



NOT TO BE TAKEN AWAY ECW/CM.XX/2

ECONOMIC COMMUNITY OF WEST AFRICAN STATES

REPORT OF THE EXECUTIVE SECRETARY TO THE
NOVEMBER 1986, COUNCIL OF MINISTERS

LAGOS, NOVEMBER 1986.

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INTRODUCTION

May I be permitted to seize this opportunity to express my sincere gratitude to Council for the honour of being called upon once again to present a Report on the functioning of the Community and its institutions. It is only four months ago since my last report - which covered the twelve-month period of June 1985 to May 1986. Given the shortness of the present period under review, new developments and achievements would have been limited, even under the best of circumstances.

2. Apart from recording what has taken place since the June/July, 1986 Statutory meetings, therefore, what I shall attempt in this Report would be an introduction and justification of the Community's Work Programme for the coming Year (1987). It is my hope that this focus will assist Member States in their appreciation of what cooperation activities are being proposed for priority consideration. This emphasis should be particularly useful for the Finance Experts Committee which is meeting over the 1987 Budgets of the Institutions of the Community.

3. Quite a number of missions were undertaken by ECOWAS Officials to Member States during the review period in connection with such matters as financial contributions, identification of projects for the economic recovery programme and the West African Inter-Governmental Organisations (IGOs) rationalisation exercise. These missions provided the opportunity for greater interaction between government and Community officials and the means for a better understanding of the socio-economic situation we are all striving to improve. It is my pleasure to report the interest and ready cooperation of those national officials who helped in the execution of our mandate. I would like to express my gratitude to them and to you, Honourable Council members for this continued understanding and assistance. It should be placed on record here that, thanks to this generous spirit of cooperation, the finances of the Secretariat showed considerable improvement during the review period.

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4. I am happy to report to Council the very able manner in which the Federal Minister of Planning of Nigeria, the Honourable Dr. Kalu I. Kalu, has been carrying out the duties of the Chairman of Council. He has been combining ECOWAS matters with his national duties most admirably. Indeed, he took time off his national work schedule and, with the kind permission of the Chairman of the Authority, His Excellency President Ibrahim BABANGIDA, led an ECOWAS mission to conduct preliminary discussions in Washington with potential donor agencies for the West African Economic Recovery Programme during the 1986 Joint World Bank-IMF Annual Meetings. The Community is most grateful to you, Mr. Chairman.

5. This ~~section~~ will set out the most recent available account on the economic situation of the sub-region. The next section will be devoted to progress recorded during the review period on the execution of the Community Work Programme. This section will then be followed by an introduction of the proposed Work Programme for 1987. The Report will end with a short concluding statement.

CHAPTER I

THE PRESENT ECONOMIC SITUATION IN WEST AFRICA

6. An assessment of the economic performance of ECOWAS Member States since the last Summit of Heads of State and Government, indicates that, notwithstanding the return of the rains in the Sahel, the economic situation remains strained.

7. Our countries are still experiencing economic and financial difficulties, typified by an ever-increasing rise in the cost of servicing debts, which has made it necessary to strengthen monetary policy and discipline, reorganise finance management, and impose strict structural adjustment measures.

8. As I stated in my last report in June 1986, the financial recovery and structural adjustment programmes launched by Member States are clearly necessary despite the social cost of their implementation. A number of countries have successfully implemented these programmes, with remarkably good results in many cases, albeit at the cost of great sacrifices as concerns standards of living and job stability. These efforts must nonetheless be pursued.

9. During the period under consideration, the major threat to our economies has been the locust and grasshopper invasion of the Sahel following the first normal rains recorded after more than a decade of drought.

10. The Sahel has barely recovered from the 1982-1984 famine. Although the rainfall has been quite satisfactory, the threat of pests is such that it has been necessary to mobilise international aid to deal with it. During the month of June, 90% of the food crops in Sahelian West Africa were threatened by locust.

11. The international campaign coordinated by the FAO has yielded positive results in the control of this pest. Thanks to the speed with which the alert was sounded, aid from donors and sub-regional cooperation, control measures were carried out in time, and effectively. There are, however, fresh threats to agriculture in

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the sub-region, and control measures will be needed again in the Sahel next year. It is not desirable to run to the international community each time disaster strikes. The solution to our problems lies with us. Our countries must prepare medium and long-term strategies to strengthen control measures against all the pests that threaten our agriculture.

CHAPTER II

PROGRESS REPORT ON COMMUNITY WORK PROGRAMME

12. This Chapter deals essentially with the implementation of the different cooperation programmes since last July's Statutory Meetings in Abuja. In order to put some activities in their right perspective, however, the record sometimes goes back to the beginning of this calendar year; that is, in some cases I relate again some of the events of the latter part of the period covered by the Annual Report for 1985/1986 so as to bring out what has taken place during the 1986 calendar year. When the record is thus presented, it comes out clearly that performance has been below expectation. This is principally because during the first half of this year, resources at the disposal of the Institutions of the Community were severely limited and very little of the programmed activities could be undertaken.

13. The presentation below touches on all the segments of the Community Work Programme, namely trade and customs, immigration, money and payments, agriculture, industry, natural resources, transport, communications, energy, economic recovery, social and cultural affairs, administrative and institutional issues.

TRADE AND CUSTOMS COOPERATION

14. Although the trade and customs cooperation programme covers many areas, only a few components of this programme could be attended to during the review period; action taken was in respect of the harmonisation of external trade statistics, customs administration, trade policy, trade financing and export guarantee, trade fairs, standardisation and quality control.

15. External trade statistics: In previous reports, progress on the establishment of a Community automatic data processing system (ASYCUDA) has been given. ASYCUDA was adopted in November, 1983, in order to improve the quality of customs and external trade statistics. Another measure geared towards this same objective is the harmonisation and improvement of customs and trade documents and procedures. The Community has in the past taken various decisions to harmonise

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and adopt common rules and codes. Because these ECOWAS documents and procedures differ to some extent from those already being used by CEAO and MRU countries, efforts are being made to harmonise these differences.

16. During the review period, ECOWAS participated in a CEAO Seminar in Cotonou on this theme where some of the above issues were discussed. It is expected that, with the assistance of the European Office of Statistics (located in Luxembourg) some concrete achievements can be recorded in the near future concerning the drawing up of a Table of Concordance for CEAO and ECOWAS customs nomenclatures and in the printing of a brochure on ECOWAS Statistical Codes. A full report on the CEAO Cotonou meeting will be made to the Trade and Customs Commission during the November, 1986 Statutory Meetings.

17. Customs administration: A meeting of Directors of Customs Administration was held in Lagos from 7 to 10 October, 1986, to review the implementation of the different decisions taken by the Community and to seek solutions to problems being encountered. The basic texts of ECOWAS place a definite emphasis on trade liberalisation and the establishment of a customs union. It is in this very area that there has been no implementation of Community decisions.

18. The Directors made a number of proposals for improving this situation; some of the recommendations are:

- to set up a special technical committee to examine the basic problems thoroughly and propose appropriate action;
- the Secretariat to organise missions to Member States to inform customs officials, discuss specific problems and stimulate action;
- to strengthen the machinery at national level for receiving, diffusing and acting upon Community decisions and programmes;
- to pursue vigorously the CEAO/ECOWAS/MRU exercise to harmonise the different liberalisation schemes and customs cooperation programmes;

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- to review decision on dates for consolidation of tariff and non-tariff barriers and schedule for liberalisation.

19. The November 1986, session of the Trade and Customs Commission will be called upon to consider these recommendations and to make proposals to Council.

20. Trade development policy: The Community is in the process of evolving a vibrant trade promotion and development policy that will stimulate and sustain intra-Community trade expansion and improve the sub-region's trade relations with the outside world. The EEC sponsored an ECOWAS seminar in Sierra Leone on trade policy and trade cooperation. The International Trade Centre (ITC) and GATT Secretariats participated in this seminar which brought top Government officials of Member States together to reflect on these issues and on ways of improving the usefulness of GATT and ITC to Member States.

21. Export trade financing and credit guarantee: In my last Report, an account was given of the initiative by BOAD, ECOWAS and the Niamey-MULPOC to undertake a study on this topic. The preparatory Committee of these three bodies met in Lome from 14 to 16 October, 1986, to discuss the study outline and ways of seeking funds to finance the study. Meanwhile, these proposals have been sent to the ACP Secretariat as the West African component of a bigger study on the same topic. It is hoped that assistance will be obtained under the Regional Fund of the EEC to carry out the study.

22. Trade fairs: Efforts are continuing to harmonise and achieve a rational programming of fairs within the sub-region. The Committee - comprising of trade fair organising bodies of Member States and the Federation of West African Chambers of Commerce - set up to coordinate the work involved was to have met from 6 to 10 October, 1986, in Lagos. But again, there was no quorum. That such coordination and specialisation of fairs is necessary is borne out by the fact that last year, two major fairs were held in November (in Lagos and in Lome) and this year there will be three in November (in Lagos, Accra and Dakar). Each of these is an important event. To derive maximum

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benefit, participants should have the time and resources to prepare and attend them fully. This cannot be the case when the events overlap or follow each other so closely. Efforts will, therefore, be doubled to ensure that an early understanding is reached among all the parties concerned.

IMMIGRATION

23. Right of Residence: The Abuja meetings which ended in early July confirmed the coming in force of the second phase of the Protocol on Free Movement of Persons, the Right of Residence and Establishment. The Community can therefore proceed with the measures required to ensure the implementation by Member States of the provisions of the Supplementary Protocol relating to the Right of Residence (the Code of Conduct and the harmonisation of Resident Permits etc...). It may be recalled that specimens of the common West African Travel Certificate have already been printed and sent to all Member States. It is now left to the individual countries to see to the introduction into use of this ECOWAS Travel Certificate.

24. New ECOWAS Laissez-Passer: The Secretariat has taken delivery of the new sets (Diplomatic and Service) of ECOWAS Laissez-Passer for the use of officials of the Community. During the period, the formulation of draft rules governing the issuance and use of these documents was completed. The new travel documents should therefore be put into use very soon.

MONETARY COOPERATION

25. Single Monetary Zone Studies: In my last Report, reference was made to the review of the draft proposals (Phase II Report) submitted to the April 1986, meeting of Directors of Research of Central Banks in Monrovia. As requested by the Directors, further work has been done by the enlarged Study Team during the review period on certain technical aspects of the proposal for the creation of a single monetary zone in West Africa. The Team will finalise its draft at the end of November, 1986, and thereafter re-submit the document to the next meeting of the Directors of Research. By the

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May 1987 Statutory meetings, the Committee of Governors of Central Banks should have met to present definite recommendations to the ECOWAS decision-making bodies on this very vital area of the sub-region's cooperation programme.

26. Country adjustment measures: A meeting was held in July, 1986, between the Study Team and the Directors of Research to consider the guidelines and framework for undertaking individual country cost/benefit studies of the proposal to introduce adjustment measures - as contained in the Phase II Study. The meeting agreed on the framework and models which have subsequently been sent to the Central Banks of Member States for their use.

AGRICULTURE AND NATURAL RESOURCES COOPERATION PROGRAMME

27. The Council of Ministers in June, 1986, at Abuja, adopted the short-term programme for the development of the agricultural and natural resources of the sub-region. During the review period, the Executive Secretariat elaborated further on this programme in order to draw up the 1987 work schedule to start the implementation of the Programme (see relevant section of next Chapter on the 1987 Work Programme).

28. Community Centres for seed multiplication and cattle breeding: The Agriculture, Industry and Natural Resources Commission had earlier requested that proper feasibility studies be conducted on the Community centres for selected seeds production and cattle breeding. In accordance with that request, the procedure for engaging qualified West African consultants to undertake the studies was completed during the review period. The first set of feasibility studies will be on those centres that have been established already - four production centres each for seeds and for cattle-breeding.

INDUSTRIAL COOPERATION

29. The Community industrial cooperation programme involves the formulation of a medium-term West African industrialisation programme on the one hand, and on the other hand, the identification and promotion of specific industrial projects.

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30. Medium-term industrialisation programme: On the basis of the sub-regional industrial development policy and strategy already adopted by the Community, the Secretariat has formulated a medium-term industrialisation programme covering the period 1987-1991. This programme is being submitted to the Agriculture, Industry and Natural Resources Commission in November, 1986, and contains a master-plan for the industrialisation of the sub-region, rehabilitation of some existing industrial enterprises and industrial training.

31. Implementation of IDDA programme: ECOWAS has been assigned a coordination role by the West African inter-governmental organisations involved for purposes of implementing the integrated industrial promotion programme which, since 1983, UNIDO, ECA, OAU, ECOWAS and the other West African IGOs have been putting together. During the period, contact was maintained by the Secretariat with the promoters of the different projects retained in the programme. Additionally, the process of identifying financial assistance for the industrial projects was initiated by the Secretariat.

32. Harmonisation of industrial programmes of IGOs: Within the context of cooperation among West African IGOs, ECOWAS has been designated the lead agency for harmonising the industrial sector programmes and activities of the IGOs. Steps were taken during the period to convene the industrial committee of the Association of West African IGOs which is expected to define the modalities for coordinating and harmonising the various industrial cooperation programmes of these IGOs.

33. West African Industrial Forum: During each of the bi-ennial Dakar Trade Fair, an industrial forum is organised by SOFIDAK, the EEC (especially through the Centre for Industrial Development - CID) of the Lome Convention, UNIDO and ECOWAS. The Industrial Forum brings West African entrepreneurs and those from Europe and elsewhere together to discuss the West African investment climate, business opportunities and concrete project proposals. The Community has been participating actively in the preparations for holding the next Forum (the Seventh) in December, 1986.

34. Project profiles as promotional material on some of the projects identified under the IDDA integrated programme have been prepared for presentation at the Forum. Together with SOFIDAK, ECOWAS also organised missions during the period to Member States to generate interest in participating in the Industrial Forum.

COOPERATION IN TRANSPORT

35. The Community Transport Cooperation Programme covers road, rail, air and sea transport. The Programme involves both infra-structural development and harmonisation of legislation and administrative practices of Member States. A major component of the Programme is the completion of the Trans West African Highway Network. Not much progress on this could be recorded during the review period; field missions planned to go and evaluate the level of execution at the beginning of the review period could not be undertaken on time for lack of funds. This highlights the disruptive effect of the liquidity problem facing the Secretariat.

36. ECOWAS Re-Insurance Corporation: Work on the feasibility study was started and the consultant should submit a report by the end of this year. It is expected that a consultative meeting of Insurance and Re-Insurance Experts will be convened by ECOWAS to review the study report and recommend ways for implementing this project.

37. Regional Transport Institute: The World Bank was approached during the period to explore the possibility of obtaining assistance in the implementation of this project which is of interest to CEAO and the ECA. ECOWAS is cooperating with these institutions to establish an Institute for the sub-region that will train transport personnel in the managerial, executive, administrative and supervisory categories.

38. Cooperation among Airlines: The Airlines of the sub-region have been appreciative of the initiative ECOWAS took to bring them together to discuss possibilities of cooperation among themselves in order to improve efficiency and enhance air services within the sub-region. The Federation of West African Chambers of Commerce was got involved recently in our efforts to establish such a cooperation arrangement among the Airlines.

39. Cooperation in maritime transport: A series of recommendations have already been made on methods for improving maritime transport in West Africa. Considering the need to develop a viable service for the sub-region, the Secretariat has continued with its efforts at getting the necessary interest in establishing such a system. During the period, consultations were held with the Ministerial Conference of West and Central African States on Maritime Transport on how to implement the project. ECOWAS will continue to play a catalytic role to ensure eventual success in this area.

COOPERATION IN COMMUNICATIONS

40. The Community cooperation programme in the communications sector covers both telecommunications and postal services. During the review period, progress was recorded on only the telecommunications portion of the programme. This involved action on INTELCOM I - the establishment of the West African section of PANAFTTEL, maintenance of existing links, telephone tariffs and aeronautical navigation.

41. INTELCOM I: The different segments of Phases A and B of INTELCOM I are at varying stages of implementation. The equipment for the Nigeria-Niger inter-state link is under installation; those for three links (Senegal-Guinea, Senegal-Gambia and Gambia-Guinea Bissau) are still being manufactured. Work on the inter-state links between Ghana and Burkina Faso, Benin and Burkina Faso, and between Côte d'Ivoire and Mali is yet to be commissioned.

42. Maintenance of Inter-State links: Apart from ensuring that communication links are established between the Member States, the Community is equally pre-occupied with the need to maintain these telecommunications links. Studies so far conducted to determine where such problems exist have identified the following inter-state links:

Lagos - Cotonou - Lome - Accra
Abidjan - Ouagadougou - Lome
Dakar - Bamako - Ouagadougou - Niamey
Abidjan - Monrovia - Freetown - Conakry.

43. The Community is in a very good position to initiate and develop a mechanism for joint action and for constant maintenance of these links. During the period, a coordination meeting was organised by the Secretariat for telecommunications officials of Nigeria, Benin, Togo and Ghana. The meeting was devoted to the drawing up of a common maintenance procedure for the Lages-Cotonou-Lome-Accra link.

44. Telephone tariff revision: Preparations have been completed in connection with an Experts meeting in November, 1986, in Cotonou for the revision of telephone tariffs. The International Telecommunications Union (ITU) and the Canadian International Development Agency (CIDA) are assisting ECOWAS with this programme which involves the determination and application of uniform tariffs within the sub-region. The tariffs agreed upon in 1979 (Council Decision C/DEC.9/11/79) have not been satisfactorily applied by all Member States and the studies being prepared aim at arriving at more acceptable rates.

45. Aeronautical navigation aids: There is a need for improving the security of aircraft in the air by installing a complete and more efficient aeronautical telecommunications system and navigational aids. A study undertaken earlier by ASECNA is to be up-dated. During the period, there were discussions with ASECNA in Dakar on the proposed study, which is expected to determine the requirements for establishing this sub-regional system.

ENERGY COOPERATION PROGRAMME

46. In the face of mounting oil import bills and dwindling fuel-wood supplies, the Community adopted in 1981 an energy cooperation programme which incorporates such activities as joint exploration, exploitation and development of energy resources, supply and distribution of energy, energy conservation and efficiency in its utilisation. A number of projects have been developed out of the cooperation programme and during the review period action was taken on three of them.

47. Energy conservation audits services: This scheme is to cut down on the amount of petroleum fuel consumption of large electricity utility installations by improving the efficiency of utilisation of energy. The first two of the six sample-States that the pilot scheme

has been designed for were visited by the audit team during the review period. The first audit **was** carried out in Niger in June and the team visited Sierra Leone in September/October; Côte d'Ivoire, Mali, and Nigeria are scheduled to be audited in the coming months.

48. Alternative sources of energy: In addition to the attention given to various forms of cooperation in petroleum and the launching of the 1983-1993 Re-afforestation Decade, the Community is showing the necessary interest in the development of alternative sources of energy. A programme is being drawn up based on the exploitation of new and renewable forms of energy - solar, wind, geo-thermal and biomass. A centre will be created - to be known as Solar Village - for the collection of information, the development and promotion of adoption of renewable energy technology. The Royal Swedish Academy of Science and UNCTAD have expressed interest in the proposed scheme and its funding was discussed at the UNCTAD Conference on the transfer, application and development of technology in the Energy Sector (with particular attention to New and Renewable Energy) held at Geneva from 15 to 24 October, 1986.

49. Regional Information Network: ECOWAS has embarked on a pilot project concerned with the centralisation of information on new and renewable energy and the establishment of an exchange network. With the assistance of UNESCO, the project which has its host centre in Dakar has been started. Energy Information Newsletters are published periodically and distributed to all Member States; the third issue was published during the review period.

WEST AFRICAN ECONOMIC RECOVERY PROGRAMME

50. The Ad Hoc Ministerial Committee set up under the Authority's November 1984 Declaration on Economic Recovery in West Africa presented proposals on Short-Term Recovery Measures and an outline of an investment programme to the last session of Council in June, 1986, at Abuja. Council directed at the end of its deliberation that the formulation of the Recovery Programme should be completed and should be made to reflect measures being taken at the national level through consultations with Ministries of Planning of Member States.

51. A comprehensive draft document on a three-year recovery programme (1987-1989) was prepared during the review period by officials of the Secretariat and the Fund. The document contains both the short-term policy measures and the Investment Programme. The latter is made up of projects in the food and agriculture, industry, infrastructure, social and tourism sectors. These projects were submitted by Member States and form part of the investment programmes that have been drawn up by national authorities to rehabilitate their economies. In line with the Council directive, meetings of planning experts and of Ministers of Planning are being convened in early November to consider the draft document. The size of the investment programme, as it is being presented to the planners, appears to be beyond the capacity of the sub-region to secure the resources required for its implementation. It is expected, therefore, that the meeting of Ministers of Planning will reduce the programme from its initial size of about \$3,500 Million to something more manageable over the next three years.

52. As indicated at the beginning of this Report, the Chairman of Council led an ECOWAS mission to Washington during the annual meetings of the World Bank and the IMF. The objective was to meet at one place as many as possible of donor agencies and institutions which are likely to participate in the financing of the Recovery Programme. Since the implementation of the Programme is expected to start early next year, such a preliminary contact was necessary if not over-due. The moment chosen to introduce the ECOWAS Programme was when the whole world had its attention focussed on the economic problems of the Third World and on the financing of economic development. The reception of this initiative by ECOWAS was quite positive, as the Chairman would have indicated.

53. The ECOWAS Fund is awaiting the adoption of this programme to enable it engage in serious negotiations with financing institutions within and outside the sub-region for resources to supplement what is available to the Community and its Member States.

SOCIAL AND CULTURAL COOPERATION

54. Youth and Sports: Following immediately upon the adoption of the Community cooperation programme in social and cultural affairs in May, 1983, there were encouraging signs of activities in this

field. There were achievements such as the establishment of the Permanent Secretariat in Ouagadougou of the Conference of Ministers of Youth and Sports, the organisation of the first set of ECOWAS games, the creation of the four West African Associations for women, youths, labour and universities and research institutes. But since 1984, there has been some cooling off and steps were taken during the review period to revive interest in these activities. Missions were undertaken in Guinea and Benin to discuss with the two Ministries for Culture, Youth and Sports the revival of the Permanent Secretariat in Ouagadougou and preparations for the organisation of ECOWAS Games.

55. Development of cultural industries: There were a number of visits to Member States to pursue the study on the possibility of establishing cultural industries within the sub-region. Preliminary discussions held with the different governmental agencies and practitioners in the field indicate that, in addition to initiating the creation of enterprises, ECOWAS is in a good position to encourage the formation of professional groups in this sector as a way of developing and preserving our rich African cultural heritage. These possibilities will be pursued during the coming period.

56. Equivalence of Diplomas: A consultant has been engaged, with the material support of UNESCO, to undertake the study on the equivalences of diplomas and certificates awarded by institutions of higher learning in West Africa. During the review period, discussions were held with the consultant who subsequently embarked on the research studies involved.

ADMINISTRATIVE AND INSTITUTIONAL MATTERS

57. Headquarters buildings: The programme for the construction of the Headquarters of the Institutions of the Community evolved further during the period. An agreement was signed with the architects selected earlier on for the construction of the ECOWAS Headquarters at Abuja; advertisements for pre-qualification of tenders have been published in all Member States. It is expected that the foundation stone of the Headquarters will be laid before the next ECOWAS Summit in 1987.

58. Residential accommodation: It has already been reported that the Nigerian Federal Government had provided thirty-four housing units at the outskirts of Lagos for the members of staff of the Executive Secretariat in response to an appeal the Community launched for assistance. Quite a number of these units have been renovated and made available to the Secretariat. Unfortunately, the renovation programme has not been fully completed and the Community has had to continue to hire houses for those staff members affected. It is hoped that the renovation works will be completed soon to relieve the Secretariat of the financial burden the rental units continue to impose on it.

59. Report of Evaluation Committee: It will be recalled that at the Abuja meetings in June, Council ruled that the Evaluation Committee should wind up its operation and have its report ready for presentation during the November, 1986, statutory meetings. During the review period, copies of the Committee's draft "Organisation and Management Report on ECOWAS Institutions" were made available to both the Secretariat and the Fund. Extensive written comments have been prepared jointly by the two Institutions of the Community to accompany the Draft Report to assist the decision-making bodies of the Community in their consideration of the recommendations of the Evaluation Committee.

60. Rationalisation of West African IGOs: In accordance with the decision reached during a review meeting between ECA and ECOWAS officials on a second ECA report on measures to strengthen cooperation arrangements within the sub-region, study missions visited a number of West African inter-governmental organisations during the review period. It is planned that the findings will be studied by the Secretariat and the Fund in preparation for briefing an ECOWAS team that will work later on with ECA personnel on re-drafting the second ECA Report before the end of the year. The new proposals will have to be considered by a joint meeting of IGOs and Member States experts, as directed by the Authority Decision of November, 1984, on this matter before they are presented to the ECOWAS Authorities during the 1987 annual statutory meetings.

THE ECOWAS FUND

CONSTRUCTION OF HEADQUARTERS

61. In compliance with the Abuja Authority Decision (A/DEC.4/7/86) requesting a scaling down of the cost of the Fund Building, the management of the Fund and the Ad Hoc Ministerial Committee on Headquarters Construction successfully re-negotiated with Consortium d'Entreprises (the contractors) the cost of the building. From the initial cost of almost 4,800 million F CFA, the cost has been reduced to 4,352,930,916 F CFA.

62. I am happy to announce that the foundation stone laying ceremony of the Fund Head Office was performed on 4th November, 1986, in Lome. His Excellency General Gnassingbe EYADEMA, Founder-Chairman of the Togolese People's Rally and President of Togo presided over the ceremony.

PROGRAMME FINANCING

63. The ECOWAS Fund continues to play one of its main roles - financing of development projects. The two Community programmes where concrete projects are being established are transport and telecommunications development. The Fund is part-financing a number of the uncompleted sections of the Trans West African Highway Network. During the review period a Loan Agreement for UA 2,245,896 was signed with the Benin Government to cover the Fund's participation in the Dassa-Parakou Road Project. The Fund has now disbursed 52% of the UA 1,166,667 it has committed to the Mono-Sazue Bridges also in Benin. The two bridges have been completed - the construction of the access roads are behind schedule because of delays in delivery of supplies to the site. There is also delay in a third road project the Fund is involved in: the Freetown-Monrovia Highway. Assistance is being given to Sierra Leone in the mobilisation of resources for the Sierra Leonean portion of the project.

64. One of the objectives of the ECOWAS mission to Washington during the Annual Meetings of the World Bank and IMF was to explore the possibility of increasing the capital base of the ECOWAS Fund

by expanding cooperation between ECOWAS Fund and international financial institutions. The outcome of the mission in this respect was very encouraging indeed. Apart from the promise to consider the projects to be submitted under the Economic Recovery Programme, most of the institutions met expressed their willingness to enter into long-term cooperation agreements with the Fund. The draft agreements will be considered during the coming year and the necessary notification will be given concerning the signature of the final texts.

CHAPTER III

WORK PROGRAMME FOR 1987

65. The Community's Work Programme for 1987 will be based on the regular sectoral cooperation programmes and the 1987 component of the West African Economic Recovery Programme. Since the latter is not adopted yet, the programme that has been presented in support of the 1987 budgets of the Institutions of the Community is drawn mainly from the regular programmes. However, in anticipation of the adoption of the Recovery Programme and in the spirit of making ECOWAS more responsive to the immediate needs of Member States, priority has been given to those activities that fall within the scope of the proposed recovery measures. The eventual adoption of the Recovery Programme would therefore not have any disruptive effect on the Work Programme for 1987 as set out below; it will only necessitate spelling out in greater detail some of what is already envisaged.

66. The main focus of the 1987 Work Programme is to encourage and promote the implementation of Community decisions and programmes, especially those that contribute to the achievement of the recovery objectives. Emphasis will therefore be given to those activities that will complement the efforts of Member States aimed at resuscitating their economies. Priority attention will be given to the agricultural and infrastructural sectors. Additionally, attention will be devoted to devising ways of breaking Member States' inaction as far as translating ECOWAS acts and decisions into concrete programmes and projects at the national level and seeing to their implementation.

67. The final form the 1987 Work Programme takes will depend on what Economic Recovery Programme is adopted. What follows may, however, be taken as a good indication of the programmes the Community Institutions will pursue during the coming year. The Work Programme covers trade and customs, immigration, money and payments, food and agriculture, natural resources, industry, transport, communications, energy, social and cultural affairs, institutional and administrative matters.

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TRADE AND CUSTOMS

68. Issues that have been identified as obstacles to the implementation of the ECOWAS trade liberalisation programme will be attended to in order to overcome the impasse. The way will have to be cleared for the application of the ECOWAS customs and statistical instruments. In the second place, more effort will be exerted in order to make a greater impact with the Community's trade promotion programme. Highlights of the trade and customs work programme are:

- a) ASYCUDA: continuation of the installation of national units, establishment of Community Computer Centre at Lome and transfer of functions of Geneva central unit to Lome Centre;
- b) Trade liberalisation monitoring mechanisms: study to define monitoring mechanism and modalities for its establishment;
- c) Guarantee mechanism for goods in transit: study measures at national level required for establishment of guarantee mechanism for goods involved in inter-State road transit operations;
- d) Harmonisation of Internal Indirect taxation: synthesis and analysis of earlier reports for presentation to appropriate Commission;
- e) Trade liberalisation scheme for manufactures: CEAO/ECOWAS/MRU coordination meetings to harmonise differences and propose definitive scheme for liberalising trade in originating industrial goods;
- f) Procedure for Compensation: study and propose revision of procedure for compensation of revenue losses;
- g) Compensation Budget: collection and analysis of relevant statistical data, and drawing up of draft Compensation Budget;
- h) Common External Tariff: resumption of studies leading to proposals for establishment of ECOWAS Common External Tariff;
- i) ECOWAS Trade Forum: organise second Forum to promote intra-Community trade;
- j) Programming of West African Trade Fairs: meetings of Coordination Committee to draw up harmonised programme of trade fairs and similar commercial events organised within the sub-region;
- k) Packaging and Product Presentation: analysis and formulation of proposals for adoption on packaging, labelling and marking of goods;

1) Trade in agricultural surpluses: continue establishment of trade information system on and promotion of intra-Community trade in agricultural surplus;

m) Promotion of handicraft trade: pursue programme for development of handicrafts and promotion of trade in handicraft goods;

n) Export trade financing: collaboration with BOAD, CEAO and MULPOC in devising measures for establishing financing mechanism to promote intra-Community trade.

IMMIGRATION

69. In the field of immigration, the Community in 1987 will enter fully the second phase of its Protocol on Free Movement of Persons, Right of Residence and Establishment. During the first years of this Phase - Right of Residence - national rules and regulations governing the residence have to be harmonised. This task will commence in the coming year in addition to improving the mechanism for monitoring the implementation of the Protocol on Free Movement as a whole.

70. The 1987 components of the Immigration Programme are:

a) Harmonisation of Resident Permits and Cards: study of relevant national immigration rules and regulation and formulation of proposals for harmonising Resident Permits or Cards;

b) Study on Border Residents: study and harmonisation of rules and regulation governing border residents (experience of Europe will be included in study);

c) Publicity tour of Member States: tours to Member States to publicise, monitor and evaluate implementation of Protocol on Free Movement.

MONETARY COOPERATION

71. The recommendations of study reports are to be presented to the ECOWAS decision-making authorities in 1987. It is expected that one of the various options for establishing the single monetary zone will be adopted during the 1987 Annual Statutory Meetings. Thereafter, details of the actual mechanisms for the establishment of such a common monetary system will be worked out.

72. Specifically, the monetary cooperation programme in 1987 will concentrate on:

a) Creation of Single Monetary Zone - Adoption of option: preparations for meetings leading to proposals to Council and Authority on option to be adopted for establishing monetary zone;

b) Legal instruments for establishing single monetary zone: study institutional arrangements necessary for creating monetary zone and draft legal documents of these institutions.

AGRICULTURAL AND NATURAL RESOURCES DEVELOPMENT

73. Programmes drawn up by Member States and the directives given by Council for the formulation of the sub-regional recovery programme give priority to increasing food production and arresting declining agricultural production. The work programme of the Community for the first year of the recovery programme will therefore give particular attention to establishing the basis for rural development and achieving food self-sufficiency. As indicated in the previous Chapter of this Report, the Institutions of the Community have geared themselves to start in 1987 to execute the short-term Programme for developing the agricultural and natural resources programme adopted in July at Abuja.

74. Details of the activities for 1987 in this sector are as follows:

a) Feasibility studies on 3 Selected Seeds Production Centre (Fanaye, Kaedi and Lossa);

b) Feasibility studies on Cattle Breeding-Stock Production Centres (in The Gambia, Famoila, Kaedi, Kedougou and Upper Ogun Ranch);

c) Inventory of agricultural potentials: collect recent data to facilitate effective planning of development of agricultural potential of West Africa;

d) Protection of flora and fauna: inventory of national parks and study of legislations on nature protection with a view to their harmonisation;

- e) Evaluation of national re-afforestation activities: evaluate national programmes and activities to determine their efficacy, problems encountered and complementary measures required to enhance success of the 1983-1993 Re-Afforestation Decade;
- f) Harmonisation of agricultural pricing policies: study to determine real cost of production, relationship between products of the four sub-sectors (crops, livestock, fishery and forestry) and propose appropriate harmonisation of pricing policies to promote intra-Community trade in agricultural commodities;
- g) Monitoring of implementation of Short and Medium-Term Programme;
- h) Organisation of Seminar on Re-afforestation;
- i) Participation in sub-regional programmes and meetings of appropriate West African Inter-Governmental Organisations.

INDUSTRY

75. In the industrial field, there will be three main areas of emphasis during 1987: formulating a master-plan for West African industrialisation, facilitating and monitoring implementation of the projects in the Integrated Initial Industrial Programme of the Industrial Development Decade for Africa (IDDA) and ensuring the timely execution of the industrial rehabilitation component of the Recovery Programme. The specific items in 1987 Industrial Work Programme are:

- a) Inventory of existing industrial establishments and training institutions: inventory of existing enterprises, industrial programmes and projects, institutes and schools for industrial training within the sub-region;
- b) Master-plan for West African Industrialisation: formulation of master-plan covering key industrial sub-sectors to ensure integrated industrial development;
- c) Strengthening Sub-regional Committee on Industrial Development: organise meeting of Committee for improving coordination and harmonisation of industrial programmes and activities of West African IGOs;

- d) Re-habilitation of existing industrial enterprises: assist and monitor rehabilitation of selected (especially small and medium-scale) enterprises within the context of industrial restructuring and recovery programmes of Member States;
- e) Meeting of West African Industrialists: organise meeting to promote exchange of information, cooperation and development of industrial complementary links;
- f) Industrial training: study on strengthening cooperation in industrial training: organisation of seminars on maintenance of industrial equipment;
- g) Integrated Initial Industrial Programme under IDDA: conduct pre-Investment studies and begin search for financial assistance.

TRANSPORT

76. The 1987 Work Programme for this sector covers activities concerning all the transport modes, in line with the Community objective of developing the infrastructural links needed to integrate countries of the sub-region physically. Apart from expanding the physical capacity, Community action in 1987 will contribute to improving the manpower resources and management of the transport sector. Items included in the Work Programme are:

- a) Completion of West African Highway Network: consultation with Ghana, Guinea, Guinea Bissau and Mali on engineering studies to be carried out;
- b) Training in Road Maintenance: study to determine the training needs to build up capacity for road maintenance;
- c) Re-organisation of Higher Committee for Land Transport: consultation between CEAO, ECOWAS and Entente Council on re-organisation of Higher Committee for Land Transport (CSTT);
- d) Establishment of Higher Institute of Transport: feasibility studies for establishment of sub-regional transport institute;
- e) Cooperation among Airlines: monitoring cooperation activities among airlines of the sub-region;

.../...

f) Master-plan for West African Railway Network: data collection for drawing up master-plan for developing a railway network in West Africa;

g) Cooperation among Shipping Lines: collection of relevant data, promotion and monitoring cooperation among shipping lines.

COMMUNICATIONS

77. The implementation of the INTELCOM I programme will continue in 1987. The physical improvement, including maintenance work on existing inter-state telecommunications links will also be undertaken. Components of the Communications Work Programme are:

a) Implementation of INTELCOM I: continuation of implementation of Phases A and B of INTELCOM I;

b) Improvement of existing Inter-State links: viability studies for improvement of existing links to upgrade reliability of service;

c) Telecommunications training needs: study to determine training needs of Member States;

d) Seminar on Maintenance of transmission equipment;

e) ECOWAS Telecommunications data bank: creation of Ad Hoc Committee to draw up harmonised system for data recording for adoption by Member States - uniform information base for data bank;

f) Creation of Single Postal Regime: preliminary study for creation of single postal regime for mail and parcel.

ENERGY

78. The 1987 Energy Work Programme covers cooperation activities on both conventional and new sources of energy. In line with the efforts at halting economic decline in the sub-region by launching an economic recovery programme, the energy cooperation programme will pay particular attention to its on-going energy conservation project. The activities to be undertaken are:

a) ECOWAS energy conservation audit: continue execution of pilot scheme on electric utility plants;

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- b) Cooperation in Petroleum and Petroleum products: study aimed at rationalisation of operation of existing oil refineries and promotion of utilisation of natural gas;
- c) Electric power grid inter-connection: study to facilitate inter-connection of the national electric power grids;
- d) New and Renewable sources of energy: establishment of a pilot project on the utilisation of new and renewable forms of energy (ECOWAS Solar Energy Village);
- e) Energy Information Network: continue coordination of establishment of national centres as part of the system to provide information on energy sources, development, production, consumption etc... of Member States in an organised form.

WEST AFRICAN ECONOMY

79. The economic difficulties the West African sub-region continues to face make it obligatory for ECOWAS, as an economic community, to establish and operate a machinery that will study the prevailing situation, prepare and disseminate data and information on the different sectors, formulate for adoption appropriate policies and programmes to correct the economic malaise. The 1987 Work Programme has components that tackle broad issues of a general or macro-economic nature and aim at bringing planners and policy-makers of Member States together in order to encourage national economic management within a regional context. Community activities envisaged in 1987 within this framework are:

- a) West African Economic Recovery: search for funding and monitoring implementation of policies and programmes;
- b) Compilation of statistical information: collection and compilation of data on macro-economic indicators and selected sectors; publication of Statistical Directory and other statistical bulletins;
- c) Country studies: survey of economic conditions and preparation of country reports;
- d) West African Ministers of Planning Conference: Organisation of Conference on development planning in a sub-regional context; review of economic conditions and implementation of recovery programme;

.../...

e) Seminar on Management of the National Economy;

f) Conference on External Indebtedness: preparation of Conference on external indebtedness of Member States and West African economic Development;

SOCIAL AND CULTURAL AFFAIRS

80. The social and cultural cooperation programme of the Community has the general aim of bringing the peoples of the sub-region together, getting them informed about as well as involved in sub-regional activities, and lastly developing and preserving West Africa's social and cultural heritage. Five of the activities adopted under the Community Programme will be pursued during the coming year. These are:

a) Preparation of Directory of West African Institutions of Higher Learning and Diplomas awarded: study on the establishment of equivalences;

b) Standard Cultural Cooperation Agreement: formulate for adoption standard agreement to guide cultural cooperation;

c) Assistance with merger of Sub-regional Health Institutions (OCCGE and WAHC);

d) Information and Publicity programme: series of seminars, meetings and symposia to inform and publicise ECOWAS social and cultural programmes and exchange views on aspects of sub-regional cooperation;

e) Revival and monitoring of functioning of the 4 West African Associations: (Women, Labour, Youth and Universities and Research Institutes).

INSTITUTIONAL AND ADMINISTRATIVE ISSUES

a) Rationalisation of West African IGOs: finalisation in collaboration with ECA and West African IGOs of studies on rationalisation of institutional arrangements for economic cooperation and integration in West Africa.

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b) Construction of Permanent Offices of Community Institutions;

c) Monitoring strengthening and functioning of National Economic Cooperation Secretariats;

d) Monitoring ratification and implementation of Community Acts and Decisions;

e) Revision of Staff Conditions of Service.

C O N C L U S I O N

81. This Report has revealed the desperate economic position that Member States continue to find themselves in and the new dimension that the locust invasion adds to the already bad situation. It has also brought out that during the course of the review period, very little was accomplished and that this might not be because of the shortness of the period involved, because low performance has been the trend for the whole calendar year.

82. The Community has an impressive list of decisions and programmes it has already adopted. We also have the unenviable record of having implemented or achieved very little in practical terms. ECOWAS is at the threshold of adopting a sub-regional recovery programme to complement the efforts of its Member States in rescussitating their economies. Going by our past record, it is tempting to say nothing much would come out of this praiseworthy initiative. Nobody, I am sure, wishes for this since the economic recovery exercise touches on the very survival of some of our Member States.

83. The other Community cooperation programmes may not appear to have the same urgency about them but it cannot be said they are less relevant to the continued existence of our countries as economic entities in the long run. I only have to draw attention to the different components of the proposed 1987 Work Programme of the Institutions of the Community to prove how important and relevant our ECOWAS endeavours are.

84. Pleas have been made on several occasions in the past, exhorting Member States to acquit themselves more creditably in the matter of meeting their obligations and implementing Community acts and decisions. Happily, there has been a glimmer of hope since the Abuja Statutory Meetings that Member States have really resolved to do more to help ECOWAS obtain the resources needed to execute its programmes.

85. These November meetings culminate in the adoption of the operational budgets of the Institutions of the Community for the coming year. I can assure honourable members of Council that on our part, the Secretariat and the Fund have proposed what we consider

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to be our minimum requirements. Indeed, we have shelved some particular issues that we would have liked to raise because of their financial implications. It is my hope that realistic programmes and budgets will be approved for 1987.

86. What needs to be stressed strongly, however, is that whatever is finally adopted for the functioning of the Institutions of the Community, Member States should make special effort to ensure that the resources needed are available. Furthermore, Member States should resolve to make serious efforts at implementing Community acts and decisions.