

ECONOMIC COMMUNITY OF WEST AFRICAN STATES

THIRTY-EIGHTH SESSION OF THE COUNCIL OF MINISTERS

ABUJA, 11 - 13 DECEMBER 1995

**NOTE OF PRESENTATION
OF THE
EXECUTIVE SECRETARY
MR. EDOUARD BENJAMIN**

ABUJA, DECEMBER 1995

Honourable Chairman,
Honourable Members of Council,
Your Excellencies Members of the
Diplomatic Corps,
Esteemed Invited Guests,
Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to extend a very warm welcome to all members of Council and their delegations to this thirty-eighth session of the ECOWAS Council of Ministers, and to the ECOWAS Headquarters in Abuja. I should like to extend, on behalf of Council, the sincere appreciation of the Community to His Excellency General Sani ABACHA, Head of State and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, to the Government and people of Nigeria for the cordial welcome and generous hospitality accorded all delegates to these budget sessions of our Institutions.

Mr. Chairman,

It was obvious to all concerned, at the time of the adoption in Lomé of the 1995 Work Programme in December 1994, that 1995 was not going to be an easy year for the institutions of the Community. My colleagues and I knew that there would have to be dedication on our part as well as heavy reliance on the good will and commitment of all those officials in Member States connected with the implementation of Community Acts and Decisions.

A number of Member States showed proof of such commitment during the year under review. I should like to point out in particular the exemplary role played by Ghana since it assumed the Chairmanship of the Community in July 1994. I have been struck by the genuine interest and concern that His Excellency Flt-Lt. Jerry John RAWLINGS, President of the Republic of Ghana

and current Chairman of the Authority, has shown about the running of the Community and the time and resources he has devoted to ECOWAS affairs. Ghanaian Ministers involved in ECOWAS matters have been equally supportive and are instrumental in the active participation of the Chairman of their country in the regional integration process.

In this connection, it is my pleasure to recall the invaluable contribution of Honourable Dr Kwesi BOTCHWEY to the development of the Community. As the Ghana Minister of Finance and Economic Planning, Dr Botchwey was for many years responsible for ECOWAS affairs in Ghana and I am happy to add that he was an effective Chairman of Council. I am glad to announce to members of Council that the new Ghana Minister of Finance, Mr Kwame PEPRAH, is a worthy replacement for his former colleague. Honourable Mr Peprah, with an enviable record of other ministerial posts, has assumed his duties as Council Chairman with commendable zeal. I should also like to express my gratitude to the Ghana Minister of Foreign Affairs, Honourable Dr Obed ASAMOAH and his Honourable Deputy, Dr Mohammed Ibn CHAMBAS for the part they are playing in the Liberia peace process.

Mr. Chairman,

I am very aware of the vital role that Honourable members of Council have to play at the national level to ensure the smooth functioning of the Community. I should like to express our sincere appreciation of the continued support that the Community enjoys in Member States, and to express gratitude to Council members for making this possible.

Mr. Chairman,

In spite of the difficulties and frustrations of the past twelve months, I am happy to state that the past year had its bright moments. I should like to recall here the impression and impact that the First ECOWAS Trade Fair, held in Dakar from May 25 to June 4 1995, made on the West African business community

and on our external investment partners. The Fair was a powerful and concrete step taken by the Community in its determination to secure the active participation of the private sector in the West African integration process. Encouraged by this, I am proposing to hold a regional meeting in mid-1996 on the enhancement of private sector participation in regional development and integration.

It may also be recalled that the stalemate which characterised the Liberia peace process for several years was overcome during the review period. Thanks to the Abuja Agreement signed on August 19, 1995 a new interim government has been constituted. The necessary political will, good faith and commitment needed to move the process forward are now present in Liberia and one can say with much confidence that the peace process is firmly on course.

Honourable Members of Council,

The performance of the West African economy in 1995 and in the years ahead will be predicated on a number of factors, among which are continuation of vigorous economic reform measures, reduction in the external debt stock and debt servicing obligations, and increased inflow of concessionary funds into the region.

It is very heartening to note that by adopting radical economic reform measures, most ECOWAS Member States have been able to achieve positive economic growth. High growth rates are expected in 1996 in many of the ECOWAS Member States which have embarked on these economic reforms. These positive developments and greater consultation at the Community level should enable Member States to benefit from the projected better performance of the world economy in the coming year.

Mr. Chairman,

It is unfortunate however, that, with regard to debt relief, current concessions on offer have not yielded any significant results. The debt burden of ECOWAS Member States remains enormous and the situation is compounded by the predominant share of debts owned the multilateral institutions which for the time being, cannot be rescheduled. The Executive Secretariat is closely monitoring the efforts being made by the Bretton Woods institutions to device more credible ways of rescheduling multilateral debt.

Honourable Ministers,

Another issue of crucial importance to countries in the region is the availability of development finance from both domestic and external sources. ECOWAS Member States must continue their efforts at establishing an enabling macro-economic environment in order to encourage domestic savings and investment. Appropriate fiscal, legal and other support measures must be put in place urgently in order to make optimal use of local potentials, specially in the private sector.

It is recognised, however, that in spite of all our efforts, West African countries will need, over the medium term, much supplementary resources - external assistance in the form of concessionary loans. ECOWAS Member States must work together to ensure that the desire of the industrialised countries to help with the development problems of West African countries is translated into an acceptance to replenish the IDA and ADF and, in a more general manner, increase the volume of concessionary funds to West African countries.

Honourable Ministers,

I should like to make some brief comments on the 1995 Community Work Programme. The emphasis in the recent past has

been on improving upon the rate of implementation of Community Acts and Decisions. Indeed, this was the theme of my 1995 Annual Report to the Statutory meetings in July. It is disturbing that very little has been achieved in this direction. Neither the performance of the Community institutions nor the actual application in Member States of Community policies and decisions has seen any significant improvement.

For a number of reasons, there was considerable slippage with regard to the Executive Secretariat's schedule of implementation adopted at the beginning of the year. In general, three principal factors explain the non-completion of the Work Programme; these are the inordinate demands on the resources of the Secretariat throughout the first half of the year, delays in the submission of expected inputs from Member States and external bodies, and lastly the poor financial situation of the Community institutions.

The Authority decision calling for a re-scheduling of the outstanding contributions of Member States raised our hope of putting the financial squeeze behind us. Alas, the flow of contributions throughout this fiscal year has only been in trickles, forcing the Secretariat to cancel, suspend or postpone very many activities. Apart from the strain it put on all officials, the low resource level proved very disruptive of the operations of the Community and portrayed ECOWAS in very bad light vis-à-vis our development partners who see their assistance as only supplementary to the efforts of the Member States.

Permit me, Mr. Chairman, to refer to the transfer of the Executive Secretariat from Lagos to this venue. A year ago, Council directed that the Secretariat should be moved to Abuja before the end of July 1995. This was an important task which preoccupied the Secretariat throughout the year. We maintained contact with the Government of the Federal Republic of Nigeria on both the 100 housing units promised the Secretariat and the loan request for the construction of houses. We have recently

received assurances that both issues will be attended to in the 1996 Federal budget which is now under preparation. The next session of Council will be informed about the outcome.

Honourable Ministers,

If I may turn a moment to the performance of the ECOWAS Fund. Due to the limited resources of the Fund, its operations were considerably reduced during 1995. The Fund managed to undertake only a few of the many important tasks assigned to it. The very precarious financial situation at the Fund dominated deliberations at the just-concluded session of the Board of Directors. Re-capitalisation of the Fund is a matter that must engage the immediate attention of the Community. The study on enhancing the financial resources of ECOWAS Fund has just started and we shall work with ADB to ensure its early and successful completion. Meanwhile, all outstanding financial obligations to the Fund must become a priority consideration of Member States.

Mr. Chairman,

Honourable Ministers,

My previous reports to Council on the Liberian crisis always reflected the apprehension, sadness and hopelessness of both the ordinary Liberian and those assisting with the peace process. It is my pleasure to repeat my opening remark that the present mood in Liberia, is, however, different. When I reflect now on Liberia, it is with a lot of hope for the country, its people and, indeed, the entire West African population. Permanent peace appears now to have finally started to descend on this Member State which has been experiencing the agonies of war for the past six years. Much of the credit goes to ECOWAS Member States which have sustained the peace process at both political and military levels.

Honourable Ministers,

I should like to point out, however, that the strength of the ECOMOG forces is not adequate to meet their responsibilities under the current phase of the military programme. In order to enhance the capacity of ECOMOG, a meeting of Chiefs of Staff of all ECOWAS Member States was held in Monrovia. In addition, the Chairman of Authority sought external assistance by despatching a high-level delegation to the United States, Europe and the United Nations Secretariat. Subsequently, he organised a Donors Conference in collaboration with the UN Secretary General, in New York on 27 October 1995. Although the general atmosphere at the pledging conference was friendly, it failed to yield the expected level of positive results.

Mr. Chairman,
Honourable Ministers,

I turn now to the Community Work Programme I am proposing for implementation in 1996. I believe it is necessary to draw attention to the main objectives being pursued under the many programmes. The Community is expected to pursue with greater vigour, over the next few years, the implementation of selected regional programmes with the general objective of achieving free movement of persons, goods and services. This general objective translates, in turn, into four identifiable objectives, namely:

- liberalisation and promotion of intra-regional trade
- liberalisation of movement of persons
- improvement of regional communication networks
- harmonisation of economic and financial policies.

Mr. Chairman,

The harmonisation of policies is becoming more and more central to the activities of the Community which is in support of the economic reform efforts of Member States. It also

advances the integration process towards the final aim of an economic community - a unified regional economy, managed by its component members through harmonised and coherent macro-economic and sectoral policies. Under the policy harmonisation initiative, there will be in 1996 a number of activities: laying a firm basis for the harmonisation of the three selected macro-economic indicators (namely: level of budget deficits, exchange rate fluctuation, and rate of inflation) and the adoption of the regional development programme. In addition, the activities included in the 1996 trade promotion programme would equally facilitate and accelerate both the harmonisation of economic and financial policies and the preparation of the regional development programme.

Mr. Chairman,

In 1996, the improvement of the regional communication system would involve both the development of physical infrastructures and the legislative or policy framework. The completion of the trans-West African highways will be pursued, including the construction of the road inter-connections. Similarly, the planning of INTELCOM II will be completed so as to proceed towards the mobilisation of resources for the construction of the new telecommunication projects to be identified.

In the area of promoting free movement, attention will be given to the effective implementation of the current Minimum Agenda for Action. Some basic preliminary measures have been taken this year to prepare the ground for the execution of this important Community programme. I take the opportunity to appeal to everyone concerned - I am referring to the institutions of the Community, the government officials in the ministries, immigration and national security services, business operators and the general travelling public - to ensure that, together, we achieve at the end of 1996, the free movement of persons throughout the West African region.

Mr. Chairman,
Honourable Ministers,

A significant event since the last session of Council was the entry into force on 23 August 1995 of the ECOWAS Revised Treaty. The Revised Treaty prescribes remedial measures for certain important regional integration problems that had been encountered in the past. It also defines clearly the ultimate objectives of the integration process, and outlines some strategic measures for attaining these objectives. Many important innovations are contained in the Revised Treaty, and given certain constraints facing the Community and its Member States, there is need to prioritise and formulate a schedule of implementation of this new mandate. I intend to present a proposal to this effect at the next session of Council.

Mr. Chairman,

This is essentially a budget session and I should like to make two appeals. All Member States are called upon to make every effort to provide the necessary resources required by the Community to play its catalytic role in the development process and revitalise regional integration. Having made this appeal, I should like to add that a far greater challenge to regional development resides in the need to achieve national stability in terms of domestic economic interactions and political and social cohesiveness. It is, therefore, important that the Community should increase its efforts at fostering a collective approach to these developmental problems which seem to defy the energies of individual Member States.

In the coming months, I am proposing a number of regional initiatives which aim at enhancing the efficacy of national policies. These relate to programmes whose realisation is not only vital to the regional integration process, but will also contribute directly to the socio-economic performance of each Member State. Focus on these regional programmes will maximise

the positive impact that regional integration should be making on the development of the individual countries and also demonstrate both the relevance and responsiveness of the Community to the immediate pre-occupations of its Member States.

Mr. Chairman,

In their dealings with the international community, the institutions of the Community have been faced with the question of commitment of Member States to ECOWAS. This question stems principally from the perennial problems of implementation of ECOWAS decisions and programmes, financial contributions by Member States and the apparent preference for and recourse to rival regional initiatives. These issues are likely to be raised very strongly during the next few months, when the Executive Secretariat gets involved in the programming exercises to be undertaken by the UNDP and the European Commission. The possibility for the Community to mobilise maximum external resources for the West African region depends on the commitment and support that the donor community sees Member States to be giving to ECOWAS initiatives.

Honourable Ministers,

If I may direct attention for a moment to the draft 1996 Secretariat Budget. Council is being called upon to approve an amount of 5,795,500 units of account for the coming year. This is 11.48% lower than the current budget and 18.54% lower than what was approved in 1994. Much as we would have wanted to obtain relief in areas where there has been undue suppression of programme activities, we endeavoured to refrain from requests that would appear to be an addition to the current commitments of the Community. It is my duty to point out, however, Mr. Chairman that the current situation where there are not enough available resources for the institutions to run a minimum set of programme activities affects the credibility of the Community, is damaging to the integration process, and needs to be reversed

as soon as possible. Consequently, I should like to invite all Council members when reviewing the 1996 budget proposals, to bear in mind how much the realisation of many of these programmes has already been held back by resource constraint.

An issue on the agenda of Council is the adoption of the 1996 Compensation Budget. Because no disbursements have been made in previous years, it is being proposed that the size of the 1996 budget should be limited to expected revenue losses in respect of only the new products admitted this year into the trade liberalisation scheme. This is a reflection on the non-application of the scheme, even though the list of agreed products keeps being extended every year. A special effort needs to be made by Member States to encourage the business community to operate under the scheme. The Executive Secretariat, on its part, will continue its search for improving this mechanism, the Community's principal instrument for promoting intra-regional trade.

Honourable Ministers,

The Revised Treaty is an eloquent expression of the wish of Member States to energise the regional integration process. To achieve this laudable objective, it would be necessary to accord regional integration a central place in the economic management strategies of each country and make the requisite resources available to the institutions of the Community. I expect that such a favourable attitude towards ECOWAS will be witnessed during the current session of Council.

Mr. Chairman,
Honourable Members of Council,

I should like to wish this thirty-eighth session of the ECOWAS Council of Ministers very fruitful deliberations.

I thank you all for the kind attention.