

ECW/CM/XIII/2

ECONOMIC COMMUNITY OF WEST AFRICAN STATES



NOT TO BE TAKEN AWAY

EXECUTIVE SECRETARY'S REPORT
TO COUNCIL OF MINISTERS

CONAKRY, MAY 1983

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INTRODUCTION

It gives me great pleasure to present to Council a report on the activities of the Community for the period May 1982 to the present. The period saw not only a consolidation of earlier achievements but also renewed emphasis on programmes for increased agricultural production and energy conservation.

The world economic malaise continues to exert adverse trends in the economic development of the countries of the Third World: co-existence of two-digit inflation, and high unemployment in the developed market economies, slow-down in economic growth in all parts of the world and disequilibrium in the balance of payments. The implications of the world economic crisis for the development of the sub-region are catastrophic and threaten to lead to starvation in several Member States.

Many of the problems currently facing Member States cannot be solved by individual nations acting on their own; attempts by individual countries to maximise their gains or minimise their losses in isolation may reduce the welfare of all. In fact, such a step would be a negation of the whole concept of the spirit of ECOWAS.

Even though there are signs that the global world economy is on its way to recovery, the sub-region is still plagued by low agricultural output and energy imports. Our work programme for the past year, Council will recall, reflected the importance and the concern that the Community attaches to agriculture and energy problems.

In the course of the year, the ECOWAS Ministers of Agriculture and Forestry met in Cotonou to deliberate on the

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ECOWAS Regional Agricultural Development Strategy following its adoption by the Heads of State and Government at its Summit in Cotonou. The Ministers recommended a series of short and medium term projects aimed at translating the strategy into reality.

In the energy area, ECOWAS in collaboration with UNITED STATES AGENCY for International Development held a seminar on energy conservation aimed at applying improved technologies for energy conversion, distribution and utilisation.

The prospects for improved food situation in the sub-region appear rather bleak. According to reports from the United Nations Food and Agricultural Organisation, West Africa will only be 74% self-sufficient in food by the year 2000. If this analysis is correct, it will put much greater pressure on the Community's ability to achieve food self-sufficiency in five years as mandated by the Authority in Cotonou.

Several challenges present themselves if the sub-region is to avoid the catastrophe of starvation. As things stand now, the sub-region is more likely to stagnate unless decisive policy changes are taken. As a Community, we should all endeavour to play our part so as to avoid our poverty being institutionalised in the sub-region.

The recent developments in the interpretation of the Protocol on Free Movement of Persons is a sharp reminder that we all share common problems and the only way to solve them is through collective action. In so far as we share a common heritage, the solution lies in taking common approach.

Our work programme will continue to reflect on the solutions to our common problems in the sub-region as mandated by the appropriate decision making bodies of the Community, therein lies the welfare of the peoples of the sub-region.

I shall now go on to give an account of what our performance has been since the session of Council in May, 1982, and then give an indication of what we feel should be the Community's activities for the coming year.

COMMUNITY COOPERATION PROGRAMMES

The decisions taken during the May 1982 ECOWAS Statutory meetings completed the adoption of the set of Cooperation Programmes to be executed by the Community during the medium-term period. This past one year (June 1982 - May 1983) therefore constituted the first full year of the current phase of the life of the Community: monitoring and ensuring the implementation of cooperation programmes. While noting that all the different programmes serve the same final objective of contributing to the promotion of regional trade and the economic development of the sub-region, it should be pointed out that activities undertaken during the review period differ from one programme to the other because of differences in conception, implementation strategies and the stage of execution attained.

A brief account is given below on the implementation of the Community cooperation programmes, made up of the following:

- trade liberalisation and promotion;
- immigration matters;
- monetary cooperation;
- transport and communications;
- industrial cooperation;
- agricultural cooperation;
- energy cooperation;
- natural resources development;
- social and cultural cooperation; and
- institutional and administrative matters.

Trade Liberalisation and Promotion

It would be recalled that the Community had adopted an ECOWAS Common Customs and Statistical Nomenclature. Subsequent to this, there was the transcription of national tariffs by each Member State into the new adopted text. The printing of the documents on these Transcribed National Tariffs was done by the Executive Secretariat and, during the review period, these documents were despatched to all Member States for their use.

In anticipation of the introduction within the entire sub-region of a computerised system of handling trade statistics, the adopted ECOWAS Customs declaration forms were slightly amended during the year to make them adaptable for such a system. A related and outstanding task -the codification of customs, statistical and fiscal regimes- was also accomplished and the appropriate Commission to which the proposals were presented has recommended their acceptance.

It should be recalled that the Community opted for the Customs Cooperation Council's definition of Value (Brussels definition) when the Common ECOWAS Statistical Standards and Definitions were being adopted. However, Member States are now being individually offered the choice to adhering to a newer concept -the GATT definition of value. To enable Member States fully understand this GATT definition, its implications and the options open to developing countries, a seminar was organised during the period for customs officials of Member States. The seminar also provided the forum for discussing the possibility of West African countries adopting a harmonised position on the issue of adhesion to the new concept of value. The report of the seminar has been submitted to the appropriate Commission.

The initial phase of the automatic data processing programme has almost been completed. This phase was to assess the situation in all Member States with respect to the machinery for the collection and processing of external trade statistics and what would be required to convert to a Community system of computerised data processing. The country reports being prepared include a draft project document to be submitted to the UNDP for assistance. To ensure the success of this programme, a training programme is being prepared for national officials involved in the gathering and processing of external trade statistics; the training programme should have commenced during the review period but there has been slight delay. At a more general level, an assessment of the customs training needs of Member States was undertaken and the report is being studied for further action.

A meeting of Directors of customs was organised to consider the trade liberalisation and customs programme. The

monitoring so far done on the implementation of these new measures indicates that another meeting ought to be called to discuss the general problems and difficulties encountered so as to be able to work out appropriate solutions. The Secretariat is preparing this meeting which is now scheduled for the latter part of 1983. Similarly, action is under way towards the holding of a symposium on trade promotion in West Africa; the proposed symposium will be held in the middle of May, 1983. It is hoped that this would bring the business community, government trade promotion officials and ECOWAS officials together to discuss problems relating to the Community trade liberalisation programme, trade information, development of export potentials and trade promotion generally.

There were further meetings during the year between officials of ECOWAS, CEAO and MRU on the issue of the application by CEAO and MRU countries of the ECOWAS trade liberalisation provisions. A series of studies were undertaken by an Expert Team set up by these organisations and the findings were subsequently presented to the Chief Executives of these institutions. It is unfortunate that at this technical level, the CEAO should pronounce itself unable to recommend the objective of a customs union to its members even though these same Member States accept and are seeking such a union within the ECOWAS forum, and, in spite of the Authority decision of May, 1983, on the matter. I have always believed this derogation issue to be a political matter and it now comes out clearly that definite directives and instructions have to be given as soon as possible if the sub-region is to reap any benefits from trade cooperation.

Meanwhile, a preliminary study has been made on the possible strategies for the adoption of a Common External Tariff; work on this matter will continue in the new year.

As has been the practice in previous years, ECOWAS effectively participated in the Dakar Trade Fair. In connection with the organisation of trade fairs within the sub-region, it may be recalled that the Executive Secretariat was requested during the year to see to the coordination of these fairs. Contact has already been made with the appropriate national authorities in this respect and it is hoped that the cooperation activities to

be undertaken would include the scheduling, the scope and content of West African Fairs, and the possibility of making the fairs complementary.

One major obstacle facing the development of intra-Community trade is the free flow, on a regular basis, of market information. The Executive Secretariat therefore commissioned a study aimed at the publication of an ECOWAS Trade News Bulletin. The report on this study has just been received and its recommendations will be put before the appropriate Commission as soon as possible. Some initial steps were taken during the review period towards the establishment of a trade information system involving the Secretariat and relevant organs in Member States and this task will be pursued during the coming year.

Immigration matters

The Community's immigration programme which derives from the Protocol on Free Movement of Persons, Right of Residence and Establishment is not being implemented as correctly or vigorously as it could have been. This had been our observation in the past and the situation did not improve during the review period. Indeed, during the period revealed considerable widespread ignorance of the provisions of the Protocol by both the public and government officials, resulting in serious misapplication or the non-application of the Protocol.

It is, therefore, deemed essential on the one hand to convene a meeting of immigration and legal personnel of Member States to review the implementation of the first phase of the Protocol; the meeting is scheduled for the second half of 1983. During the proposed meeting measures to be taken by the appropriate departments to ensure the smooth application of the Protocol would be reviewed; there will also be a critical analysis of problems so far encountered. Already, the Executive Secretariat is making preparations towards the holding of this meeting -steps being taken in this respect include documentation of measures applied during the review period by Member States that affected the movement of Community citizens within the sub-region.

It is envisaged that the proposed meeting would consider a draft Manual on the application of the Protocol and the settlement of disputes.

As regards the education of the ordinary people, on the other hand, some measures are being taken towards the publication of brochures and other public enlightenment documents. It is hoped that the wide dissemination of such literature on the Protocol, including the rights and obligations of the ordinary citizen would lead to a better understanding of the Protocol and engender greater cooperation from members of the public.

Monetary Cooperation

The activities of the Community in the field of Monetary and payments cooperation have been in support of the trade liberalisation programme: the aim being the eventual removal of monetary obstacles to intra-Community trade and the improvement of such monetary and payments arrangements as would further promote sub-regional trade.

Previous studies had proved the desirability of ensuring the convertibility within the sub-region of all the national currencies of Member States and subsequent efforts have been geared towards preparing a programme that would bring this about. During the review period consultations were held with the authorities of central banks in connection with two particular issues:

- adjustment mechanisms in support of the attainment of limited convertibility
- balance of payments support measures.

As a result of these consultations, two reports are being presented to meetings of the Directors of Research of Central Banks and the Committee of Governors of Central Banks. It is hoped that the preliminary proposals contained in these papers would meet the approval of the monetary authorities and enable the Secretariat to continue with the search for ways to improving the monetary and payments situation of the sub-region.

Transport and Communications matters

The activities of the Community in this sector during the period were devoted to road, air and sea transport as well as telecommunications.

The studies on the uncompleted portions of the Trans West African Highway Network was concluded during the period. These portions may be grouped into two categories: that set of uncompleted road portions on which engineering studies have been done and the Member States concerned have prepared tender documents, and that set of roads on which engineering studies are yet to be undertaken. The Community would have to assist in the identification of sources of funds to finance the execution of the construction involved and, in the latter case, in the preparation of tender documents.

The Secretariat was involved in the preparation of the West African Road Master Scheme, as directed by the Transport sub-commission. Similarly, attention was given to the possibility of introducing a toll system on Trans-West African Highways as a source of finance for a proposed Road Maintenance Fund. Action was started on the idea of regionalising road maintenance training centres. Work was completed on the drafting of an ECOWAS Highway Code and the draft document is being submitted to the meeting of the Transport Commission.

The first phase of the Coastal Shipping Programme, which consisted of a preliminary study of the existing situation and the identification of possible cooperation strategies has been completed. The findings and recommendations contained in the report are being presented to the appropriate Commission.

As regards air transport, a series of meetings were held with officials of some established West-African airlines on the following issues:

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- improvement in management efficiency of national airlines
- rationalisation of the use of equipment
- cooperation among the national airlines.

The responses and reactions so far received have been encouraging and the programme should make good progress in the coming year.

The period under review saw a sustained effort by the ECOWAS Tender Board in analysing the bids received on the telecommunications projects. It was realised that there had been competitive bidding for segments and projects worth about \$12 million and the decision was taken to award contracts for such lots. It was further decided to revise the tender documents for the remaining lots and to go once more to tender. Most of the work this called for has been undertaken and the tender notices would soon be out. It should be pointed out, however, that there is yet not a full financial coverage of this programme on terms that are deemed desirable.

Industrial cooperation

It would be recalled that after the selection of the ten priority industrial sector by the Council of Ministers in 1979, a work programme was approved which was geared towards:

- drawing up a legal framework to regulate regional industrial development;
- formulating a regional industrial development strategy and programme, and sectoral master-plans;
- determining criteria for the selection of regional projects, and proceeding to select and develop such projects.

Although work was started on all these, early results were achieved with respect to the legal framework; the document resulting from that work is to be reviewed in due course. For the past year, however, attention has been focused on the regional industrial strategy, policy and programme as well as the criteria

for the selection of regional projects. Proposals on these issues were presented to a meeting of Ministers of Planning and the outcome of that meeting is being submitted to the Council of Ministers. It should be pointed out that a procedure was recommended for the selection of the first set of regional projects and if the recommendations are endorsed during the forthcoming May 1983 meeting, it should be possible to present a set of identified projects to the November, 1983 session of Council.

Agricultural cooperation

Following the adoption of the Regional Agricultural Development Strategy at the May, 1982 Summit, the review period was devoted to drawing up a programme for the implementation of this Strategy. It had been deemed necessary to concentrate attention in the short and medium-term on sub-regional food self-sufficiency and this formed the focal point of the proposals submitted by the Executive Secretariat to a meeting of Ministers of Agriculture.

The Ministerial meeting recommended the adoption of the proposed short and medium-term agricultural programme and urged that serious efforts be made by the Community to develop, on a priority basis, the agricultural sector of the West African economy.

Forestry Programme

By declaring a Re-afforestation Decade during the May 1982 Summit, the Authority not only showed its appreciation of the role fuelwood plays in the energy supply of the sub-region, but the overall importance of the forestry sector in the development process. During the year, therefore, some proposals were formulated by the Secretariat and then presented to a meeting of Ministers of Forestry and Water Resources. The recommendations made by the Ministers at the meeting emphasise the need for Member States to accord greater attention to the forestry sector and to ensure both the regeneration and the sound management of forestry resources; these recommendations are attached to the report of the ministerial meeting being submitted for Council's approval.

Energy Cooperation

During the May, 1982 meetings, Council took a decision on a set of energy projects and programmes which would constitute a Community short-term Energy action programme and which Member States were requested to cooperate to implement. The Secretariat has initiated the necessary measures aimed at selling these project ideas to financial institutions for their participation.

Meanwhile, a synthesis of the proceedings of the November 1981 Freetown Energy Symposium has been prepared for publication to enable the Community disseminate as widely as possible the important findings and conclusions that were arrived at.

Social and Cultural Cooperation

The programme adopted in this field during the May, 1982 ECOWAS meetings covers the facilitation of free movement of Community citizens and establishment of ECOWAS Clubs in Member States, award of scholarships, student exchange programmes, establishment of equivalences of qualifications, cultural exchange programmes, organisation of Community games and sports, and award of ECOWAS prizes.

The Secretariat has been involved in the on-going preparatory work of an ad hoc Committee on the organisation of the ECOWAS games in the Peoples' Republic of Benin; the football series -for both Senior (Houphouet Boigny cup) and Junior (Shehu Shagari cup) Divisions have already begun. The Secretariat was similarly involved in the initial steps taken towards the establishment of the Permanent Secretariat of the West African Ministerial Conference on Youth and Sports at Ouagadougou.

The implementation of some of the other items on the Programme, also started during the period under review. In connection with the public enlightenment programme, action has been initiated towards the publication of an ECOWAS Information Bulletin. Most of the Member States were visited to hold

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discussions on the modalities for the organisation of the national ECOWAS Week and the establishment of ECOWAS Clubs. Similar discussions were held on the possibility of stepping up Student Exchange Programme which have been run so far on bilateral bases.

From preliminary discussions, indications are that an ad hoc Committee needs to be set up to assist the Secretariat in the task involved in the cooperation arrangements to be designed for training institutions of the sub-region, the drawing of a register of diplomas awarded by these institutions and the equivalences of qualifications. On cultural exchange, a study is going to be made of the bilateral agreements on which existing exchange programmes are based, with a view to formulating a model agreement that could promote further cooperation among Member States in this field.

It may be necessary to draw attention to the cooperation strategy adopted which relies very much on the enthusiasm and active participation of Member States; the Secretariat would, therefore, continue to count in the ensuing years, on this support for the successful implementation of the social and cultural cooperation programme. Meanwhile it is being proposed that during the forthcoming May, 1983 meetings, a decision be taken on the areas in which the 1983/1984 ECOWAS Prizes would be awarded; this is to enable action to be taken in the coming year to ensure the presentation of such prizes at the 1984 ECOWAS Summit.

INSTITUTIONAL AND ADMINISTRATIVE MATTERS

Staff Recruitment

Throughout the past year, the Secretariat was obliged to pursue once more the deliberate policy of not actively recruiting personnel to fill the approved vacancies and this was, for at least three reasons. Firstly, a definite directive is required on the issue of the quota system, a Memorandum is being presented on this matter for consideration at the forth coming meetings. Secondly, the problem of office space has shown no improvement. Lastly, in almost all cases, no positive response has been received from those Member States which have to send in replacements for the staff members whose appointments were terminated the previous year. It is gratifying that Council took a decision at its November, 1982 session aimed at solving this particular problem.

It was possible, however, to recruit almost all the additional interpreters and translators needed at both the Fund and the Secretariat to meet the serious problems that were being faced in the linguistic divisions. The Secretariat has just recruited a second lawyer to strengthen its Legal Department.

Resignation

During the year, the Secretariat lost the services of two staff members who had just joined the office. Both persons -one was an accountant and the other an industrial economist- declared their inability to work under the existing conditions of service. An administrative officer at the Secretariat has given notice of his intention to resign by the end of May, 1983. At the Fund the Librarian/Documentalist resigned her post. During the year it was found necessary to dismiss a Procurement officer at the Fund.

Accommodation

The perennial problem of office space at the Secretariat showed no improvement during the period under review. An amount of 100.000 Units of account was voted for the purpose of hiring

additional office space. This amount proved to be inadequate when some suitable and available premises were located. The search is still on in order to ease the severe congestion being experienced. Meanwhile, an advertisement has been made to obtain the services of a civil engineer, as consultant to advise on the design and construction of the Community Headquarters on the piece of land allocated to ECOWAS by the Nigerian government at Abuja (the new Federal capital).

With respect to residential accommodation, it is quite likely that by the end of May, 1983, every eligible official would have been housed.

Health Insurance Scheme

A request had been made to institute a Health Insurance Scheme for members of staff of the Community. Enquiries made during the year in connection with this demand revealed that no company runs such a scheme in Nigeria; so for the time being it would not be possible to offer this service to Community officials.

Headquarters Agreement

Following the Authority decision in May, 1982 on the building of headquarters, the Federal Government of Nigeria requested the revision of the draft Headquarters Agreement to reflect the new position on this matter. The draft is still with the Nigerian authorities and so the Headquarters Agreement could not be signed.

Country missions

As a result of the concern shown at the Statutory meetings of May, 1982 over the slow rate of implementation of Community decisions, a programme of country visits to Member States was drawn up during the period under review. Led by the Chairman of Council, a team of top ECOWAS Officials visited thirteen Member States to find out how Member States are implementing ECOWAS programmes, the impact these ECOWAS programmes and decisions are making at the national level, and the problems being encountered by Member States in the fulfilment of their Community obligations.

An interim report on these visits was made to the November 1982 Council session and the final report will be presented by the Chairman of Council at the forthcoming meetings. It may simply be noted here that these missions proved very useful for both the Community officials and the government officers with whom discussions were held; the missions generated on the one hand, a greater awareness and understanding of the objectives and programmes of ECOWAS and on the other hand a better appreciation of the administrative and other difficulties impeding the execution of Community programmes. It is hoped that as a result of such visits, better performance by all concerned would be recorded in the future.

Ad Hoc Ministerial Committee on Institutional matters and Community Work Programme

At its last session in May, 1982, the Council set up an ad hoc Ministerial Committee to review ECOWAS Institutional arrangements and the current Community programmes. The ad hoc Committee has had two meetings under the chairmanship of Honourable Isidore AMOUSSOU, Chairman of Council. A number of issues were raised during these meetings including:

- Implementation of Community decisions and programmes at the level of Member States;
- Revision of structures, rules and procedures of the Executive Secretariat and the ECOWAS Fund;
- Promotion of bilateral, multilateral and regional projects;
- Multiplicity of West African inter-governmental organisations.

Some of the decisions arrived at at these meetings are the following:

- Member States are urged to establish national ECOWAS units to see to the implementation of decisions.

- A legal experts committee has been established to consider the revision of the Treaty and the Protocol of the Fund.
- There is no need yet to the appointment of a second External Auditors.
- A procedure was adopted, to be followed by both the Secretariat and the Fund, in the construction of the offices of the two institutions.
- Until the question of a Quota System is studied further, (a Secretariat memorandum is being submitted to the next meeting of the ad hoc Committee), Member States have been given a limited period to fill vacancies allocated to them as their quota; exceptionally, personnel in the linguistic division are to be recruited outside the quota system.
- A study was commissioned to examine the problems posed by the multiplicity of organisations within the sub-region.

The ad hoc Ministerial Committee is scheduled to meet again just before the next session of Council.

Finance and Accounts

At its meeting in November 1982, Council had requested the Secretariat to make available to Council at its next meeting the following information:

- 1° a proper and full account of the management of the 1981 and 1982 budgets.
- 2° the financial situation as at 30/4/83
- 3° supplementary information relating to the Financial Controller's Report.

A Secretariat Memorandum ECW/CM.XIII/II has been prepared on the three points above for the information of the Council of Ministers at its May 1983 session in Conakry. Furthermore the audited accounts of the Executive Secretariat for 1981 are being submitted by the External Auditor at the forthcoming Council session. However, the 1982 accounts are yet to be audited by the External Auditor and will be made available to Council as soon as it is ready.

C O N C L U S I O N

Going through all the earlier Annual Reports on the Community, one is bound to notice that, in one respect, these reports have the dubious distinction of being an unfailing chronicle of poor economic conditions in one sub-region. Member States have not been spared the global economic crisis that begun around 1969 and in fact the economic fortunes of West Africans has been worsening gradually to such an extent that for many Member States, the standard of living now has slipped back to the levels that prevailed in the early 1960's.

ECOWAS was born into difficult conditions and the situation has subsequently not evolved to make regional cooperation an easy task. However, the world crisis has served to show the failure of earlier national development efforts and to emphasis the possibilities of regionalism as an alternative development approach. It is on this basis that Community development policies have been worked out. Needless to say, some of these policies have had to be responsive to and to reflect the pressing short-term problems facing the sub-region instead of confining itself to the long-term development objectives that have been set for our Community.

We have already completed the definition of our medium-term cooperation policies; indeed the past year was the first of the implementation phase that we have entered. Without any tradition of regional cooperation involving so many of our countries and over such a wide spectrum of economic and social activities, the formulation and successful adoption of these ECOWAS policies can rightly be regarded as no mean achievement. That was a major step in the building of the Community. I hasten to add that an even greater effort is required of all Member States during this new phase devoted to implementing Community policies. We shall be elaborating on the general development programmes already adopted; we shall be formulating fresh and detailed sectoral programmes; we shall be embarking on the selection and execution of regional projects; and Member States would have to be implementing more and more of Community decisions at the national level.

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All this will prove to be a very difficult and frustrating experience if a number of pre-conditions are not met. First and foremost, a greater belief in the virtues of regional cooperation needs to be manifested -more commitment is called for. Each Member State needs to adopt and pursue an economic development strategy that is not confined to its national territory but which views the national economy as part of a greater whole; the West African economy. In other words, regionalism needs to be reflected in the plans and programmes of Member States.

Finally, in the consideration of alternatives, we need to have a broader view and a longer horizon that extend beyond the constraints imposed by our admittedly harsh short-term economic difficulties. One may adopt the strategy of attending to short-term crisis as they appear; this to a large extent has been what we have been obliged to do in the past. One may, on the other hand analyse the underlying problems of our developing economies and attempt a strategy that combines a systematic removal of such structural problems with policies aimed at alleviating immediate needs. In the former case, we shall forever be visited with economic crisis and their attendant socio-political consequences. In the latter case, it will require boldness, a common belief in the potentials of our Community and a preparedness to make sacrifices for a better future.

It would appear to me that we have reached a stage in our evolution where some important political steps need to be taken. Some decisions of political significance ought to have been taken in the past to resolve some problems our Institution is plagued with. Our leaders would be showing proof of their renewed faith in and commitment to the Community by pronouncing on these issues (which have been allowed to become thorny ones). I trust that the Founding Fathers will once more display an example of inspired leadership.

I thank you.