

ECONOMIC COMMUNITY OF WEST AFRICAN STATES

SIXTH MEETING OF
THE COUNCIL OF MINISTERS
DAKAR, NOVEMBER 26 - 28, 1979

FINAL REPORT

1. The sixth meeting of the Council of Ministers of the Economic Community of West African States (ECOWAS), was held in Dakar, in the Republic of Senegal from November 26 to 28, 1979. All the Member States were present at the meeting. The West African Economic Community (Communauté Économique de l'Afrique de l'Ouest CEAO) and the Mano River Union were present at the meeting in an observer capacity. A list of the participants is attached as Appendix I.

2. - OPENING

The meeting was opened by the Honourable Minister of Finance and Economic Affairs of the Republic of Senegal, Mr. Ousmane SECK, who welcomed the Ministers to Dakar on behalf of the President of the Republic of Senegal. He expressed satisfaction with the substantial achievement that had been made by the Community within the past one year, pointing out that the achievement had placed the Institution on a firm and solid foundation for the subsequent building of a lasting and sustained progress in the Community. He also expressed particular satisfaction with the implementation of the Priority Programme formulated a year ago which enabled the Community to make substantial strides in its diverse areas of action. He thanked the Executive Secretary and his colleagues for their contribution to this achievement. He then expressed hope and confidence for the future of the Community by the

finally thanked Members for the cooperation they had given him and expressed the hope that the new Chairman would equally be given the same cooperation that he received during his tenure of office as Chairman of the Council of Ministers. (A copy of the address is attached hereto as Appendix II)

3. ADOPTION OF THE AGENDA

The Agenda was adopted as follows.

1. Election of the Chairman for 1979/1980
2. Report of the Executive Secretary
3. Ratification of the appointment of Mr. Robert TUBMAN as the new Managing Director of the Fund
4. Trade liberalization and cooperation, and related issues
 - (i) Report of the Trade, Customs, Immigration, Monetary and Payments Commission
 - (ii) Outlines for the drafting of Community regional industrial policy programme
5. Report of the Transport, Telecommunications and Energy Commission - Directors of Telecommunications Meeting
6. Report of the Committee of the Governors of Central Banks
7. Report of the Board of Directors of the Fund
8. Report of the Financial Controller
9. Report of the Committee of Financial Experts
10. Other Matters
11. Adoption of the Report of the Council
12. Final Communique

4. ELECTION OF THE CHAIRMAN

The Chairmanship of the Council went to Togo according to the Rules of Procedure of the Council. In his opening address, the new Chairman of the Council, Honourable Kwassivi KPETIGO, thanked the former Chairman, Honourable Ousmane SECK for the excellent manner he had directed the affairs of the Council. He also expressed his gratitude to the Experts whose appreciable contribution had transformed the Community into what it is today.

5. REPORT OF THE EXECUTIVE SECRETARY

The Executive Secretary presented a report, divided into following five parts:

- (i) Introduction
- (ii) Life of the Community
- (iii) Work Programme for 1979/1980
1980 Budget
- (iv) Summary of the main decisions expected to be taken at the November 26 - 28, 1979, Meeting of the Council of Ministers in Dakar.
- (v) Conclusion

The Council took note of the report after some general observations pending the re-examination of the different corresponding items on the Agenda.

After presentation of the report of the Executive Secretary, the Council proceeded to the ratification of the appointment of Mr. Robert TUBMAN as the new Managing Director of the Fund.

6. RATIFICATION OF THE APPOINTMENT OF MR. ROBERT TUBMAN AS THE NEW MANAGING DIRECTOR OF THE FUND

His appointment was confirmed by the Council as the new Managing Director of the Fund. He then took the Oath of Office. In a short statement, the new Managing Director of the Fund said that it was a great opportunity for him to join the Economic Community of West African States. He noted that for a long time, the continent of Africa had been exploited both in human and physical resources and that with the emergence of the Community, it was our responsibility to change the economic structure of the Community to our advantage. He then thanked the Executive Secretariat for the cordial cooperation he had received since he joined the Community. He finally thanked the Council of Ministers for the confidence reposed in him by the confirmation of his appointment.

7. TRADE LIBERALISATION PROGRAMME, COMMERCIAL COOPERATION AND RELATED PROBLEMS

The Chairman of the Trade, Customs, Immigration, Monetary and Payments Commission, Mr. Kodjo LABAN of Togo presented the report of the work of that Commission.

The Council took the following decisions on the corresponding items of the report of the Commission.

- (i) Adoption of the ECOWAS Nomenclature and the coming into force of this was scheduled for the 1st January, 1981.
- (ii) Adoption of the Statistical Standards; coming into force scheduled for 1st of January, 1981.
- (iii) On fishing products, rejected the proposed amendment relating to paragraph 4 of Article III of the Protocol relating to the Definition of the Concept of Originating Products pending a more satisfactory proposal on this item from experts on maritime law.
- (iv) On the level of value added, rejected the proposal by the Commission to further amend the text of Article II.1(c) of the Protocol relating to the Definition of the Concept of Originating Products as previously amended by the

(v) On questions relating to re-exportation, the Council decided to recommend to the Heads of State and Government the extension of the provisions of the Protocol relating to re-exportation within ECOWAS of goods imported from third countries to originating products. The Council endorsed the proposed procedure for re-imbusement of duties and taxes paid at the time of first importation on re-exported goods.

On Inter-State-Transit, the Council adopted the proposal of the Commission relating to the setting up of an Ad Hoc Committee to prepare an ECOWAS Convention on Inter-State Road Transit.

8. TRADE LIBERALIZATION OF UNPROCESSED PRODUCTS

The Council endorsed the proposal that the English and French texts of Article V(f) of the Protocol on the definition of the concept of goods originating from Member States should be re-aligned and the French text be improved upon. The Council endorsed the following recommendations of the Commission:

- total exoneration of duties and taxes
- free movement of these products without any quantitative restriction to be supervised by Economic Operators at the point of entry
- absence of compensation for loss of income resulting from the importation of these products.

Benin and Cabo Verde reserved their positions on the proposed absence of compensation for loss of income resulting from the importation of these products. The Council took due note of the reservations and requested the Executive Secretary to make an assessment of the possible effects of the implementation of each of the measures which had been adopted.

9. LIBERALIZATION OF INDUSTRIAL PRODUCTS: PROBLEMS RELATING TO PREFERENCES

The Council requested the Executive Secretary to present at the next session of Council an in-depth study of all possible alternatives on the liberalization of trade in industrial products.

10. IMMIGRATION (DEFINITION OF THE CONCEPT OF COMMUNITY CITIZEN)

The Council requested the Executive Secretary to carry out a study on the acquisition of nationality by naturalisation.

11. NATIONAL WORKSHOPS ON QUESTION RELATING TO TRADE LIBERALIZATION

The Council endorsed the proposals relating to the organisation of these national workshops and requested the Executive Secretary to forward documents relating to the workshops without further delay to Member States.

12. ORIENTATIONS ON THE DEFINITION OF REGIONAL INDUSTRIAL POLICY

The Executive Secretary presented the outline of the regional industrial policy and defined the priority sectors of the industrial development programme of the Community. He emphasized that this policy and the programme constituted an indispensable complement of the Trade Liberalization Programme.

The Council noted the importance of an industrial development programme for the Community as a necessary complement to the Trade Liberalization Programme.

The Council then requested the Executive Secretary to carry out an in-depth study on this issue bearing in mind, however, certain priorities on preliminary questions:

(a) Harmonisation of national plans

(b) Giving priority to self-sufficiency in food production

(c) Locating regional industries in each Member State.

- (d) Progressively finding a solution to the general problem of development, starting with self-sufficiency in food production and taking into account the following order of priority:
- (i) food production industries
 - (ii) agro-chemical industries
 - (iii) agricultural machines
 - (iv) construction material industries
 - (v) wood industries
 - (vi) electronic and telecommunications industries
 - (vii) petro-chemical industries
 - (viii) pharmaceutical industries
 - (ix) iron and steel industries
 - (x) automobile and related industries.

13. REPORT OF THE DIRECTORS OF TELECOMMUNICATIONS

The Council was informed about the progress made in the study relating to the improvement and development of telecommunications. The Council approved, in particular, the following three items of the report of Directors of Telecommunications:

- (i) Routing plan which would ensure the profitability of investments to be undertaken
- (ii) The principle of a uniform tariff in all Member States
- (iii) The principle of the creation of a special mutual aid fund with a view to assisting Member States in the development of their telecommunication network and ensuring its maintenance.

The Council congratulated the two experts responsible for the study for the work done and encouraged them to continue the task entrusted to them

14. REPORT OF THE COMMITTEE OF GOVERNORS OF CENTRAL BANKS OF WEST AFRICA

The Executive Secretary emphasized two items that needed the attention of the Council:

- (a) Implementation of the study entrusted to the Secretariat particularly, that concerning the non-convertibility of currencies;
- (b) Institutional relationship between the West African sub-regional committee of the Association of African Central Banks and the ECOWAS Committee of Central Banks of West Africa.

The Council approved the execution of the studies entrusted to the Secretariat. The Secretariat will also report to Council on results of other follow-up studies being now carried out by the West African Clearing House at the request of the Committee of Governors of Central Banks.

The issue of the relationship between the two institutions mentioned above should be examined in detail for future presentation to the Council for its decision.

15. REPORT OF THE BOARD OF DIRECTORS OF THE FUND

The attention of the Council was drawn to two particular items of the Report:

- the Charter of Cooperation between Regional and Sub-regional Development Financing Institutions
- the issue of non-contribution of Member States

The Council urged the defaulting Member States to pay their contributions.

The consideration of the Charter of Cooperation was postponed for the time being because it was not urgent.

16. REPORT OF THE FINANCIAL CONTROLLER

The Financial Controller presented his report which was based on two main items:

- Implementation of decisions and related instructions emanating from former reports of the Council;
- The current activities of the Institutions of the Community to date.

The Financial Controller particularly emphasized the payment of contributions to the capital of the Fund, and to the operational budgets of the Secretariat and the Fund. He drew the attention of the Council to the considerable arrears owed by some Member States and the gravity of such a situation for the correct functioning of the Institutions of the Community. The Financial Controller submitted for the consideration of the Council a certain number of recommendations:

- Necessary measures to be adopted for the payment of arrears owed to the Secretariat and to the Fund;
- Use of budgetary surplus of 1977 and 1978, according to the two following alternatives:
 - Depositing the surplus in the Reserve Account of each Institutions;
 - Use of the funds to reduce the contribution of Member States to the 1980 Budget.

(a) Payment of contributions

Several Member States mentioned contributions paid, which however are not mentioned in the report of the Financial Controller. The Council asked the Financial Controller to check up the payment of contributions and make all the necessary corrections. As regards the arrears actually due, the Council urged Member States concerned to meet their financial obligations as soon as possible.

(b) use of Budgetary Surplus

After hearing the report of the External Auditor on this particular issue, the Council sanctioned the deposit of budgetary surplus of the Fund in its reserve account. For the Secretariat, the Council thought that at the present stage of the development of the Community it was not appropriate to use the surplus for reducing the contributions of Member States concerned.

The Council, therefore, decided that the budgetary surplus of the Secretariat should be placed in its reserve account. For future contributions, it was decided that the issue should be submitted to the Authority of Heads of State and Government for decision.

(c) Placement of Funds

The Council took note of the statement made by the External Auditor and asked that the decision taken by the Board of Directors meeting in Lome - October 1979 on this issue be strictly adhered to.

17. REPORT OF FINANCIAL EXPERTS

The Chairman of the Committee of Financial Experts, Mr. Robert Dote MENSAH from Togo presented the Report on the Secretariat's Budget for 1980. The Report mentioned three particular items:

- Creation of 25 additional posts
- Upgrading of the post of the Chief of Protocol from G6 to P2
- Special allocations of 18,560 UA and 200,000 UA required, respectively, for compensation allowances and preliminary works related to a piece of land offered to the Secretariat by the Federal Government of Nigeria.

The Chairman emphasized that the draft Budget submitted for approval did not include a research budget, since the cost figure for the relevant programmes had not been finalized. He concluded his presentation by remarking that the Committee of Finance Experts thought that the Budget for 1980 was sound and recommended that the Council should approve it.

The Council urged Nigeria to save the Community from the payment of any compensation relating to the piece of land donated to the Secretariat. The representative of Nigeria promised to submit this request to the appropriate authorities of his country. The Executive Secretary was instructed to pursue the question of concluding Headquarters Agreement with the two host Governments.

With regard to the Research Budget, the Executive Secretary explained that although estimates on the Telecommunications Programme adopted by Council and approved by the Authority were available, the figures against the Transport Programme had not been approved by the Transport Commission. He also pointed out that the figure indicated in his report for the research budget on transport covers several years.

The Council approved the Executive Secretariat's Budget for 1980 as presented by the Committee of Finance Experts and approved a further sum of US \$2,250,000 for the Telecommunications Programme.

Furthermore, the Executive Secretary was requested to obtain from the host countries of the Headquarters of the Community and of the Fund, confirmation of their obligations towards the Community

OTHER MATTERS

18. CONDITIONS OF SERVICE OF AUXILLIARY STAFF

The Secretariat presented a Memorandum relating to the implementation of an earlier Council decision on the alignment of the salary scales of the staff in the "M" category with those of their counterparts in the public service of the host Government. The Council approved the requested upward adjustment of these salary scales to reflect the increases in salary of this set of public servants recently effected by the Nigerian authorities.

19. NEED FOR POST ADJUSTMENT SCHEME (ECW/CM/VI/10)

A Memorandum was presented to Council by the Secretariat on the need for the adoption of a Post Adjustment Scheme to reflect the differences in the cost of living in the cities where the institutions of the Community are sited. The Council approved, in principle, the adoption of a Post Adjustment Scheme, but requested the Secretariat for the financial implications of the Scheme before approving its implementation.

20. CONDITIONS OF SERVICE OF THE GENERAL SERVICE AND AUXILLIARY STAFF (ECW/CM/VI/11)

The Council deferred decision on the matter till the presentation of the financial implications of the proposal by the Secretariat.

21. PROPOSED USAID ASSISTANCE TO ECOWAS (ECW/CM/VI/2B)

The Executive Secretary presented the document on the draft agreement between the USAID and ECOWAS, relating to financial and technical assistance to be extended to the Community by USAID.

The Council was of the opinion that the terms and conditions for the utilization of the funds were too harsh especially if one took account of the fact that the sum involved was only \$200,000. The Council decided to postpone further consideration of the document and instructed the Executive Secretary to study the Draft Agreement and present his comments especially on the likely effect of the present terms on the Community.

22. REVISION OF THE FEE FOR THE EXTERNAL AUDITOR

As an introduction of the above subject, the Executive Secretary explained that the lack of sufficient accounting personnel at the Secretariat had made it necessary for the External Auditor to put in extra work than would have been normally required of him, so as to ensure the establishment of a proper accounting system. For this reason, the External Auditor has submitted a request to the Chairman of the Council of Ministers to the effect that his fee be revised upwards.

The External Auditor gave additional information especially on the nature of accounting duties that he had to perform. He then requested the Council to consider increasing his present fees from 9,600 UA to 19,000 UA.

The Council agreed that its Chairman should negotiate, on the basis of documents to be furnished by the Executive Secretary a new fee with the External Auditor and submit a firm proposal to the next session of the Council of Ministers. The Council was of the opinion that the External Auditor had had to put in additional effort which was not fully compensated by his fees.

23. ADOPTION OF DRAFT RESOLUTIONS, DECISIONS AND SUPPLEMENTARY PROTOCOLS

The Executive Secretary presented the different documents and reminded the Council that these were in conformity with the decisions taken earlier on by the Council while adopting recommendations made by the Trade, Customs, Immigration, Monetary

The Council adopted items (i), (ii) and (iii) below.

- (i) Draft decision of the Authority of Heads of State and Government relating to re-exportation within the Community of goods imported from third countries - ECW/HSG/III/Dec.1
- (ii) Draft Additional Protocol amending the Protocol relating to re-exportation within the Community of goods imported from third countries - ECW/HSG/III/SP.1
- (iii) Draft Resolution on the Regional Industrial Policy and Programme - ECW/CM/VI/Res.26.

24. The Executive Secretary and his staff were commended for their effectiveness and devotion to duty and urged to continue the good performance in the future.

25. VOTE OF THANKS

The Council moved a vote of thanks expressing its profound gratitude to the President, the Government and the People of Senegal for their warm hospitality.

26. ADOPTION OF FINAL COMMUNIQUE

The Council adopted the Final Communique attached to this Report (Appendix IV).

27. ADOPTION OF REPORT

The Council adopted the Report of its sixth session.