SP1/6/88 Supplementary Protocol amending Articles 4 and 9 of the ECOWAS Treaty relating to the Institutions of the Community and its technical and specialised Commissions respectively, signed in Lomé, 25th June, 1988.	05/01/93	25/04/90	13/03/90	19/07/91	04/05/90	12/05/89	13/10/89	13/11/90
23.	A/SP2/6/88 Supplementary Protocol amending								

PROTOCOLS AND CONVENTIONS		DATE OF RATIFICATION							
		BENIN	BURKINA FASO	CAPE VERDE	COTE D-IVOIR E	GAMBIA	GHANA	GUINEA	GUINEA BISSAU
	Article 53 of the ECOWAS Treaty on the Budget of the Community signed in Lomé, 25th June, 1988.	05/01/93	23/04/90	13/03/90	19/07/91	09/04/91	12/05/89	13/10/89	13/11/90
24.	Supplementary Protocol A/SP1/6/89 amending and complementing the Provisions of Article 7 of the Protocol on Free Movement, Right of Residence and Establishment signed in Ouagadougou on 30th June, 1989.		19/05/92	13/04/92		26/08/97	14/12/92	18/07/92	
25.	Supplementary Convention A/SP1/5/90 establishing a Community Guarantee Mechanism for Inter-State Road Transit of Goods. Signed in Banjul, 29th May, 1990.		19/05/92			09/04/91	16/04/91	18/07/92	27/06/91
26.	Supplementary Protocol A/SP2/5/90 on the Implementation of the Third Phase (Right of Establishment) of the Protocol on Free Movement of Persons, Right of Residence and Establishment signed in Banjul, 29th May, 1990.		19/05/92	13/04/92		09/04/91	16/04/91	18/07/92	27/06/91
27.	Protocol A/P1/7/91 on the Community Court of Justice signed in Abuja on 6th July, 1991.	14/3/200	16/01/96		05/11/96	26/08/97	07/12/92	18/07/92	
28.	Convention A/P1/7/92 on Mutual Assistance in Criminal Matters signed, in Dakar, on 29th July, 1992.		12/05/98			20/04/94	07/12/92	01/07/93	
29.	Protocol A/P1/7/93 relating to the West African Monetary Agency signed in Cotonou, on 24 July, 1993.	14/12/95	06/10/94		05/11/96	03/09/96	29/06/95	18/07/94	
30.	Supplementary Protocol A/SP1/7/93 amending Article 1 of the Protocol relating to the Contributions by Member States to the Budgets of the Economic Community of West African States, signed in Cotonou on 24 July, 1993.	14/12/95	24/06/94		22/01/97	26/08/97	29/06/95	18/07/94	

PROTOCOLS AND CONVENTIONS		DATE OF RATIFICATION							
		BENIN	BURKINA FASO	CAPE VERDE	COTE D-IVOIR E	GAMBIA	GHANA	GUINEA	GUINEA BISSAU
31.	Convention A/P1/8/94 on Extradition.		12/05/98				29/06/95	14/05/97	Did not sign Conven- tion
32.	Protocol A/P2/8/94 relating to the Community Parliament.	14/3/200	18/06/97			03/09/96	29/06/95	14/05/97	
33.	Protocol A/P1/7/96 on Conditions governing the application of the Community Levy.	1/02/02	23/07/97		10/11/98	28/01/98	24/09/98	06/08/97	
34.	Protocol A/P2/7/96 establishing Value Added Tax in ECOWAS Member States.	1/02/02	23/07/97				28/10/98	06/08/97	
35.	Protocol A/P1/12/99 relating to the Mechanism for Conflict Prevention, Management, Resolution, Peace-keeping and Security		14/12/01	Did not sign the Protocol			24/01/05		
36.	Protocol A/P1/12/01 amending Articles 1, 3, 6 and 21 of the ECOWAS Revised Treaty.	24/06/03	30/10/03				18/10/02		
37.	Protocol A/P2/12/01 relating to the ECOWAS Bank for Investment and Development (EBID).	24/06/03	30/10/03				18/10/02		
38.	Protocol A/P3/12/01 on the Fight Against Corruption.						18/10/02		
39.	Supplementary Protocol A/SP.1/12/01 on Democracy and Good Governance Supplementary to the Protocol relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security.	04/02/05	09/09/04				18/10/02		

PROTOCOLS AND CONVENTIONS		DATE OF RATIFICATION						
		BENIN	BURKINA FASO	CAPE VERDE	COTE D-IVOIR E	GAMBIA	GHANA	GUINEA BISSAU
40.	Supplementary Protocol A/SP.2/12/01 amending the Protocol on the establishment of an ECOWAS Brown Card relating to motor vehicle third party liability insurance.						18/10/02	
41.	General Convention A/C.1/01/03 on the Recognition and Equivalence of Degrees, Diplomas, Certificates and Other Qualifications in ECOWAS Member States.							
42.	Protocol A/P.1/01/03 relating to the Definition of the Concept of Products Originating From Member States of the Economic Community of West African States (ECOWAS).						24/01/05	
43.	Protocol A/P.2/01/03 Relating to the Application of Compensation Procedures for Loss of Revenue Incurred by ECOWAS Member States As A Result of the Trade Liberalisation Scheme.						24/01/05	
44.	Protocol A/P.3/01/03 on Education and Training.							10/02/05
45.	Protocol A/P.4/01/03 on Energy.	16/03/05					24/01/05	
46.	Supplementary Protocol A/SP.1/01/05 amending the Preamble and Articles 1, 2, 9, 22 and 30 of Protocol A/P.1/7/91 relating to the Community Court of Justice and Article 4 Paragraph 1 of the English version of the said Protocol.							

	PROTOCOLS AND CONVENTIONS	DATE OF RATIFICATION						
		LIBERIA	MALI	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO
1.	General Convention on Privileges and Immunities of the ECOWAS signed in Lagos on 22nd April, 1978.	05/05/83	wx 05/06/80	19/12/90	09/03/79	28/02/79	13/05/82	03/03/80
2.	Protocol on Non-Aggression signed in Lagos on 22nd April, 1978.	09/04/92		19/12/90	17/05/79	18/05/79	13/05/82	03/03/80
3.	Protocol A/P1/5/79 relating to free movement of persons, residence and establishment signed in Dakar on 29 th May, 1979.	01/04/80	05/06/80	11/01/80	12/09/79	24/05/80	15/09/82	09/11/79
4.	Supplementary Protocol A/SP1/5/79 amending the French text of the Protocol relating to the Definition of the concept of Products originating from Member States (Article 1) signed in Dakar on 29th May, 1979.	14/02/80	11/09/87	11/01/80	12/09/79	15/07/86	13/05/82	17/02/88
5.	Supplementary Protocol A/SP2/5/79 amending the definition of the concept of Products originating from Member States (Article 2) signed in Dakar on 29th May, 1979.	14/02/80	11/09/87	11/01/80	12/09/79	15/07/86	30/09/86	03/03/88
6.	Supplementary Protocol A/SP3/5/80 amending Article 8 of the French text of the Protocol relating to the Definition of Concept of originating Products from Member States (Treatment of Mixtures) signed in Lome on 28th May, 1980.	05/05/83	15/05/90	04/05/89	18/04/88	12/10/81	13/05/82	29/05/82
7.	Supplementary Protocol A/SP1/5/81 amending Article 2 of the Protocol relating to the Concept of Originating products (Handicraft Products) signed in Freetown on 29th May, 1981.	04/03/83	24/11/89	23/10/87	18/04/88	10/04/83	30/09/86	29/05/82

	PROTOCOLS AND CONVENTIONS	DATE OF RATIFICATION						
		LIBERIA	MALI	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO
8.	Supplementary Protocol A/SP2/5/81 amending Article 4 of the ECOWAS Treaty relating to Community Institutions signed in Freetown 29th May, 1981.	07/03/83	By virtue of A/SP1/11/84	23/10/87	18/04/88	10/04/83	30/09/86	19/10/83
9.	Protocol A/SP3/5/81 relating to Mutual Assistance on Defence signed in Freetown on 29th May, 1981.	04/03/83	Acceded 03/06/98	23/10/97	18/04/88	10/04/83	30/09/86	21/05/82
10.	Protocol A/P1/5/82 on the establishment of an ECOWAS Brown Card relating to Motor Vehicle Third Party Liability Insurance, signed in Cotonou on 29th May, 1982.	09/04/92	20/08/84	14/04/87	26/05/83	17/02/84	10/07/84	21/03/84
11.	Convention A/P2/5/82 regulating Inter-State Road Transportation between ECOWAS Member States, signed in Cotonou on 29th May, 1992.	09/04/92	11/09/87	23/10/87	25/04/83	17/07/84	10/07/84	21/03/84
12.	Protocol A/P3/5/82 relating to the Definition of Community Citizen, signed in Cotonou on 29th May, 1982.	09/04/92	08/08/83	23/10/87	31/03/83	26/03/85	10/07/84	22/03/84
13.	Convention A/P4/5/82 relating to Inter-State Road Transit of Goods, signed in Cotonou on 29th May, 1982.	09/04/92	11/06/83	23/10/87	26/05/83	17/07/84	10/07/84	22/03/84
14.	Convention A/P5/5/82 on Mutual Administrative Assistance in Customs Matters, signed in Cotonou on 29th May, 1982.		11/09/87	23/10/87	22/06/83	17/07/84	10/07/84	22/03/84
15.	Protocol A/P1/11/84 relating to the Community Enterprises signed in Lomé, 23rd November, 1984.	09/04/92	30/06/89	23/10/87	18/04/88	10/09/86	30/09/86	17/02/88
16.	Supplementary Protocol A/SP1/11/84 amending Article 9, paragraph 1(c) of the Treaty of the Economic Community of West African States signed in Lomé, 23rd November, 1984.	09/04/92	16/05/89	04/05/89	18/04/88	on 23/07/90 by virtue of A/SP1/6/88	30/09/86	17/02/88
17.	Convention A/P1/7/85 relating to the temporary	09/04/92	18/01/89	04/05/89	18/04/88	08/04/91	08/11/88	17/02/88

	PROTOCOLS AND CONVENTIONS	DATE OF RATIFICATION						
		LIBERIA	MALI	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO
	importation of passenger vehicles into Member States signed in Lomé, 6th July, 1985.							
18.	Supplementary Protocol A/SP1/7/85 relating to the Code of Conduct for the Implementation of the Protocol on Free Movement of Persons the Right of Residence and establishment signed in Lomé, 6th July, 1985.	09/04/92	02/12/88	04/05/89	18/04/88	08/04/91	08/11/88	17/02/88
19.	Supplementary Protocol A/SP1/7/86 on the Second Phase on Free Movement of Persons (Right of Residence) signed in Abuja, 1st July, 1986.	09/04/92	02/12/88	04/05/89	18/04/88	11/02/87	08/11/88	17/02/88
20.	A/P1/7/87 Cultural Framework Agreement for the ECOWAS signed in Abuja, 9th July, 1987.	09/04/92	30/06/89	04/05/89	07/09/89	23/07/90	20/12/88	05/01/90
21.	A/P2/7/87 Protocol on the Establishment of a West African Health Organisation signed in Abuja, 9th July, 1987.	09/04/92	30/06/89	14/06/88	16/08/89	23/07/90	21/02/89	09/08/89
22.	A/SP1/6/88 Supplementary Protocol amending Articles 4 and 9 of the ECOWAS Treaty relating to the Institutions of the Community and its technical and specialised Commissions respectively, signed in Lomé, 25th June, 1988.	09/04/92	19/02/91	22/05/92	18/04/90	23/07/90	19/09/89	15/05/90
23.	A/SP2/6/88 Supplementary Protocol amending Article 53 of the ECOWAS Treaty on the Budget of the Community signed in Lomé, 25th June, 1988.	Has the Revised Treaty on 29/12/93	19/02/91	22/05/92	18/04/90	23/07/90	19/09/89	15/05/90
24.	Supplementary Protocol A/SP1/6/89 amending and complementing the Provisions of Article 7 of the Protocol on Free Movement, Right of Residence and Establishment signed in Ouagadougou on 30th June, 1989.	09/04/92	19/02/91		18/04/90	30/06/94	02/11/00	01/12/99
25.	Supplementary Convention A/SP1/5/90 establishing a Community Guarantee Mechanism for Inter-State Road		25/07/94		27/08/90	01/10/93	02/11/00	30/01/91

	PROTOCOLS AND CONVENTIONS	DATE OF RATIFICATION						
		LIBERIA	MALI	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO
	Transit of Goods. Signed in Banjul, 29th May, 1990.							
26.	Supplementary Protocol A/SP2/5/90 on the Implementation of the Third Phase (Right of Establishment) of the Protocol on Free Movement of Persons, Right of Residence and Establishment signed in Banjul, 29th May, 1990.	09/04/92	07/02/95		27/08/90	11/09/92	02/11/00	30/01/91
27.	Protocol A/P1/7/91 on the Community Court of Justice signed in Abuja on 6th July, 1991.		23/05/92	12/01/04	01/07/94	30/06/94	02/11/00	01/12/99
28.	Convention A/P1/7/92 on Mutual Assistance in Criminal Matters signed, in Dakar, on 29th July, 1992.		27/03/95	25/10/01	01/07/94	30/04/99	02/11/00	28/10/98
29.	Protocol A/P1/7/93 relating to the West African Monetary Agency signed in Cotonou, on 24 July, 1993.		01/08/95	25/10/01	01/07/94	14/06/94	17/05/95	18/08/97
30.	Supplementary Protocol A/SP1/7/93 amending Article 1 of the Protocol relating to the Contributions by Member States to the Budgets of the Economic Community of West African States, signed in Cotonou on 24 July, 1993.		24/08/95		20/11/00	14/06/94	02/11/00	01/12/99
31.	Convention A/P1/8/94 on Extradition.		21/08/95		20/11/00	19/05/95	23/11/95	09/01/03
32.	Protocol A/P2/8/94 relating to the Community Parliament.		04/04/95	27/07/00	14/01/00	19/05/95	23/11/95	09/01/03
33.	Protocol A/P1/7/96 on Conditions governing the application of the Community Levy.		03/06/98	27/10/98	14/01/00	30/04/99	02/11/00	01/12/99
34.	Protocol A/P2/7/96 establishing Value Added Tax in ECOWAS Member States.		06/06/99		20/11/00	30/04/99		01/12/99
35.	Protocol A/P1/12/99 relating to the Mechanism for Conflict Prevention, Management, Resolution, Peace-keeping and Security.		23/05/00			08/10/04	02/11/00	23/02/04

	PROTOCOLS AND CONVENTIONS	DATE OF RATIFICATION						
		LIBERIA	MALI	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO
36.	Protocol A/P1/12/01 amending Articles 1, 3, 6 and 21 of the ECOWAS Revised Treaty.		8/05/02		23/08/02	03/02/03	10/08/04	12/11/02
37.	Protocol A/P2/12/01 relating to the ECOWAS Bank for Investment and Development (EBID).		08/05/02		23/08/02	03/02/03	10/08/04	12/11/02
38.	Protocol A/P3/12/01 on the Fight Against Corruption.				23/08/02		10/08/04	
39.	Supplementary Protocol A/SP.1/12/ 01 on Democracy and Good Governance Supplementary to the Protocol relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security.					10/09/04	10/08/04	
40.	Supplementary Protocol A/SP.2/12/ 01 amending the Protocol on the establishment of an ECOWAS Brown Card relating to motor vehicle third party liability insurance.				23/08/02			
41.	General Convention A/C.1/01/03 on the Recognition and Equivalence of Degrees, Diplomas, Certificates and Other Qualifications in ECOWAS Member States.					08/10/04		
42.	Protocol A/P.1/01/03 relating to the Definition of the Concept of Products Originating From Member States of the Economic Community of West African States (ECOWAS).						10/08/04	
43.	Protocol A/P.2/01/03 Relating to the Application of Compensation Procedures for Loss of Revenue Incurred by ECOWAS Member States As A Result of the Trade Liberalisation Scheme.						10/08/04	
44.	Protocol A/P.3/01/03 on Education and Training.					08/10/04		
45.	Protocol A/P.4/01/03 on Energy.				22/10/04			
46.	Supplementary Protocol A/SP.1/01/05 amending the Preamble and Articles 1, 2, 9, 22 and 30 of Protocol							

	PROTOCOLS AND CONVENTIONS	DATE OF RATIFICATION						
		LIBERIA	MALI	NIGER	NIGERIA	SENEGAL	SIERRA LEONE	TOGO
	A/P.1/7/91 relating to the Community Court of Justice and Article 4 Paragraph 1 of the English version of the said Protocol.							