

# ECONOMIC COMMUNITY OF WEST AFRICAN STATES

REGIONAL PEACE AND STABILITY: A PRE-REQUISITE FOR INTEGRATION

> 1992/93 ANNUAL REPORT OF THE EXECUTIVE SECRETARY DR. ABASS BUNDU

> > EXECUTIVE SECRETARIAT LAGOS JUNE 1993

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#### CHAPTER I

#### INTRODUCTION

- 1. The 1991/1992 Annual Report was the fourth comprehensive report on the Community that I had presented to the ECOWAS decision-making organs, and it was also expected to be my last such report. Indeed, I bade farewell to the Council of Ministers during the consideration of my Interim Report at the November 1992 Budget session; I had expected to take final leave of the Authority on the occasion of the Extraordinary Summit that was scheduled for December 1992 to adopt and sign the Revised ECOWAS Treaty. It is therefore an unexpected privilege and honour for me to present a fifth Annual Report on the Community.
- 2. During the four and a half years I have served as Executive Secretary, the Community has witnessed quite a few significant changes. When I assumed office in February 1989, I found that contributions from Member States were on the whole not forthcoming; past protocols and conventions remained unratified; Community policies and programmes were not being implemented by Member States; and the regional integration process was at a low ebb. This disturbing discovery naturally led me to propose to the Authority at its Ouagadougou session in 1989 (my first ECOWAS Summit) to launch a revitalisation and reorientation drive so as to make regional integration the central focus of economic development in Member States.
- 3. Throughout my tenure, I have sought to execute the 1989 Ouagadougou mandate of the Authority - to infuse dynamism into the West African integration process. To be sure, the record of

ratification has improved remarkably; all technical requirements were completed to make possible the launching of the ECOWAS trade liberalisation scheme; national policy-makers have come to accept to consult among themselves and to adopt a regional approach to domestic economic management; the rate of default in Member States' contribution has been checked; and there has also been an improvement in the implementation of a number of Community programmes.

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- 4. Even this modest success would not have been possible without the cooperation and support of the different actors on the West African integration scene. This is the appropriate moment for me to express my deep gratitude for the understanding shown and for the encouragement, advice and assistance given by those dedicated West Africans. Our Heads of State and Government have shown the necessary political will and commitment, and this has been a source of inspiration and encouragement throughout the four and a half years I have served the Community. During the past year, the current Chairman of the ECOWAS Authority, his Excellency Mr. Nicéphore Dieudonné SOGLO, President of the Republic of Benin, has followed the tradition of his predecessors by inserting ECOWAS on his agenda. I am extremely grateful to him and indeed to all the past Chairmen of the Authority I have the honour to serve.
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- 5. Our Heads of State and Government do not only give political guidance but also set the pace and tone of regional cooperation. I am, therefore, extremely grateful to our distinguished leaders who, through the Summit sessions of the Authority, have been directing the affairs of the Community. In this regard, I should like to pay special tribute to His Excellency General Ibrahim Badamasi Babangida, President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria for his firm commitment to the ideals of the Community and for the unstinting commitment he has shown to ECOWAS

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throughout the period I have served as Executive Secretary. The Community could not have had a better Host President and we are all much in his debt.

- The burden of defending ECOWAS policies at the national level and overseeing the implementation of Community programmes falls on members of the Council of Ministers. Honourable Ministers have had other weighty issues under their portfolios, yet they were able to make sure that ECOWAS matters were attended to promptly. I am grateful to all Council members. I should like to thank in particular the Chairman of Council who has been performing with grace and competence the ECOWAS functions entrusted to him last July. I am also grateful to all government officials, especially those in charge of the National ECOWAS Units whose responsibility it has been to give technical advice and interprete ECOWAS regional policies and translate them into national action plans. I am equally grateful to the West African business and industrial community for the interest shown in ECOWAS activities and their readiness to participate in our common regional endeavour.
- 7. The regional integration efforts of ECOWAS have been supported and supplemented along the years by many of our external development partners. The Community owes a big debt of gratitude to the United Nations Organisation and its specialised agencies, the World Bank and IMF, EEC, Commonwealth, ADB, OPEC Fund, IDB, BADEA, Kuwaiti Fund, as well as the governments of France, Italy, U.S., Canada, Germany and Britain.
- 8. Lastly, I should like to express my appreciation to my colleagues who are in the service of the Community. The officials of the Community Institutions have been working under difficult conditions and this makes their dedication and commitment all the more admirable. I thank in particular my fellow Statutory Appointees for their cooperation and support. I believe we have

all served the Community to the best of our respective abilities. Since all of them would also be leaving the service of the Community shortly, I should like to express, on behalf of the Institutions of the Community and on my own personal behalf, our sincere gratitude to all of them.

- 9. Regional integration in West Africa has been advancing at a rather modest pace. Many vital regional issues have remained unresolved and continue to pose a serious challenge to all of us. In Liberia, the restoration of peace and democracy, and the reconstruction of the national economy, are matters that directly affect regional security and stability. The results of all our regional cooperation and integration efforts would best be reflected in a free flow of goods and services across national borders, and yet the Community has been too slow in getting the trade liberalisation scheme moving. For similar reasons, the laudable decision of the Authority to rationalise the institutional arrangement governing regional integration in West Africa is being translated into reality rather slowly. Although much has been said about promoting the integration of the regional production base, very little has been achieved in concrete terms.
- 10. There is no doubt that Member States have sacrificed scarce resources to keep ECOWAS alive and enable it record some progress. I believe that Member States would benefit much more, individually and collectively, from their participation in regional integration if certain attitudes changed and the basic problems facing West African integration were addressed with greater vigour. An opportunity to make a start on this is being offered through the ECOWAS Treaty review. West African countries have no better alternative approach to the development of their economies than regional integration and the proposals of the Committee of Eminent Persons point the way forward to a more effective regional integration arrangement.

- 11. Meetings are being prepared for the second half of this year to resolve the institutional rationalisation issue and it is hoped that the proposals of the independent consultants engaged to conduct the study would be discussed dispassionately and with objectivity.
- 12. It should not be forgotten that, in the field of regional integration, there is the challenge of the creation of the African Economic Community that West Africa and all the other regions have to contend with. Unless a deliberate effort is made to overcome the many integration problems of West Africa, this region could easily lag behind the others in the march towards an integrated African economy. Fortunately, there has been a growing awareness in West Africa of the importance of regional integration and I am certain the momentum would be maintained to ensure even greater success in the years ahead.
- 13. There are five chapters in the remaining part of this Annual Report. Chapter II is an overview of developments since the last Summit. Chapter III is devoted to an economic survey of the region and highlights some integration issues of major concern to West Africa. In Chapter IV, there is an account of the functioning of the Institutions of the Community during the past twelve months. The Report continues, in Chapter V, with a critical look at the integration environment and offers some suggestions for its improvement. The Report ends with a few concluding remarks in Chapter VI.

#### CHAPTER II

#### AN OVERVIEW OF DEVELOPMENTS

#### I. Introduction

The slow recovery of the world economy in recent years has continued to pose serious problems for all West African countries during the period under review. Depressed prices for commodity exports resulted in insufficient foreign exchange earnings to meet the import requirements and debt service obligations of Member States. In spite of the improved performance of the agricultural sector, especially in the Sahelian zone, the growth rate of the West African economy recorded in 1992 continued to be sluggish and not much higher than the population growth, resulting in a stagnating regional per capita The huge debt overhang remained worrisome as did the socio-political climate in some parts of the region. A confirmation of the description of West Africa as the poorest region. of the world came through the 1993 edition of the Human Development Report of the UNDP: ECOWAS countries came at the bottom of the "human development index", with nine Member States among the very last thirteen entries.

#### II. The International Environment

15. There were a number of emerging trends on the international scene deserving of attention, because of the possible impact they could have on the West African economy as a whole, and the regional integration process in particular. The post Cold War adjustments in international relations continued. The consolidation of regional economic blocs was further heightened within the industrialised countries, with steps taken towards the

implementation of the North American Free Trade Area Agreement, the completion of the European Common Market and the ratification of the Maastricht Treaty, and the forging of closer ties between Japan and its Pacific Rim neighbours. The poor performance of the German economy (reminiscent of 1975 when it had to cope with the first oil shock) was indicative of the short-term adverse effects of the reunification process, and it also contributed significantly to the generally poor showing of the European economy.

- 16. If the past year saw much acrimony between Europe and the United States over the Uruguay Round, the two blocs were united in their concern for the economic liberalisation process going on in the former Communist bloc. While the European Bank for Reconstruction and Development was making its facilities available to these Eastern European economies, American capital also showed increasing interest in that process, as evidenced by the April 1993 promise of some \$50 billion American assistance to the Russian Federation. And contrary to repeated assurances, West Africa could not help but absorb the shocks of the diversion of Western attention and capital away from the pressing development needs of the region. It was therefore with much relief that Africans welcomed the change in US policy on debt relief when it extended the Enhanced Toronto provisions to eighteen poor African countries.
- 17. The debt overhang remains the biggest obstacle to economic development and growth in West Africa. Total external debt stood at \$78.3 billion in 1991 representing 45% of Africa's total debt burden. Debt servicing in 1992, as in the previous year, weighed heavily on the West African economy, constituting 30% of total export earnings of the region, thus making West Africa the poorest, debt-distressed region of the world.

- 18. Even with sustained economic and political reforms, the debt burden will continue to make it extremely difficult for West Africa to escape the underdevelopment trap in the absence of a deliberate and concerted international relief programme aimed at the effective removal of all debt-related obstacles to the resumption of economic development. In addition to the present relief measures, the options should include debt cancellation, revision of conditions and modalities for repayment, mobilisation of new concessionary financial resources for investment and facilitation of improved access of African industrial products to the international market as well as the offer of better prices for commodity exports.
- 19. Through the active participation of Africans, the development imperatives of the continent were kept on the agenda of the international community. However, the commitment of the rest of the world to the programmes adopted within the UN and similar bodies remains suspect. A full year has passed without much to show in terms of the implementation of the UN New Agenda for the Development of Africa (UN-NADAF). A UN Inter-Agency Task Force, located at the ECA Secretariat and responsible for monitoring and coordinating UN-NADAF and other UN programmes for Africa, is still sorting out its operational modalities. At the same time, the demand for contraction of UN resources has led to a drastic reduction of UNDP development assistance, particularly resources for promoting regional integration which was expected to feature as a UN priority activity programme.

#### III. The Regional Environment

General Problem of Implementation Manual Problem Manual Problem of Implementation

20. International developments thus did not provide much succour to West Africa's integration efforts. Neither did developments within the Community itself. The pace of the integration process retained its painfully slow profile in spite

of the high expectations that the 1992 Summit in Dakar had generated. Difficulties with the scheduling of the extraordinary sessions of Council and the Authority delayed the adoption and signing of the Revised ECOWAS Treaty. This deprived the Community of the new lease of life the Revised Treaty would have introduced. Also, in spite of the positive modifications made to the ECOWAS trade liberalisation scheme and the numerous sensitisation missions undertaken by the Secretariat, only insubstantial progress was discernible during the year towards the realisation of the Community's immediate target of a free trade area, the first phase of the common market objective. The problems were no less compounded by the political upheavals in Togo, particularly the national strike since mid-November 1992 which seriously affected the functioning of the ECOWAS Fund in development imperative Lome.

of the international community

- 21. The study on the rationalisation of inter-governmental organisations is in progress. Unfortunately, some unavoidable difficulties prevented the completion of the study to enable us present the findings and recommendations of the independent consultants at the July statutory meetings. We will do so at the November session of Council. In the meantime, I sincerely hope that all Member States will remain faithful to the ECOWAS objective of total economic integration of West Africa within the shortest possible time, and without any further distractions.
- 22. I am constrained to make this appeal because of certain signals emanating from our West African Monetary Union (UMOA) countries of a desire to pursue the idea of creating an "economic union" among themselves. If this were a viable proposition, CEAO should by now have been able to deepen economic cooperation and integration among its Member States. Nor has UDEAC achieved this for the CFA countries of Central Africa. If this initiative were pursued, it is difficult to see how it would avoid a collision with the integration process being implemented by all West

African countries under the aegis of ECOWAS. It is fallacious to think that the West African situation replicates the conditions under which the principle of variable geometry has been applied within the EEC - where the notion originated.

- It was not only the priority programme of the Trade Liberalisation Scheme that encountered fits at the national There were others as well. However, the reporting procedure adopted by the Authority last year, now demands from each Member State a comprehensive report on measures taken at the national level to comply with Community decisions and implement Community programmes, especially so within the framework of the Minimum Agenda for Action. This Agenda required the printing and utilisation of ECOWAS customs and immigration forms; the removal of check-points along international highways; simplification of procedures at entry and exit points; removal of non-tariff barriers to intra-Community trade, printing of the ECOWAS Travel Certificate and Residence Card; and the promotion of the use of national currencies in some intra-Community transactions, among others. All of these were to be completed within twelve months since the Dakar summit and Heads of State are now expected to report to their colleagues at the Cotonou summit on the national measures taken to give effect to the Minimum Agenda for Action.
- 24. Meanwhile, there have been quite a few encouraging signals. The number of countries printing the ECOWAS Travel Certificate has increased substantially; only a few states now remain and the expectation is that they will complete this process before the year's end.
- 25. The Governors of Central Banks have equally been active. At their recent meeting in Cotonou in May 1993, they adopted a draft Protocol for the conversion of the West African Clearing House (WACH) into an autonomous specialised institution of ECOWAS, to be known as the West African Monetary Agency. This

new Agency will enjoy a broader remit, aimed at establishing a monetary zone in West Africa by the year 2000. It will be concerned with monetary cooperation and payment issues within the context of the economic and monetary integration process of the In pursuance of these objectives, in addition to permitting the use of national currencies for regional trade and other transactions in order to bring about savings in the use of foreign reserves of Member States, the Agency will encourage and permit trade and exchange liberalisation; facilitate the harmonisation and coordination of monetary and fiscal policies and structural adjustment programmes of Member States; encourage the pursuit by Member States of appropriate macro-economic policies conducive to market-determined exchange and interest rates for intra-regional trade; initiate and promote policies and programmes on monetary integration; as well as ensure the establishment of a single monetary zone.

- 26. During the review period, the Secretariat and the Fund successfully organised a second Donor's Conference in Cotonou for the mobilisation of resources for the implementation of the remainder of the international highways programme and the establishment of a rural water development programme within the Community.
- 27. In the area of communications another vital regional infrastructure considerable successes were recorded. Each Member State took appropriate action for the improvement of its telecommunications network as determined by the various coordination meetings among the telecommunications administrations of neighbouring countries. In addition to existing facilities, the proposal to establish a regional satellite communication network gathered momentum.

#### Regional Peace and Security

- 28. Acknowledgement is now fulsome that economic cooperation and integration prosper better in an environment that is peaceful, stable and secure. This pre-requisite has largely determined the direction and pace of economic and political reforms in the Community.
- 29. On the political front, a great deal has been achieved since the adoption by the Abuja summit in 1991 of the ECOWAS Declaration of Political Principles. That Declaration enshrined the observance of democratic principles and respect for fundamental human rights by all Member States. At the time of writing, no fewer than 10 Member States have either enriched their democratic culture, or completed their transition to democratic rule. The remaining six have announced their own processes and the majority of them are expected to complete the transition in 1994.
- Change to democratic rule is not an end in itself. is merely a step, however necessary, in the process of transformation of the West African economy and society. transformation to be successful, a lot more will be required, not least human and material resources and the deepening of the democratic culture. Transparency, public accountability, good governance, the rule of law, faithful observance of press freedom and freedom of association and respect for human rights, are all characteristics of a democratic society the enthronement of which cannot be the product of an overnight effort. It will have to take time. The international donor community's role has been admirable in bringing about much needed change to the region, but much more is expected of them if the regional economy is to remain within the mainstream of the world economy. The principle of assistance for countries embarking on reforms has already been accepted in the case of the countries of the former communist

bloc. It simply now needs to be extended further to embrace African countries in general, and the poorer West African countries in particular. The rest of the world cannot anaesthetise itself from responsibility for ensuring successful reform and progress everywhere. What is appropriate for the East must also be good for the South which, like the former, remains substantially engaged in the process of political and economic reform.

#### The Liberian Crisis

- 31. The NPFL's second major aggression against the people of Liberia and against ECOMOG, which it launched in October 1992, continues unabated. This unprovoked aggression has been roundly condemned not only by ECOWAS leaders but also by the Security Council of the United Nations. Yet, there is a strong concensus for ECOWAS, the UN and the OAU to facilitate talks between the warring parties, leading in particular to a ceasefire, encampment, disarmament and demobilisation. Further, the agreement of the parties should be sought for establishing an enabling environment for the holding of free and fair elections within months of the declaration of a ceasefire. It is envisaged that these talks will commence in July 1993 at a venue that is mutually acceptable to all parties.
- 32. To date, the question of disarmament of all combatants of the warring parties remains the biggest challenge of all. This is so because peace without complete or nearly complete disarmament is at best tenuous, as illustrated by the situation in Angola. In the case of Liberia, Heads of State and Government, at the Abuja summit of 7 November 1992, after renewing their call to all of the warring parties to declare a ceasefire, directed ECOMOG to ensure not only respect for the ceasefire by all the warring parties, but also that the ceasefire be implemented concurrently with the encampment and disarmament of all

combatants of the warring parties, as required by the Yamoussoukro IV Accord.

- How can we generate sufficient trust and confidence among the warring parties to facilitate the encampment and disarmament of their forces? For this exercise to be successful, ECOWAS Heads of State had long ago agreed that ECOMOG should be reinforced with troops from other ECOWAS countries not already participating in ECOMOG who would be deployed into NPFL areas for the encampment and disarmament exercises. It is estimated that at least five battalions additional to the nine or more already on the ground would be required. Upon the signature of a new ceasefire agreement by the warring parties, following the projected talks, ECOMOG would stop its peace-enforcement action and reassume its original mandate of peace-keeping. expectation is that the Field Commander, in making deployment for such peace-keeping in the NPFL area, would make substantial use of the reinforcements in order to facilitate the encampment and disarmament exercises. The deployment of the United Nations military observers at the same time would be no less crucial.
- 34. Such reinforcement is crucial to the peace process, in particular the implementation of the Yamoussoukro IV Accord. However, African countries which have been approached and have shown a willingness to contribute troops, have emphasised their inability to finance the participation of their troops. Moreover, ECOWAS countries already participating in ECOMOG have also made clear their need for help in meeting the future cost of ECOMOG operations. Such help, it is generally strongly believed, should come from the international community, especially the donor countries.
- 35. This is at least one area where the overwhelming opinion both among Liberians and in the rest of Africa, is that the United States in particular should be substantially engaged.

First, because it is the world's leading nation. Second, because Liberia has traditionally been the turf of the United States and Liberians have always looked to that country in their time of red. It is therefore the expectation of the whole of Africa that the United States should play a veritable leadership role, particularly to ensure and guarantee the success of the current round of negotiations which, hopefully, would lead to a ceasefire, disarmament and elections in Liberia. It is perhaps pertinent to note that the ECOWAS peace initiative has been in existence since August 1990 - nearly three years - involving enormous expenditures by ECOMOG nations. To date, only the United States and the United Kingdom have made any direct contribution to the ECOWAS peace-keeping effort.

- 36. The second strategy agreed upon by ECOWAS leaders is the deployment of UN military observers. The Security Council has already indicated its willingness to accede to this request. It is envisaged that these observers would take up positions, along with ECOMOG, to ensure the effective encampment, disarmament and demobilisation of the combatants of the warring parties.
  - 37. The latest atrocities, involving an orgy of slaughter and mayhem of over 500 civilians, including women and children, by the NPFL at Harbel at the weekend of 5-6 June 1993 call into memory similar horrific scenes of the night of July 29-30, 1990 when Liberian soldiers reportedly massacred some 600 people many of them women and children who had taken refuge at the Lutheran Church in Monrovia. Again, in May 1992, NPFL cowardly murdered six Senegalese soldiers of ECOMOG at Vahun; in late October 1992, the NPFL allegedly killed a number of nuns, including five American nuns. In late December 1992, scores of human skulls and decomposed bodies were found in a common grave in Gardnersville; in late January 1993 some 300 decomposed bodies were also found in another suburb; and in February, ECOMOG discovered a mass grave of 50 bodies on the Firestone plantation

believed to be the remains of students and other West African nationals from the University of Liberia campus at Fendell who were executed by the NPFL. These are just a few out of an inestimable number of civilians who have perished in the Liberian conflict.

- 38. In November 1992, ECOWAS leaders, in the face of mounting evidence of atrocities, had warned all warring factions against the commission of war crimes and crimes against humanity in Liberia. The latest massacre by the NPFL on 5-6 June have been condemned by both the United States and the Security Council. And the UN Secretary-General asked his Special Representative for Liberia to investigate the matter.
- 39. These egregious violations of international humanitarian law cannot and should not be tolerated by ECOWAS. We should now go beyond issuing a warning to the perpetrators who should be held accountable for their crimes. True, the Liberians themselves had, during their second All Liberia Conference in March-April 1991, resolved to grant a general amnesty to all combatants in the civil war. I am convinced, however, that the participants at that Conference could not have intended such amnesty to be a blanket immunisation of those who had committed war crimes and crimes against humanity from investigation, prosecution and punishment. The amnesty should be restricted to such crimes as treason or general acts of war.
- 40. Recently, in respect of the former Yugoslavia, the UN Security Council set up a special tribunal to try persons suspected of committing war crimes. There is no good reason why this principle should not equally apply to other conflicts in Africa and beyond. Human rights are universal in character and allow no territorial limitations. Consideration should therefore be given to either extending the jurisdiction of the tribunal

already established by the Security Council or a similar tribunal be set up for Liberia and other conflict situations.

### Institutionalisation of Conflict Resolution within ECOWAS

- 41. The ECOWAS Peace Plan for Liberia is unique in many ways. First, because it is the first ever regional organisation to despatch a peace-keeping force (ECOMOG) to help restore peace and stability in a member country devastated by a civil war that is also threatening the peace and security of the region as a whole. Second, it represents the first example of peace enforcement by any regional organisation. In this respect, ECOMOG has come to be viewed as Africa's flagship in international peace-keeping and peace-enforcement, and as the finest demonstration thus far of African initiative, African responsibility and African capacity in resolving an African problem.
- 42. With the growing demands for contraction of UN resources, it is unlikely that the UN would have the capacity to step into every conflict. Hence the growing belief that regional organisations probably provide the best answer for the future of conflict resolution in Africa. In other words, the first option should be a regional effort. This is all the more reason why serious consideration ought to be given to the strengthening of the conflict resolution capacity of ECOWAS as a model for other regional organisations in the world. And what better structure would there be for the international donor community and the UN to support in every way?

#### Regional Approach to Economic Reform

- 43. Two Community cooperation programmes are enhancing the chances for an early adoption by Member States of a regional approach to economic development. First, the monetary cooperation programme requires the implementation of national economic adjustment measures in the fiscal and monetary sectors such as would ensure the convergence of economic and financial policies a necessary condition for the creation of a single monetary zone. Secondly, reviews of the impact of the national SAPs and the ECOWAS Economic Recovery Programme revealed the necessity for national policy-makers to meet in an ECOWAS Consultative Forum to devise common approaches to the economic reforms in Member States.
- At the international level, concern has continued to be expressed over the objective, design and mode of implementation of SAPs. There is a growing tendency to place greater emphasis on the "ownership" of reform programmes: the involvement of national policy-makers in the initiation and formulation of SAPs. This development accords with the ECOWAS initiative of encouraging dialogue among Ministers of Finance and Planning together with Governors of Central Banks. This Consultative Forum has been established with a view to coordinating and harmonising the systems of national economic management and evolving a new generation of reform programmes which address regional integration and development objectives. It is expected that through the operation of this high-powered regional body, West Africa would be in a position to define its own short and longer-term economic priorities which would form the basis for development programmes and future negotiations with our external development partners.
- 45. This may sound too ambitious an objective to pursue, given the past record of performance of Member States in regional

integration programmes. I am, however, much encouraged by the strong commitment to the idea that has been shown by both the ECOWAS Ministers concerned and the Governors of our Central Banks. These are the officials at the helm of government business and responsible for the national economic management apparatus. They are the first to appreciate the futility of perceiving economic development problems from a purely national perspective. From the little interaction that they have already had among themselves in recent years, the advantages of concerted action have become evident to them.

- It should be stressed, however, that reaching agreement to bring West African policy-makers together to evolve common regional policies is only a first step. The acceptance of economic regionalism would entail significant changes in national institutions as well as in attitudes. It is only with these changes that the necessary political will and commitment to regional integration would evolve. I have pointed out elsewhere in this Report that the Community needs to work towards the creation of an environment favourable to the regional integration process. That conducive integration environment is determined by economic, political, social, institutional, administrative and external factors. It is for the Community and Member States to act upon these factors and ensure that they are fashioned in such a way that they promote regional integration.
- 47. West Africa does not as yet provide such a congenial atmosphere for the integration process. But the leadership of the region recognises the need for such an enabling environment. What is more, a few steps have been taken towards the creation of the right conditions for the pursuit of the integration objective of the Community. With the necessary determination, the present momentum of the regional reform process could be sustained and increased. I strongly urge our leaders, and indeed

all West Africans, to commit themselves fully to regional integration because therein lies the survival of our economies.

#### CHAPTER III

#### THE WEST AFRICAN ECONOMIC SITUATION 1

#### I. INTRODUCTION

- 48. Following in the wake of the mediocre economic results recorded in West Africa for 1991, 1992 came as another year of little achievement. Armed conflict continued in Liberia and Sierra Leone, while the political situation in other countries such as Togo, also deteriorated. All these disruptions served to aggravate an already difficult economic situation. The prevailing hostile international climate, characterised by a continued decline in the price of agricultural products and minerals, compounded the economic problems of the region.
- 49. With regard to international trade developments, the average annual price index for the principal exports of ECOWAS Member States in 1992 declined by 7% from the index of 1991. It should however be noted that this deterioration did not occur in a uniform way for all countries. For some of the products (for example coffee, cocoa and cotton), the decline of the export price was the main factor. For products such as oilseeds, wood and petroleum, however, the decisive factor was the drop in the value of the dollar. The average annual exchange rate for the dollar in 1992 was 265 CFA francs as against 282 CFA francs in 1991, which represents a drop of 6%. The debt repayment crisis of the ECOWAS Member States, meanwhile continued to adversely affect the growth and development of the region.

Data used in this chapter have been obtained from the 1993 ADB Report on Development in Africa; the ECA 1993 Economic Report on Africa; and the Status Report on the African and Indian Ocean States, produced in December 1992 by the Caisse Française de Développement.

#### II. THE INTERNATIONAL CLIMATE

- 50. After the slowdown recorded in 1991, and despite continuing unfavourable conditions, world trade has marked an upturn. In 1992, the volume of international trade rose by 4.7%, as against 3.5% in 1991. As shall be demonstrated later, however, ECOWAS countries did not profit from the recovery in world trade.
- 51. In terms of economic growth, the overall rise by 1.5% in GDP in 1992 for the OECD countries, was relatively small in historical terms, but still a slight improvement compared with the 0.8% recorded for 1991. This overall figure however conceals disparate trends. If recovery in the USA was moderate, it was mediocre in the EEC, with the exception of France. Japanese economic growth, meanwhile, slowed down considerably. Elsewhere, there were developments such as the collapse of production in "Eastern Europe", particularly in Russia, and the continued expansion of Asian economies.
- 52. One of the more disturbing consequences of the sluggish world economy was the continued rise in unemployment which affected 8% of the active population of the OECD (as against 7% in 1991) and approached the 10% level in Europe.
- 53. The monetary upheavals in Europe, in particular, were further indications of serious structural imbalances. These upheavals led to a realignment of currencies within the European Monetary System (EMS) and the withdrawal of some currencies, which were devalued.
- 54. Within the OECD, the tendency towards a lowering of interest rates which surfaced in the wake of disinflation, has been maintained. Attempts at generalised deregulation however encountered pockets of resistance, as in Germany, where interest

rates remained relatively high. On the whole, the OECD countries gave priority to improving the financial sector.

- 55. Among the most decisive trends in the world economy which have contributed to a change in international economic relations are the emergence of large trading blocs such as the single European Market which was scheduled for completion at the end of 1992 and the agreement establishing the North American Free Trade Area (NAFTA) which was also concluded in 1992.
- 56. The uncertainty bred by the stalled Uruguay Round of talks is another important factor which may have serious repercussions on West African economies, with their heavy reliance on the export of raw materials to industrialised countries. As a general rule, West African economies have had to operate in a sluggish world economic climate.

#### III. THE SITUATION IN WEST AFRICA

GDP Growth Rate and Domestic Aggregate Demand

- 57. According to the figures available to us, the GDP of the West African region, based on 1980 prices, rose from US\$134 billion in 1991 to US\$139 billion in 1992. This represents a growth rate of 3.3% which is only marginally higher than the 3.2% growth rate recorded for the previous year, and also above the 1992 population growth rate for the region, estimated at 3%.
- 58. Nigeria, with a GDP of US\$101.3 billion, accounted for 73% of the total GDP of West Africa. The other countries with significant shares were Cote d'Ivoire, with 7%; Ghana, with 4%, and Senegal, with 3.7%. The remaining 13.7% of the region's GDP was shared between the other 12 ECOWAS Member States.
- 59. A breakdown of the GDP growth rate of ECOWAS Member States in 1992 (see Table 1) shows that 4 countries recorded

negative growth; 6 others recorded growth rates of between O and 3%, while the remaining 6 recorded economic growth rates of over 3%.

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#### GDP GROWTH RATES OF ECOWAS MEMBER STATES IN 1992

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Cote d'Ivoire; Niger; Togo*,oissubrage Sierra Leone.					
ountries. As a general research					
Cape Verde; Guinea; Guinea-Bissau; Liberia; Mauritania; Senegal.					
GOP Growth Take are Domestic a					
Benin; Burkina Faso; Gambia; Ghana; Mali; Nigeria.					

cost ur upittin actedn 64 tast ut uotitiq ECA Secretariat, Economic Report on Africa - 1993 Work Source:

- \* The GDP growth rate for Togo was obtained diword from the ADB Report on Development in sugod Seas Africa, 1993.
- Nigeria, with a GDP of ustidia Earlion, accounted for 60. Sierra Leone (-6%); Niger (-2.4%); Togo (-1%) and Cote d'Ivoire (-0.6%) registered negative growth while The Gambia (6%); Nigeria (3.9%); Burkina Faso and Ghana (3.8%) recorded the highest growth rates for the region. The the state batter was shared between the region.
- 61. Nigeria's growth rate was of particular significance because of the relative importance of that country's economy.

This performance was however mitigated by certain adverse trends such as a huge budgetary deficit (43.8 billion Naira, representing 9.8% of the GDP) and a very high inflation rate (approximately 45%). Due to a poor harvest, the growth rate for Ghana was much lower than the 5% growth rate recorded annually since 1985. Of the Sahelian countries which are usually subject to drought, The Gambia and Burkina Faso recorded admirable growth rates.

- An analysis of the figures for domestic demand indicates that final public and private consumption for the entire region advanced from US\$113 billion in 1991 to US\$121 billion in 1992, an increase of 7.4%, as against the 7% increase recorded in 1991. The increase in overall final consumption in 1992, was mainly due to the 9.5% rise in public consumption, compared with 6.2% in 1991. This was achieved at the expense of private consumption which increased by only 6.7% in 1992, as against 9% in 1991. This has been the pattern with most countries under SAPs, where unemployment contributes to a fall in private income and entails a fall in the standard of living. The drop in final private consumption was very severe in Liberia (-20%) and Sierra Leone (-6%) both of which have experienced a widespread disruption of economic activity as a result of civil war. Private consumption in Cote d'Ivoire also declined in 1992 (-1.5%) due mainly to austerity measures imposed under the financial stabilisation programme. The marked increase in public as against private consumption was partly responsible for the huge budgetary deficits recorded in certain ECOWAS Member States, on-going structural adjustment programmes notwithstanding.
- 63. Gross domestic investment in the region increased by 2.5% in 1992, as against -0.66% in 1991. The figures recorded by Liberia (-1.25%) and Nigeria (-0.5%) were rather low, particularly in terms of long-term growth. The poor economic situation of the West African region is not helped by the level

of investment, which in 1992 represented only 8.2% of the total GDP of the region and the 2.4 incremental capital output ratio recorded for 1992, as against a ratio of 2.2 for 1991. These figures illustrate the low level and unproductive nature of investments, which fail to stimulate economic growth.

64. In global terms, ECOWAS Member States are in a critical situation, marked by a drop in private consumption, and above all, by low and unproductive investment. The countries of the region will need to reverse these trends if they are to speed up the growth of their economies.

## Sectoral Performance Agricultural Output

- 65. The food crop harvest in most of the Sahelian countries for the 1991/92 season was good. The increase in output varied from 20% to 60%. This performance was mainly due to increased grain production by Burkina Faso 61.7%; Mali 36.5%; and The Gambia 23.3%. The coastal countries of the region recorded an average grain production growth rate of 7.6% over the same period. The production of grain was however adversely affected by poor weather conditions in Ghana, Cote d'Ivoire and some parts of Nigeria.
- 66. The same trend was observable in root crop production in the 1991/92 season: high performance figures in Sahelian West Africa (about 20%) and lower, though still satisfactory figures for the coastal areas (5 to 12% depending on the country).
- 67. Overall production levels for cash crops fell in West Africa during this period. Cocoa production in the main producer countries fell, with a drop of -8% in Cote d'Ivoire, and -1% in Ghana. This drop in production levels could not however stop the continuing decline in world prices. Massive cocoa stock, and the

difficulties encountered in negotiating an international agreement, have been the main causes of the depressed cocoa prices.

- 68. Coffee production in Cote d'Ivoire rose by an estimated 14% while production in Togo fell by 10% during the 91/92 season. World coffee prices remained relatively low during the period.
- 69. Oilseed production in West Africa fell sharply, albeit to varying levels, except in Nigeria which recorded an increase of 12%. Groundnut production fell by 10% in Senegal and by 3% in Cote d'Ivoire.
- 70. Production levels for the other cash crops during the 1991/92 season generally remained the same as those recorded for 1990/91. For example, as in the 1990/91 season, cotton seed harvests in 1991/92 increased by 22% in Benin and 21% in Mali. There were however a few differences in certain countries, and for certain products. Unfortunately the world price for cotton continued to fall, especially during the second half of 1992. Rubber production declined in Cote d'Ivoire but rose sharply in Nigeria. The international market price, which has been relatively low since 1991, hardly changed in 1992.

#### Mining

71. Oil production in Nigeria increased by a mere 1% in 1992 to a total of 93.8 million tonnes. The country intends to raise its production level to 2.5 million barrels/day (or 125 million tonnes per annum) by further encouraging private indigenous and foreign investment. Nigeria's output of natural gas stabilised at 4.75 billion m<sup>3</sup> in 1991. Gas reserves are estimated at 3,400 billion m<sup>3</sup>.

- 72. Ghana is now the leading producer of gold on the continent, and its revenue from gold exports in 1992 amounted to 350 million US dollars, higher than cocoa export earnings (307 million US dollars). This performance was due mainly to the sectoral policy under which Ghana has been able to privatise the gold mining industry in accordance with the new mining code.
- 73. With the exception of the oil and gas sector and gold mining in Ghana, the mining sector generally continued to be bedevilled with problems. This was particularly true of iron ore production with Mauritania's production level dropping by 10% in 1991 and virtually grinding to a halt in Liberia owing to the civil war. Furthermore, uranium production in Niger fell by 5% in 1991 while phosphate production in Senegal and Togo declined by 19% and 15% respectively.
- 74. A number of factors accounted for the slowdown or decline recorded in the mining sector. They included the recession in industrialised countries and particularly the fact that the mining sector (except in Nigeria) played only a small part in the other economic activities at national and regional levels.

#### Manufacturing

- 75. Although the share of the manufacturing industry in the GDP remained at 8.9% in 1992 and in 1991, it should be stressed that value-added in the manufacturing sector (VAM) of West Africa has been dropping since 1990, from 5% to 3.9% in 1991, and 3.3% in 1992.
- 76. In Nigeria, the most industrialised country in the region, the growth rate in the manufacturing sector was estimated at 4.5% in 1992 as against 6.1% in 1991. Industrial production capacity in Nigeria continued to be under-utilised; according to

a report prepared by the Manufacturers Association of Nigeria (MAN), the annual capacity utilisation was 36.8% in 1991 and 37.4% in 1992. This low rate of capacity utilisation is due, inter alia, to high production costs, irregularity of electricity, frequent machine breakdowns and insufficient protection of local industries.

- 77. In Ghana, the share of the manufacturing industry in GDP was 9% in 1992 while VAM was estimated at 5.6%. A number of industries in Ghana folded up however, due to the negative effects of the trade liberalisation policy under which the local market has become saturated with cheap imported products. Local manufacturing industries are also handicapped by the high customs duties levied on imported inputs and the difficulty in obtaining credit facilities.
- 78. In Cote d'Ivoire, VAM declined by 2.3% and 1.7% in 1991 and 1992 respectively because of serious financial constraints. In Senegal, by contrast, industrial output, up by 4.4% in 1992 was a considerable improvement over the 1.6% increase recorded in 1991, although the groundnut processing industry, the country's principal manufacturing activity, was operating at 30% of production capacity.

## External Sector Balance of Trade

79. As earlier mentioned, although there was an improvement in world trade in 1992, external trade figures for West African countries for the period under review were not encouraging. The trade balance of most of the Member States of the region with OECD countries, our major trading partners, deteriorated. Senegal for instance had a trade deficit of 122 billion francs CFA with the OECD countries in 1992 compared with the 98 billion francs deficit in 1991. Mali's trade deficit with OECD countries

in the same year increased to 49 billion francs CFA as against 41 billion francs for the previous year.

- 80. Generally, there was a drop in the level of both exports and imports of ECOWAS Member States. The trade balance mirrored the downward trend of the export purchasing power which dwindled considerably as reflected in the negative growth of the average annual price index of products exported by some countries such as Burkina Faso (-24%), Mali (-24%) and Cote d'Ivoire (-10%).
- 81. It should be noted also that the current account deficits of several countries remained very high in 1992; this created the need for heavy external funding.

CURRENT ACCOUNT DEFICIT AS A PERCENTAGE

PERCENTAGE	COUNTRY
Less than 10%	Benin, Burkina Faso, Cape Verde, Ghana, Guinea, Niger, Nigeria, Senegal, Togo
Between 10% and 20%	Cote d'Ivoire, The Gambia, Mali, Mauritania, Sierra Leone
Over 20%	Guinea-Bissau, Mauritania

Source: ADB Report on Development in Africa, 1993.

82. As indicated in table 2, the current account deficit recorded in Guinea-Bissau and Mauritania was over 20% of GDP while in Cote d'Ivoire, The Gambia, Mali, Mauritania and Sierra Leone, it varied between 10 and 20%. This aggravated the deterioration in the balance from net services, transfers and capital accounts. The current account deficit was offset in part by external borrowings.

#### External Debt

- 83. The external debt of West African countries was estimated at \$78.3 billion in 1991, indicating a slight increase of 2% over the previous year's figure (see table 3). The table confirms that the debt owed by ECOWAS Member States remained the same albeit at a very high level. This relative stability was due partly to the cancellation or rescheduling of part of the debt owed by the West African region. The situation however remains a source of grave concern to West African countries, a great number of which are faced with serious debt problems.
- 84. In 1992, as in the previous year, debt servicing weighed heavily on the economies of West African countries. Debt service obligations in 1992 represented 30% of the total export earnings of the ECOWAS region, making West Africa a poor, debt-distressed region.

Table 3

#### DEBT SITUATION OF WEST AFRICA: 1991

at on a series of the series o	TOTAL DEBT, 1991	TYPE (AS PERCENTAGE OF)			DEBT SERVICE 1991 (ACTUAL*)		DEBT SERVICE 1992 (OBLIGATION*)		DEBT/	NET	
COUNTRY	(\$ MILLIONS)	BILA- TERAL	MULTI- LATE- RAL	PRI- VATE	\$ MIL.	AS % OF EXPORT RECEIPTS	\$ MIL.	AS % OF EXPORT RECEIPTS	GNP (%)	TRANSFERS (\$ MIL.)	
BENIN	1,300	47	48	5	31	6.3	39	8.0	69.4	218	
BURKINA FASO	956	23	68	9	46	8.6	50	n.d.	34.9	306	
CAPE VERDE	158	31	62	7	6	8.8	13	19.6	51.9	74	
COTE D'IVOIRE	18,847	24	17	59	1,445	39.1	2,274	61.5	222.6	309	
THE GAMBIA	351	21	74	5	30	16.5	27	n.d.	110.9	31	
GHANA	4,209	16	69	15	295	27.0	230	21.0	66.9	859	
GUINEA	2,626	56	34	10	134	16.0	256	30.4	94.8	254	
GUINEA-BISSAU	653	40	44	16	9	45.1	46	n.d.	323.8	85	
LIBERIA	1,989	25	38	37	1	n.d.	90	n.d.	n.d.	62	
MALI	2,531	56	40	4	26	4.9	180	33.6	104.9	278	
MAURITANIA	2,298	53	29	18	84	16.8	202	40.2	214.7	93	
		# 5			D 0 0						

COUNTRY	TOTAL DEBT, 1991 (\$ MILLIONS)	TYPE (AS PERCENTAGE OF)			DEBT SERVICE 1991 (ACTUAL*)		DEBT SERVICE 1992 (OBLIGATION*)		DEBT/	NET
		BILA- TERAL	MULTI- LATE- RAL	PRI- VATE	\$ MIL.	AS % OF EXPORT RECEIPTS	\$ MIL.	AS % OF EXPORT RECEIPTS	GNP (%)	TRANSFERS (\$ MIL.)
NIGER	1,653	33	48	19	179	47.3	119	31.6	72.9	160
NIGERIA	34,497	43	12	45	3,375	25.2	4,945	36.9	108.8	- 1,836
SENEGAL	3,522	37	49	14	312	19.7	383	n.d	63.1	404
SIERRA LEONE	1,291	28	22	50	14	9.1	39	n.d	167.5	78
rogo	1,356	35	51	14	53	7.5	85	12.0	85.0	99
СОПИ										
TOTAL/AVERAGE	78,267	35.5	44.06	21.03	6,040		8,978			

Source : African Recovery included in the United Nations report on "African Debt Crisis".

- revenue remained high for countries such as Cote d'Ivoire (61.5%), Mauritania (40.2%), Nigeria (37%), Mali (33.6%) and Niger (31.6%). In general, debt service obligations could not be fully met because of the severe financial constraints facing ECOWAS Member States. Some countries have accumulated huge arrears of payment and they were often obliged therefore to appeal to their creditors for debt cancellation or rescheduling. All these elements are an impediment to the creation of an environment capable of attracting foreign capital, particularly from the private sector.
- 86. The bulk of the external debt of the West African region is in the form of multilateral debts (44% for the entire ECOWAS region as against 23% for Africa as a whole); these are debts owed essentially to the ADB, IMF and World Bank. Public bilateral debt represented 35.5% of the total external debt in 1991 while private debt accounted for 21%. Since the greater part of the external debt of ECOWAS Member States was owed to multilateral organisations, debt relief possibilities were very limited and this has further exacerbated the external debt situation of ECOWAS Member States despite the relief measures proposed in recent years.
- 87. It should be pointed out that some new relief measures have recently been adopted by the international community. For instance, the so-called "Enhanced Toronto" has come into operation, under which the US announced debt relief for 18 African countries (see below). According to the ADB, it was under the Enhanced Toronto and Trinidad terms that the debts of some Member States such as Benin, Mali, Mauritania and Togo were rescheduled or reduced by up to 50%. A number of debt concession or debt buy-back operations have been successfully carried out in countries such as Niger and Nigeria. Over half of Nigeria's

relie

- 88. In October 1992, France also adopted measures to alleviate the debt burden of certain middle-income countries within the franc zone such as Cote d'Ivoire. A fund with a capital of 4 billion French francs was established for the purpose of converting loans into subsidies. Although this is a laudable initiative, the number of beneficiary countries is very limited (only one West African country is eligible).
- 89. At this year's ADB/ADF annual meeting held in Abidjan in May 1993, the United States of America announced a plan of debt forgiveness involving half of the \$228 million debt owed America by 18 of the poorest sub-Saharan African countries. Although the amount is small, especially when compared with the \$50 billion total debt of these 18 countries, it is an encouraging sign; it indicates an American acceptance of this debt relief option and greater willingness on the part of the American government to find solutions to the debt problems facing the African continent.
- 90. On the whole, the basic approach to the external debt problem of Africa and the proposed relief measures have neither changed much nor enhanced the economic growth and development prospects of the region. For this reason, the international community should, as a matter of urgency, take concrete measures to alleviate the debt burden of African countries. All debt-related obstacles to economic recovery in Africa in general and in the West African region in particular, must be removed to make possible the resumption of economic development.
- 91. It is our expectation that creditor countries and organisations would acknowledge the need to find an effective and lasting solution to the debt problem. In addition to the present

relief measures, the options should include cancellation of the whole or part of the debt, revision of the conditions and modalities for the repayment of the outstanding balance, mobilisation of new financial resources on concessionary terms for investment purposes and facilitation of improved access of African industrial products to the international market as well as the offer of better prices for these commodity exports. Countries within the region, for their part, should improve upon the politico-economic environment in order to attract indigenous and foreign private investment.

### The Social Sector

- 92. In the 1993 edition of the World Development Report published by the UNDP, the human development index (HDI) of West African countries remained very low, as reflected in table 4. According to that publication's ranking of 173 countries in terms of human development, seven ECOWAS Member States Benin, Guinea-Bissau, Gambia, Mali, Niger, Burkina Faso, Sierra Leone and Guinea are among the last ten countries. The calculation of a simple average of the scores of our sixteen Member States yields an HDI of 0.170 for the ECOWAS region, which places the entire West African region 152nd in terms of world HDI ranking.
- 93. It emerges from an analysis of the HDI country classification that per capita income and human development levels do not always coincide. In many countries the per capita income is found to be higher than the HDI, which means that those countries do not invest proportionate amounts of their income in human development. This is indeed the case in all the countries of the region except Cape Verde, Guinea-Bissau, Ghana and Nigeria.
- 94. The region's low social indicators are a true reflection of the very disturbing social situation in ECOWAS Member

Annual Report, June 1993

States. The school enrolment ratio for the entire West African region in 1989 was 44%. Burkina Faso (22%) and Guinea (39%) had the lowest ratios while Togo (66%) and Ghana (59%) recorded the highest enrolment ratios. The adult literacy rate within the ECOWAS region was 46% in 1990 as against 99% for most industrial countries. It should be stressed however, that the ratios recorded in quite a number of Member States were far below this regional average such as in Burkina Faso (19%), Sierra Leone (21%) and Guinea (24%).

95. The standard of living in West Africa as revealed by the health indicators is very low. The life expectancy of the West African is 51. However, it is below the regional average in Guinea and The Gambia (44 years), Guinea-Bissau (43 years), and Sierra Leone (42 years). This is due, among other factors, to the poor health delivery system. For example, on the average, West Africa has only one doctor to 1,500 inhabitants. The situation in some countries such as Burkina Faso (1 doctor to every 57,200 inhabitants) and Guinea (1 doctor to every 64,600 inhabitants) is even more disturbing. The health situation in West Africa is aggravated by the AIDS-HIV epidemic which is putting additional pressure on the limited health infrastructure available in ECOWAS Member States.

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- 96. With regard to the labour market, the low economic growth rate, the increase in the size of the active labour force and in the number of school leavers account in great part for the rising unemployment in several countries. Almost all the countries are witnessing a fall in the number of people in paid employment. Yet another repercussion of the considerably high rate of unemployment is a reduction in real salaries. According to an analysis of the employment situation in Africa carried out by the ADB, the reduction in real salaries is greater, but percentage terms, than that of per capita income, a clear indication of a deterioration in the conditions of workers in paid employment.
- 97. The employment crisis has resulted in large-scale migration of young people of working age from West Africa to the industrial countries of the North or to countries in the Middle East as economic refugees. However, the increasing tension on the national labour markets in Europe has had, as a consequence, a reduction in the number of opportunities available to migrants from West Africa.
- 98. An improvement in the employment situation in West Africa is crucial in order to halt the deterioration of the social sector. ECOWAS Member States must therefore redouble their efforts in this direction in order to accelerate growth and the development of the West African region.

Evolution of Economic Reform Policies to noisons and noisons and Development Prospects

reducing tax rates, impreving the or

99. ECOWAS Member States continued with the same economic policies in 1992 as they pursued during the previous year. The different reforms embarked upon centred essentially around Structural Adjustment Programmes (SAPs) which lay emphasis on the liberalisation of economic systems, financial stabilisation, the

and reduce public .

transformation of the pricing system (including currency devaluation in some cases), state disengagement and the application of other mechanisms for regulating demand and for achieving better resource allocation.

- adjustment programme being implemented by most of the countries in the West African region, the objective being to ensure budgetary discipline, rationalise resource allocation, and control expenditure. According to the information obtained from the ECA Secretariat, most of the countries undertaking economic reforms have made sustained efforts to increase fiscal revenue and reduce public expenditure. This has contributed to reducing budget deficits in most of the ECOWAS countries; there were however a few notable exceptions such as Nigeria where the deficit reached as high as 9.8% of GDP in 1992.
- 101. The ECOWAS countries have either reviewed their taxation systems or adjusted their tax rates in order to generate more revenue and provide incentives. Measures taken include reducing tax rates, improving the efficiency of the fiscal revenue collection systems and granting tax exemptions for new investments. Value Added Tax (VAT) was introduced in some countries. Measures taken to rationalise expenditure focused on reducing the wage bill and a general curtailment of public consumption, with some countries trimming their civil service. However, in some countries like Guinea, governments reacted to the erosion of the real income of civil servants by increasing salaries.
- 102. In spite of these efforts, the level of public consumption remained high because of factors such as the high rate of subsidy. During the review period, the issue of fuel pricing in Nigeria generated a lot of public debate; highlighting on the one hand the forgone social services and, on the other

hand, the possible consequences of higher fuel prices on the domestic price structure.

- 103. Most ECOWAS countries adopted new measures in 1992 designed to improve the reform of the financial system. It should be noted that the financial reforms also sought to impose tighter control over money supply and to intensify the mobilisation and allocation of domestic savings.
- 104. In the finance sector, there was much reliance on the use of interest rates as a policy instrument. In Ghana, for example, the bank discount rate was raised in accordance with market developments. In Nigeria, interest rates skyrocketed after deregulation (average rate 35%), thereby discouraging the level of productive investment. In other countries, efforts were made to render interest rates more attractive.
- 105. Devaluation as a means of adjusting the exchange rate was one method used to regulate demand and to improve resource allocation in several of the ECOWAS States which are non-members of UMOA. However, the depreciation of some West African currencies combined with an unfavourable investment climate to produce results which ran counter to expectations. Exchange controls were liberalised in Guinea, Ghana and Nigeria; indeed in Nigeria, currency auctions were stopped and the Naira was allowed to float.
- 106. The focus of economic policies in the ECOWAS countries in 1992 remained largely national, although an awareness of the regional dimension of adjustment and economic reform policies became increasingly more widespread. Economic growth and long-term development in the West African region will depend on the intensification of the process of structural adjustment and economic integration. Every effort must therefore be made to ensure a perfect synergy between the two processes.

- of development into national SAPs, the Executive Secretariat is carrying out a study on the harmonisation of the macro-economic policies of the Member States. The study which will highlight all SAP-induced economic distortions existing between the Member States, will propose a framework for the coordination of macro-economic and sectoral policies in the West African region. This will ensure that the new generation of SAPs will take account of the regional dimension of development, thereby making it possible to establish close interdependence between structural adjustment and regional economic integration.
  - 108. With regard to the short and long-term economic prospects for West Africa, the international economic environment, climatic conditions, the degree of success recorded in the application of economic reform policies and the execution of the ECOWAS regional cooperation programmes will all play a central role in the economic recovery of ECOWAS Member States.
- 109. Future economic prospects for West African countries will depend on their ability to meet major development challenges. These include the need to increase economic growth rates, diversify the national economies, boost domestic savings, raise the level of private consumption and promote more efficient investment. Above all, efforts must be intensified to strengthen regional cooperation and integration.
- 110. The performance of the West African economy as a whole is strongly influenced by the more advanced countries in the region such as Nigeria and Cote d'Ivoire. In this regard, Nigeria must redouble its efforts to narrow its budget deficit, stabilise the Naira exchange rate and find a solution to the problem of petroleum subsidy. In the case of Cote d'Ivoire, the real growth of its GDP must be stepped up through a significant

increase in investments in fixed assets and through increased competitiveness of its industrial products.

- 111. All the countries in the region, and particularly those which were assessed in the UNDP report to be less advanced in terms of human development such as Burkina Faso, Sierra Leone and Guinea, must devote more of their resources to education and health. Peace and political stability in the West African region will also play a determinant role in the quest for sustained growth of the economies of ECOWAS Member States. The region must therefore continue with its efforts at finding a lasting solution to the Liberian crisis within the framework of the ECOWAS Peace Plan. Political stability in the other Member States will also need to be strengthened. The future of the region depends on the removal or, at the very least, the easing of social tensions that have appeared in several Member States in the aftermath of the democratisation process.
- The development potentials of Africa in general and of 112. West Africa in particular cannot be realised without help from the international community. The adoption of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) was therefore a welcome development. This new programme of action commits the international community to support efforts being made within the African continent to achieve growth and socio-economic development. It is designed primarily to bring about accelerated reform, integration, diversification and growth of African economies so as to reinforce the African position in the world economy, reduce its vulnerability to external shocks and promote inward-looking development and increased selfreliance. In pursuing these objectives, priority must be given to regional cooperation and integration as a vehicle for the promotion of an effective transformation of African economies.

agreement, which is a follow-up to the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD) that yielded negligible results, the Economic Commission for Africa (ECA) should involve ECOWAS and the other regional communities in the monitoring and supervision of its implementation, particularly that aspect relating to the promotion of regional economic cooperation and integration.

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# CHAPTER IV

# FUNCTIONING OF THE COMMUNITY

# I. INTRODUCTION

- 114. This Chapter gives an account of the activities undertaken by the Community and Member States since the July 1992 annual statutory meetings. These activities were based on the approved 1992 and 1993 Community Work Programmes, as modified by decisions taken by the ECOWAS authorities at the 1992 annual meetings. The Chapter has three main sections, namely:
  - Socio-economic cooperation programmes,
  - Administrative and institutional issues,
  - Regional Peace and Security.

#### II. SOCIO-ECONOMIC PROGRAMMES

115. It should be recalled that the main focus of the entire Community Work Programme is on the development of intra-Community trade and the enhancement of regional interaction. In the field of socio-economic cooperation, the programmes adopted by the Community centre on the removal of tariff and non-tariff barriers to trade and trade-related support activities. An account of progress made on the different components of the socio-economic cooperation programmes is set out below.

#### (i) Trade Liberalisation Scheme

- 116. A special meeting of national officials was held in Dakar at the beginning of June 1992 to review the single trade liberalisation scheme. The purpose of the meeting was to propose ways of improving the chances of succes of the scheme. That meeting led to the adoption of decisions in July 1992 by the ECOWAS authorities, changing certain elements of the scheme and the application procedure. The modifications included fixing the indigenous capital ownership criterion at a single rate of 25% (instead of the earlier graduation from 20% to 51%). The product classification was abolished; there is now no product classification into priority and non-priority industrial goods. The period for reducing tariffs on all Community-originating industrial products to zero has been fixed at 10 years for the Group I Member States, 8 years for Group II and 6 years for Group III. The application procedure has also been simplified considerably.
- 117. During the review period, the Secretariat participated in sensitisation and public enlightenment seminars organised on the trade liberalisation scheme in all Member States except Liberia, Niger and Senegal. These seminars were well attended by economic operators and various groups of Government officials. In the course of the seminars, it was observed that in some Member States the ECOWAS Certificate of Origin which must accompany intra-regional trade goods in order to be accorded the benefit of the preferential tax regime associated with the scheme, had not yet been printed and made available to economic operators. It is therefore necessary to appeal once again to Member States to endeavour to satisfy all the conditions required for the full application of the benefits of the scheme.
- 118. With regard to the holding of the enlightenment seminars in the three Member States not yet covered, it is part of our programme to undertake that assignment during the second

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half of 1993. It is also intended that these later national seminars would be given a more open participation so that more different segments of the population could be reached.

# Revised ECOWAS Customs Nomenclature

- 119. During the period under review, the Secretariat finalised the draft ECOWAS Customs Nomenclature based on the Harmonised System of the Customs Cooperation Council. A meeting of Customs officials of Member States was held from 13 to 24 October, 1992 to consider the draft text. There has been agreement on the legal framework for the harmonisation of national indirect taxes, to be undertaken before the adoption of the Value Added Tax system recommended for Member States. Meanwhile a manual outlining the operation of the Value Added Tax is being prepared and it will be part of the proposals to be considered later by experts.
- 120. It should be noted here that the activities concerning the revised ECOWAS Customs Nomenclature and the harmonisation of national indirect taxes were financed by the Commission of the European Communities under the cooperation agreement between the Commission and the Executive Secretariat.

#### ECOWAS Common External Tariff

121. Study groups have been established in all Member States to facilitate the preparatory work involved in the formulation of the Common External Tariff. The study groups were invited during the review period to submit information on national policies relating to protection of industrial establishments, and on customs and fiscal policies. The Secretariat requires this information to prepare a format for taking an inventory of product protection mechanisms being operated in Member States. The response to this request was poor and the Secretariat had to

plan missions to collect this information and to discuss related issues with the national study groups. With the support of the UNDP, a consultant was recruited to be part of an ECOWAS team for the relevant data collection missions which took place during March and April this year. The report of the study will be presented to a meeting of experts in October 1993.

# Minimum Agenda for Action

- 122. During the annual statutory meetings in July 1992, the Authority adopted the Minimum Agenda for Action which is a one-year programme of priority activities to be undertaken by all Member States in the fields of trade, customs, immigration and monetary cooperation. The principle involved in the adoption of a minimum agenda is for Member States to concentrate attention, at any given period, on the implementation of a set of key components of inter-related Community programmes. During the review period, the Secretariat monitored the application of the Minimum Agenda which calls for:
  - the printing and utilisation of ECOWAS customs and immigration forms;
  - removal of check-points along international highways;
  - simplification of immigration procedures at the entry and exit points;
  - creation and operation of transit counters to expedite customs procedures;
  - removal of non-tariff barriers to intra-Community
     trade;
  - promotion of the use of national currencies in intra-Community transactions, including travels;
  - printing of ECOWAS Travel Certificate and Residence Card/Permit.

123. Member States are required to present reports on the implementation of the Minimum Agenda during the coming session of Council. The adoption of the Minimum Agenda was a challenge to all Member States and its implementation would give some impetus to the integration process. The reports of Member States would provide the basis for further discussions on how to enhance the implementation of policies already adopted to ensure the realisation of the objectives of ECOWAS. At the time of writing, reports had been received from Burkina Faso, Mali and Nigeria.

### ECOWAS Trade Publications

124. Under the ITC-sponsored trade promotion project, the Community is preparing a number of trade publications. The draft of an ECOWAS Trade Directory is being finalised. The directory covers the four (wood, paper, fertilizers and pharmaceuticals) products for which market surveys have been conducted. A Handbook on Legal, Financial and Economic Framework is also under preparation. This first edition covers Nigeria and would serve as a model for subsequent editions to be published on the other Member States.

# Buyer/Seller Meeting on Pharmaceuticals

125. Another component of the ITC-sponsored project is the organisation of Buyer/Seller Meetings. The Secretariat organised one of such meetings in Cotonou from 21 to 26 September, 1992 which brought together buyers and sellers of pharmaceutical products. The meeting was quite well attended and generated a lot of interest; \$4 million worth of orders were negotiated and a strong request was made to the Secretariat to establish an information system for promoting trade in pharmaceutical products in the region.

- 126. Within the framework of the medium-term trade promotion programme, and in accordance with Council Decision C/DEC.5/12/92, the organisation of a regional trade fair was institutionalised. During the review period, offers made by certain Member States to host the first edition of ECOWAS Trade Fair were examined by a sub-committee composed of Benin, Burkina Faso and Sierra Leone. Its recommendation that Senegal should host the first ECOWAS Trade Fair and Ghana the second was endorsed by the main Consultative and Coordination Committee. The first ECOWAS Trade Fair would therefore be held in Dakar in 1995; it would be a multi-sectoral trade fair, with the theme: "Strengthening Intra-Community Trade" and a slogan "Buy ECOWAS Products".
- 127. In connection with the preparation of this first ECOWAS
  Trade Fair, an Organising Committee has been set up. It is
  charged with defining the practical modalities of the Fair's
  organisation and the search for financing from various sources.
  The membership of the Committee is as follows:
  - (i) Five Member States Burkina Faso, Ghana, Nigeria, Senegal and Togo of no pailed relies and Nigeria,
  - (ii) The Federation of West African Chambers of Commerce
- (iii) The Federation of West African Manufacturers' Associations at the Section of Buyer/Seller Metings. The Section of Buyer/Seller Metings.
- one of such meeting RAWOT and Secretariat and ECOWAS Fund niteem dous to enought together buyers and seller of prought together buyers and seller of the prought together buyers and seller of the prought together buyers are together together together buyers and together together together buyers are together toge
- 128. As part of the preparation towards holding this fair, a meeting of the Organising Committee was held in Lagos from 25 to 27 May 1993 in which donor agencies were invited to discuss the budget and related matters. The Organising Committee urged the Secretariat to maintain contact with the donors involved and to ensure the provision of the amount required for financing the activities to be undertaken prior to the fair.

# (ii) Immigration Programme

- 129. The Community's cooperation programme in the field of immigration is based on the Protocol on Free Movement of Persons, Right of Residence and Establishment, adopted in 1979. Apart from the elimination of legislative and administrative obstacles to free movement of Community citizens, the programme also aims at the harmonisation of immigration documents. Already, an ECOWAS Travel Certificate has been adopted and is in use within the Community, and Residence Permits have also been harmonised.
- work on the harmonisation of immigration forms (exit/entry cards). In conformity with the relevant aspect of the Minimum Agenda for Action, the harmonised immigration forms are multicopy and carbonised. The draft document was submitted to the appropriate Commission early November for consideration. After improving upon the format, the Commission recommended its adoption by the Community and this issue is being presented to Council.

# (iii) Monetary Cooperation Programme Transformation of WACH TRANSPORT AND ADDRESS OF MERITIPES.

131. On the basis of the findings of a study they commissioned, the Governors of Central Banks agreed that the West African Clearing House could play a bigger and more active role in the regional monetary integration process if it were transformed into a specialised agency of the Community. The Governors' proposal was adopted by Council and the Authority in July 1992 and the transformation of WACH into the new body, West African Monetary Agency (WAMA) will cover a period of fourteen (14) months.

The Gevernare proposed, in particular, that attention should be required on memotary tireal and exchange rate policies, supervious

132. The Secretariat has been working closely with the Committee of Governors in the preparation of the Statutes and Protocols to be adopted in respect of WAMA. During the review period, the draft statutes and protocols were discussed and the report by the Governors contains appropriate recommendations on the issue.

# Establishment of Credit and Guarantee Fund Scheme

- 133. Since the Authority adopted the recommendation of the Governors of the Central Banks to enhance the operations of WACH through the introduction of a credit guarantee scheme, the Community has been searching for the required SDR 50 million to set it up. During the review period, the mobilisation exercise concentrated on the EEC which had already shown interest in the proposed scheme. The consultants engaged by the EEC to undertake a technical study of the proposal undertook a field mission to the ECOWAS region.
- 134. Further discussions with the EEC would be based on the recommendations of the study. The Consultants have proposed that the Central Banks should also contribute to the resources required to set up the Fund instead of relying solely on donors. This action would, in the Consultant's view, emphasise the commitment of the Banks to the scheme.

# Harmonisation and Coordination of National Macro-Economic Policies

135. One of the proposals of the Governors of Central Banks adopted by the July 1992 session of the Authority for accelerating monetary integration relates to the coordination and harmonisation of the macro-economic policies of Member States. The Governors proposed, in particular, that attention should be focused on monetary, fiscal and exchange rate policies, supervi-

sory and developmental policies, and structural adjustment programmes. A meeting of the Governors was held in September 1992 in Washington during the annual joint meetings of the World Bank and the IMF. Another meeting was held in Cotonou in May 1993. It is planned to hold a consultative meeting at the same venue on 19 July 1993 between the Governors, the Ministers of Finance and Ministers of Planning to discuss economic and monetary integration matters. This meeting, it is hoped, will afford the Governors and the Ministers the opportunity to reflect on the state and progress of economic and monetary policies in individual Member States and the prospects of harmonising and coordinating such policies. Such meetings will become a regular feature of the Community's calendar.

# (iv) Agricultural Cooperation Programme Rural Water Resource Programme

136. The project dossier for the mobilisation of resources has been completed. Two meetings were held with external donors — one in July 1992 in Dakar and the other in Cotonou in March 1993. Financial arrangements have been completed for projects in Burkina Faso and Senegal and actual project execution is likely to start during the second half of 1993. Negotiations are also going on to secure financing for rural water supply projects in Cape Verde, Guinea Bissau, Mali, Niger, Nigeria and Togo.

# Control of Floating Weeds

137. The invasion of waterways by fresh water hyacinth and other floating weeds has been an important issue since Council decided in 1987 to include the matter in the Community Cooperation Programme. A biological control programme was formulated and circulated to potential donors to provide resources to meet the cost of the programme. The African Development Bank (ADB)

has agreed to finance a study in 1993-95 to investigate the most appropriate ways of eliminating this hazard.

# Coordination of Meteorological Activities

- 138. At a meeting of Directors of Meteorological Services of Member States held in Bamako in 1990, it was agreed that ECOWAS should coordinate meteorological activities in West Africa. The Secretariat, with the assistance of the World Meteorological Organisation (WMO), organised a meeting of the Directors in Lagos from 14 to 16 July 1992 to consider the draft programme. The meeting approved the following priority components of a regional meteorological programme:
  - (i) subregional observation system,
  - (ii) meteorological communication system,
  - (iii) equipment calibration and maintenance facilities,
    - (iv) training of personnel,
      - (v) meteorological applications,
    - (vi) development and marketing of meteorological equipment,
  - (vii) coordination, monitoring and appraisal mechanism among inter-governmental institutions for harmonising their programmes,
- 139. To facilitate the development and execution of the regional coordination programme, it was agreed that ECOWAS and WMO should conclude a cooperation agreement. A draft will be presented to Council for consideration and adoption.

# Harmonisation of Agricultural Pricing Policies

140. The FAO assisted the Secretariat in 1986 with a study on agricultural pricing policies of Member States. The recommendations of the report retained by the Community include the strengthening of national units responsible for the collection,

monitoring, analysis and dissemination of agricultural statistics and the creation of a Regional Information Service Centre for the harmonisation of marketing conditions of agricultural products in the Community.

- 141. The 1986 study however covered only crop production in the region. A supplementary study was therefore commissioned during the year on fishery, livestock and the forestry subsectors. The FAO has again provided assistance in carrying out the supplementary study which has also attempted to emphasise the effects of Structural Adjustment Programmes (SAPs) on the prices of agricultural products. The report will soon be submitted to national experts for their consideration.
- 142. A seminar was organised by ECOWAS and the FAO in Accra to discuss trade and the international exchange of agricultural products. The seminar noted the difficulty of West African countries opening up their markets while also developing internal agricultural production.

# Regional Agricultural Research Coordination Programme

143. The Secretariat secured assistance from the Canadian International Development Research Centre (IDRC) to organise a meeting of Directors of Agricultural Research in Dakar in May 1992. The meeting discussed the methodology for the inventory of research units and the feasilibity study to be undertaken in connection with the establishment of a regional centre for the coordination of agricultural research. The Directors of Research recommended the establishment of a coordination unit to be responsible for exchange and analysis of information, political and financial support to national agricultural research systems and programme planning, coordination and assessment.

144. The Agriculture Commission agreed that agricultural research activities should be coordinated, taking into account the initiative already introduced by SPAAR and CORAF. In order to strengthen cooperation between national research institutions and international centres within the region, it was agreed that the exchange of information should be encouraged through the organisation of workshops and seminars. There was also a recommendation for the establishment of the agricultural coordination unit within the Secretariat in the Industry, Agriculture and National Resources Department.

# (v) Industrial Cooperation Programme

145. The main activity under the Community industrial cooperation programme relates to the formulation of an ECOWAS Industrial Master Plan. Consultants, recruited with the assistance of UNIDO and UNDP, undertook field missions to Member States as a follow-up on the inventory of industrial enterprises that was conducted earlier on. A regional workshop is being organised to consider the report and recommendations of this study. During the review period, there were also discussions with UNIDO on the implementation of certain aspects of the West African components of IDDA II. The Institutions of the Community participated in the organisation of the 1992 edition of the West African Industrial Forum.

# (vi) Transport Cooperation Programme Trans-West African Highways

146. In preparation for a donors conference on ECOWAS projects in Dakar on 14 and 15 July 1992, joint Secretariat/Fund missions visited Europe and North America in late May and June 1992 to generate interest in ECOWAS and its cooperation programmes, and to introduce the projects to the prospective participants. The donors' conference was held as scheduled and

it proved to be a success; considerable interest was shown by donors in both the road transport and rural water supply projects. Concerning the road projects, the following donors indicated their willingness to participate in the financing of fifteen uncompleted segments of the trans-West African highway:

- African Development Bank (ADB)
- Islamic Development Bank (IDB)
- OPEC Fund
- Arab Bank for Economic Development in Africa (BADEA)
- Kuwaiti Fund
- West African Development Bank (BOAD)
- of the Community have maintained contact with the donors concerned to ensure the transformation of the interest expressed into active participation in the execution of the road projects.

  A second donors meeting was held in Cotonou in February 1993.

### Road Facilitation

- 148. Among the projects initiated by the Community to facilitate the use of the highways of the region is the ECOWAS Brown Card scheme. During the review period, the management of the scheme took steps to correct certain administrative problems. Similarly, the teething problems of the West African Road Transporters Union (UTRAO) constituted a major item on the agenda of the Third General Assembly of the Union held at Cotonou at the beginning of October. It was agreed by the General Assembly to move the General Secretariat of the Union temporarily from Ghana to Benin.
- 149. The UTRAO General Assembly reviewed the problems caused by road-blocks along the highways and proposed that an ECOWAS

meeting should be organised to sensitise and educate customs, immigration and national security agents. The Union considered the ECOWAS regulation on maximum axle load a limiting factor which would adversely affect the operations of its members; the Union therefore set up a technical body to develop a UTRAO position on the matter for presentation to the ECOWAS authorities.

# Air Transport

- 150. The Working Group on Air Transport held its third meeting from 1st to 3rd September 1992, where it considered the Draft Multilateral Agreement on Air Transport among Member States. It recommended that pending the finalisation of the Agreement, emphasis should be placed on cooperation among airlines of Member States in order to pave the way for a multilateral agreement. This cooperation could also cover maintenance and training centres; facilitation; joint purchase of aircraft and equipment; and joint operation.
- 151. The study on the harmonisation of flight schedules was completed during the year and will be submitted to a meeting of Airlines and Civil Aviation experts for consideration. The report of the study on Aircraft Maintenance and Training Centres is also to be considered during a seminar to be held during the latter part of the year.

# (vii) Communications Programme

152. The Secretariat successfully pursued its search for resources to finance the feasibility study on the regional aeronautical telecommunications project: a grant of about half a million dollars was obtained from the US. The terms of reference for the study are being finalised, after which consultants would be engaged to carry out the study.

153. The Secretariat continued to organise the coordination meetings it started in 1990 for officials of the telecommunications authorities of Member States. Three country-groups have been formed and the following meetings have been held:

Group I:	Dakar	10-12	July 1991
	Banjul	22-25	September 1992
Group II:	Niamey	26-28	March 1991
	Ouagadougou	12-17	March 1992
decirion carta			
Group III:	Conakry	8-11	October 1991
	Bissau	20-23	October 1992.

- means of improving the efficiency of the regional telecommunications network. Proposals and recommendations emanating from these meetings have concerned rehabilitation and maintenance of equipment, management techniques and mobilisation of financial resources.
- 155. Some bottlenecks keep obstructing the optimum utilisation of installed capacity of telecommunications in the region. The major hindrances which have been identified include:
  - absence of operating agreements between Member States;
  - poor maintenance of inter-state links due to unavailability of spare parts and equipment;
  - interface problems at borders; and
  - energy supply problems at telecommunications stations.
- 156. To overcome these problems steps are being taken by various national administrations to provide improved access to

subscriber networks and to re-adjust the inter-state circuits. Moreover, the Bureau of the Panaftel Coordinating Committee for West Africa has been facing some difficulties as a result of which it has not been able to carry out its coordinating activities. The Telecommunications Commission has therefore recommended that ECOWAS should take over all the coordinating functions of Panaftel in West Africa.

# (viii) Social and Cultural Affairs

of OCCGE and the West African Health Community (WAHC), a programme has been adopted for the transformation of the two institutions into the new regional institution - West African Health Organisation. The programme includes an inventory of the assets of OCCGE and WAHC. During the review period, the Secretariat applied for UNDP financial assistance to complete the inventory and prepare the necessary technical report. If this assistance is obtained, this phase of the programme would be completed in 1993.

#### (ix) Information Cooperation Programme

158. The cooperation programme in the information sector is derived from the May 1990 Council decision on the matter. During the review period, reminders were sent to Member States about their undertaking to promote the dissemination of information on ECOWAS, its Member States and Institutions through the different national media. The Secretariat also wrote to request for the designation of liaison officers in Ministries of Information to facilitate the distribution of information in Member States, and to indicate information needs of the various actors on the national scene. Meanwhile, a special edition of the ECOWAS CONTACT Magazine was published, as well as a number of topical information leaflets.

- of national directories with emphasis on insurance, finance and banking; commercial and industrial enterprises; and raw materials and manufactured products. Various ways of intensifying ECOWAS cooperation with the West African Journalists Association (WAJA) are being explored; the process of granting WAJA an ECOWAS observer status has been initiated.
- 160. The Secretariat organised a meeting of journalists of West African news agencies for the launching of a special publication on ECOWAS. The bulletin will be known as "The West African" and it will promote ECOWAS goals and objectives. It is aimed at setting up a pool of newspapers on ECOWAS matters. The meeting was organised with funding from CINERGIE, a unit within the African Development Bank. A request has also been submitted to the ADB for funding an ECOWAS Newsletter project.

# (x) External Resource Mobilisation

- been improving towards recognising the vital role of regional cooperation in the development process. There has been a growing awareness among both bilateral and multilateral donor institutions that regional integration could serve as a powerful development tool and provide a viable approach to national economic development. Consequently, there have been improvements in the working relations that the Community has established with most of the external development partners of Member States.
- assistance programmes with some of these donor institutions and agencies. For instance, a project document is being formulated for submission to UNDP for funding under its Fifth Regional Programming Cycle. A draft Regional Indicative Programme was agreed upon by West African ACP States and the Commission of the

European Communities at a meeting in Dakar in June 1992; ECOWAS is coordinating the preparation of the regional programme for funding under the Regional Fund of the Lome IV Convention. An ECOWAS mission visited Ottawa in late September 1992 and had preliminary discussions with the Canadian International Development Agency (CIDA) and other Canadian government officials on the framework of Canadian assistance to West Africa. It should be noted that Canada has recently adopted a blueprint "Africa 21", defining the Canadian strategy for assisting Africa with its long-term development.

- 163. While the international community is manifesting a willingness to assist the regional integration effort, there has been a problem with West African representation. A project that is presented as a regional project may lack viability when all the regional dimensions of the problem are not fully addressed in the project design. External donors have also called attention on several occasions to the uncoordinated manner in which West African projects are submitted for financial assistance. In the case of the utilisation of the West African allocation of the EEC Regional Fund, Member States and all West African IGOs agreed at their Freetown meeting in 1990 to present a single regional programme. While the ECOWAS Secretariat was coordinating the preparation of a list of selected regional projects, parallel bilateral negotiations were going on between the EC Commission and individual Member States. It is essential that all concerned remain faithful to the common regional approach. Member States should adhere to the regional approach and encourage the other IGOs they belong to show greater cooperation in this respect.
- 164. I wish at this point to recall my visit to the EC in Brussels last November to follow up on the status of funding for some regional projects ECOWAS had presented on behalf of Member States and West African IGOs for consideration under the Lome IV

Convention. These were projects selected and approved by our National Authorising Officers (NAOs). During the discussions, the EC Directorate-General for Development indicated that it could not recognise the coordinating role of ECOWAS since some of our Member States had questioned the validity of its mandate. The Secretariat was advised to seek a very clear authority from Member States so that the EC could deal with ECOWAS on the funding of West African regional projects. A meeting of NAOs of Member States (at Ministerial level) is therefore being convened on the adoption of a common regional approach to the utilisation of the regional fund and to confirm the mandate of ECOWAS for purposes of future financial protocols. The EC has already informed us that it had committed all the resources earmarked for West Africa under the first financial protocol of the Lome IV This was done on the basis of projects that individual Member States and IGOs submitted direct to the EC. I hope this would not lead to a repeat of previous performance where lack of coordination resulted in very low levels of resource utilisation.

165. I must add that if this mandate is affirmed and respected by Member States, there would be fruitful responses from the EC with regard to the request for funding of the regional projects.

# ECOWAS Treaty Review

166. After considering the report of the Committee of Eminent Persons for the Review of the ECOWAS Treaty at its July 1992 session, the Authority adopted, in principle, the various innovations proposed by the Eminent Persons and accordingly directed Council to complete its consideration of the Draft Revised Treaty. In preparation for the national debates on the Revised Treaty that were recommended by the Authority, additional

copies of the document were sent by the Secretariat to Member States for distribution, especially to private sector and professional bodies.

167. A meeting of legal and other officials of Member States, organised in Lagos from 13 to 20 October, 1992, completed an in-depth examination of all the provisions of the Draft Revised Treaty. The report of the meeting and the draft text of the revised Treaty were expected to be presented to an extraordinary session of Council and of the Authority for consider-This was not possible because of ation in December 1992. problems encountered with the scheduling of the meetings. now expected that the next ordinary session of Council would deal with the matter. It is worth repeating that the Eminent Persons tried to see beyond the immediate confines of the West African regional integration setting and their proposals reflect a bold vision of the future. I am convinced that, to prepare this region for the twenty-first century and the development challenges we face in West Africa, a stronger and more dynamic ECOWAS such as the Eminent Persons have proposed is what Council should recommend for adoption by the Authority.

# Formalisation of ECOWAS relations with the UN

168. Provisions of the ECOWAS Treaty stipulate that signed copies of the Treaty and instruments of ratification should be deposited with the United Nations and other appropriate international bodies. During the review period this long outstanding requirement was fulfilled when an ECOWAS mission visited the UN Headquarters in New York during the 47th session of the UN General Assembly. Copies of the signed Treaty and the twenty-five ECOWAS Conventions and Protocols (which form an integral part of the Treaty) were registered with the UN Secretariat, in accordance with the provisions of Article 102 of the UN Charter.

169. The ECOWAS mission to the UN also provided the occasion for discussing the application for observer status with the world body. The procedure for obtaining a UN observer status has duly been embarked upon.

#### Rationalisation of IGOs

- 170. The July 1991 decision of the Authority which designated ECOWAS as the sole economic community in West Africa also requested for a flexible and pragmatic plan for rationalising the inter-governmental organisations (IGOs) in the region. During the review period, the Secretariat completed the process of selecting a suitable consultancy group to undertake the study. The United Nations' African Institute for Economic Development and Planning (IDEP) was awarded the contract and has almost completed the study. When the study is received, a meeting of national officials and IGOs would be convened to consider the proposals of the consultants, so that appropriate recommendations could be presented to the Authority through Council.
- 171. However, to highlight the importance of the rationalisation exercise, it will be instructive to remind ourselves about the provisions of Decision A/DEC.12/7/91 on the subject. It may be recalled that the Decision designated ECOWAS as the single economic community in West Africa for the purpose of regional integration and the realisation of the objectives of the African Economic Community. It adds that other IGOs are to renounce their individual integration efforts and to re-affirm their commitment to ECOWAS. Member States are to undertake to meet all their obligations to ECOWAS and to give every support to all efforts aimed at strengthening and re-vitalising the Community to enable it accelerate the West African integration and development processes.

- 172. After the adoption of the proposals of the study which we hope will pave the way for a flexible and practical plan for the rationalisation of all the IGOs of the region under the umbrella of ECOWAS, Member States are expected to progressively renounce, in accordance with the pre-established plan of rationalisation the pursuit of the realisation of the economic community objectives within any other West African IGOs. Member States also solemnly undertake to employ all measures necessary within such IGOs to give substance and practical meaning to this renunciation.
- 173. It is my hope that this reference would serve as a reminder of a concrete decision and to evoke our resolve to keep faith with its provisions. I am convinced that a stronger ECOWAS will provide the opportunity for fruitful economic integration.

# Contributions of Member States

- 174. At the beginning of 1993, a total amount of twenty-five million two hundred thousand units of account (25.2 million UA) was outstanding as contributions from Member States to the Secretariat budgets, inclusive of 7,150,422 UA for the 1993 budget. As at March 30, 1993 the Secretariat had received 1,645,089 UA from four Member States on account of the 1993 budget and arrears from previous budgets. The arrears of contributions from Member States therefore amounted to 23.55 million UA at the end of March 1993.
- 175. It should be recalled that the 1990 Authority decision on sanctions called for the liquidation of all Member States arrears to the 1990 Secretariat budget before the 1991 annual statutory meetings, and the payment of all arrears of contribution to the capital of the ECOWAS Fund before the end of 1992. Although particular effort was made in 1991 and Member States, except one, were able to satisfy the first condition, the other

condition has not yet been satisfied. We are therefore recalling the strong appeals made to Member States to honour their obligations to the Community.

- 176. From the report of the Managing Director, the effort put in by Member States towards meeting the December 1992 deadline for paying in the called-up capital of the Fund has not been appreciable. In effect no Member State has honoured fully that obligation to the Fund. It should be noted that the routine application of certain sanctions by the Fund against defaulting Member States appeared not to have had any deterrent effect in the past. The new elements introduced by the 1990 sanctions decision have failed to elicit any significant response from Member States and would only penalise hapless Community officials who happen to be nationals of defaulting Member States.
- 177. The precarious financial situation of the Community Institutions cannot be allowed to remain that way much longer. The study of alternative means of generating resources for funding the regional integration process promises an early and satisfactory solution to this crucial problem. The Secretariat has presented the recommendations on the establishment of an autonomous mechanism for financing the various budgets of the Community to the relevant Commission and the proposals will be submitted to Council for consideration. The full cooperation of Member States will be needed to ensure the effective application of the new measures to be adopted.

# Movement of Secretariat to Abuja

178. It is already two years since the permanent office complex of the Community headquarters was commissioned in Abuja. Regrettably, that ultra-modern complex cannot be put to use because of the staff accommodation problem in Abuja that the Secretariat faces. It may be recalled that, given the scarcity

and high cost of housing in Abuja, the Community has decided to build its own staff quarters. As directed, the two Institutions of the Community continued their search for resources to finance the construction of the staff quarters. I should like to state in this regard that a request has been made to the Federal Government of Nigeria for assistance. It is hoped that positive results of the resource mobilisation effort would be reported at the next session of Council.

# Computerisation of Secretariat Operations

179. Under the UNDP 4th Regional Programming Cycle, assistance has been received to enhance the technical capacity of the Secretariat. This has been in the form of computer training and the acquisition of materials. During the year, various short courses were organised under this assistance programme by the Community Computer Centre and ECA for different categories of Secretariat staff. The introduction of computers into the operations of the Secretariat has improved its efficiency tremendously and every effort will be made to continue with the computerisation programme.

#### Staff Position

- 180. It should be noted that the terms of office of all Statutory Appointees will expire at various dates this year and the issue of new statutory appointments will be discussed at the July 1993 annual meetings. The Secretariat was without the services of a substantive Deputy Executive Secretary for Administration during the review period, since there was no replacement after the recall of the previous incumbent, Mr. Adelino Mano Queta, by his country.
- 181. The Director of Administration, Mr. Jerry A. Eghagha retired from the service of the Community and Dr. J. Adedeji

Arije has been duly recruited as his replacement. During the year the Head of the Conference Division was recalled by his country and six junior officers retired from the service of the Community. In all, thirteen officers were recruited during the year, including Mr. Gilles Hounkpatin, Director of the Trade, Customs, Immigration, Money and Payments Department, two translators and two accountants.

# IV. REGIONAL PEACE AND SECURITY ECOWAS Efforts

- 182. During the period under review, the Liberian crisis continued to pose a serious threat to the peace and stability of the region. As in the past, difficulties encountered in the execution of the ECOWAS Peace Plan stemmed from the continued intransigence of Charles Taylor and his National Patriotic Front of Liberia (NPFL).
- 183. At the 1991 Annual Statutory meetings in Abuja, the Authority designated the Committee of Five as an adjunct of the Standing Mediation Committee and assigned it the responsibility of facilitating and monitoring the implementation of the ECOWAS Peace Plan. The series of mediation meetings convened by the Committee of Five culminated in the Yamoussoukro IV Accord which all the warring factions (including the NPFL) agreed to abide by. The Yamoussoukro IV Accord among other things called for a strict observance of the ceasefire, the disarmament and encampment of all combatants, the creation of a buffer zone along the Sierra Leone/Liberia border, and the creation of the necessary conditions of peace and security conducive to the holding of free, fair and democratic elections in Liberia.
- 184. It was evident from the reports received by the Authority at its 1992 Summit in Dakar that very little progress had been made with regard to the implementation of the Yamoussou-

kro IV Accord. The NPFL had refused to cooperate with ECOMOG, and had in fact captured some ECOMOG soldiers, murdering six of them in cold blood. Meanwhile, the Liberian civil war had become further complicated by the emergence of another belligerent faction, the United Liberation Movement of Liberia (ULIMO). The Authority, therefore, made an urgent call for the strict observance of the Yamoussoukro IV Accord and decided that sanctions should be imposed against any warring faction that failed to comply.

- 185. Immediately after the Dakar Summit, the new Chairman of the Authority, President Soglo of Benin took steps to inform all the parties concerned about the Authority's decision and invited them to a meeting in Cotonou. All the parties turned up for the 17-18 August meeting, with the exception of ULIMO due to communication and logistic problems. A special mission was sent by the Chairman of the Authority to inform ULIMO about the Authority directives and to secure the full cooperation of that warring faction.
- 186. In spite of these efforts, hostilities continued and the NPFL openly sought to provoke ECOMOG forces. Instead of disarming its forces, the NPFL captured about 600 ECOMOG soldiers and stripped them of their weapons and all other personal belongings. Many of them were also beaten and humiliated. It took the intervention of President Felix Houphouet-Boigny and Mr. Jimmy Carter, former US President, to secure the release of the ECOMOG soldiers. These untoward developments obliged the Chairman of the Authority to convene a joint meeting of the Standing Mediation Committee and the Committee of Five.
- 187. The joint session was held in Cotonou on 20 October, 1992 preceded by a meeting of Ministers of Foreign Affairs of the Member States on the two Committees. Reports presented at the joint session by the ECOMOG Field Commander and myself clearly

indicated that the situation in Liberia had worsened, particularly because of the belligerent attitude of the NPFL. Indeed, a few days to the meeting, the NPFL had launched an unprovoked attack on ECOMOG in a bid to capture Monrovia. The report before the joint session stated that the NPFL had used the entire duration of the ceasefire to re-arm, recruit and train a 30,000-strong fighting force.

- The campaign launched by the NPFL on October 15, 1992 marked the final rupture of the ECOWAS-brokered ceasefire. The massive NPFL offensive was aimed at overwhelming the city of Monrovia, capturing the ECOMOG headquarters, and wresting from ECOWAS forces the strategic positions taken to safeguard the Liberian capital as a haven of peace and stability. The campaign was a clear manifestation of the determination of Charles Taylor to pursue the military option and his rejection of a peaceful resolution of the Liberian crisis. This NPFL intransigence had earlier led to the creation of the United Liberation Movement for Liberia (ULIMO) as another warring faction. The NPFL aggression against ECOMOG forces necessitated a change in the mandate of ECOMOG to peace-enforcement by the Abuja Summit of 7 November 1992. Since then, ECOMOG has been defending itself decisively, repelling NPFL advances in order to reduce the zones of conflict and re-establishing peace throughout the length and breadth of Liberia. Moreover, a system of regular reporting and monitoring through monthly meetings of Chiefs of Staff of ECOMOG-contributing countries was set up to ensure the achievement of these objectives.
- 189. The Cotonou joint session also called for a ceasefire and the strict observance of the provisions of the Yamoussoukro IV Accord. The Heads of State and Government adopted a decision on sanctions against any warring faction which failed to honour the Accord within a stipulated period (5 November 1992). The ECOMOG Field Commander was directed to monitor the situation in

Liberia and report to a Committee of Nine established by the joint session to supervise the implementation of the Accord. The meeting agreed to assess the situation five days prior to the expiry of the deadline.

- 190. That first meeting of the Committee of Nine to assess whether any warring faction had run foul of the provisions of the Yamoussoukro IV Accord was held at Abuja on 7 November, two days after the expiry of the deadline for the application of sanctions. Again, the report of the ECOWAS Field Commander painted a bloody picture of the situation in Liberia. None of the warring factions had respected the ceasefire call. On the contrary, the NPFL had intensified its offensive against the AFL, ULIMO and ECOMOG forces. It was also evident that war crimes and crimes against humanity were being committed by the warring factions, a case in point being the brutal murder of five American nuns allegedly by the NPFL, warranting a stern warning by ECOWAS leaders.
- 191. The Committee of Nine therefore decided to impose sanctions against the warring parties and made its decision retroactive to 5 November 1992. The sanctions applied to all the warring factions and none of them could be free of such sanctions except upon the approval by the Committee of Nine of a report of the ECOMOG Field Commander to the effect that that faction was observing a ceasefire and was also abiding by the Yamoussoukro IV Accord. The sanctions aim at cutting off arms supplies to the warring factions and also ensuring that the factions are denied access to export and import resources with which to prosecute their war. All Member States are enjoined to observe the provisions of the sanctions decision, with a special appeal to Liberia's neighbours to seal off their land borders with Liberia except for strictly humanitarian reasons. The decision also called on the United Nations Security Council to assist in making these sanctions effective and binding on all members of the

international community, in accordance with the relevant provisions of the United Nations Charter.

192. At the request of the Committee of Nine, Foreign Ministers of the Member States involved, accompanied by the Executive Secretary, went to New York to make representations to the Security Council. On 19 November, 1992, the Security Council passed Resolution 788 (1992) in support of the ECOWAS sanctions decision.

### The Support of the UN and OAU

- 193. Resolution 788 (1992) commended the efforts of ECOWAS to restore peace, security and stability in Liberia; called upon all parties to the conflict in Liberia to respect and implement the ceasefire and various accords of the peace process; reaffirmed its belief that the Yamoussoukro IV Accord offered the best possible framework for a peaceful resolution of the Liberian conflict; imposed under Chapter VII of the Charter a general and complete arms embargo against Liberia, with the exception of arms destined for the sole use of ECOMOG; and requested all states to respect measures established by ECOWAS to bring about a peaceful solution to the conflict. This reinforced the general sanctions imposed by ECOWAS. The resolution further condemned the continuing armed attacks against ECOMOG by one of the parties to the conflict.
  - 194. Immediately after the meeting of the UN Security Council, the Secretary-General designated a Special Representative to Liberia, Mr. Trevor Gordon-Somers to evaluate the situation. Mr. Gordon-Somers undertook an extensive tour of Liberia, conferring with all the parties concerned. He also visited the ECOWAS Secretariat and a number of Member States where he was received in audience by Heads of State. This enabled him to prepare an exhaustive situation report for the UN

Secretary-General, which made it possible for the Secretary-General to present an independent report on Liberia to the Security Council on 26 March 1993. Following the report of the Secretary-General, the Security Council adopted Resolution 813 (1993). Inter alia, it called upon all states to respect the arms embargo; demanded that all parties fully cooperate with the UN and ECOWAS with a view to ensuring the full and prompt implementation of the Yamoussoukro IV Accord; declared its readiness to consider appropriate measures in support of ECOWAS if any party was unwilling to cooperate in the implementation of in particular the encampment and disarmament provisions; requested the UN Secretary-General, in consultation with ECOWAS, to consider the possibility of convening a meeting of IGNU and the warring parties, after thorough and detailed groundwork, to restate their commitment to the implementation of the Yamoussoukro IV Accord within an agreed timetable; and further requested the Secretary-General to discuss with ECOWAS the contribution the UN could make in support of the implementation of the Accord, including the deployment of UN observers.

195. ECOWAS, the OAU and the UN have cooperated admirably throughout the development of the ECOWAS Peace Plan for Liberia. The UN Security Council first considered the question of Liberia on 22 January 1991 when its President made a statement commending the efforts of ECOWAS and calling upon the parties to the conflict to respect the ceasefire agreement. At a subsequent meeting on 7 May 1992 the Security Council again commended ECOWAS and the Yamoussoukro IV Accord of 30 October 1991.

196. In the words of the UN Secretary-General:

"Liberia represents a good example of a systematic cooperation between the United Nations and a regional organisation, as envisaged in Chapter VIII of the Charter. From the beginning, diplomatic and even military initiatives have been taken by

ECOWAS. The Yamoussoukro IV Accord was arrived at as a result of the efforts of ECOWAS and it has been the responsibility of ECOWAS to ensure the implementation of the provisions of that Accord. The role of the Security Council has been one of supporting the initiatives and endeavours of ECOWAS. This is clear from the presidential statements issued by the Council on 22 January 1991 and 7 May 1992. It was at the initiative of ECOWAS that the Security Council convened on 19 November 1992 and adopted resolution 788 (1992). I believe that it would be the wish of the Council to continue and expand, as appropriate, this cooperative relationship between the United Nations and the concerned regional body." 2

- 197. The OAU Secretary-General has recently appointed an Eminent Person for Liberia, Professor Canaan Banana, who is working closely with ECOWAS and the UN Secretary-General's Special Representative for Liberia.
- 198. Since November 1992, intensive consultations have been held among ECOWAS leaders. There is a strong consensus for ECOWAS, OAU and the UN to facilitate talks between the warring parties leading in particular to a ceasefire, encampment, disarmament and demobilisation. More generally, agreement is to be sought for establishing an enabling environment for the holding of elections not later than four to six months from the declaration of a ceasefire. It is envisaged that these talks will take place in July 1993 at a venue to be agreed.

Report of the UN Secretary-General on the Question of Liberia (UN Doc. S/25402 of 12 March 1993) Para. 40.

### Neutrality of ECOMOG

- 199. ECOMOG neutrality was unchallenged during its peace-keeping posture from November 1990 to October 1992. Believing that the NPFL had agreed to encamp and disarm, ECOMOG deployed an advance party of 600 men who were later taken hostage and molested by the NPFL. Only when the NPFL aggressed ECOMOG on October 15, 1992 was it authorised by ECOWAS leaders to embark upon peace enforcement against the NPFL.
- 200. In the execution of this mandate, ECOMOG has been fully conscious of the neutral role ECOWAS had assumed since the inception of the peace plan. Also, its military engagement is subject to so many limitations as it seeks to avoid any deliberate destruction of Liberia's infrastructure. On the other hand, any acts threatening the peace plan or inimical to the maintenance of peace and order have been firmly resisted, regardless of who the perpetrators were. For instance, all armed infiltrators into Monrovia were routinely apprehended irrespective of their affiliation (AFL, ULIMO or NPFL elements). Moreover, the ULIMO leadership has been successfully persuaded not to establish any administrative structures or lay any territorial claims to its zones of operation.
- 201. In preserving its neutrality, many obstacles have been put in the way of ECOMOG. The leaders of the warring factions have proven unreliable and their troops undisciplined. In the face of all this, ECOMOG has nevertheless striven to be even-handed in its approach to disarmament whilst maintaining a credible military power to ensure compliance.

#### Sanctions and their Violations

- 202. Since the imposition of comprehensive sanctions by ECOWAS and an arms embargo by the UN Security Council, ECOMOG has observed numerous infringements by various people. The most notorious of this has been by sea, through the ports of Buchanan, Harper and Greenville in Liberia. ECOMOG Air and Sea Task Forces have been most vigilant and a number of ships suspected to be carrying contraband have either been arrested, damaged or sunk. Those arrested and found not to be carrying any contraband were released after inspection. But for the vigilance of ECOMOG, all the evidence suggests that the situation could have been much worse.
- 203. In the light of these developments, I would strongly recommend that the Cotonou statutory meetings should seize the opportunity to renew the appeal to the entire international community to observe more strictly the sanctions and the arms embargo imposed against the warring parties in Liberia. Violations would only prolong the war and sufferings of the Liberian people.

### Establishment of Corridors of Tranquility

- 204. As stated earlier, the only exception to the ECOWAS sanctions decision is activity of a strictly humanitarian nature. The reason for this is clear. ECOWAS leaders never intended that the innocent civilian population of Liberia should suffer for the wickedness of any warring party.
- 205. Throughout the nearly two years of peace-keeping by ECOMOG in Liberia from November 1990 to October 1992, no difficulty was encountered with the operations of international relief agencies in Liberia, and relations between them and ECOMOG were most cordial. They were allowed complete freedom of action.

As a matter of fact, ECOMOG had cause to intervene many times on the side of the agencies when obstacles to their free movement were erected by the NPFL.

- 206. It is relatively easy to comprehend why this must be so. Conventional wisdom and practice, accumulated over decades of experience in peace-keeping the world over, are well known to peace keepers and relief agencies alike. So the problems, if any, were minimal. The situation is, however, radically different with peace enforcement. Because it is novel to international practice, relief agencies may not readily appreciate the difference and sometimes showed a tendency of wanting to behave as if peace keeping and peace enforcement were coterminous. The truth is that they are markedly different.
- May 1993. We found a need to balance between the interest of ensuring that relief gets to the needy wherever they may be, and the imperatives of avoiding any activity which might compromise the security of the peace enforcers. A point was reached when ECOMOG entertained very serious apprehensions. Accordingly, I visited Monrovia on May 8, and, after a thorough examination of the problem, announced the suspension of all activities outside Monrovia by relief agencies until the Field Commander of ECOMOG was able to establish and designate a "corridor of tranquility" through which all future relief supplies must pass. I appealed to all the relief agencies and NGOs to cooperate fully with ECOMOG in order to ensure the continued facilitation of their humanitarian operations in Liberia.
- 208. On 10 May, ECOMOG established a corridor of tranquility from the Port of Buchanan through Buchanan city to the road junction of LAC/Palm Oil Plantation, to Harlansville to Bokobli and then to Saukobli through to LAC and beyond. The other particulars were as follows:

- (a) Ships carrying relief supplies shall off-load at Buchanan Port from where the relief supplies will be conveyed on vehicles belonging to the relief agencies concerned through the road mentioned above to NPFL areas.
  - (b) All relief supplies and vehicles shall be subject to prior inspection by ECOMOG.
  - (c) ECOMOG will provide safe passages to all relief convoys as far as the road junction at LAC/Palm Oil Plantation.
  - (d) In keeping with its traditional commitment to the free movement of relief supplies to all parts of Liberia, ECOMOG will continue to facilitate such movement through the designated corridor of tranquility for the benefit of all concerned.
- 209. This matter was discussed with senior officials of the United Nations Secretariat in New York on June 14. We reached certain undertakings. We agreed that UN agencies operating in Liberia would respect the corridor of tranquility established by ECOMOG, and that as soon as the security situation in Liberia improved, and satisfactory safeguards were put in place, additional corridors would be considered by ECOMOG.
- 210. The United States Government, for its part and it is the largest humanitarian donor to the war victims in Liberia had no difficulty accepting the validity of the corridor of tranquility in Liberia. In his statement before the US Senate Foreign Relations Sub-Committee on Africa on June 9, 1993, the new Assistant Secretary of State for African Affairs, Mr. George Moose said: "We continue to stress the need for (humanitarian) distribution throughout Liberia, urging ECOMOG to facilitate up-

country assistance and Charles Taylor to end his resistance to cross-line deliveries".

- 211. The Field Commander has issued guidelines and procedures to be adhered to by relief agencies in pursuance of this new measure.
- 212. Our experience in peace enforcement which is the first of its kind ever undertaken by an international organisation reveals that unlike peace keeping, the peace enforcers have a right, indeed a duty, to guide and direct all relief agencies and the displaced population where to go and when to go. In such circumstances, freedom of action or movement is, by definition, restricted.

### CHAPTER V

# THE INTEGRATION ENVIRONMENT

- 213. Since ECOWAS became operational in 1977, regional integration initiatives have been taken in all the fields identified in the Treaty for that purpose. Indeed, sometimes these initiatives have gone beyond the scope of the Treaty by either introducing entirely new areas (such as regional defence and security) or deepening integration beyond what was envisaged in the sector (such as immigration and monetary cooperation). The desire for close cooperation and effective integration has been expressed over the years mainly through the adoption of the various integration policies, programmes and projects. However, for more than a decade now, each annual report on the performance of the Community has not failed to bemoan the lack of implementation of these Community Acts and Decisions.
- Time and again, the attention of the ECOWAS decision-making organs has been drawn to the glaring lack of speed by the Community. During the very first annual statutory meetings I organised in 1989, I sought and obtained the mandate of the Authority to embark on a revitalisation and reorientation process. This mandate enabled the Secretariat to re-examine the trade liberalisation scheme and the monetary cooperation programme, review the ECOWAS Treaty in its entirety, and revive the issue of rationalising the West African Inter-Governmental Organisations (IGOs). The technical aspects of these issues have been thoroughly reviewed and yet the implementation record at the national level has registered minimal acceleration.

215. I suggested in a previous annual report that the Community should look beyond the technical aspects of the integration programmes, if solutions were to be found to the considerable problems facing regional integration in West Africa. In this Chapter, I should like to define an environment that I believe may be conducive to regional integration. By so doing, I hope to focus attention on the weaknesses of the integration arrangements and also dwell on some essential ingredients for effective cooperation which are yet to be supplied. Without any pretence at being exhaustive, this Chapter is devoted to a review of some of the factors that define and constitute the general environment within which the regional integration process is taking place.

# Political Dimension Jacobski apolysy

- entails the systematic removal of all national economic boundaries, which are barriers to the free flow of goods, capital, services and persons within the region. The Community is being built through the gradual coordination and harmonisation of national economic policies and development strategies. This process of harmonisation and the negotiation of common regional policies and programmes involves political decisions on the part of Member States. That is, reaching an agreement on a common regional policy is in effect a voluntary decision by each Member State to partly surrender its exclusive power to determine and guard its national interest in that particular economic field.
- 217. The readiness of a Member State to surrender the power to determine a national policy depends on a number of factors, including the country's assessment of how well the proposed regional policy takes care of the national interest in question. The pace of the integration process is affected if a Member State does not properly undertake this prior assessment. If it is

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unsure of its effect, a Community policy could be watered down, its adoption delayed, or its implementation hampered. It is a matter for conjecture the extent to which difficulties facing ECOWAS today might be traced to such causes.

- 218. In a broader context, one could raise the question of regional solidarity and Community spirit. This feeling develops through shared experiences, awareness of particular contributions and benefits of the Community, or perceived common interests. At the national level, a mechanism must exist which is capable of locating national interests within the broader context of the region and envisaging appropriate regional policies to address these interests. It is such a national mechanism that would propagate the virtues of regional integration and promote among the population knowledge and understanding of how regional cooperation works, and how it is compatible with and supportive of national development aspirations.
- 219. There is therefore the need to establish a close link between national and regional interests, to disseminate information about such identity of interests, and to promote the idea of supranational sovereignty to which all Member States must subscribe. The Revised ECOWAS Treaty provides for a Community with supranational attributes, and Member States must attune themselves to this phenomenon. The wranglings that have been accompanying the ratification of the Maastricht Treaty in Denmark, Britain and Germany are indicative of the difficulty of selling the idea of a supranational body to national governments and their electorates. This should, however, not blind us in ECOWAS to the precedent set by the European Community and the large measure of supranational powers already enjoyed in economic matters by its Commisson and other EEC institutions.
- 220. It is to be noted that the Revised Treaty envisages the establishment of a West African Parliament. This is to promote

grass-roots involvement and popular participation in the regional cooperation process. These provisions are also in line with the desire of ECOWAS as a body to encourage the entrenchment of democracy in West Africa. It should be recalled that by the Abuja Declaration of July 1991, the Authority committed the Community and its Member States to the observance of democratic ideals and the promotion of the democratisation process in this region. This is a modest beginning in political cooperation, but a vital step nonetheless. For it hardly needs to be said that the establishment of liberal democracy throughout the region would enhance free enterprise, freedom of association and the free flow of information and ideas: the very basis of an economic community.

# Regional Peace and Stability Dafword notallugog add

For many years, the international community had associated countries like Angola, Afghanistan, Cambodia, Chad, Ethiopia, Mozambique, Rwanda, Somalia and Sudan with civil wars. For the most part, the civil war was being fought by a people which sought freedom and liberation from the rest of the country - the larger political body. The hurricane of global change and the democratisation process of the late 1980s intensified these struggles and indeed opened new fronts. Thus, West Africa witnessed open rebellions in Liberia and later in Sierra Leone. In many Member States, actual civil war has not broken out but political agitation and civil unrest have accompanied the nascent democratisation process. Worse than this, there is ample proof that there are forces working to take advantage of the current turbulent socio-political weather to further destablise the large measure of supranation region. matters by its Commisson and wither and that rutions

222. Even before the Liberian civil war, leaders of West Africa had felt the need to take joint action in curbing the fear of aggression and in ensuring regional peace and security. Long-

propagate the virtues

standing inter-state disputes and tension were attended to in an informal way by the leaders and, as a safety measure, the two Community protocols on non-aggression and mutual defence were adopted in 1978 and 1981 respectively. However, it took a traumatic regional crisis such as the Liberian conflict to mobilise a regional force like ECOMOG to restore and defend peace and security.

- 223. ECOMOG was established to address a specific crisis and it is not structured and equipped for the maintenance of regional security. Also, a close examination of the 1981 Protocol on Mutual Assistance in Defence Matters reveals certain serious inadequacies. The Community, therefore, needs to consider seriously the prospects of institutionalising the idea of ECOMOG as a regional defence and conflict resolution mechanism. It has been assumed by some observers that the current political and economic liberalisation process would soon lead to the installation of a liberal ideology throughout the region and the elimination of inter-state political differences which have caused instability in the region. Such an assumption is too simplistic and dangerous.
  - 224. Masquerading as patriots intent upon ridding their people of dictatorial military presidents, Charles Taylor and Foday Sankoh have caused havoc and instability in Liberia and Sierra Leone. There is every indication that this campaign was not intended to end in these two Member States. The economic hardships, social discontent and the political upheavals which are accompanying the democratisation process provide very fertile ground for any ruthless persons bent on disrupting the reform programmes of Member States. In these very difficult times when each government is engaged almost on a daily basis in the struggle for its own and national survival, it is easy to lose sight of certain broader issues, especially those of a longer-term nature.

Member States have to break out of. It takes an enlightened and inspired leadership to achieve this. It certainly would take a well-informed and committed leader to promote the setting up of the much-needed regional defence and conflict resolution mechanism. It takes a dedicated leader who is convinced about the virtues of regional integration to urge his peers to increase their level of participation and involvement in Community affairs. There has been evidence of such leadership but, fully aware of the changes currently taking place in the West African political arena, I am now making this plea to all those at the helm of affairs in Member States to be guided by the wider regional vision of the unfolding events. Indeed, where vision is lacking those who suffer most are the people.

### The Economic Dimension

The economic set-up affects the regional integration process in a number of ways. The general economic health of Member States is a major determining factor. As has been stated many times, the West African economy has been experiencing nothing other than stagnation and decline almost the entire life of the Community. The severe economic recession and crisis have obliged Member States to abandon all plans for long-term economic development and to devote their attention almost exclusively to short-term stabilisation. The management of national economies ceased to be preoccupied with development objectives as policymakers grappled with the arduous task of re-establishing balance in the external sector. Economic development objectives and how to achieve them through regional integration were relegated to the back burner. Definitely the decade-long economic crisis and the manner in which it has been tackled have not provided the enabling environment for regional integration.

- Apart from the disruption of the economic development process, the economic crisis emptied the coffers of governments. The little revenue that was available to the public sector had to be rationed in accordance with the new short-term priority items, which excluded regional integration or at best only gave it token recognition. The goals of national economic management for the past decade, the policy instruments under the reform and structural adjustment programmes selected in the pursuit of these objectives, and the manner in which the policies have been applied, have generally produced mixed results. After the deep decline of the early 1980s, the national economies are barely now managing to stabilise. There is hardly any evidence of structural adjustment to the West African economy that the reform programmes set out to achieve, and the need for the transformation and diversification of the regional economic base is now more acute than ever before.
- 228. The performance of national economies has not provided a congenial atmosphere for the smooth implementation of regional integration programmes. A stronger economic base that can support a more buoyant and sustained growth is required. The subject of a more stable economic environment, capable of encouraging longer term investment and development would be one of the pre-occupations of the ECOWAS Consultative Forum, being convened to take place during the Council session in July. This first meeting of the Forum will initiate the regional process of creating harmony among national economic policies and establishing basic guidelines that would ensure that future SAPs or economic reform programmes are better suited to the development and integration needs of Member States.

# The Governmental Bureaucracy

There is hardly any evidence of structu

- 229. When Africans took over the reins of government in the post-independence era of the 1960s, developmental functions were added to the inherited role of civil administration. Even though many of the emergent states adopted socialism with heavy public sector involvement in the national economy, the technical capacity of the new government to analyse and formulate economic policy was invariably defective. Government bureaucracies were better at keeping a tight rein on the economy and setting up controls than fostering a congenial economic environment.
  - 230. The recent economic liberalisation process is casting the bureaucracy in a new role. Whereas government was until very recently at the centre of the economic life of the country, the public service is now required to assume a less visible economic It is expected to develop a capacity for analysis to be able to determine the appropriate framework for national development and set the necessary policy guidelines. It is also required to change its attitude and be more positive in its dealing with the private sector, by creating an enabling environment for the business community. This change of attitude and approach is expected to extend to the regional integration scene. It had been said in the past that regional cooperation had been operated as a Heads of State Club where, at best, business was conducted on a government-to-government basis. Governments of Member States would have to learn under the revised ECOWAS Treaty to promote and encourage a more active role for the private sector in the integration process.
  - 231. Government's perception of regional integration and the priority accorded that process can be discerned from the institutional arrangements created at the national and regional levels to promote regional cooperation and integration. One assumes that the prime motivation of governments in seeking regional

cooperation is the achievement of the national objective of accelerated economic development through pooling the resources of all the countries involved. This pre-supposes that each country is ready and prepared to contribute fully to regional cooperation. This does not, however, appear to have always been the case. The prospect of obtaining additional resources, either from the more prosperous partner states or from the donor community seems to have also been a strong motivation. This attitude of what can be gained from the organisation, rather than what should be contributed towards the achievement of the cooperation objective, has led to the proliferation of intergovernmental organisations in the region. That same attitude also explains, in part, the neglect of these regional bodies since most countries had not reckoned with the financial contributions they have to give in building the organisations.

15.232. If regional integration is to be the channel for economic development, the national institutional arrangement for managing the economy would have to be restructured to reflect the top priority accorded regional cooperation. At the macro level a key ministry has to be the national focal point, fully assuming the coordination of all forms of regional cooperation and ensuring that national development policies and decisions are cast within a regional context. Although some gestures have been made in a number of Member States, no such effective arrangement operates anywhere within the region; instead, it is more usual to find a small coordination unit created in ministries - only a token gesture - reflecting how peripheral regional integration still is in the national economic agenda. This affects both the quality of national handling of integration issues and the level of preparation and participation at ECOWAS meetings. pressures on both the Community and its Member States.

233. The sectoral ministries have to be brought into integration through the creation and proper functioning of interministerial coordination committees. In almost all the sectors,

regional development policies and strategies have been adopted at the Community level. These should form the basis for the formulation of national policies in the appropriate sectors, but it is doubtful if this is being done. Similarly, efforts are going on at the regional level to mobilise and create Community awareness among the different strata and socio-professional groups of the West African society. The relevant ministries should be involved in the organisation of these groups at the national level and should actively promote their participation in regional integration programmes. The Revised Treaty envisages effective private sector participation in regional integration and Governments would have to encourage the involvement of their respective business communities.

### The External Dimension and Avail and its distance

- 234. The regional integration process, just like national economic development, is affected by external factors, and ECOWAS policy-makers have to be very conscious of this external environ-To begin with, one has to take due account of external forces that work to discourage regional integration in Africa. On the assumption that global welfare is enhanced by free trade and that the existing world trade pattern is based on comparative advantage, preferential arrangements for promoting intra-regional trade are generally deemed by the international community to be trade diversionary and should not be be encouraged. More specifically, European entrepreneurs with established business interests in West Africa would tend to be apprehensive about changes that ECOWAS integration programmes would make to West African production and trade patterns. The defence of such external vested interests could take many forms and exert pressures on both the Community and its Member States.
- 235. It is futile to put the blame on external forces for the failures of ECOWAS and the ineffectiveness of regional

integration efforts in West Africa. West Africans themselves should have a proper appreciation of external factors that impinge upon our economy, especially the negative effects of external pressures and should take steps to contain such pressures. This is more easily achieved when we ourselves undertake a thorough analysis of given development issues and determine the appropriate options for promoting West African interests. It is only when we have a firm grasp of our short and longer-term interests that we can gauge the true value of any proposals or promptings from sources external to our region.

- 236. The prior determination of our development and integration options is equally vital in cases where we are dealing with offers of external assistance. One has always to assume that no external donor provides assistance without its own self-interest in mind. The current reviews of the effects of national SAPs reveal the over-riding pre-occupation of the Bretton Woods Institutions to get our debt-distressed countries to meet their external obligations, irrespective of the effect of the reform measures on welfare and economic growth. If our countries had themselves first set their strategies and priorities for dealing with the economic crisis, the negotiation of SAPs might have taken a different form and produced different economic reform packages.
- 237. In the specific case of external assistance for regional integration, Member States have the crucial role of according priority status to regional projects and confirming to an external donor the importance they attach to regional projects adopted by the Community. Unless Member States demonstrate their commitment to regional integration and their support for regional projects, the external donor institutions and governments would continue to show reluctance at extending assistance to the Community.

238. It should be acknowledged that attitudes towards regional cooperation among developing countries have been improving within the donor community. The signing of the treaty of the African Economic Community in 1991 gave impetus to this trend and many international organisations are currently engaged in analysing ways of promoting the integration of the African economy. These initiatives need to be coordinated and better directed to ensure a more positive contribution to the continental economic integration process. It is hoped that the donor institutions and agencies involved would soon match their declared commitment to the promotion of regional integration with The release of the required resources. For example, in spite of the higher priority that the United Nations system has promised regional integration (under UN-NADAF and elsewhere), the resources being made available in support of regional projects under the UNDP Fifth Regional Programming Cycle might turn out to be much lower than under the previous cycle. It is certain that much more needs to be done to improve the external environment which influences the regional integration process in West Africa.

### Summary

239. The Community has justifiably been concerned with the pace of the regional integration process and has taken some significant steps to improve the record of performance. The modification of the ECOWAS trade liberalisation scheme and the revision of the Treaty are important developments but cannot by themselves guarantee the future of the Community. Neither can the proposed rationalisation of West African inter-governmental organisations. Many factors influence the integration process and define the environment in which the Community and its Member States operate. In many respects, this environment has not been ideal and deliberate steps have to be taken to improve it.

- 240. In order to determine the integration environment, one has to recall that regional integration only serves as a tool and a means for achieving economic development. The regional integration process is therefore affected by the same factors governing economic development. This also means that a certain measure of peace and stability (both social and political) is a pre-requisite. There must be a firm commitment to the development and integration of the national economies, and the governmental machineries must be restructured to reflect such a commitment.
- 241. Economic regionalism calls for a redefinition of national economic management priorities and strategies, which Member States are yet to attempt. It is only when this has been undertaken that political commitment to integration can be manifested: governments will become aware of the obvious need to rationalise IGOs, the need to accord the Community supranational status, the urgent need to ensure effective national participation in the regional integration process, and to meet their different obligations to the Community. When West Africans show that much interest in and commitment to regional integration, our external development partners would certainly prove to be more supportive of our collective effort at economic development.

### CHAPTER VI

### CONCLUSION

- 242. Last year when the 1991/92 Report was being written, I had expected it to be my last annual report. I therefore highlighted in that report the major developments in the Community during my four-year tenure of office as ECOWAS Executive Secretary. I have avoided repeating myself in this year's report by limiting its coverage to events that took place within the Community over the past twelve months. However, in this concluding chapter, I should like to reiterate some of the concerns I had expressed a number of times about the West African integration environment and about the pace and manner in which regional integration has been proceeding. In doing this, I am inviting the ECOWAS decision-making bodies and West Africans as a whole to reflect on these recurring issues which are bound to affect the pith and direction of regional integration in West Africa in the years ahead.
- 243. There is no doubt that the pronounced economic difficulties afflicting Member States for more than a decade now contributed significantly to the slow pace of regional integration. As all Member States were pre-occupied with short-term adjustment programmes, longer-term development issues (that regional integration addresses) tended to be neglected. Secondly, this period of economic decline and penury left Member States with hardly anything to support regional integration efforts. This notwithstanding, when one considers the nature of some of the impediments to the West African integration process, one is obliged to wonder about the level of commitment to the building of one economic community in the region. The inertia and

resistance that have attended some ECOWAS initiatives, such as intra-regional trade liberalisation and rationalisation of IGOs, give cause for concern.

- 244. A bolder vision of regional cooperation and integration must be developed in order to improve upon the leisurely pace at which ECOWAS has been moving. The Community must recapture the mood of optimism that gripped its leadership in past years, leading to the land-mark decision to sign an ECOWAS protocol for cooperation in defence matters in 1981 and the decision in 1983 to create a single West African monetary zone.
- 245. The Community would have a new opportunity to infuse the integration process with dynamism when Council and the Authority meet this July to adopt the revised ECOWAS Treaty. While the Eminent Persons were forward-looking and proposed some innovations to propel West Africa along the development path, the legal experts of Member States who reviewed these treaty provisions adopted a rather timid approach, advancing all the reasons why ECOWAS cannot strike out in any new direction or endow itself with greater power of action.
- 246. Discouraging as it is, the timidity of the government officials who examined the Revised Treaty is nothing compared to the potential threat that the proposed expansion of UMOA into an economic union poses to regional solidarity and the cohesiveness of the Community. It is true that UMOA has not contributed to the integration of the economies of its member countries as might have been expected of a monetary union. The reasons for this failure, if failure it is, should be studied by the whole of West Africa so that the regional integration process could be more properly reorientated.
- 247. The monetary arrangements of the CFA zone have not been a sufficient basis for the economic union sought within UDEAC and

CEAO and it is hard to divine any integration miracle that the UMOA proposals could perform. The assurances of the BCEAO authorities nothwithstanding, I am more than convinced that the pursuit of an economic union objective by UMOA countries would be very disruptive of the regional integration process that has been nurtured within ECOWAS over 18 years. West Africa should be seriously considering the problem of rationalising the multitude of IGOs; this is definitely not the time for creating or consolidating sub-divisions in West Africa. I implore the Authority to invite its UMOA members to reconsider any proposals to expand UMOA into an economic union.

- In the past, Member States pursued their individual and independent economic development paths, and the results have been far from satisfactory. Past experience clearly indicates that the countries of this region cannot continue along the old pathways of isolationism, independent action, and the pursuit of national interests. The Executive Secretariat has got the Ministers of Planning and Finance of Member States to meet regularly in an ECOWAS forum. It has been accepted that Governors of Central Banks would also participate in this forum where there would be coordination and harmonisation of national economic, fiscal and monetary policies. This initiative could mark the beginning of a new era in the management of the individual domestic economies and would greatly facilitate the regional integration process. The first session of the Consultative Forum will be convened during the statutory meetings in July 1993 for an exchange of views on the management of the national economies and a review of possible development options.
- 249. As I stated in my last Annual Report, the future in Africa lies with regional integration and West Africans have no other choice than getting themselves better organised for this arduous task. It bears repeating that all regions of the world are witnessing closer economic cooperation and integration among

their respective countries. The three countries of North America are actively pursuing ways of turning into reality their agreement on a North American Free Trade Area (NAFTA). Not content with the success of "Europe 1992", the EEC countries have mounted spirited national campaigns in the past months in support of the Maastricht Treaty. The historic visit of the Emperor of Japan to China during the year marks a major development in regional cooperation in the Pacific Rim, where ASEAN is undergoing radical restructuring. Nearer home in Africa, the PTA countries have begun the process of converting their trade arrangements into a full-fledged economic community, and at the last Summit meeting of the Arab Maghreb Union, a firm agreement was reached to step up North African economic integration.

- 250. One could rightly ask what West Africa is waiting for. Indeed, West Africa has suffered a serious economic decline in recent years and cannot afford to continue lagging behind in the economic development race. The world is not getting any kinder to the countries of this region. Member States must shed their old inhibitions about closer and meaningful regional cooperation and integration. Inspired regional leadership is now called for in the light of the many political changes taking place in many countries in the region. Unless new ideas and bold solutions to the integration problem are sponsored and actively supported by one or two Member States, there would be little progress. And unless a conscious effort is made by all Member States to give regional integration a higher priority, ECOWAS would continue to merely limp along.
- 251. The end of 1992 was undoubtedly recorded in the annals of regional integration as an important date for the European Economic Community. By coincidence, West African leaders had chosen the same period to decide whether their regional integration arrangement should also be deepened by adopting the Revised Treaty. However, for some reasons, the proposed extraordinary

ECOWAS summit could not be convened to enable the Authority to take this decisive step. Let it not be said that West Africans do not possess the will to act in concert when Europeans are moving towards political and economic unions. If the Europeans who balkanised West Africa, and whose economies seem to be in no dire need for pooling resources together - if those same Europeans see great virtue in integration - then I should like to believe that West Africans would have an even greater urge to accelerate regional integration in their own region. Their continued survival depends on it.

- 252. A study that compares the past performance of national economies in West Africa with global economic trends leaves no one in any doubt that regional integration must be embraced by every ECOWAS Member State. As I bid ECOWAS farewell and contemplate the West African economic horizon, I am not altogether sanguine that all concerned appreciate the sense of urgency about the task in hand. During my tenure of office, I tried to infuse some dynamism into the integration process. The revision of the ECOWAS Treaty and the rationalisation of West African IGOs must be accomplished without further delay if a solid basis is to be laid for a revitalised regional integration process. I urge each Member State to show, in practical ways, a stronger commitment to West African integration.
- 253. I should like to end by expressing my deepest gratitude to the Authority of Heads of State and Government and the Council of Ministers for the opportunity given me to serve fellow West Africans in our common bid to advance our prosperity within the framework of brotherhood, unity and integration.