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ECONOMIC COMMUNITY OF WEST AFRICAN STATES

NOT TO BE TAKEN AWAY

REPORT OF THE EXECUTIVE SECRETARY

COUNCIL OF MINISTERS
FREETOWN, 23 - 26 NOVEMBER, 1981

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I N T R O D U C T I O N

As has been the practice in the past, a report on the life and activities of our Community should properly include a review of developments in the world around us, how we are affected in the sub-region by such changes and what measures we could, collectively, adopt to either counter the adverse effects of these developments or take advantage of the opportunities proffered. Since my last report to Council, the period has been too short for any noticeable changes to occur in the performance of the world economy. The international economic scene continues to be gloomy and the task of effecting a recovery remains a daunting one, with no significant promise of an improvement in sight.

Our sub-region has continued to suffer, along with the rest of the world. Never having had an easy economic life, West Africa is indeed having more than her share of the prevailing economic disaster. The faster rate of deterioration of the West African economy has accentuated the usual problems of balance of payments deficits and the decelerating rate of economic growth. This fact has come to be acknowledged in a positive way by the international community through the increasing concern with which the economic plight of Africa, South of the Sahara, is being viewed by such institutions as the United Nations Organisation, the World Bank and the International Monetary Fund. Among the areas that world interest is being focussed for urgent remedial measures are the energy and agricultural sectors. We in ECOWAS, should, on our part, do everything necessary to fully take advantage of the priority being given to African economic needs and to ensure that the efforts of the international community are well directed.

It is gratifying to note that the current activities being undertaken by the Community as part of the Priority Work Programme coincide with the areas receiving world attention - trade, energy, agriculture, etc.; this is proof that the ECOWAS authorities are conscious of the needs of the sub-region and have set the right priorities. One cannot repeat too often the roles that an integration organisation such as ECOWAS should be assigned to play in the economic activities

of the geographical region it serves: the organisation is in existence to ensure that, on the one hand long-term measures are adopted and pursued to fulfil the ultimate objective of integration and economic development; and on the other hand, Member States take expedient collective measures to rectify relevant short-term problems that would crop up from time to time. In fulfilling these roles, it is essential that there is compatibility between short and long-term objectives. And, fortunately for us, any co-operation required from our Community to deal with these topical issues engaging the attention of the world would not detract from the implementation of the Community Work Programme which covers:

- Trade Liberalisation and Development
- Transport Development
- Telecommunications Development
- Immigration
- Agricultural Development
- Industrial Development
- Monetary and Financial cooperation; and
- Energy.

In the rest of this Report, an account is given of the implementation of the stated ECOWAS Work Programme, under the sections "Functioning of the Community Institutions", "Work Programme for the Current Period" and "ECOWAS' Relations with the Rest of the World".

FUNCTIONING OF THE COMMUNITY INSTITUTIONS

The different institutions of the Community have all been actively executing their respective assignments under the Current ECOWAS Work Programme. In what follows, highlights of the activities of these institutions will be given. The results of their actions and their contributions will be reflected in the account of the execution of the Work Programme which is rendered in the next section of this Report.

EXECUTIVE SECRETARIAT

The activities of the Executive Secretariat since May 1981 may be divided into three broad headings for purposes of presentation:

- administrative and financial matters
- economic matters
- missions and external contacts.

Administrative and Financial Matters: A major issue raised during the May 1981 Council meeting was the need for competent and qualified personnel to staff the institutions of the Community. The Secretariat recruited an accountant into the Finance Department and drew up a short-list of applicants for various vacant posts including those of interpreters and translators; the recruitment process will continue into the next period. A thorough review was conducted into the qualification and performance of all staff which resulted in the confirmation of the appointments of deserving staff members, the dismissal of those who were found wanting and the re-grading and realignment of those in the General Services category.

A mandate was received from Council at the May, 1981 meeting to review salaries and work out a post adjustment scheme for ECOWAS staff. The Secretariat serviced an Ad Hoc Committee of Financial Experts that was convened to undertake this assignment.

It may be noted that the above issues were considered in respect of both the Executive Secretariat and the ECOWAS

Fund.

During the period, the Secretariat was able to find residential accommodation for all the remaining professional staff members. Unfortunately, sufficient office accommodation has not been found and work at the Secretariat is still badly affected by the cramped space in which officers work; the limited space has also made it necessary to delay the recruitment of all the professional staff -which again hampers the smooth execution of the Secretariat's Work Programme. The Secretariat will continue to work out a solution to this problem with the Nigerian authorities.

Finally, a considerable amount of time and effort was devoted during the period to the problem of trying to make defaulting Member States pay their budgetary contributions. Although some success was recorded, the situation is far from satisfactory and, once again, the opportunity offered is being seized to appeal to Member States to honour all their financial obligations to the Community.

Economic Matters: The work of the Secretariat since May, 1981 has involved on the one hand, a review of issues referred back to it during the May 1981 Statutory meetings and, on the other hand the on-going activities whose execution needed to continue. These activities were undertaken in the fields of trade, customs, immigration, monetary issues, transport, telecommunications, energy, agriculture and industry.

In connection with the execution of the Current Work Programme, the Secretariat had to service study teams and ad hoc Committees set up to cover specific issues. There was thus support given to such ad hoc Committees as on Transport -the TRIE Convention, the TIE Convention and Third Party Insurance; on Trade Liberalisation -List of Industrial Products and Tax Nomenclature. The Secretariat assisted study teams dealing with agricultural, energy and data processing matters.

The Secretariat serviced the meeting of the Special Ad Hoc Ministerial Committee that was set up in May, 1981

to examine the derogation requests made by CEAO and MRU. A number of recommendations emerged from the deliberations of the Ministerial Committee and these recommendations will be submitted to this session of the Council.

Missions and External Contacts: It was deemed essential that the Community should be as responsive as possible to the current international goodwill and attention directed at the acute economic problems of the sub-region and at the rest of the continent. ECOWAS was therefore represented at a selected number of important meetings such as the World Bank and International Monetary Fund (IMF) annual meetings. More important, these occasions were used to hold technical discussions with the executive organs of these institutions on relevant aspects of the ECOWAS Work Programme.

During the period, visits were made to a number of UN Specialised agencies to review and discuss ECOWAS co-operation relations with them. Similar visits were paid to the European Economic Community and the USAID Head Office in Washington. These visits secured for the Community undertakings to support such crucial programmes as trade, agriculture, energy, telecommunications and industry (see section on "ECOWAS Relations with the Rest of the World" below).

As Council has already come to appreciate, an agreement between ECOWAS and these international institutions and governmental agencies becomes necessary if our contacts with them should go beyond general discussions and result in concrete assistance to our Community. For some of these institutions, a Memorandum of Undertaking or specific project agreements are operational requirements without which no resources may be authorised for release to potential recipients. During the review period such an agreement was initialled between ECOWAS and USAID. Council is kindly requested to authorise the Executive Secretary to sign this draft agreement to facilitate further flow of USAID development assistance to the Community. Similar cooperation agreements would be expected to be concluded soon with the OAU and

such UN agencies as UNCTAD, UNESCO, UNIDO and with GATT.

SPECIALISED AND TECHNICAL COMMISSIONS

Preparatory work was completed on enough issues during the period to warrant the convening of all four Commissions but only three actually met in full session namely:

- Trade, Customs, Immigration, Monetary and Payments Commission;
- Industry, Agriculture and Natural Resources Commission;
- Transport, Telecommunications and Energy Commission.

The Commission for Social and Cultural Affairs could not properly meet because of very poor representation of Member States. Instead, the few delegates who turned up for the meeting formed themselves into a working group. The report on their deliberations will be presented to the full Commission at a later date.

In addition, the Committee of Financial Experts met to discuss the budgets of both the Secretariat and the ECOWAS Fund. The Reports of these technical and experts' meetings are being put before Council for consideration; the issues in these Reports that require special attention are listed under the section of this Report dealing with "Issues Placed Before Council".

ECOWAS FUND

One of the major activities of the Fund since May, 1981 has been consultation with the donor institutions which had been identified earlier, to work out the details of the financial agreements for funding the Telecommunications projects. In this respect, discussions were held with the European Commission (EDF and EIB), the African Development Bank (ADB), the BADEA (Arab Bank for Economic Development in Africa), Britain (ECGD), Sweden (Skandinaviska Enskilda Banken), France (COFACE) and Italy. Another donor's conference was held in Brussels to explore further the mechanisms for extending financial assistance to the Community for the Telecom-

munications programme. For some of the new contacts a problem encountered is the legal recognition by these donor institutions of the Fund as a multilateral financial institution - this issue is still under consideration.

In line with the directive received in May, the Fund explored avenues for the profitable placement and judicious spread of its financial resources within the sub-region. So far an account has been opened in Abidjan with a bank that assures high returns and negotiations are still going on with another bank in Dakar. During the period, a high level Fund delegation toured some of the Member States and one action taken during these visits was the opening of accounts in local currencies to enable the payment of the 40% portion of the Special Telecommunications Fund of \$3.5 million to be contributed by Member States in their national currencies.

Action was started in a comprehensive data and information collection exercise from Member States and international institutions. This is to provide material for the writing of an economic profile on Member States which would be distributed to potential donors and clients of the Fund.

Among the other meetings that the Fund was involved with may be mentioned the ECA-sponsored conference on Transport and Communication Needs of West Africa for the Next Decade. Apart from discussing specific projects, there was dialogue between West African technical experts and potential donors on the financial aspects of these projects. This novel approach should lead to definite commitments in the immediate future. The Fund also attended the annual meeting of the Heads of Regional and Sub-Regional Financial Institutions. It should be noted that the Fund is yet to be authorised to ratify the Charter of Cooperation of the West African Regional and Sub-Regional Development Financing Institutions; an early authorisation would enable the Fund to participate actively in the cooperation ventures of these institutions.

Lastly, the Fund continued with its efforts to collect outstanding contributions from Member States. These financial obligations are in respect of the operational budgets

of the Fund, the capital budget and contributions to the Special Telecommunications Fund. If the Fund is to be able to attract the large volume of capital needed to finance the many development projects of our sub-region that ECOWAS would be involved with, it is imperative that the Fund should show a healthy net assets position; Member States are therefore being called upon to make a special effort to liquidate all their debt obligations to the Fund.

BOARD OF DIRECTORS OF THE FUND

The Board of Directors of the ECOWAS Fund met here in Freetown in November, 1981 to evaluate the performance of the Fund, consider its Work Programme for 1982 and approve its Operational Budget for the coming year (1982). The report of the Board meeting is being put before Council for consideration and necessary action.

WORK PROGRAMME FOR THE CURRENT PERIOD

Within the general framework of the Community Priority Work Programme -as set out above- the institutions of the Community drew up short-term activity programmes. These activities reflect the stage at which the execution of the major Programmes has reached and also take into account any mid-course directives that may have been received. The presentation that is made in this Section gives the basis for undertaking the various activities, the objectives they are expected to achieve, the progress made towards the fulfilment of each assignment and what follow-up measures are needed.

TRADE LIBERALISATION AND PROMOTION PROGRAMME

Of the range of activities that make up this important programme, the following were pursued during the period:

- determination of priority industrial products;
- definition of Community Enterprise;
- determination of non-tariff barriers;
- nomenclature of import duties and taxes and internal indirect taxes and duties;
- harmonisation of Customs Administrative Procedures;
- printing of ECOWAS Customs Nomenclature documents;
- computerisation of trade and customs data;
- ECOWAS Trade Newsletter;
- development of traditional handicrafts;
- finalisation of the TRIE Convention.

Priority Industrial Products: The ECOWAS Trade Liberalisation Scheme adopted in May 1980 established three categories of industrial products; firstly, products from Community enterprises which would enjoy total exemption from all import duties and taxes as from May 28, 1981; secondly, priority industrial products which are to be liberalised faster than the third category of ordinary industrial products. The Community had to agree on the definition of priority industrial goods and establish a list of such goods to facilitate the

preferential treatment to be accorded this group as an incentive for an accelerated expansion of trade in these products. During the period, further work was done by the Ad Hoc Committee on Trade Liberalisation on the earlier definition and list, with the assistance of industrial experts. The modifications to the earlier proposals are being submitted to the Trade, Customs, Immigration, Monetary and Payments Commission for re-consideration.

Definition of Community Enterprise: As indicated above, special preferential treatment is to be accorded goods produced by Community Enterprises, under the Trade Liberalisation Scheme. The Secretariat has been working on the definition of the concept of a Community Enterprise and the proposed definition of such an establishment is incorporated in a Protocol which was re-drafted during the period and re-submitted to a joint session of the Commissions for Industry, etc. and Trade, etc. for re-examination in November, 1981.

Determination of Non-tariff Barriers: Under the provisions of the Treaty dealing with trade liberalisation within the Community, not only import duties and taxes are to be eliminated but also all forms of non-tariff barriers as well. The adopted Trade Liberalisation Scheme therefore requires that all the non-tariff barriers imposed by Member States and affecting West African trade should be identified and eliminated over a period of four years, starting from May 28, 1981. After the proposals submitted to the Trade and Customs Commission in May 1981 was referred back to the Secretariat for further improvement the report on Non-Tariff Barriers is being revised with the assistance of the UNCTAD Secretariat. It is expected that fresh proposals on the definition and list of non-tariff barriers would be submitted to the next session of that Commission in the new year.

Nomenclature of Import Duties and Taxes and Internal Indirect Taxes and Duties: The liberalisation of trade requires a differentiation between taxes and other fiscal charges which discriminate against goods imported from other Member States, and taxes and fiscal charges that do not have any such discriminatory element. Furthermore, Articles 13

and 17 specify different liberalisation schemes for import duties and charges of equivalent effect, and internal indirect duties and taxes respectively. It is therefore essential that the nomenclature for these different taxes be determined to enable a correct classification of the relevant taxes and duties of each Member States to be made. In response to a Council directive issued in May 1981, submissions were received by the Secretariat from Member States in respect of the applicable taxes and duties and a meeting of an Ad Hoc Committee of Customs and Taxation Experts was convened during the period to formulate the required Taxation Nomenclature. The result of the deliberations of the Ad Hoc Committee was submitted to the Trade and Customs Commission this November for its consideration.

Harmonisation of Customs Administrative Procedures:

To ensure that the trade liberalisation scheme is implemented smoothly, monitored properly and causes no unnecessary disturbance to the taxation policies of Member States, Article 23 of the Treaty calls for the harmonisation and standardisation of the customs regulations and procedures of Member States. A preliminary study was undertaken during the period with the assistance of the UNCTAD Secretariat to determine the extent of work involved in the harmonisation exercise demanded, and to make initial proposals. It is expected that the report on the study would be reviewed and appropriate recommendations submitted to the next session of the Trade and Customs Commission.

Printing of ECOWAS Customs Nomenclature Documents: The Community adopted in November, 1979 Common ECOWAS Customs and Statistical Nomenclatures as part of the exercise to facilitate the trade liberalisation provisions of the Treaty. Subsequently, Member States transcribed their national tariffs into these documents to enable the Secretariat effect the printing of the harmonised documents for each State. Although it had been earlier decided that these transcribed tariffs should be printed and put into use by 1st January, 1981, some difficulties were encountered (which I brought to the attention of Council during its last session) and the printing of these documents could only be completed recently. It is

expected that the consignments to Member States would be despatched well in time to enable the Community to start using the ECOWAS Nomenclature documents as from 1st January, 1982.

Computerisation of Trade and Customs Data: The application, monitoring and control of the trade liberalisation scheme as well as the operation of the Loss-of-Revenue Compensation scheme would require reliable external trade and customs data and information. It was in recognition of this that the Secretariat was authorised in May, 1981 to explore the possibility and the modalities for the establishment of a computerised system of trade reporting and a data bank. During the period a team of two experts worked with UNCTAD officials and began touring Member States to initiate action on the establishment of an automatic data processing system for the sub-region. A detailed progress report will be presented to the next session of the Trade and Customs Commission.

ECOWAS Trade Newsletter: As part of the trade promotion measures to be adopted in support of the trade liberalisation scheme, a study was initiated earlier this year with the assistance of UNCTAD aimed at the introduction of a trade information service within the sub-region. A preliminary report has been drafted and is currently under review at the Secretariat. By the next session of the Trade and Customs Commission, a definitive set of recommendations should be available on this for the Commission's consideration.

Development of Traditional Handicrafts: Together with the adoption of a trade liberalisation scheme for traditional handicraft goods in May 1981, the Community directed that efforts should be made to develop the handicraft industry and actively promote trade in these goods. The Secretariat has initiated a study on the West African handicraft industry and is hopeful that concrete proposals would be presented to the next session of the Trade and Customs Commission for consideration.

Finalisation of the TRIE Convention: Conscious of the contribution that an efficient transport system could make to the trade development efforts of the Community, a Transport Development Programme was adopted in May, 1980 by the Authority. Under the transport programme, the Community was required to adopt a convention on Inter-State Road Transit. The necessary work has been undertaken and the draft convention which has already been endorsed by the Transport, Telecommunications and Energy Commission has been submitted in turn to the Trade and Customs Commission for its consideration.

IMMIGRATION MATTERS

Definition of Community Citizen: After the ECOWAS Authority signed a Protocol on the Free Movement of Persons, Right of Residence and Establishment, in May, 1979 to modify and partially replace the provisions of Article 27 of the Treaty, it became necessary to re-define the concept of Community citizen. Legal and Immigration Experts from Member States have met a number of times in the past to consider various proposals and during the period under review, the views of those Member States which still had reservations over the definition presented to Council in May 1981 were collected; these observations have been presented to the November 1981 session of the Trade, Customs and Immigration Commission.

Implementation of the Protocol on Free Movement: Since the above Protocol is one of the first Community decisions that have to be implemented by Member States, and also given the fact that the application of the subsequent phases of the Protocol depends on the assessment of performance during the first phase, the Secretariat has continued to keep a close watch on the progress being made in the implementation of the Protocol by Member States. It is with regret that I have to report once again that the seriousness with which the Protocol is being applied by Member States leaves much to be desired; Council is being urged once more to appeal strongly to Member States to shoulder their Community responsibilities.

MONETARY COOPERATION PROGRAMME

In accordance with the mandate given by Council in May this year, the Secretariat has initiated action on studying the means whereby the convertibility of Member States's currencies might be achieved. Preliminary discussions held between the Chairman of the Committee of Governors of Central Banks, the African Centre for Monetary Studies and the International Monetary Fund led to the conclusion that the next step to be taken was the formulation of national adjustment programmes for Member States. Avenues are being explored as to how best to tackle this phase of the Community Monetary Cooperation Programme.

TRANSPORT PROGRAMME

Roads: The Community adopted a Transport Programme in May 1980; the short-term activities included the development of an international road network and an improvement of road services. During the period, work was completed on the charting of unfinished sections of the Trans-West African Highway Network. This was coupled with some work by the Secretariat on the finalisation of a West African Highway Map. With regard to the problem of constructing these international road links, a document was prepared during the period on the Standardisation of Road Design of Inter-State Highways. Apart from the Highway Map, the results of these activities were presented for the consideration of the Transport and Telecommunications Commission in October, 1981. It is expected however, that the issues of road construction (including standards for road design) maintenance and financing would occupy a major part of the Community's action in this sector during the ensuing period.

Another major concern with road transport has been road legislation and regulations. The earlier drafts of the Inter-State Road Transport (TIE) and the Inter-State Road Transit (TRIE) Conventions, which had been submitted on a previous occasion to the Transport sub-Commission, were revised during the period. The new drafts have been submitted to the Transport sub-Commission in October and November,

1981 respectively for consideration. Similarly, some revision work was done on the draft ECOWAS Third Party Insurance Card and re-submitted for the consideration of the Transport sub-Commission in October, 1981. The work being undertaken on the ECOWAS Highway Code has, however, not been completed and this issue would come up for discussion at the next session of the Transport sub-Commission in 1982.

Air: A beginning was made during the period on the activities envisaged in respect of cooperation in air transport. Preliminary talks were held with civil aviation experts within the region on possibilities for cooperation between national airlines, a study on the formation of an ECOWAS Air Company and promotion of exports by air. These issues will receive greater attention in the next phase of the Work Programme.

TELECOMMUNICATIONS PROGRAMME

During the period, action continued on various aspects of the Work Programme drawn up for the implementation of the Telecommunications Programme which was adopted in May 1979 by the Authority.

The implementation of the initial phase of the programme required the identification of the links to be established, the centres to be constructed and equipped, the feasibility studies to be conducted on these and the technical drawings to be made, the preparation of tender documents leading finally to the award of contracts and finding suitable sources of finance. Most of these issues have been resolved and during the period under review, discussions were held with ITU on the finalisation of the tender documents; detailed discussions were also held with the potential donors, already identified, to assist the Community to finance the different projects.

Attention was also given to the problems of scheduling the construction programmes, the management of the projects and the problem of maintenance. These issues were put before the Telecommunications Sub-Commission meeting here in Freetown in October, 1981 and it is expected that the Secretariat

will continue its contacts with Member States and the international organisations concerned in the search for suitable solutions. Two related issues that have been raised in connection with the operation and maintenance of the telecommunications networks are spare parts and qualified personnel. With respect to spare parts, the recommendation has been made for a study into the possibility of establishing industrial units within the sub-region to manufacture selected spare parts. It has been recommended that as a first step towards sub-regional cooperation in telecommunications personnel training, a study should be undertaken to identify the training programmes of West African telecommunications institutes and to determine what cooperation arrangements should be devised to maximise the use of these facilities, etc. Finally, a proposal has been made for the holding of a Seminar on maintenance for the telecommunications administration of Member States.

ENERGY PROGRAMME

As an expression of its concern at the growing problem posed by energy to the economies of almost all Member States, the Authority adopted a Community Energy Work Programme in May 1981.

The first phase of this Work Programme called for a quick inventory and analysis of the energy sector in West Africa and the identification of possible short-term remedial measures and survival projects. The Secretariat initiated the study in collaboration with the USAID. Among the actions planned was the organisation of an Energy Symposium which was aimed at:

- increasing the awareness of the energy problem among Member States;
- gathering information on the energy sector;
- bringing West African and other experts together to debate the energy issue; and
- identifying some of the short-term remedial actions and survival projects needed to alleviate the energy crunch.

A preliminary short field survey was conducted to supplement information collected from desk studies; the results of these activities formed part of the inputs for the Energy Symposium which was held here in Freetown, under the kind auspices of USAID from 2 to 6 November, 1981. The results of the Symposium will form part of the report on the First Phase of the Energy Programme to be presented to the Energy sub-Commission at its next session in 1982.

It is urged that everything should be done by the Community to take advantage of the ready assistance that has been promised by donor agencies in support of our efforts to solve our energy problems in the sub-region.

INDUSTRIAL PROGRAMME

The Community Industrial Programme, which began in November, 1979 with the adoption of the ten priority industrial sectors, calls on the one hand, for the formulation and adoption of the legal regime to govern Community activities in selected industrial fields and projects of regional status and, on the other hand requires the adoption of a regional industrial development strategy and programme and the identification of regional industrial projects.

ECOWAS Protocol on Community Enterprise: The legal regime referred to above is being drafted in the form of a Protocol. An earlier draft, which was briefly examined in May this year by the Industry, Agriculture and Natural Resources Commission, was revised during the period under review to take into account comments made during the May meeting and also observations sent to the Secretariat by some Member States. The issue of the Protocol on Community Enterprises is being placed before a joint session of the Trade and Customs and the Industry and Agriculture Commissions.

Regional Industrial Development Strategy, etc: Draft reports on the first phase of the Industrial Work Programme were completed during the period. These reports deal principally with an inventory of the industrial establishments in Member States, national industrial development policies and programmes. The findings and recommendations contained in the reports will be assessed and specific proposals presented

by the Secretariat to the Industry, Agriculture and Natural Resources Commission.

AGRICULTURAL PROGRAMME

After the adoption of the Agricultural Programme by the Authority in May, 1981, the Secretariat engaged the services of agricultural experts from Member States to conduct pre-feasibility studies on:

- the establishment of cattle breeding stations
- the adoption of passports for cattle
- the establishment of seed multiplication centres
- the creation of a Regional Fisheries Research Centre
- the establishment of a system of surveillance of the marine waters of Member States.

These studies were completed during the review period and the reports and related recommendations were submitted to the Industry, Agriculture and Natural Resources Commission.

AGRICULTURAL PROGRAMME

It is worth pointing out here that at review meetings held on the above reports with a number of potential international donor agencies, the conclusion was arrived at that Community action in the food sector ought to be wider than the areas covered above if a significant impact is to be made on the deteriorating food situation in West Africa. The ideas gathered at those meetings will receive further attention and concrete proposals, on the Community measures to be taken to solve the sub-regional food problem, will be submitted to the next session of the above-named Commission.

ECOWAS RELATIONS WITH THE REST OF THE WORLD

There was a continuation of the strengthening of working relations with institutions and governments of third countries whose activities have a bearing on the implementation of the ECOWAS Work Programme.

SUB-REGIONAL AND AFRICAN RELATIONS

A significant development during the period under review was the meeting of the Special Ad Hoc Ministerial Committee which brought CEAO, MRU and ECOWAS together to discuss the three trade liberalisation schemes currently in force within the sub-region. In recognition of the important role that the West African business community is likely to play in achieving some of the major objectives of ECOWAS, an ECOWAS delegation was sent to this year's annual meeting of the Federation of West African Chambers of Commerce and Industry; indeed there has been continued interaction between the ECOWAS Secretariat and the Secretariat of the Federation, a manifestation of which was the inclusion of an official of the Federation on the ECOWAS delegation which went on a study tour of the ASEAN Region in July, 1981.

ECOWAS is following the evolutionary trends in the OAU, typified by the Economic Summit in Lagos. It was heartening to note at this year's OAU Summit in Nairobi that the OAU Secretariat structure and activities are being modified to make it an effective organ, sufficiently equipped to implement or monitor the implementation of the Lagos Plan of Action. It is fully recognised that close collaboration is needed between the OAU and ECOWAS Secretariats to ensure the success, at the West African level, of the execution of the continental economic programme.

RELATIONS WITH THE UNITED NATIONS

The following institutions of the United Nations continued to assist us in the implementation of our work programmes: UNDP, UNCTAD, ITC, UNESCO, ILO, FAO, ITU and UNIDO. The period under review coincided with the finalisation of the UNDP Third Programming Cycle 1982-86. ECOWAS cooperated

with the relevant specialised agencies to ensure that the regional projects and programmes of these agencies for West Africa are properly defined and included in their proposed next round of activities. Contacts were maintained with UNCTAD and ITC through correspondence and visits to ensure the smooth functioning of their assistance programmes in the areas of trade and customs for the ECOWAS sub-region.

The International Telecommunications Union (ITU) continued to participate actively in the on-going work being undertaken by the Community in the modernisation and development of the West African telecommunications network. There is every indication that ITU would assist in the subsequent phases of the programme, namely, the monitoring of the construction and installation of facilities, their operation and their maintenance. In a similar vein, UNIDO collaborated effectively in the Community's industrial programme; there is the assurance that UNIDO will provide support in the work to be undertaken in the formulation of ECOWAS industrial development strategies, policies and programmes, leading on to the adoption of sectoral master-plans and the identification of regional industrial projects.

Contact was established with UNESCO in connection with a number of approved ECOWAS programmes. This contact led to the participation of UNESCO in the Phase One activities of the Energy Programme. The organisation has also promised, along with ILO to give support to the social and cultural programmes that the ECOWAS Secretariat is currently preparing for adoption by the Community. There was indeed a general undertaking by UNESCO to give its active support to any ECOWAS programmes that fall within the purview of that organisation. The collaboration of FAO was sought in the development of a Community Agricultural development strategy and programme. Lastly, mention ought to be made of the collaboration relations with the ECA Secretariat especially in connection with the implementation of the ECOWAS trade and customs, industrial and transport and telecommunications programmes.

RELATIONS WITH THE EEC

Discussions with the EEC led to an undertaking on their part to finance the total printing cost of the ECOWAS Nomenclature. Negotiations continued, during the period, in respect of the extent of EEC contribution towards the financing of the ECOWAS Telecommunications Programme; it is expected that these negotiations would be favourably concluded fairly soon. ECOWAS continued to follow the formulation of the **Regional Programmes** under the new European Development Fund of the EEC.

RELATIONS WITH THIRD COUNTRY GOVERNMENTS

Some concrete results were recorded in respect of the contacts that were being developed with the United States government. Financial assistance was received through USAID for the implementation of the First Phase of the ECOWAS Energy Programme. Similarly, US financial assistance will be forthcoming in support of the agricultural and agro-industrial programmes of the Community. From initial discussions held, there is the possibility of the ECOWAS Fund obtaining, as from early 1983, a 5-year USAID \$10 million line of credit to finance a Small African Business Enterprises promotion drive. A favourable response has also been received on an eventual USAID assistance with the training of West African customs and statistical experts in connection with the ECOWAS computerisation programme. The French government is providing technical assistance in the formulation of the ECOWAS Automatic Data Processing Programme.

RELATIONS WITH NON-AFRICAN REGIONAL ORGANISATIONS (ECDC)

There was considerable progress during the period with respect to the establishment of working relations with other sub-regional economic groupings of the Third World. Very fruitful study missions were undertaken by ECOWAS to the ASEAN region and to the CARICOM under the auspices of UNCTAD and the Commonwealth Secretariat respectively. ECOWAS played host to a delegation from the South Pacific Economic Council (SPEC) during the same period. Together with the sponsorers

of these exchange visits, ECOWAS is in the process of defining possible cooperation programmes with these economic groupings for their consideration and, eventually, their formal adoption.

1982 BUDGETS OF THE INSTITUTIONS

The Community's 1981 Financial Year is about to end and the Executive Secretariat and the ECOWAS Fund have prepared drafts of their respective 1982 Operational Budgets for consideration. These draft Budgets provide information on an initial assessment of the execution of the 1981 Budgets, and then propose budgetary estimates for the year 1982. Justification is provided for each specific request, principally by relating the request to the activity programme of the institution concerned.

The kind attention of Council is being drawn to the fact that a significant proportion of the financial requirements for the programmes of these executive organs of the Community is being generated through the assistance programmes that ECOWAS has succeeded in drawing up with donor institutions as well as with agencies of some friendly governments outside our region. While we feel thankful for and do welcome this generous external assistance, we would like to appeal to Member States that the main burden of the establishment of our Community and the development of the sub-region should be upon ourselves. It is therefore our hope that greater readiness would be shown by each Member State in the making of its financial contributions to the institutions of the Community. Such commitment by Member States would in fact show to the external world, the seriousness we attach to ECOWAS and this would increase the readiness of the world community to help us.

The Executive Secretariat Budget for 1982 envisages a total expenditure of 7,628,244 units of account -to be funded entirely through contributions from Member States. The principal areas where an increased expenditure is expected are in Personnel Expenses, Studies and Projects evaluation and the Contingency vote.

The 1982 Fund Budget consists of an estimated total expenditure of 3,065,271 units of account and a total revenue of 4,120,896 units of account; this represents a surplus of revenue over expenditure to the tune of 1,055,625 units of account.

The significant changes in the proposed Budgets, which have both been prepared on the basis of the newly adopted Harmonised Budget Format for institutions of the Community, may, among other factors, be attributed to:

- application of the new higher salary rates;
- application of the post adjustment scheme;
- natural progression in the approved reserach activities of the Secretariat, especially the conduct of feasibility and evaluation studies;
- implementation of the Community Telecommunications Programme;
- movement of the ECOWAS Fund office into new premises;
- proven inadequacy of the low percentage rate allowed under the previous Secretariat Budget for contingencies.

C O N C L U S I O N

In spite of some serious problems encountered, I am happy to state that the implementation of the Community Work Programme is progressing quite satisfactorily. As we move along the difficult path towards the integration of West African countries, the need for each Member State to make a greater contribution to this task becomes more and more obvious.

At the risk of repeating myself each time, I am drawing the attention of Council to the importance for taking the necessary steps at the national level to implement Community decisions and the urgency of the necessity for Member States to take their ECOWAS obligations more seriously. To help resolve the first problem, it is being suggested that National ECOWAS Secretariats be set up along the lines proposed in the relevant Memorandum to Council. It is pertinent to inform Council that the quality of work done by the technical Commissions suffers considerably because of lack of continuity in the representation of Member States as well as infrequent or non-attendance at ECOWAS meetings.

A similar concern may be expressed over the slow rate of ratification of Community decisions. In this regard a Secretariat Memorandum urges the establishment of a Committee to revise the decision-making and implementation procedures of the Community. More than this, it is felt that with the passage of time, our fundamental objectives and cooperation strategies ought to be reviewed to take account of major changes that have taken place in the world and in the immediate environment in which ECOWAS operates. The consent of Council is being sought for such an exercise to be undertaken: to re-assess the changes that have taken place since the ECOWAS Treaty was signed, and adjust the Community to the present world economic situation.

If we are to make ECOWAS meaningful to our economic development efforts and also responsive to the changes of the world around us, it is our responsibility to consolidate the foundation that has been laid so far while at the same time seeking possible ways of adapting the Community to our changing circumstances. In other words, we should seek to implement faithfully ECOWAS decisions and we should be innovative in considering issues and in taking these Community decisions.

KEY ISSUES BEFORE COUNCIL

I - FINANCIAL CONTROLLER'S REPORT

II - FULFILMENT OF MEMBER STATES OBLIGATIONS

- Ratification of Protocols, Agreements, etc...
- Implementation of Community Decisions
- Attendance at ECOWAS Meetings
- Payment of Contributions

III - REPORT OF THE SPECIAL MINISTERIAL COMMISSION ON DEROGATION

- Studies aimed at convergence of the three trade liberalisation schemes within the sub-region:
 - . review of the three trade liberalisation mechanisms
 - . review of the compensation mechanisms
 - . harmonisation of the internal taxation of Member States
 - . establishment of a Common External Tariff
 - . establishment of supporting measures for the trade liberalisation programme
- Simultaneous application of the three trade liberalisation systems.

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- Consolidation of the current rates and lists of products that constitute the CEAO and MRU trade preferential systems
- Application of the Customs and Statistical documents of ECOWAS as from 1st January, 1981.

IV - SPECIALISED COMMISSIONS

A - Trade, Customs, Immigration, Monetary and Payments

- i) List of Priority Industrial Products
- ii) Classification of Customs duties and taxes and Indirect internal duties and taxes
- iii) Convention on Inter-State Road Transit of Goods
- iv) Definition of the concept of Community citizen

B - Industry, Agriculture and Natural Resources

Agriculture

- i) Feasibility studies on selected Cattle Breeding Stations
- ii) Feasibility studies on selected Seed Multiplication Centres

C - Joint session of the Trade and Customs and the Industry and Agriculture Commissions

ECOWAS Protocol on Community Enterprises

D - Transport, Telecommunications and Energy

Transport

- i) ECOWAS Motor Vehicle Third Party Insurance Card
- ii) Convention Regulating Inter-State Road Transport

Telecommunications

- iii) Member States' contributions to Special Telecommunications Fund

- iv) Preparation and organisation of Seminar on Telecommunications maintenance and operations of international links
- v) Study on establishment of industrial enterprises to manufacture spare parts for telecommunications equipment
- vi) Coordination of programmes and activities of Telecommunications Training Institutes of the sub-region

V - COMMITTEE OF FINANCE EXPERTS

- i) Revision of Salaries
- ii) Post Adjustment Scheme
- iii) Other conditions of Service
- iv) 1982 Budget of the Secretariat

VI - BOARD OF DIRECTORS OF THE FUND

- i) 1982 Work Programme of the Fund
- ii) Financial Report of the Fund as at 30 September, 1981
- iii) 1982 Budget of the Fund

VII - OTHER MATTERS

- i) Creation of National ECOWAS Secretariats
- ii) Review of ECOWAS Decision-making machinery
- iii) Review of the Fundamental Principles of ECOWAS and Cooperation Strategy
- iv) ECOWAS Logo
- v) Grant of Observer Status
 - . West African Employers' Association
 - . OATUU