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ECONOMIC COMMUNITY OF WEST AFRICAN STATES

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REPORT OF THE EXECUTIVE SECRETARY TO THE COUNCIL OF MINISTERS

LOME, NOVEMBER, 1984

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CHAPTER 1. - INTRODUCTION

Once more, it is time for Council to meet to assess the progress of the Community in order to make suggestions to the Authority on how to direct our future course of action. It has been the tradition so far for Council to meet in November to consider the programmes and corresponding budgets for the coming year. This is the first time, since ECOWAS became operational, that such a November Session is also serving as the preparatory meeting to precede the Summit of the Authority. The importance of this Council Session cannot therefore be gainsaid.

It is my privilege to present a report once again to a meeting of the Council on Community activities and to draw attention to what subsequent action appears to me appropriate to be taken by the Community in its forward march towards an integrated West African Society.

This Report concentrates on an account of the current status of the Community Work Programme: a brief account is given on the implementation of each of the cooperation programmes that the Community has adopted. While some progress has been made on each of these programmes, it is necessary to point out that not as much as was planned has been implemented during the past year. This was due to lack of adequate resources at the disposal of the Community institutions. Indeed, but for the continued support of the international community especially assistance from the UN and its agencies, and from countries like United States of America, France and Canada, the desperate financial situation of the Executive Secretariat would have led to the suspension of the greater part of the Community cooperation programme. The different rates of implementation of Community decisions between the institutions and Member States was further emphasised during the period since the progress

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registered by the Institutions went unmatched at the national levels with regard to the faithful and effective implementation of Community decisions.

The latter part of this Report introduces some of the components of the Community Work Programme for 1985. Most of these items planned for the coming year are a repeat statement of what should have been undertaken in 1984. If our declared desire and objective to make ECOWAS a useful instrument for the development of our national economies is to be realised, a greater effort would seem to be required of us all. Economic cooperation is not a costless venture and neither is it an easy substitute for the effort required of each country to shoulder the responsibility of developing its economy.

consider it my duty to appeal once more to Council and each Member State to resolve to take the task of building ECOWAS more seriously. It is only by making resources available to the institutions of the Community and by showing a greater ability to translate ECOWAS decisions and policies into national economic activities that our commitment to the economic integration of the sub-region can be demonstrated.

I am glad to find Council holding its end of year Session here in Lome. This has been possible due to the generosity of the Togolese Government by offering to host these meetings. I would like to express to His Excellence General Gnassingbe EYADEMA, the President of the Republic of Togo our deepest gratitude.

CHAPTER 2: IMPLEMENTATION OF COMMUNITY WORK PROGRAMME

The implementation of the approved Community Work Programme continued during the past year in the following areas: Trade, Customs, Immigration, Monetary matters, Industry, Agriculture, Transport, Telecommunications, Social and Cultural matters. Details of the progress recorded in these areas are given below.

CUSTOMS COOPERATION: The seminars being conducted in Member States on the nature and utilisation of the ECOWAS Customs Nomenclature and other Customs documents were held in Cape Verde, Gambia, Ghana, Guinea-Bissau and Nigeria during the period. A workshop was organised in Lome in September 1984, at which invited experts reflected on a Report prepared for the Executive Secretariat by UNCTAD on an ECOWAS Common External Tariff; the appropriate Commission has been informed, this November, of the proposals emerging from both the Report and the Workshop.

A detailed study, aimed at the harmonisation of the internal indirect taxation systems of Member States has begun. The first draft of an UNCTAD-financed study report on the proposed ECOWAS Customs Training Programme was received at the Secretariat. This report will be finalised and despatched to Member States so that the Programme might be discussed at a meeting of the relevant Commission being convened in April, 1985.

Preparatory work has begun, with the assistance of UNCTAD, on the holding of a Seminar for Customs officials on the Generalised System of Trade Preferences (GSTP) that is being established among the member countries of the (UNCTAD) Group of 77. The Customs Cooperation Council (CCC) is also assisting the Secretariat in the organisation of a seminar on professional training in customs. Another meeting being prepared by the Secretariat is concerned with generating funds for the

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ECOWAS automatic data processing programme. A conference of potential contributors is being planned for January, 1985. All the above three meetings or seminars are expected to be held in Bamako.

Personnel from the Executive Secretariat attended a seminar organised in August, 1984 by the African Regional Standards Organisation (ARSO) in Yaounde on the standardisation and control of product quality. Similarly, the Secretariat participated in a seminar organised earlier on by the CCC on the Harmonised System of Customs and Trade Classification.

TRADE COOPERATION: A second attempt was made during the period to hold a co-ordination meeting of organisers of Trade Fairs in West Africa. The meeting was for September, 1984 in Lome but there were not enough Member States represented to make it a meaningful meeting. The Trade Fairs coordination meeting is now re-scheduled for 7 December, 1984 at Dakar. The Secretariat will also hold a meeting with the Federation of West African Chambers of Commerce in Dakar, during the Dakar Trade Fair in December, 1984 to discuss some issues relating to the institutionalisation of the ECOWAS Trade Promotion Forum.

The second phase of the study on packaging, marking and labelling has begun with a field mission being organised to Member States. An agreement that has now been signed with ARSO includes that organisation's participation in the extension of the above study. ARSO has already submitted the terms of reference on their part of the study on product quality and metrology.

IMMIGRATION MATTERS: The first phase of the Protocol on Free Movement of Persons, the Right of Residence and Establishment will soon be coming to an end. The Secretariat has therefore been reflecting on the modalities for the implementation of the second phase; therefore, immigration officials of Member States have been called upon to consider how best the second phase should be implemented.

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It may be recalled that more public information posters have been prepared and sent for distribution within all the Member States on the rights and obligations of Community citizens under the above Protocol. It has been found necessary to draw up a Code of Conduct on the Movement of Perons; to this end, the terms ofreference have been drafted for the consideration of the immigration officials during the November, 1984 meetings in Lome. The same Commission also had before it a set of proposals that have been drafted on harmonised procedures and formalities relating to immigration control at the borders of Member States. In this connection, a specific item that the Secretariat is submitting to the Commission relates to a draft model of a single Arrival and Departure Immigration Form, which is being proposed for use by all Member States. It is believed that a single entry and departure form that is used uniformly throughout the Community would simplify formalities and the collection of immigration data.

MONETARY COOPERATION: Council endorsed at its July 1984 meeting in Lagos the recommendations of the Committee of Governors of Central Banks that the Executive Secretariat should carry out further technical studies on the proposed single Monetary Zone. The additional study is being carried out.

A report is being prepared by the Study Team on the following key issues:

- options for creating a single Monetary Union;
- currency convertibility guarantee and pegging;
- adjustment measures required by each Member State; and
- relevant experience of other Monetary Unions especially on the question of pooling of reserves and institutional arrangements.

Some political decisions and directives would be expected to be made on these issues first, to enable the Secretariat continue with the rest of the study.

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INDUSTRIAL COOPERATION: The Secretariat worked together with UNIDO to draw up an initial Community integrated industrial programme within the framework of the African Industrial Decade 1980-1990. Eleven (11) projects have been selected from the set of projects identified for further study and preparation. Related to this exercise of project identification is the study that was carried out between July and September, 1984 on Community industrial projects.

A study has now begun on the operation of the three-country cement enterprise: CIMAO. The study which is being undertaken with UNIDO assistance would cover such matters as the legal status, institutional arrangements, financial and commercial aspects of CIMAO. Two studies, one on animal feed production and the other on the production and marketing of fertilizers and pesticides, were completed very recently. Also, the preliminary study on the creation of a sub-regional Investments Centre was completed. The Industry sub-commission would be presented with the findings of these studies after the Secretariat has examined and made the necessary recommendations on them.

After the approval by Council of the draft ECOWAS Protocol on Community Enterprises, the Secretariat has prepared the final version of this Protocol for the adoption and signature of the Authority. Its ratification and application will mark a significant step forward in our march toward an integrated West African economy.

AGRICULTURE AND NATURAL RESOURCES: A number of studies, that were approved under the 1984 Budget, were completed; the draft reports so far received are on:

- protection of the natural environment;
- food security programme and nutritional policy;
- identification of pilot integrated agricultural projects;
- feasibility study on Community seed production centres;
- feasibility study on Community selected cattle breeding-stock production centres.

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The Secretariat would soon be forwarding these reports, with its comments and recommendations on them, to Member States; most of these reports would be considered at an Agricultural sub-Commission meeting that would precede the May, 1985 Council and Authority Sessions.

It was during the review period that the project on the planning of agricultural development of Member States was completed. The project on pricing policy for agricultural produce, which is expected to take one year to complete began in August. Both projects form part of the technical assistance being received from FAO. The Secretariat is receiving USAID assistance in the preparation of a conference on Sea Fishing in West Africa; this conference had been scheduled for 24-25 October, 1984 in Banjul but was postponed and a new date would be communicated to Member States in due course.

TRANSPORT COOPERATION PROGRAMME: The second meeting of the Council of the ECOWAS Brown Card Bureaux was held in Freetown 3-5 July, 1984 at which the Administrative Secretariat to coordinate the activities of the National Bureaux was created. It was decided this Secretariat would be in Lome and should become operational by January, 1, 1985.

At a consultative meeting of Shipping Experts held 10-11 September in Lome, the reports of the UNCTAD and "Long-Term Planning Association" on the creation of an ECOWAS Coastal Shipping Company were examined. The experts recommended the formation of a semi-public company. This and other issues were presented by the Secretariat to the Transport Sub-Commission at its Lome meeting from 12 to 14 September, 1984. The following recommendations were made by the Sub-Commission:

- transfer of the activities of the Higher Committee on Road Transport (CSTT of Entente Council creation) to ECOWAS;
- admission of students from other French-speaking Member States to the Regional Training Centre for Road Maintenance (CERFER) located in Lome;

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- implementation of the West African Road Network; and
- priority transport projects to be included in the sub-regional economic recovery programme.

The Secretariat monitored the technical studies going on, with finances provided by the ECOWAS Fund, relating to certain portions of the Trans-West African Road Network in Liberia, Mali and Togo. Similarly, the Secretariat pursued its activity in defining through a preliminary study a cooperation strategy for airlines of the sub-region. The basic study is being done by "Aviation Planning Service" through a CIDA grant, and should be completed by the end of December, 1984.

TELECOMMUNICATIONS COOPERATION PROGRAMME: The ECOWAS Tender Board met to open the tenders received for Phase B of Intelcom I. The technical team and representatives of the Member States concerned were convened to analyse these tenders. The recommendations emanating from this exercise have been submitted at the November, 1984 Lome meetings for consideration.

Preparations are under way to hold or participate in a number of seminars. This includes a seminar to be held in Harare from 3 to 15 December, 1984 for English-speaking countries on the maintenance of local telecommunications networks.

Another seminar will be on telecommunications statistics to be held for senior personnel in Niamey from 3 to 7 December, 1984. A coordination meeting of the PANAFTEL involving the Ivory Coast, Guinea, Liberia and Sierra Leone was held in Abidjan from 6 to 9 November, 1984. The Secretariat took part in the first technical and administrative meeting of the Pan-African Telecommunications Union; this was held in Kinshasa from 4 to 13 September, 1984.

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With the assistance of the London-based firm ORT International, a field mission was commenced during the period to determine the training needs of Member States with regard to their senior professional telecommunications staff. A questionnaire has been sent to Member States to collect information in relation to the pre-feasibility study being conducted on the establishment of an enterprise to manufacture telecommunications equipments and spare parts.

Lastly, a field mission has been sent to Member States to evaluate their postal sorting and transit centres.

ENERGY COOPERATION PROGRAMME: Most of the activities pursued by the Secretariat during the review period were in the oil and petroleum sector. A project was launched, with potential IDA loan from the World Bank, to explore the possiblity of joint utilisation of the oil refineries of Member States, most of which are facing capacity under-utilisation problems. The report of the field mission team is expected to be ready by the end of November, 1984.

Under the energy conservation part of the Community energy programme, the Secretariat has secured the participation of USAID in conducting audit services in electric utilities of Member States. The exercise is designed to encourage a more rational utilisation of fuel energy. Part of the exercise would examine the need to train energy conservation experts who would enforce cost-effective practices. The study is based on those Member States where electricity generation relies significantly on petroleum fuels; these Member States have been informed to expect a team in December, 1984 to begin the audit work.

A seminar on oil exploration and production in West Africa is being planned. Contact has been established with PETROBRAS, an oil firm in Brazil to assist in financing the seminar which would bring Brazilian and West African oil experts together to examine the issues involved in both oil exploration and production.

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The ECOWAS/UNESCO Energy Data Bank, which has been established in Dakar, made commendable progress during the review period with its initial programme of activities. A series of training programmes were successfully organised at the national focal point of each of all the Member States included in the pilot programme. A meeting of the Steering Committee of the programme is scheduled to take place at Dakar in December to evaluate the system.

Discussions are being held with the Canadian Government principally through its High Commission in Lagos for technical assistance; there appears a good chance of having an energy expert attached to the Secretariat, through the assistance programme being negotiated, to help with the execution of some technical aspects of the Community energy programme.

SOCIAL AND CULTURAL COOPERATION PROGRAMME : The UNESCO continued its assistance by providing two consultants during the period. One of the consultants worked on the cultural exchange agreements signed and being operated on a bilateral basis between Member States; the aim is to design a model agreement that all member States could use. The other consultant was engaged to continue the study on the publication of an ECOWAS Periodical. The reports of the two consultants are expected to be received from UNESCO before the end of the year.

ADMINISTRATIVE AND INSTITUTIONAL MATTERS :

HEADQUARTERS OF EXECUTIVE SECRETARIAT : Following the report made to Council in July, 1984 on the preparatory steps being taken towards the construction of the Secretariat Headquarters at Abuja, the new Federal Capital of Nigeria, invitations were extended to the short-listed firms to submit their architectural designs. The deadline for submissions is 30th November, 1984. It is hoped that the Secretariat would be able to convene the Ad-Hoc Ministerial Committee on the building of Head Offices early enough to present firm proposals to the May, 1985 Session of Council.

Meanwhile, the Federal Government of Nigeria has allocated some office units to the Executive Secretariat. These units, which are close to the present site of the Secretariat Offices at Onikan on Lagos Island, would considerably reduce the office congestion that has been experienced at the Secretariat for years. However, a fair amount of restoration and painting would first have to be undertaken before most of these offices could be occupied.

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It may be necessary to repeat here the financial problems of the Community which have become critical. Indeed Member States appear not to be moved in the least by any appeal made, by either the Council or the Authority. This year, the problem has exceeded tolerable limits.

We have had to adjust some of our activities and expenditure to accommodate the resources available to us at any given time. This has seriously affected the execution of the cooperation programmes and only delays the integration process. Not only does this chronic problem have a demoralising effect on ECOWAS officials and all others involved in running Community programmes, but it is bound to have a bad effect on the faith of those Member States who see in ECOWAS the hope for economic development within our sub-region and have been meeting their financial obligations on a regular basis. Although our economic recovery has not been as strong as in the industrialised countries, the downward slide has almost everywhere been checked and Member States should be in a better position now to support the Community.

The draft Budget of the Secretariat for 1985 has been fixed at 5,973,929 U.A. and is being submitted to Council for consideration.

RATIONALISATION OF ECONOMIC INTEGRATION INSTITUTIONAL ARRANGEMENTS

Following the Authority directive that the Executive Secretariat should expedite action on the study relating to the rationalisation of the institutional arrangements for economic integration within the sub-region, contact was kept with both the Niamey MULPOC and the ECA Secretariat. The ECA report on Proposals for Strengthening Economic Integration Arrangements within the sub-region was distributed to Member States and West African Inter-Governmental Organisations (IGO's). A series of meetings involving IGO's, planning officials and Ministers of Planning, to discuss the ECA Report, were subsequently organised.

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The Executive Secretariat is expected to present a report and proposals to the Council on the matter. A meeting of National Experts has been held herein Lome from 13 to 15 November, 1984 and has prepared a report for Council's consideration. It may be stated here that a lot more needs to be done to ensure that firm decisions are taken that unequivocally determine the appropriate institutional arrangements to be agreed upon, the exact roles to be played by each institution and the operational relations to be established between them. Until clear lines are drawn and a firm stand taken on the matter, the sub-region would continue to be pulled in different directions by opposing forces. We are certain that Council will be able to make proposals to the Authority on how to create the right conditions that would encourage harmonious cooperation and economic integration in West Africa.

CHAPTER 3: PROGRAMMES FOR 1985

TRADE LIBERALISATION: At the 1983 Summit, the Authority decided that all Member States should apply the single Trade Liberalisation scheme which was adopted by the Community at that session. A determined effort will have to be made in 1985 to see to the take-off of the Trade Liberalisation Programme. This would of course include the use by all Member States of the ECOWAS Customs declaration forms and other related documents.

MONETARY COOPERATION: The on-going studies in the monetary field, all aimed at the eventual creation of a West African Monetary Union, would have to be pursued with vigour in 1985. The findings of these studies should make it possible to submit programme to the May 1985 Summit of the Authority.

IMMIGRATION MATTERS: A significant stage in the implementation of the Protocol on Free Movement would be reached in 1985. An assessment of the first phase would have to be made by the Community, and the modalities for carrying out the second phase formulated and agreed upon.

AGRICULTURE AND INDUSTRY: The reports of these studies should be examined in the coming year in order to draw up specific programmes in each of the areas they cover. In this regard, the following are our objectives for 1985:

- implementation of the projects on seed multiplication centres and cattle breeding-stock production centres;
- organisation of Agricultural Development Committees which would be responsible for the formulation of pilot integrated agricultural programmes for each of their respective zones;
- organisation of a symposium on agricultural development at the beginning of the year;

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- monitoring the ratification by Member States of the Protocol on Community Entrprises, and the formulation by the Secretariat of th operational details needed to ensure the effective application of the Protocol.

TRANSPORT AND TELECOMMUNICATIONS: 1985 would be devoted to the identification of financial resources for the beginning of the actual construction of the uncompleted portions of the Trans-West African Road Network. There should be progress registered on other road transport matters such as the West African Master Road Map, the application of the Brown Card System, Road Maintenance Training Centre and Road Legislation. The results of the air transport study will be used for drawing up proposals towards the improvement and development of an air transport within West Africa. The creation of a West African Coastal Shipping Company will be vigorously pursued.

In Telecommunications, the Phase B of INTELCOM I should enter the implementation stage. Concrete proposals on the local manufacturing unit for telecommunications equipment and parts should emerge by the end of that years; the Postal Programme should make some progress with respect to the sub-regional postal routing plan, evaluation and improvements to sorting and transit centres.

ENERGY COOPERATION: The activities begun in energy conservation, petroleum exploration and [illegible]ction, joint oil refinery schemes and utilisation of flared gas would all be pursued during 1985.

ECONOMIC RECOVERY PROGRAMME: The sub-regional economic recovery programme will be finalised in readiness for May, 1985.

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SOCIAL AND CULTURAL COOPERATION: The programme involves measures to be taken to ensure the effective take-off of the newly formed Associations during the year; the drafting of the model cultural cooperation agreement for presentation to Member States; the reinforcement of student exchange programmes; and the publication of the ECOWAS Periodical.

The 1985 series of the football, basketball and volleyball games would come on; the 3rd West African Games that were postponed should also be organised during 1985.

CHAPTER 4: CONCLUSION

The scope of Community activities today covers almost the whole spectrum of cooperation fields spelt out in the Treaty. It would now be for us to consolidate and follow-up on the immense strides that ECOWAS has made in the past. The weight of the burden of seeing to the smooth running of our Organisation would henceforth rest principally on Member States.

We believe that the lifting of the economic crisis and the joint organisation of an effective economic recovery would help reactivate the political will of Member States, the demonstration of which we have not seen much evidence in the recent past.