



BCEAO

BANQUE CENTRALE DES ETATS
DE L'AFRIQUE DE L'OUEST

2017 ANNUAL REPORT

SUMMARISED VERSION



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DE L'AFRIQUE DE L'OUEST

2017 ANNUAL REPORT

(summarised version)

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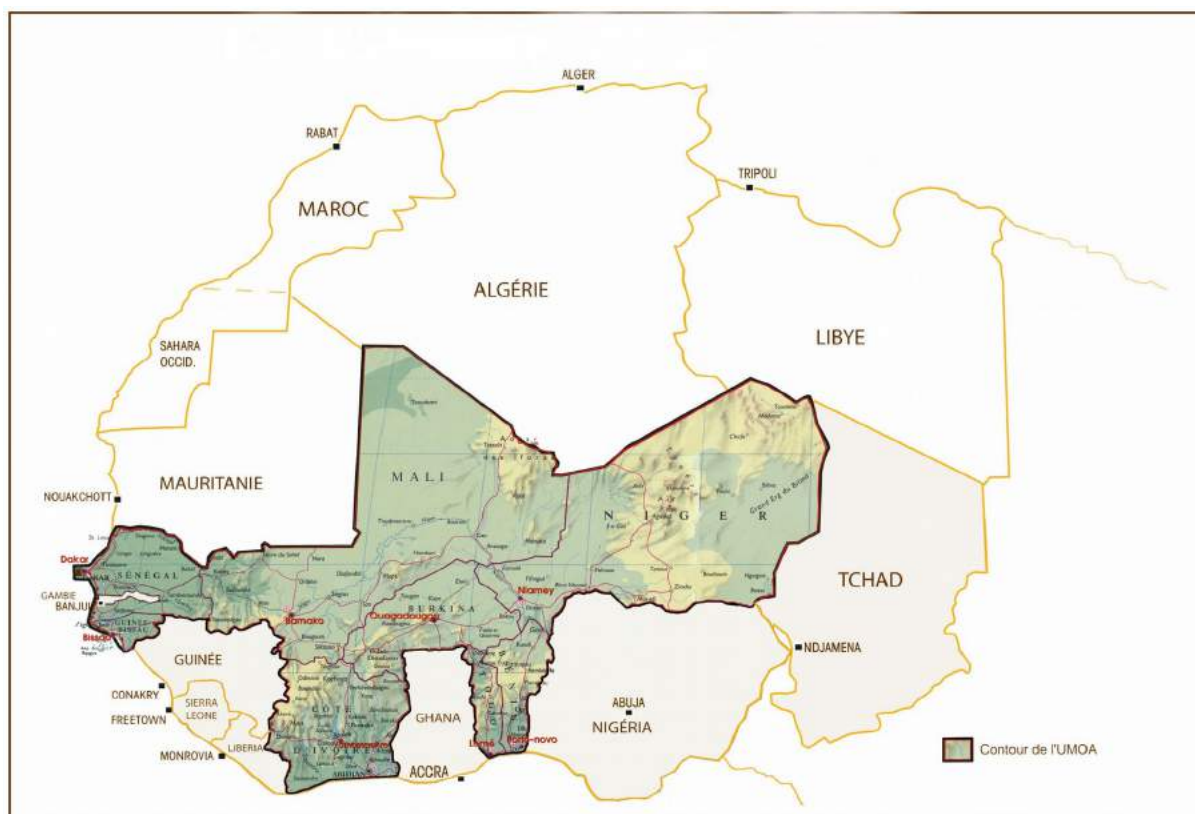
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THE WEST AFRICAN MONETARY UNION (WAMU)



The West African Monetary Union (WAMU), established by the Treaty of 12 May 1962 which was subsequently replaced by the treaties of 14 November 1973 and 20 January 2007, comprises the following eight member countries:



The Central Bank of West African States (BCEAO), whose fifty-fifth year of activity is described herein, is the common central bank of the WAMU member states; it is in charge notably of managing the common currency of its member countries, the African Financial Community Franc (CFA Franc), and their foreign exchange reserves, as well as implementing their common monetary policy.

N.B.: - Unless otherwise specified, all values indicated in this report are expressed in CFA francs.

BCEAO HIGHLIGHTS IN 2017

The following are the highlights that marked the past financial year for the BCEAO.

AT MONETARY AND FINANCIAL LEVELS

Regional Consultation on a “Sukuk” Model Bill for Sub-Saharan Africa

A regional consultation on the process for drafting a “model law” on “Sukuks”, or Islamic bonds, was held at the BCEAO Headquarters in Dakar on January 23-24, 2017. The meeting, which was organized by the Islamic Development Bank (IDB) and its Islamic Research and Training Institute (IRTI), was the first in a series of consultations planned by the IDB in various regions across its member countries (Sub-Saharan Africa, Central Asia, South-East Asia, North Africa and the Middle East). Its aim was to provide the member states with a standard best practices-based legislative instrument that would enable them to adapt their respective legal frameworks governing Sukuk issuances.

The Dakar meeting brought together approximately eighty participants from central banks and finance and infrastructure ministries, as well as financial market players (regulatory authorities, stock exchanges and management companies) from some twenty sub-Sahara African countries, including WAEMU countries. The WAMU Securities Agency and the West African Development Bank (WADB) also took part in the meeting.

Conference on Credit Data Sharing in the Union

A Conference on credit data sharing to improve financial inclusion in the West African Economic and Monetary Union (WAEMU) was held on June 1, 2017 at the Headquarters of the Central Bank. The opening ceremony was chaired by Mr. Tiémoko Meyliet Koné, Governor of the BCEAO. The conference was attended by Operations or Customer Services managers of the institutions concerned (credit institutions and decentralized financial systems) and also by heads of major public utilities (mobile telephone operators, water and electricity distribution companies).

This conference, which was jointly organized by the BCEAO and the International Finance Corporation (IFC) and moderated by international credit data sharing experts, aimed to deepen the knowledge of concerned stakeholders in the Union with regards to the challenges of the credit information sharing system and its contribution to the development of the credit market.

Participation in the Global Policy Forum on Financial Inclusion

On September 13-15, 2017, the Governor of the BCEAO attended the Global Policy Forum (GPF) on Financial Inclusion themed “Exploring Diversity, Promoting Inclusion”, which was organized in Sharm-El-Sheikh, Egypt, by the Alliance for Financial Inclusion (AFI), in collaboration with the Central Bank of Egypt. This year’s edition highlighted some of the financial inclusion innovations and activities currently taking place in the Arab world. The forum also showed how diversity breeds and promotes effective financial and social inclusion policy reforms and innovations. The 2017 GPF was also an opportunity to embrace the diversity of financial inclusion actors beyond the AFI network and encourage greater collaboration and cooperation towards common goals.

AT THE ECONOMIC INTEGRATION AND MONETARY COOPERATION LEVELS

Working Visit by the BCEAO Governor to BADEA

As part of efforts to enhance cooperation between the BCEAO and the Arab Bank for Economic Development in Africa (BADEA), BCEAO Governor Tiémoko Meyliet Koné made a working visit to the headquarters of the institution in Khartoum, Sudan, on January 15-20, 2017.

Participation in a Conference on “Central Banks and Exogenous Shocks: Crisis Exit Strategies”

The Governor of the BCEAO participated in a high-level conference on the theme of “Central Banks and Exogenous Shocks: Crisis Exit Strategies” organized by the Bank of Central African States (BEAC) on January 25, 2017, in Yaoundé. The conference was attended by the Economy and Finance Ministers of the member countries of the Central African Economic and Monetary Community (CEMAC), central bank governors, academics and representatives of sub-regional and international financial institutions.

Discussions focussed on the consequences of the exogenous shocks experienced in recent years and participants shared their experience on appropriate monetary policy measures implemented by central banks to build the resilience of the economies of countries dealing with exogenous shocks.

Participation in a Conference on “Cross-border Banking and Regulatory Reforms: What Lessons can Africa Learn from International Experience?”

On February 1 and 2, 2017, the Governor of the BCEAO took part in a high-level conference organized in Mauritius by the IMF, in collaboration with the Basel Committee on Banking Supervision and the Making Finance Work for Africa Partnership.

The purpose of this meeting was to give African authorities an opportunity to discuss lessons learned from Europe’s experience, especially during the international financial crisis. The meeting also enabled stakeholders to review progress in promoting cross-border cooperation in Africa and assess efforts to be made to improve the supervision of pan-African banks and frameworks for addressing their deficiencies.

Meeting of the Bureau of the Association of African Central Banks (AACB)

The first ordinary meeting of the Bureau of the Association of African Central Banks (AACB) took place on March 8, 2017, at BCEAO headquarters, under the chairmanship of Mr. Godwin I. Emeziele, Governor of the Central Bank of Nigeria (CBN), its current chairperson. The meeting aimed to assess the implementation of the decisions taken at the 39th ordinary meeting of the Assembly of Governors held in Abuja in August 2016.

Fifth Edition of the Africa Emerging Markets Forum

From March 26 to 27, 2017, the Governor of the BCEAO participated in the 5th edition of the Africa Emerging Markets Forum organized in Abidjan, in collaboration with the Government of Côte d’Ivoire, the Emerging Markets Forum and the Japan International Cooperation Agency (JICA).

The purpose of the meeting was to discuss the long-term economic and social development of the African continent. Discussions focused on: (i) *Africa in forty years*, (ii) *building human capital and improving the quality of education*, (iii) *demographics and urbanization*, (iv) *transforming rural Africa*, (v) *solutions to Africa's infrastructure deficit*, and (vi) *improving surgical techniques in Africa to save lives*.

The forum was co-chaired by His Excellency Alassane Ouattara, President of the Republic of Côte d'Ivoire, Mr. Horst Köhler, former President of the Federal Republic of Germany and Mr. Michel Camdessus, former Managing Director of the IMF.

Signing of the Amended Agreement between Secretariat General of the WAMU Banking Commission and the Secretariat General of the Central African Banking Commission

On the sidelines of the 5th bilateral meeting between the Secretariat General of the WAMU Banking Commission and the Secretariat General of the Central African Banking Commission (COBAC), the Governor of the BCEAO Mr. Tiémoko Meyliet Koné, and BEAC Governor Abbas Mahamat Tolli, signed a cooperation agreement on April 12, 2017, on the premises of the General Secretariat of the WAMU Banking Commission.

The purpose of this agreement was to supplement and reinforce certain provisions of the Cooperation Agreement signed on October 16, 2007 by the two regulatory authorities.

The amended agreement takes account of changes in banking activities and related regulations, especially the resolution of banking crises, the Basel II and III standards, supervision on a consolidated basis, the new Banking Chart of Accounts and monitoring of risks arising from the development of cross-border credit institutions.

Participation of BCEAO in the Spring and Annual Meetings of the Bretton Woods Institutions

A BCEAO delegation led by the Governor took part in the spring and annual meetings of the International Monetary Fund and the World Bank, held in Washington on April 17-23 and October 9-, 2017, respectively.

The meetings were mainly focused on the International Monetary and Financial Committee (IMFC) of International Monetary Fund Governors and the World Bank Development Committee.

Twenty-Fourth Meeting of Central Bank Governors of French-speaking Countries

The Governor of the BCEAO took part in the 24th edition of the Meeting of Central Bank Governors of French-speaking Countries organized by the Swiss National Bank on May 24-25, 2017 in Montreux. This edition was marked by a conference on "*Financial Digitization: Opportunities and Challenges Facing Central Banks*". The conference focused on the advantages and disadvantages of financial digitization and its impact on the business model of the banks, as well as on the new role of central banks in a digitized financial world.

Participation in the Annual Meetings of the Association of African Central Banks (AACB)

Within the framework of the annual meetings of the Association of African Central Banks (AACB), held on August 15-16, 2017 in Pretoria, South Africa, BCEAO Governor Tiémoko Meyliet Koné, participated in the symposium on "*Monetary Integration Prospects in Africa: Lessons from the Experience of the European Monetary and Financial Integration*" and in the 40th Ordinary Meeting of the AACB Board of Governors. At the end of the ordinary meeting, the Governor of the South African Reserve Bank and

Vice-President of AACB was elected Chair of the Bureau of the Association, in accordance with the established rotation principle.

Participation in the Celebration of the Sixtieth Anniversary of the Bank of Ghana

A BCEAO delegation led by the Governor participated in the activities celebrating the 60th anniversary of the Bank of Ghana, on August 18, 2017, in Accra. During this meeting the Governor delivered a message of congratulations to the Governor of the Bank of Ghana, Dr Ernest Addison. The BCEAO also took part in a conference on the following themes: (i) “Implications of the US monetary policy for emerging economies such as Ghana”, (ii) “The changing role of central banks in economic policies”, (iii) “Could a single African currency support double-digit growth?” and (iv) “The electronic payments era: an opportunity or a threat for banks”.

IN TERMS OF THE MANAGEMENT OF THE BCEAO

The Governor of the BCEAO Named Commander of the Order of Merit of Guinea-Bissau

BCEAO Governor Tiémoko Meyliet Koné was named Commander of the Order of Merit of Guinea-Bissau by His Excellency José Mario Vaz, President of the Republic of Guinea-Bissau, during a solemn ceremony held in his honour on January 9, 2017 at the Presidential Palace in Bissau.

The event was attended by some 30 guests, including the Prime Minister of Guinea-Bissau and several Government members, as well as the Ambassadors of Senegal and France.

Election of the Governor to the Board of Directors of the Alliance for Financial Inclusion

Mr. Tiémoko Meyliet Koné, Governor of the BCEAO, was elected to the Board of Directors of the Alliance for Financial Inclusion (AFI) during the General Assembly of AFI central banks, institutions and member countries held on September 13, 2017 in Sharm-El-Sheikh, Egypt. The Governor of the BCEAO has thus become a member of the AFI Board of Directors, where the BCEAO represents the Alliance’s Sub-Saharan Africa, Middle East and North Africa members.

The Alliance for Financial Inclusion, which was established in 2009, is an independent international organization with members in over 100 countries around the world. Its objective is to define strategies and policies to promote the financial inclusion of people who are excluded from the financial system and support countries in the implementation of their financial inclusion programs.

In addition, through actions undertaken by the BCEAO, which joined AFI in 2011, the rate of use of financial services in the WAEMU region rose from 26% in 2010 to 65% in 2016, notably thanks to a regulatory framework that offers facilities for developing financial transactions via mobile phones.

BCEAO Branch Foundation-Stone Laying Ceremony in Tahoua

On December 18, 2017, His Excellency Issoufou Mahamadou, President of the Republic of Niger, and his Burkina Faso counterpart, His Excellency Roch Marc Christian Kaboré, laid the foundation stone of the BCEAO Branch in Tahoua. The ceremony was attended by BCEAO Governor Tiémoko Meyliet Koné.

The ceremony was also attended by Niger State personalities, diplomatic representatives accredited in Niger and several other guests.

The construction of a third BCEAO Branch in Niger responds to the Central Bank's constant concern with bringing its services closer to users, especially those in dynamic economic centers within WAMU member countries. It is also in line with the Central Bank's network extension policy, which aims to improve the quality of currency circulation, decentralize and secure banking activities and strengthen financial intermediation within the Union.

**MEMBERSHIP OF THE STATUTORY BODIES
AND ORGANIZATION CHART OF THE BCEAO**

MEMBERSHIP OF THE WAMU CONFERENCE OF HEADS OF STATE AND GOVERNMENT

as at December 31, 2017

PRESIDENT: His Excellency Doctor **Alassane Ouattara**,
President of the Republic of Côte d'Ivoire.

His Excellency **Patrice Talon**,
President of the Republic of Benin.

His Excellency **Roch Marc Christian Kaboré**,
President of Burkina Faso.

His Excellency Doctor **Alassane Ouattara**,
President of the Republic of Côte d'Ivoire.

His Excellency **José Mario Vaz**,
President of the Republic of Guinea-Bissau.

His Excellency **Ibrahim Boubacar Keïta**,
President of the Republic of Mali.

His Excellency **Issoufou Mahamadou**,
President of the Republic of Niger.

His Excellency **Macky Sall**,
President of the Republic of Senegal.

His Excellency **Faure Essozimna Gnassingbé**,
President of the Togolese Republic.

MEMBERSHIP OF THE WAMU COUNCIL OF MINISTERS

as at December 31, 2017

PRESIDENT: Mr. Amadou Ba,

Minister of the Economy, Finance and Planning of the Republic of Senegal.

Republic of Benin

Mr. Romuald Wadagni, Minister of the Economy and Finance;

Mr. Abdoulaye Bio Tchané, Senior Minister in charge of Planning and Development

Burkina Faso

Ms. Hadizatou Rosine Sori-Coulibaly, Minister of the Economy, Finance and Development;

Mr. Eric Wendenmanegha Bougouma, Minister of Infrastructure.

Republic of Côte d'Ivoire

Mr. Adama Koné, Minister of the Economy and Finance attached to the Prime Minister's office;

Mr. Abdourahmane Cissé, Special Advisor to the President of the Republic.

Republic of Guinea-Bissau

Mr. Joao Alage Mamadu Fadia, Senior Minister of the Economy and Finance;

Mr. José Biai, Secretary of State for Planning and Regional Integration.

Republic of Mali

Dr Boubou Cissé, Minister of the Economy and Finance;

Mr. Abdel Karim Konaté, Minister of Commerce and Competition, government spokesman.

Republic of Niger

Mr. Massoudou Hassoumi, Minister of Finance;

Ms. Kane Aïchatou Boulama, Minister of Planning.

Republic of Senegal

Mr. Amadou Ba, Minister of the Economy, Finance and Planning;

Mr. Birima Mangara, Deputy Minister in charge of the Budget, Ministry of the Economy, Finance and Planning, in charge of the Budget.

Togolese Republic

Mr. Sani Yaya, Minister of the Economy and Finance;

Mr. Kossi Assimaïdou, Minister of Planning and Development.

MEMBERSHIP OF THE BCEAO MONETARY POLICY COMMITTEE

as at December 31, 2017

PRESIDENT: Mr. Tiémoko Meyliet Koné

Governor of the BCEAO.

Vice-Governors of the BCEAO

Mr. Jean-Baptiste Compaoré;

Mr. Mamadou Diop.

MEMBERS REPRESENTING THE STATES

Republic of Benin

Mr. Yaovi Clément Aziagnikouda, Treasury Director.

Burkina Faso

Mr. Ousmane Ouédraogo, Former Vice Governor of the BCEAO, Former Senior Minister of Finance and Planning.

Republic of Côte d'Ivoire

Mr. Mama Ouattara, Professor at Université Félix Houphouët-Boigny de Cocody, Director of the economic policy group (Groupe de Politique Economique - GPE).

Republic of Guinea-Bissau

Mr. Rui Duarte Ferreira, Advisor to the Minister of the Economy and Finance, in charge of International Affairs.

Republic of Mali

Mr. Bangaly N'ko Traoré, Director General of the Public Debt Management Office.

Republic of Niger

Mr. Mahamane Annou Mallam, Former Chairman of the Study and Research Group on Democracy and Economic and Social Development in Africa (GERDDES).

Republic of Senegal

Mr. Aliou Faye, Director of the centre for development policy studies (Centre d'Etudes de Politiques pour le Développement - CEPOD).

Togolese Republic

Mr. Mongo Aharh-Kpessou, Permanent Secretary for the Monitoring of Reform Policies and Financial Programs.

French Republic

Ms. Françoise Drumetz, Director of Microeconomic and Structural Studies, Banque de France.

MEMBERS APPOINTED INTUITU PERSONAE

Mr. Lansina Bakary, Expert Consultant, former Economic Advisor to the Governor of the BCEAO, Abidjan (Republic of Côte d'Ivoire);

Mr. Maïna Boukar Moussa, Vice President, Study and Research Group on Democracy and Economic and Social Development in Africa (GERDDES), Niamey, Republic of Niger;

Mr. Adama Diaw, Professor of Economics, Director of the doctoral school of human and social science (Ecole Doctorale des Sciences de l'Homme et de la Société) of Gaston Berger University, Saint-Louis, Republic of Senegal.

MEMBERSHIP OF THE BCEAO BOARD OF DIRECTORS

as at December 31, 2017

PRESIDENT: Mr. Tiémoko Meyliet Koné

Governor of the BCEAO.

Republic of Benin

Mr. Oumara Karimou Assouma, Director General of Treasury and Public Accounting.

Burkina Faso

Mr. Naby Abraham Ouattara, Director General of Treasury and Public Accounting.

Republic of Côte d'Ivoire

Mr. Konan Jacques Assahoré, Director General of Treasury and Public Accounting.

Republic of Guinea-Bissau

Mr. Mamadu Baldé, Director General of Treasury and Public Accounting.

Republic of Mali

Ms. Sidibé Zamilatou Cissé, Secretary General of the Ministry of the Economy and Finance.

Republic of Niger

Mr. Taher Hassane, Secretary General of the Ministry of the Economy and Finance.

Republic of Senegal

Mr. Adama Racine Sow, Treasurer General, Chief Accountant of the General Directorate of Public Accounting and the Treasury.

Togolese Republic

Mr. Sévon-Tépé Kodjo Adedze, Director General of Togo Customs (Togolese Revenue Office).

French Republic

Mr. Samuel Goldstein, Head of the Sub-Saharan Africa Bureau and Agence Française de Développement at the French Treasury Department.

MEMBERSHIP OF THE BCEAO AUDIT COMMITTEE

as at December 31, 2017

Chair: Mr. Adama Racine Sow,

Treasurer General, Chief Accountant of the General Directorate of Public Accounting and the Treasury, Republic of Senegal.

Republic of Benin

Mr. Oumara Karimou Assouma, Director General of Treasury and Public Accounting.

Republic of Niger

Mr. Taher Hassane, Secretary General of the Ministry of the Economy and Finance.

Republic of Senegal

Mr. Adama Racine Sow, Treasurer General, Chief Accountant of the General Directorate of Public Accounting and the Treasury.

Togolese Republic

Mr. Sévon-Tépé Kodjo Adedze, Director General of Togo Customs (Togolese Revenue Office).

CENTRAL BANK OF WEST AFRICAN STATES

as at December 31, 2017

GOVERNMENT

Governor:	Mr. Tiémoko Meyliet Koné
Vice-Governor:	Mr. Jean-Baptiste M. P. Compaoré
Vice-Governor:	Mr. Mamadou Diop
Secretary General:	Mr. Abdoulaye Seck
Cabinet Director:	Mr. Siriki Koné
Special Advisor to the Governor:	Mr. Oumar Tatam Ly
Advisor to the Governor:	Mr. Jean-Baptiste Ayayé Aman

GENERAL CONTROL

Comptroller General:	Mr. Jean-Baptiste Ayayé Aman
Advisors to the Comptroller General:	Mr. Kadjemna Guy Go-Maró Mr. Oumar Kabo

GENERAL DIRECTORATES

Director General of Administration and Property:	Mr. Alioune Blondin Beye
Director General of Economic and Monetary Studies:	Mr. Ismaïla Dem
Director General of Cash Transactions and Activities:	Mr. Armand Badiel
Director General of Organization and Information Systems:	Ms. Aminata Fall Niang
Director General of Human Resources and Training:	Ms. Akouélé Sylviane Mensah
Director General of Financial Stability and Inclusion:	Mr. Ousmane Samba Mamadou
Advisors to the Directors General	
Advisor to the Director General of Administration and Property:	Mr. Ibrahima Sylla
Advisor to the Director General of Economic and Monetary Studies:	Mr. Bassambié Bationo
Advisor to the Director General of Cash Transactions and Activities:	Mr. Bwaki Kwassi
Advisor to the Director General of Organization and Information Systems:	Mr. Coulibaly Horo
Advisor to the Director General of Human Resources and Training:	Mr. Abdoulaye Traoré
Advisor to the Director General of Financial Stability and Inclusion:	Vacant

CENTRAL SERVICES DEPARTMENTS

Director, the Budget and Procurement:	Mr. Fama Adama Keita
Director, Property:	Mr. Ali Seini Oumar
Director, Security:	Vacant
Director, General Services:	Mr. Emmanuel Junior Assilamehoo
Director, Economic Conditions and Monetary Analysis:	Sourou Antonin Dossou
Director, Studies and Research:	Vacant
Director, Statistics:	Mr. Madani Touré
Director, Fiduciary Activities:	Mr. Djibril Camara
Director, Market Transactions:	Mr. Mahamane Alassane Touré
Director, Payment Systems and Instruments:	Ms. Akuwa Dogbe Azoma
Director, Accounting:	Mr. Ekoué Djro Glokpor
Director, Management Control:	Mr. Kora Liliou
Director, Organization and Methods:	Mr. Jean-François Jossou
Director, Information Systems:	Mr. Tiéguélé Abdoul F. Coulibaly
Director, West African Centre for Bank Training and Studies (COFEB, Centre Ouest Africain de Formation et d'Etudes Bancaires):	Ms. Aminata Haidara
Director, Legal Affairs	Vacant
Director, Administrative and Social Management of Human Resources:	Ms. Marie Evelyne Seabe
Director, Career and Skills Management:	Mr. Mohamed Almountaka Alfidja
Director, Banking Activities and Financing of the Economies:	Vacant
Director, Microfinance and Financial Inclusion:	Mr. Patrick Kodjo
Director, Financial Stability:	Mr. Habib Thiam
Director, Inspection and Audits:	Mr. Kadjemna Guy Go-Maró
Director, Risk Prevention:	Mr. Sama Mamane

REPRESENTATIONS

Resident Representative of the Governor with the West African Economic and Monetary Union (WAEMU) Commission:

Mr. Charles Luanga Ki-Zerbo

Representative of the BCEAO with the European cooperation institutions:

Vacant

NATIONAL DIRECTORS

National Director for Benin:

Mr. Gbégnon Alain Michel Komaclo

National Director for Burkina Faso:

Mr. Charles Luanga Ki-Zerbo

National Director for Côte d'Ivoire:

Mr. Chalouho Coulibaly

National Director for Guinea-Bissau:

Ms. Helena Maria José Nosolini Embalo

National Director for Mali:

Mr. Konzo Traoré

National Director for Niger:

Mr. Maman Laouane Karim

National Director for Senegal:

Mr. Ahmadou Al Aminou Lo

National Director for Togo:

Mr. Kossi Tenou

OFFICE OF THE SECRETARY GENERAL OF THE WAMU BANKING COMMISSION

Secretary General:

Ms. Séna Elda Afiwa Kpotsra

Under-Secretary-General:

Mr. Antoine Traoré

ADDRESSES OF BCEAO SITES

HEADQUARTERS

Avenue Abdoulaye FADIGA – P.O. Box: No. 3108 - Dakar

Telephone: (221) 33 839 05 00 - Fax: (221) 33 823 93 35 and 33 822 61 09

Website: <http://www.bceao.int>; Email: courrier.bceao@bceao.int

BENIN

Cotonou

Avenue Jean-Paul II, 01

P.O. Box: No. 325 RP

Telephone: (229) 21 36 46 00 / 21 31 24 66 / 21 31 24 67

Fax: (229) 21 31 24 65 Email:

courrier.BDN@bceao.int

Director of the Main Branch: Mr. Symphorien Agbessadji

Parakou

P.O. Box: No. 201

Telephone: (229) 23 61 03 25/29

Fax: (229) 23 61 10 91

Sub-Branch Manager: Mr. Grégoire Dagba

BURKINA FASO

Ouagadougou

Avenue Gamal Abdel NASSER

P.O. Box: 01 BP 356

Telephone: (226) 25 49 05 00/01 and 25 30 60 15

Fax: (226) 25 31 01 22

Email: courrier.CDN@bceao.int

Director of the Main Branch: Mr. Adama Sankara

Bobo-Dioulasso

Avenue Mamadou Konaté

P.O. Box: No. 603 Telephone:

(226) 20 97 04 44

Fax: (226) 20 97 04 58

Sub-Branch Manager: Mr. Ibrahim Diaby-Kassamba

COTE D'IVOIRE

Abidjan

Avenue Abdoulaye FADIGA angle Bd. Roussel

P.O. Box: 01 BP 1769 ABIDJAN 01

Telephone: (225) 20 20 84 00 and 20 20 85 00

Fax: (225) 20 22 00 40 and 20 22 28 52

[Email: courrier.ADN@bceao.int](mailto:courrier.ADN@bceao.int)

Director of the Main Branch: Mr. Yao Magloire Konan

Abengourou

P.O. Box: No. 905

Telephone: (225) 35 91 37 15 and 35 91 38 15

Fax: (225) 35 91 31 76

Sub-Branch Manager: Mr. Georges Diaw

Bouaké

P.O. Box: No. 773

Telephone: (225) 31 63 33 13 and 31 63 33 14

Fax: (225) 31 63 38 31

Sub-Branch Manager: Mr. Issouf Ouattara

Daloa

P.O. Box: No. 46 Telephone:

(225) 32 78 38 85

Fax: (225) 32 78 13 10

Sub-Branch Manager: Mr. Madigbè Kaba

Korhogo

P.O. Box: No. 54

Telephone: (225) 36 86 01 10 and 36 86 01 11

Fax: (225) 36 86 15 30

Sub-Branch Manager: Mr. Ningou Jacques Hlyh Gnelbin

Man

P.O. Box: No. 1017

Telephone: (225) 33 79 02 67

Fax: (225) 33 79 02 28

Sub-Branch Manager: Mr. Assémian Noël Ackah

San Pedro

P.O. Box: No. 387 Telephone:

(225) 34 71 21 84

Fax: (225) 34 71 24 48

Sub-Branch Manager: Mr. Ibanga Mian Amoikon

GUINEA-BISSAU

Bissau

Avenida Combatentes da Liberdade da Pátriá

P.O. Box: No. 38

Telephone: (245) 325 63 25 - 321 55 48 / 321 41 73

Fax: (245) 325 63 00 [Email:](mailto:courrier.SDN@bceao.int)

courrier.SDN@bceao.int

Director of the Main Branch: Mr. Lassana Sambu

MALI

Bamako

94, Avenue Moussa TRAVELE

P.O. Box: No. 206

Telephone: (223) 20 70 02 00 / 20 22 25 41 / 20 22 54 06

Fax: (223) 20 22 47 86 [Email:](mailto:courrier.DDN@bceao.int)

courrier.DDN@bceao.int

Director of the Main Branch: Mr. Bazoumana Traoré

Mopti

Komoguel II, route de Sévaré

P.O. Box: No. 180 Telephone:

(223) 20 21 01 02

Fax: (223) 21 43 05 07

Sub-Branch Manager: Mr. Amadou Boucari Cissé

Sikasso

Rue Mamadou TRAORE

P.O. Box: No. 453 Telephone:

(223) 21 62 00 77

Fax: (223) 21 62 08 79

Sub-Branch Manager: Mr. Ibrahima Touré

NIGER

Niamey

Rue de l'Uranium

P.O. Box: No. 487

Telephone: (227) 20 72 33 30 and 20 72 33 40

Fax: (227) 20 73 47 43 Email:

courrier.HDN@bceao.int

Director of the Main Branch: Mr. Abdourahamane Aboubacar Abani

Maradi

P.O. Box: No. 265 Telephone:

(227) 20 41 00 96

Fax: (227) 20 41 00 45

Sub-Branch Manager: Mr. Daouda Boukari

Zinder

P.O. Box: No. 133 Telephone:

(227) 20 51 00 94

Fax: (227) 20 51 07 24

Sub-Branch Manager: Mr. Abibou Moussa

SENEGAL

Dakar

Boulevard du Général De Gaulle x Triangle Sud

P.O. Box: No. 3159

Telephone: (221) 33 889 45 45

Fax: (221) 33 823 57 57

Email: courrier.KDN@bceao.int

Director of the Main Branch: Mr. François Etienne Déthié Sène

Kaolack

P.O. Box: No. 79 Telephone:

(221) 33 938 40 00

Fax: (221) 33 941 33 23

Sub-Branch Manager: Mr. Babacar Sène

Ziguinchor

P.O. Box: No. 317

Telephone: (221) 33 991 10 39 and 33 938 80 35

Fax: (221) 33 991 16 59

Sub-Branch Manager: Ms. Awa Ba Camara

TOGO

Lomé

Rue Abdoulaye FADIGA

P.O. Box: No. 120

Telephone: (228) 22 21 53 84

Fax: (228) 22 21 76 02 Email:

courrier.TDN@bceao.int

Director of the Main Branch: Mr. Kodjo Sedjro

Kara

P.O. Box: No. 75 Telephone:

(228) 26 60 60 79

Fax: (228) 26 60 62 69

Sub-Branch Manager: Mr. Komi Denyo Kowu

REPRESENTATION OF THE GOVERNOR WITH THE WAEMU COMMISSION

Avenue Gamal Abdel NASSER, Ouagadougou, Burkina Faso

P.O. Box: No. 64 OUAGADOUGOU 01

Telephone: (226) 50 31 61 01 / 50 30 60 15 / 14

Fax: (226) 50 30 63 76 Email:

courrier.Z03@bceao.int

REPRESENTATION OF THE BCEAO WITH EUROPEAN COOPERATION INSTITUTIONS

29, rue du Colisée, 75008 Paris, France

Telephone: (33) 1 42 25 71 60

Fax: (33) 1 42 56 00 37 Email:

bceao@paris-bceao.org

OFFICE OF THE SECRETARY GENERAL OF THE WAMU BANKING COMMISSION

Boulevard Botreau Roussel (rue privée CRRAE-UMOA) 01

P.O. Box 7125 Abidjan - Côte d'Ivoire

Tel.: (225) 20 25 57 57

Fax: (225) 20 22 45 52

Site web : www.bceao.int

Email: courrier.z02sg@bceao.int



Tiémoko Meyliet Koné
Governor of the Central Bank
of West African States

GOVERNOR'S MESSAGE

Global economic activity strengthened in 2017, marked by renewed vitality in industrialized countries, as well as in most of the major emerging and developing economies. Thus, the rate of growth in the global economy stood at 3.7% in 2017, up from 3.2% in 2016.

In the West African Economic and Monetary Union (WAEMU), the economic recovery that began in 2012 continued. The economy was supported by continuing investments in basic infrastructure, the strong performance of agricultural production and growth in services. In real terms, the gross domestic product (GDP) in the Union, progressed by 6.7% in 2017, or 0.1 percentage point more than in 2016. The annual inflation rate in the Union was relatively moderate, at 0.8% in 2017, compared to 0.3% in 2016.

Against that backdrop, the monetary policy of the Central Bank remained flexible in order to support the member states' efforts to achieve economic growth.

The BCEAO also maintained its principal leading interest rate, the minimum bid rate on cash injection tenders, at 2.50%, the rate in force since September 16, 2013, in an environment of low inflation.

The Central Bank also continued its efforts to deepen and diversify the financial system. In so doing, it has broadened the range of products and instruments designed to support the financing of the economies, emphasizing the promotion of leasing, investment capital, factoring and participatory finance, particularly Islamic finance.

The Central Bank has also carried on the implementation of projects aimed at enhancing the stability of the banking system, by improving banking regulation and supervision to reflect international standards.

In this framework, a new prudential mechanism in line with Basel II and III standards and a new banking chart of accounts entered into force on January 1, 2018.

This new accounting and regulatory environment is expected to increase transparency and deepen economic actors' confidence in the banking system, while increasing the quality and volume of the capital required of credit institutions for risk coverage. It should also help reinforce the resilience of these institutions and increase their ability to finance the economy.

The efforts made in the framework of the various projects underway will be pursued and intensified to increase the stability of the banking and financial system of the Union and improve the conditions of financing of the economy, with a view to supporting the strong growth dynamics driven by the member states of the Union.

**The Governor of the Central Bank
of West African States,**

Chairman of the Board of Directors

OVERVIEW

In 2017, global economic and financial activity was marked by renewed vitality in industrialized countries, as well as in most of the major emerging and developing economies. According to the latest forecasts by the International Monetary Fund (IMF), published in January 2018, the global gross domestic product rose by 3.7% in 2017, compared to 3.2% in 2016.

In West African Economic and Monetary Union (WAEMU) countries, the expansion that began in 2012 continued, with continuing investments in basic infrastructure, a strong performance in terms of agricultural production, the service boom, and the improved international economic situation. In real terms, the gross domestic product (GDP) in the Union, progressed by 6.7% in 2017, or 0.1 percentage point more than in 2016.

The inflation rate in the Union averaged 0.8% in 2017, compared to 0.3% the previous year. This increase can mainly be attributed to higher prices for local food products, partially offset by the continued easing of communications costs and stable fuel prices at the pump in most countries, despite the rise in the cost of crude oil.

In terms of the profile of the public finances of the member states of the Union, the overall deficit, based on commitments and including grants, stood at 3,090.9 billion at the end of December 2017, against 2,659.8 billion one year prior. As a percentage of the GDP, the deficit grew by 0.3 point, reaching 4.7% in 2017, due to a 0.6 percentage point increase in total spending between 2016 and 2017, offset by an increase of 0.4 percentage point in total revenue and grants.

Based on the latest available figures, the overall outstanding external public debt of all Union member states stood at 15,570.1 billion CFA francs at the end of December 2016, compared to 14,003.0 billion CFA francs at the end of December 2015, an increase of 11.2%. The ratio of outstanding debt to GDP was 26.4% in 2016 compared to 25.9% the year before.

The current account deficit reached 6.5% of the GDP, up 1.3% compared to the previous year, in line with the deepening of the deficit in the balance of goods and services and the primary income account. Overall, the balance of external trade in the Union showed a total surplus of 627.0 billion, following a deficit of 946.8 billion in 2016. This clear improvement was due to an increase in net inflows in the capital and financial accounts, partially offset by the deterioration of the current account deficit.

At the end of December 2017, net foreign assets of monetary institutions had increased by 332.8 billion compared to the end of December 2016, reaching 4,029.6 billion. The official foreign exchange reserves of the BCEAO increased by 654.9 billion, reaching 7,184.2 billion at the end of December 2017, compared to 6,529.4 billion at the end of December 2016. As a result, the Central Bank's currency issue coverage rose to 73.4% compared to 68.2% in December 2016.

Outstanding domestic claims rose by 2,298.7 billion or 9.9% compared to their level at the end of December 2016, reaching 25,413.1 billion. This development was due to the combined impact of the consolidation of net claims on central public administrations and credits to other sectors of the economies of the Union.

Net claims of monetary institutions on central governments stood at 6,896.0 billion at the end of December 2017, up 508.8 billion compared to their level at the end of December 2016.

Loans from depositing institutions grew by 1,789.9 billion over 2017, reaching 18,517.1 billion at the end of December 2017, compared to 16,727.2 billion at the end of December 2016. In conjunction with the trends in its counterparts, the money supply grew by 1,708.4 billion or 7.5%, to stand at 24,425.7 billion at the end of December 2017.

In a context of moderate inflation, the BCEAO has maintained the minimum interest rate on cash injection tenders unchanged at 2.50%, the rate in force since September 16, 2013, in order to better support the member states' efforts to promote economic growth. The marginal lending window interest rate, which has stood at 4.50% since December 16, 2016, was also kept unchanged.

Activity trends were generally positive on the capital markets of the Union during FY 2017. On the money market, aggregate outstanding advances on one-week and one-month bid windows stood at 3,845.0 billion at the end of December 2017 against 3,000.0 billion at the end of December 2016, for a year-over-year increase of 845.0 billion (+28.2%). On the interbank market, the average volume of outstanding loans stood at 497.4 billion at the end of December 2017, compared to 381.5 billion in December 2016. On the regional public debt securities market, overall outstanding public securities stood at 9,613.3 billion or 14.5% of the GDP at the end of December 2017, compared to 8,621.4 billion or 14.6% of the GDP at the end of December 2016.

In terms of the management of banknotes and coins, the volume of movements through Central Bank windows in FY 2017 totalled 4,830.5 million in banknotes and coins, against 4,853.8 million units the previous year, for a drop of 0.48%. Compared to 2016, the share of banknotes in circulation outside banks remained virtually unchanged at 97.3%.

Where international cooperation is concerned, transactions carried out by the Central Bank and the IMF on behalf of WAEMU member states culminated, at the end of December 2017, in net inflows of resources amounting to 143.25 million SDRs against 23.6 million SDRs one year prior. In 2017, costs covered by the BCEAO in the framework of its transactions with the IMF amounted to 4.62 million SDRs (3,697.53 million CFA francs) against 0.5 million SDRs (401.8 million CFA francs) the year before.

With regards to the running of the Central Bank, during the 2017 financial year, the Organs of the Union held their meetings in conformity with the provisions of the Treaty of January 20, 2007 establishing the West African Monetary Union and the Statutes of the Central Bank of West African States. The Conference of Heads of State and Government of the Union held an ordinary session on April 10, 2017, in Abidjan, Republic of Côte d'Ivoire. The Council of Ministers held four (4) ordinary meetings and one extraordinary meeting. The BCEAO Monetary Policy Committee held four (4) ordinary meetings and the BCEAO Board of Directors organized two (2) ordinary sessions.

The Central Bank pursued its initiatives with a view to broadening the range of products aimed at supporting the financing of the economies, by promoting leasing, investment capital, Islamic finance and factoring. It has also undertaken action to set up a banking crisis resolution authority and ensure that the Union's prudential mechanism is in line with international standards by implementing the provisions of Basel II and Basel III. The reorganization was finalized through the adoption, by the Council of Ministers, of an Annex to the Revised Convention governing the WAMU Banking Commission, to ensure consistency with recent decisions aimed at reinforcing the regulatory framework for the supervision and regulation of the banking and financial system of the Union.

In addition, the Central Bank continued the implementation of structuring projects flowing from the 2016-2018 Strategic Plan, chiefly aimed at improving the governance and management of its information system, enhancing the security of its processing infrastructure and computer networks, and increasing its resilience to cyber attacks.

In compliance with the monitoring mechanism in force, the BCEAO's 2016-2018 Strategic Plan Steering Committee also conducted a progress review on the projects under implementation in FY 2017, based on a quarterly reporting framework. Overall, strategic Bank Structures projects were properly carried out. An update of strategic diagnoses was also initiated to identify any issues that might have an impact on the strategic vision of the Central Bank.

Work also continued with a view to consolidating Central Bank internal audit and risk management mechanisms, to align them with international standards. The actions carried out specifically focused on setting up an incident base, updating risk mapping and business continuity management tools and reinforcing information system security. Various monitoring activities (operational controls and external audits) were regularly conducted in the Bank's operational structures.

Furthermore, following the entry into force of the 2015 version of the ISO 9001 standard, the Central Bank undertook to adapt its Quality Management System (QMS) to the changes in the requirements of the standard before the end of FY 2017. In this framework, the mechanism was subjected to a transition audit marking the end of the transition process to the new version of the standard. The audit took place from July 13 to August 4, 2017, and found that the Central Bank's QMS was in compliance with the ISO 9001:2015 standard.

As at December 31, 2017, the total staff of the Central Bank, including all grades, numbered 3,633 against 3,505 at the end of December 2016. The figure included 3,580 active staff members deployed on BCEAO sites, and 53 staff members on secondment or leaves of absence.

I - ECONOMIC AND FINANCIAL ENVIRONMENT

1.1– INTERNATIONAL ECONOMIC AND FINANCIAL ENVIRONMENT

In FY 2017, the economic and financial environment was marked by a substantial increase in investment, trade and industrial production, as well as renewed confidence among consumers and business leaders. This favourable climate helped offset the consequences of uncertainty linked to Brexit and recovery measures in the United States. Against that backdrop, the global economic recovery, which began in 2016, was consolidated. Economic growth was estimated at 3.7% in 2017, compared to 3.2% in 2016. This boost in growth can be attributed to the renewed momentum observed in advanced countries, particularly the United States, the Euro Zone and Japan, as well as a recovery in the economies of most of the major emerging and developing countries, especially China, Brazil and Russia.

1.1.1- Economic Activity in the Major Industrialized Countries

In **industrialized countries**, economic growth increased by 2.3% in 2017, compared to 1.7% in 2016, largely due to the accommodating monetary policies of the central banks and strong domestic demand. In the United States, growth in the real GDP stood at 2.3% in 2017, compared to 1.5% in 2016, due to robust domestic demand and strong investments, as well as a recovery in energy sector businesses. In the euro zone, GDP growth stood at 2.4% in 2017, after a performance of 1.8% in 2016. The increase in growth was essentially due to the renewed momentum of exports, in a context marked by increased global trade and strong domestic demand, driven by accommodating financial terms and appeasement of political risks. The economic growth rate in the United Kingdom was 1.7% in 2017, compared to 1.9% in 2016, due to the drop in household consumption, affected by the negative impact of the depreciation of the pound on real income. In Japan, growth stood at 1.8% in 2017, up sharply from its 2016 level of +0.9%. This growth was due to stronger global demand and budgetary measures implemented by the Authorities to strengthen growth.

1.1.2- Economic Activity in Emerging and Developing Countries

In **emerging and developing countries**, the economic growth rate rose to 4.7% in 2017, compared to 4.4% in 2016, notably due to stronger domestic demand, a renewed vitality in commodity-importing countries and a favourable environment in major oil-exporting countries. The economic growth rate in China stood at 6.8% in 2018, after reaching 6.7% in 2016, notably due to the continuing expansionistic policy of the country's authorities. Economic growth in India slowed to 6.7% in 2017, after reaching 7.1% in 2016. The drop is due to the continuing impact of the banknote trade-in and uncertainty linked to the implementation of a national tax on goods and services in the middle of the fiscal year. Brazil returned to positive growth at 1.1% in 2017, after a decrease of 3.5% in 2016. This recovery was due to strong performances in exports and domestic demand. In Russia, with the recovery in domestic and foreign demand as well as rallying oil prices, the economy grew by 1.8% in 2017, after a slight drop of 0.2% in 2016.

In **sub-Saharan Africa**, the economic growth rate was 2.7% in 2017, up sharply compared to +1.4% in 2016, its lowest level in over two decades. This renewed momentum was due to the recovery in growth in commodity-exporting countries, combined with the impact of the implementation of structural adjustment and the rise in oil prices. The performances of some of the larger economies in the region also improved significantly, especially those of Nigeria, South Africa and the member states of the Economic and Monetary Community of Central African States (CEMAC). In Nigeria, the economy grew by 0.8% in 2017, after a 1.6% drop in 2016, buoyed by increased oil production and a recovery in the agricultural sector. This trend was offset by uncertainty surrounding economic policy implementation,

the segmentation of the foreign exchange market which is dependent on the actions of the central bank, and by the weaknesses of the banking system. In South Africa, growth accelerated to 0.9% in 2017, after 0.3% in 2016, driven by the recovery in the prices of exported goods and strong agricultural production. However, growing political uncertainty, affecting consumer and business-leader confidence, had a moderating effect. In the CEMAC zone, growth was positive, at 1.7% in 2017, after a drop of 0.3% in 2016. This situation was linked to the recovery in oil prices and the implementation of economic programs supported by the International Monetary Fund (IMF).

1.1.3- Financial and Commodities Markets

The leading financial markets experienced positive trends. Monetary and financial terms eased, in conjunction with the strong performance of the economy in most advanced countries and the progressive normalization of the monetary policy in the United States and the United Kingdom.

In the United States, on average, the principal New York stock market indexes, namely the Dow Jones and NASDAQ, rose respectively by 21.4% and 22.4% compared to the previous year. The renewed momentum of the American economy, particularly in the second and third quarters, reconstruction efforts after the devastation of the hurricanes, and the implementation of fiscal stimulus measures were responsible for most of the growth on American financial markets. In Japan, the Nikkei index rose by 18.7% to reach an average level of 20,084.4 points in 2017, due to a boost in exports, strong domestic demand and increased investor optimism following the re-election of the government. In the euro zone, the EuroStoxx 50 index progressed by 470.9 points compared to its average level in 2016, reaching 3,477.8 points in 2017. In the United Kingdom, the Footsie 100 index rose by 14.0% to stand at 7,378.0 points in 2017.

African stock market indexes experienced positive trends linked to high growth prospects and the recovery in commodities prices. The NSE index in Nigeria and the GSE index in Ghana recorded respective growth of 19.6% and 15.4%. In addition, the leading index in South Africa, the FTSE/JSE All-Share Index rose by 6.5% in a context economic recovery, driven by global demand and renewed momentum in the agricultural sector. However, the bullish trend on the South African financial market was offset by insufficient energy production and socio-political risks.

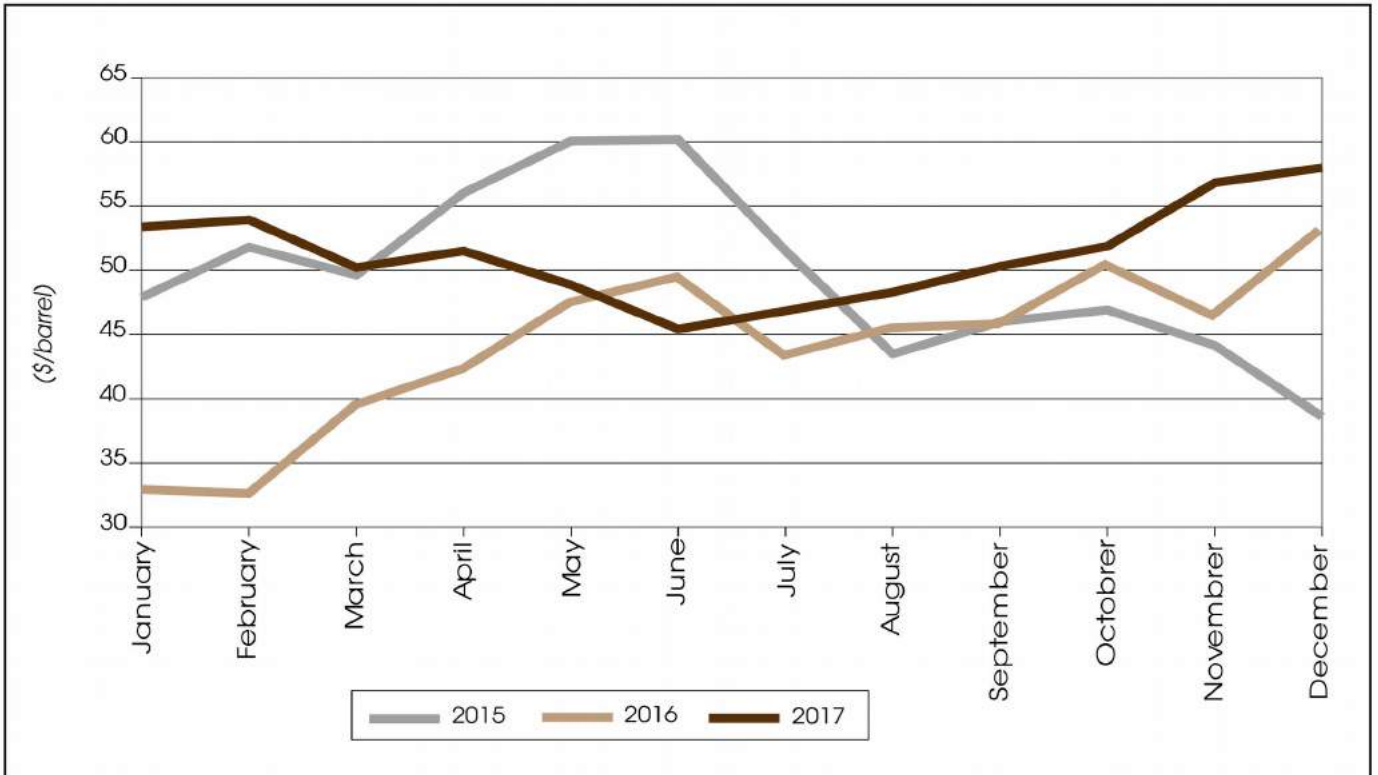
Commodities markets were boosted by a recovery in the global demand and concerted actions by top producers to reduce supplies. IMF indexes showed a rise, on an annual average basis, in the prices of energy products (22.2%), industrial products (12.1%) and food products (3.9%).

Global prices for the principal commodities exported by the Union followed a similar upward trend on an annual basis, with the exception of cocoa and palm kernel oil prices, which respectively dropped by 29.8% and 4.6%. The strongest increases were seen in cashew nuts (+19.8%), rubber (+18.9%), petroleum (+15.4%), robusta coffee (+14.7%) and cotton (+10.9%).

Rubber prices were high, mainly due to the rise in demand from China. The increase in the price of cashew nuts was due to a boost in demand, particularly from the European market. Coffee prices were buoyed by worries over global production due to droughts and pest attacks in Brazil, the world's leading producer, and poor weather in Vietnam, which is the second-largest producer.

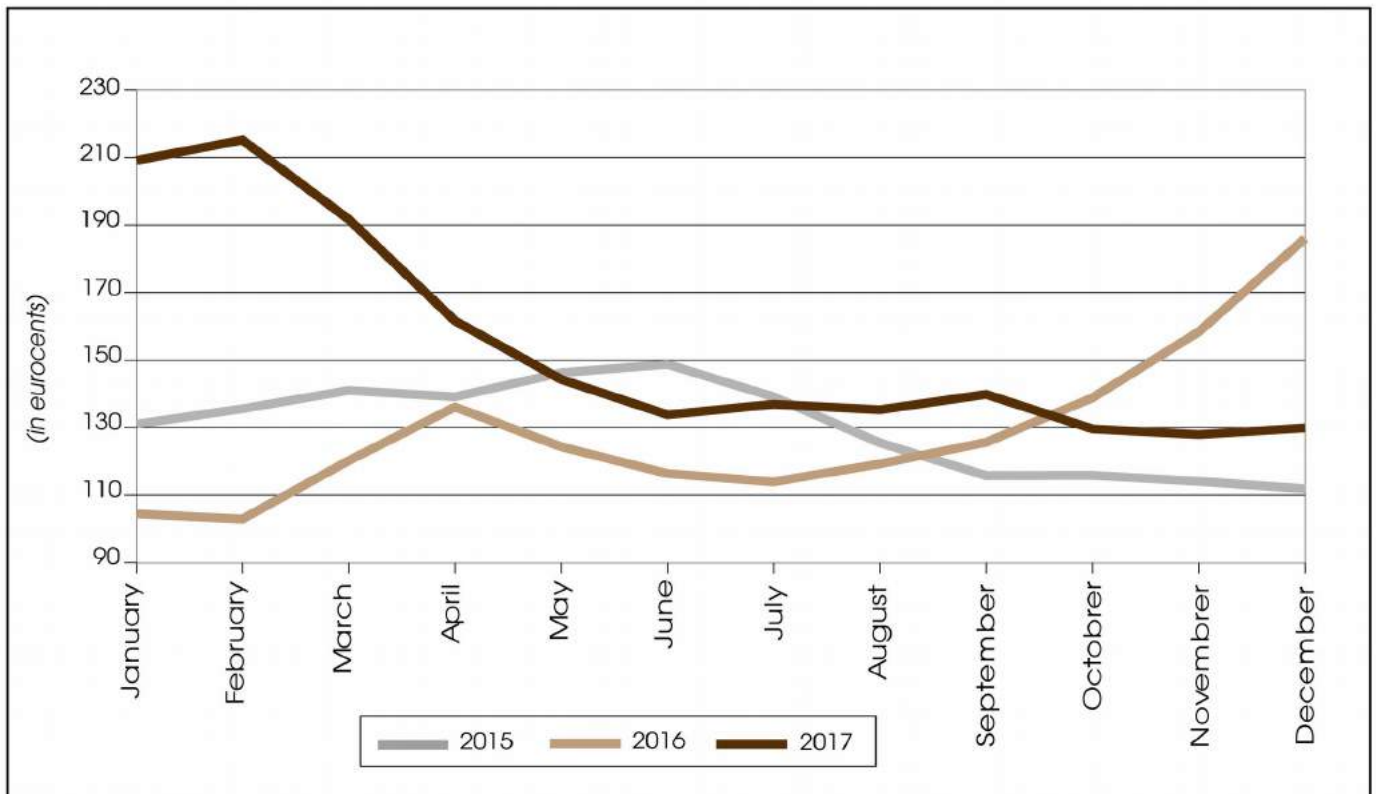
Oil prices began a recovery, driven by prospects of market rebalancing. In this regard, the latest publications by the International Energy Agency (IEA) and the Organization of the Petroleum Exporting Countries (OPEC), report a higher-than-expected demand in 2017 and a drop in global production. Cotton prices rose due to robust global demand. On the other hand, cocoa prices continued to be adversely affected by increased supply faced with sluggish demand. The slide in palm kernel oil prices was due to low demand, particularly in Asian countries, combined with a supply surplus from Malaysia, the main exporting country.

Graph 1: Trends in Oil Prices (NYMEX)



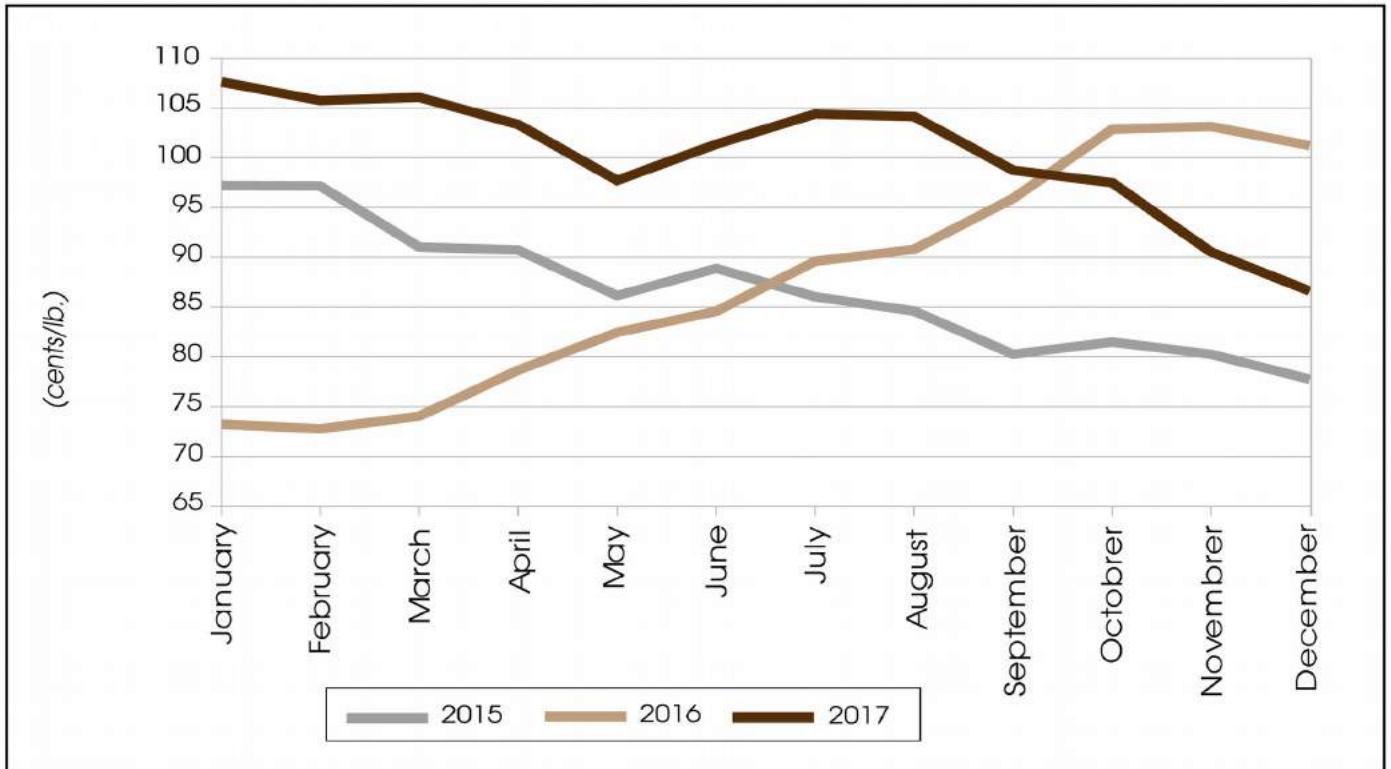
Sources: Reuters, BCEAO.

Graph 2: Trends in Rubber Prices (in Eurocents)



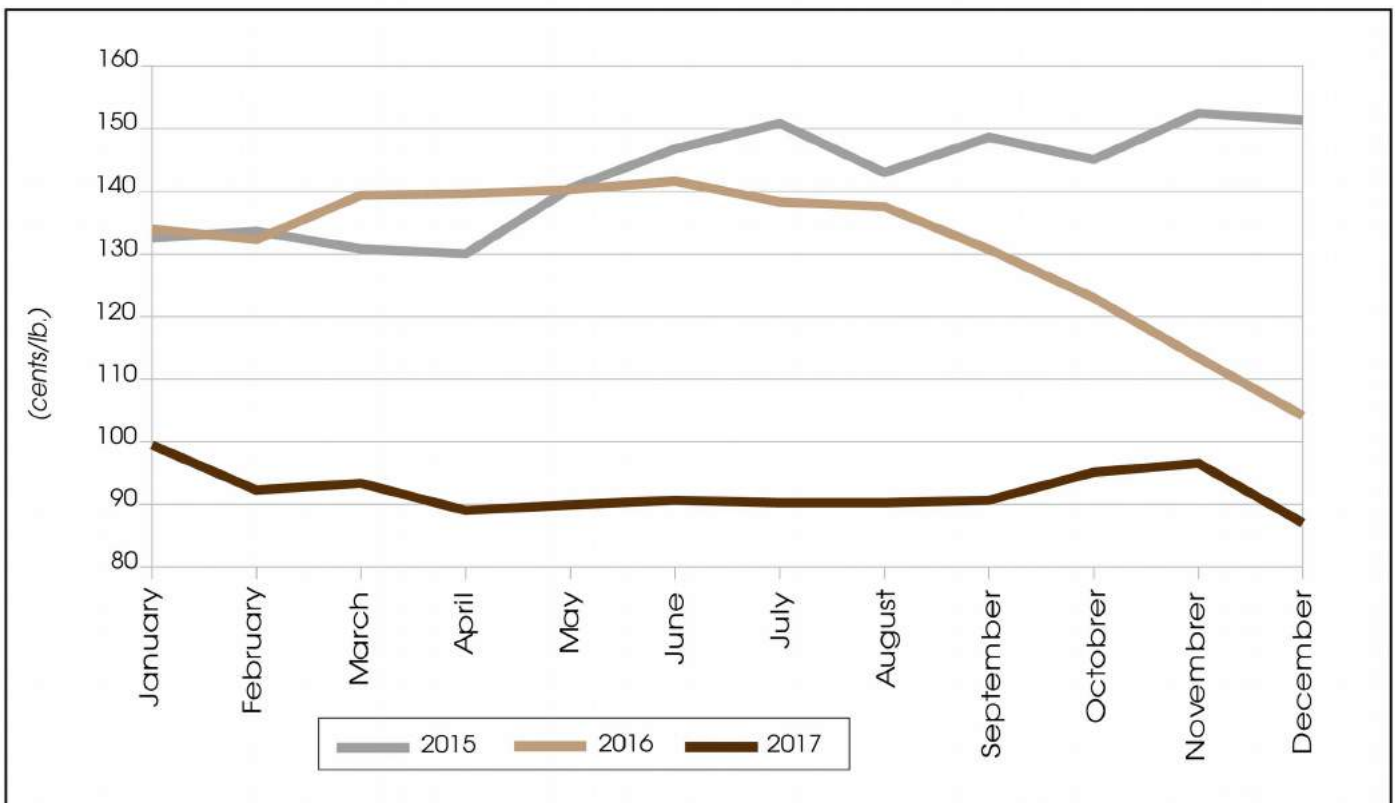
Sources: Reuters, BCEAO.

Graph 3: Trends in Coffee Prices



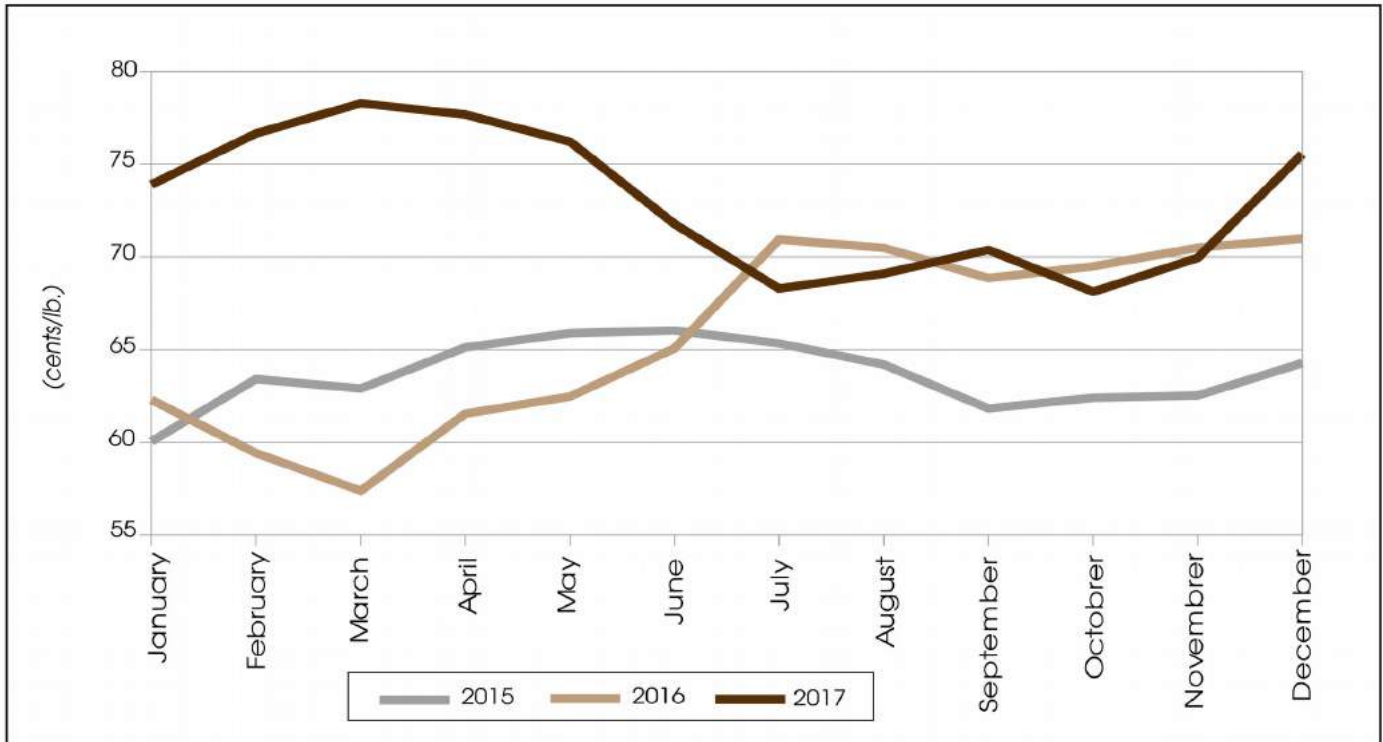
Sources: Reuters, BCEAO.

Graph 4: Trends in Cocoa Prices



Sources: Reuters, BCEAO.

Graph 5: Trends in Cotton Prices



Sources: Reuters, BCEAO.

1.1.4 - Foreign Exchange Market and Monetary Policy Measures

In terms of **monetary policy**, in a context of low but sharply rising inflation, the central banks of the main industrialized countries maintained accommodating monetary policies, with the exception of the American Federal Reserve (FED) which continued the gradual normalization of its policy, begun in December 2015.

The European Central Bank (ECB) left its monetary policy unchanged in 2017. It also maintained its leading rates at their current level and began reducing the monthly amount of its asset purchases as of April 2017 in the framework of its quantitative easing (QE) program. The rate on the principle refinancing operations, which is the ECB's main monetary policy tool, remained stable at zero, along with the deposit facility rate at -0.40% and the marginal lending rate at 0.25%. Asset purchases were reduced from a monthly amount of 80 billion euros at the end of 2016 to 60 billion in April 2017, and will be reduced to 30 billion euros as of January 2018. Asset purchases will continue until September 2018 and beyond, if necessary.

Maintaining its optimism as to the soundness of the American economy, the FED continued to tighten its monetary policy during FY 2017. On March 15, June 14 and December 13, 2017, it increased the federal funds rate target range by 25 basis points, to 1.25%-1.50%. By increasing the rate for the fourth time since December 2015, the FED demonstrated its confidence that the economic recovery in the United States would continue. It also increased its growth forecast for 2017 by 0.4 point to 2.5%.

For its part, the Bank of Japan (BoJ) maintained the accommodating orientation of its monetary policy, including its commitment to keeping long-term rates at low levels. To this end, the deposit facility rate (0.10%) and the asset purchase program of approximately 80,000 billion yen par annum remained unchanged. The BoJ reiterated its commitment to steering the rate of return on 10-year bonds close to zero, through asset purchases.

Despite uncertainty surrounding the impact of Brexit on the British economy and signs of a slowdown in household spending and business investment, the Bank of England (BoE) opted to maintain its lead rate unchanged over the first ten months of the year. However, on November 2, 2017, the BoE slightly tightened its monetary policy for the first time in a decade, raising the intervention rate from 0.25% to 0.50%. This decision, which cancelled the reduction decided in August 2016, is justified by the rise in inflation, which reached 3.2% in October, exceeding the 2.0% target of the BoE.

The principal central banks of emerging countries changed the orientation of their monetary policy.

After increasing the interest rate on repo operations to 2.35% and reducing the amount of cash injected into the financial system to 26% in early 2017, the Central Bank of China (PBoC) increased part of its interest rate schedule over the rest of the year, in order to avoid capital outflows and preserve the stability of the yuan following the tightening of the FED monetary policy. Thus, the overnight credit facility rate was increased by 20 basis points to reach 3.30%, while the seven-day to one-week credit rates were respectively increased by 10 basis points, respectively reaching 3.45% and 3.80%.

The Central Bank of Russia reduced its lead rate six times to lower it from 9.75% to 7.75% in late 2017, notably to stabilize price increases and avoid further slippage of the rouble, such as the one caused in late 2014 by the collapse of oil prices and sanctions due to the Ukrainian crisis. The aim of the Central Bank is to bring its lead rate down to the 6-7% range within two years.

In India, the central bank lowered its reference rate by 25 basis points to 6.00% to support an increase in inflation with a view to reaching a target of 4.0%. Over the rest of the fiscal year, despite an economic slowdown and increased inflation, the *Reserve Bank of India (RBI)* maintained the orientation of its monetary policy unchanged.

In Brazil, the Central Bank reduced its lead rate four times over the fiscal year, lowering it from 13.75% to 7.5% by the end of 2017. These decisions were aimed at boosting growth against a backdrop of declining inflation, which is currently within the official target range of 2.5% to 6.5%.

In South Africa, for the first time since July 2012, the Reserve Bank (SARB) lowered its lead rate by 25 basis points to 6.75% in 2017. The aim of this measure was to boost the South African economy by supporting domestic demand in a context of risk mitigation affecting price stability.

Central banks in developing countries in trade partnerships with the Union made changes to their monetary policy instruments in FY 2017. For instance, during the year, the Central Bank of Ghana lowered its principal leading interest rate by 500 basis points, from 25.5% to 20.0%. Their decisions were justified by decreased inflationary pressures and a recovery in economic growth. Indeed, the inflation rate of 19.0% observed in 2016 is gradually converging with the 8.0% target set by the Central Bank. In Nigeria, the Central Bank (CBN) maintained its leading rate at 14% in 2017 against a backdrop of declining inflationary pressure and economic recovery. However, the Monetary Authorities defined a new foreign exchange market intervention policy, and the newly-implemented regulations have generated an increase in cash injections on the foreign exchange market to shore up the naira and satisfy the foreign currency needs of the major economic actors.

In 2017, the Bank of Central African States (BEAC) raised the interest rate on tenders by 50 basis points to 2.95%. This decision marked a sea change from the series of accommodating monetary policy measures implemented since 2015 to support the financing of CEMAC state economies, which have been hit hard by the drop in oil prices. The Monetary Authorities have also reduced the repo targets of banks in CEMAC countries by 20%. The BEAC has set up an emergency liquidity assistance mechanism in a regional context marked by the vulnerable cash-flow position of several banks, due to the financial difficulties experienced by their governments.

On the **foreign exchange markets**, the euro rose in relation to the other major currencies in 2017, notably due to the economic recovery and the appeasement of political risks in the euro zone. The euro exchange rate rose by 2.0%, reaching 1.129 dollar in 2017. The euro also rose against the pound Sterling (+7.0%), the Japanese yen (+5.3%) and the Swiss Franc (+2.0%).

On the West African market, the WAEMU zone currency increased in value compared to the major currencies of the sub-region in 2017, as compared to the situation in 2016. On average, in 2017, 1,000 CFA F were traded against 7.5 Ghanaian cedis, 80.4 Gambian dalasis, 12,803.2 Sierra Leonean leones, 196.1 Liberian dollars, 15,756.0 Guinean francs and 529.5 Nigerian nairas. On an annual basis, the appreciation in the CFA franc ranged from 5.7% to 25.1% against the Gambian dalasi and the Nigerian naira.

Table 1: Trends in annual average exchange rates (foreign currency units per 1,000 CFA francs)

	2016	2017	Change (%)
Special drawing rights (SDRs)	1.2142	1.2405	2.2
US Dollar (\$)	1.6870	1.7216	2.0
Swiss Franc (CHF)	1.6620	1.6946	2.0
Pound Sterling (GBP)	1.2484	1.3356	7.0
Japanese yen (JPY)	183.4165	193.0836	5.3
Gambian dalasi (DALASI)	74.3000	80.4029	8.2
Ghanaian cedi (CEDI)	6.5914	7.5474	14.5
Guinean franc (FGN)	14,901.8280	15,756.0372	5.7
Liberian dollar (DOLLAR)	159.1342	196.1487	23.3
Nigerian naira (NAIRA)	423.3913	529.5063	25.1
Sierra Leonean leone (LEONE)	10,571.9556	12,803.2349	21.1

Sources: Banque de France, WAMA / AMAO, IMF, BCEAO.

Table 2: Trends in quarterly average exchange rates (foreign currency units per 1,000 CFA francs)

FY	2016	1st quarter	2nd quarter	3rd quarter	4th quarter
Special drawing rights (SDRs)		1.2083	1.2238	1.2198	1.2049
US Dollar (\$)		1.6796	1.7216	1.7020	1.6448
Swiss Franc (CHF)		1.6708	1.6710	1.6600	1.6462
Pound Sterling (GBP)		1.1741	1.1996	1.2951	1.3249
Japanese yen (JPY)		193.6407	185.9624	174.2797	179.7831
Gambian dalasi (DALASI)		70.8849	73.4700	77.2011	75.6442
Ghanaian cedi (CEDI)		6.4516	6.6106	6.7048	6.5985
Guinean franc (FGN)		14,049.1565	15,353.6544	15,236.9945	14967.5066
Liberian dollar (DOLLAR)		151.3444	158.2802	163.1212	163.7910
Nigerian naira (NAIRA)		329.9875	349.8000	512.6190	501.1586
Sierra Leonean leone (LEONE)		9,676.3341	10,454.8000	10,565.4922	11591.1961
F Y	2017	1st quarter	2nd quarter	3rd quarter	4th quarter
Special drawing rights (SDRs)		1.1986	1.2211	1.2704	1.2719
US Dollar (\$)		1.6232	1.6774	1.7904	1.7953
Swiss Franc (CHF)		1.6302	1.6518	1.7240	1.7722
Pound Sterling (GBP)		1.3107	1.3115	1.3680	1.3523
Japanese yen (JPY)		184.4531	186.4818	198.7474	202.6522
Gambian dalasi (DALASI)		73.3071	77.6339	85.8921	84.7785
Ghanaian cedi (CEDI)		7.0852	7.1185	8.0988	7.8871
Guinean franc (FGN)		15,062.9362	15,193.8630	16,619.0564	16,148.2931
Liberian dollar (DOLLAR)		167.4700	185.1358	212.6895	219.2994
Nigerian naira (NAIRA)		495.3715	510.8139	563.8725	547.9674
Sierra Leonean leone (LEONE)		11,767.1271	12,210.3554	13,719.0031	13,516.4538

Sources: Banque de France, WAMA / AMAO, IMF, BCEAO.

1.1.5 - Employment and Inflation in Industrialized Countries

Demand for employment decreased in most industrialized countries. In the United States, the unemployment rate dropped by 0.6 percentage point compared to 2016, from 4.7% in December 2016 to 4.1% in December 2017. In the euro zone, unemployment was at its lowest level since 2009, falling from 9.3% in 2016 to 8.7% in November 2017. Similarly, in Japan, the number of job-seekers dropped by 0.3 percentage point, to stand at 2.7% in December 2017, its lowest level since November 1993.

Global inflation recovered during FY 2017, due to the impact of the rebound in commodity prices, particularly petroleum and food prices. In industrialized countries, the inflation rate was 1.7% in 2017, compared to 0.8% in 2016, remaining below the target rates set by the world's central banks. In emerging and developing countries, it averaged 4.1% in 2017 after 4.3% in 2016., in a context of monetary easing in most emerging countries, aimed at shoring up the economy following the drop in inflationary pressure. In sub-Saharan Africa, inflation remained above 10% in 2017, mainly in Nigeria, Angola and Ghana, due to the persistent impact of previous shocks caused by substantial depreciations in the local currencies.

1.2 – ECONOMIC AND FINANCIAL ENVIRONMENT OF WAEMU MEMBER STATES

1.2.1 - Gross Domestic Product and Real Sector Trends in WAEMU

The economic impetus that began in 2012 in WAEMU countries was maintained in FY 2017 thanks to the gradual improvement of the international and internal situations in the states. From the international standpoint, the Union benefited from the economic upturn in Nigeria, the main trading partner of some of the member states, as well as from the consolidation of the economy in industrialized and emerging countries. From the internal standpoint, the economies in the zone were supported by the gradual easing of the socio-political and security climate, as well as by continuing investments in growth sectors.

At the end of FY 2017, the gross domestic product (GDP) of the Union progressed by 6.7% in real terms, according to the latest estimates by official departments, up 0.1 percentage point compared to 2016. Economic expansion was buoyed by an increase in agricultural production, benefitting from satisfactory rainfall and the continued execution of agricultural development projects. Economic growth was also driven by a recovery in mining and manufacturing industries, notably linked to increased production of clinker, cement, phosphates, marble, zinc and gold. Furthermore, the continuing high rate of public and private investment in basic infrastructure and the increased supply of electrical energy helped improve the economic performance of the Union. Growth in the GDP can be attributed to strong performances in trade and services, particularly transportation, telecommunications and financial services.

Sector contributions totalled 3.7 points for the tertiary sector, which is the main pillar of economic growth, and 1.5 point each for the primary and secondary sectors.

Economic growth remained strong in all member states of the Union during FY 2017. However, the best performances were in Côte d'Ivoire, Senegal and Burkina Faso, where volume growth in the GDP reached 8.1%, 6.8% and 6.4%, respectively.

1.2.1.1 - Agricultural Production

The 2017/2018 crop season benefitted from favorable weather conditions. The seasonal forecasts for agro-hydro-climatic conditions in the 2017 rainy season, updated by the Permanent Interstate

Committee for Drought Control in the Sahel (CILSS) in June and July 2017, show normal to surplus rainfalls in most of the Sahelo-Sudan area in the CILSS/ECOWAS countries.

In WAEMU, the initial estimates provided by official departments showed a 6.1% increase in food crop production, estimated at 61,148,843 tonnes. This growth was mainly due to tubers (+6.5%) and cereals (+6.2%).

Compared to the average over the past five years, current harvests were up by 18.3%.

Where the main export crops were concerned, harvests were also higher in the 2017/2018 crop season compared to the previous season, with the exception of coffee.

The cocoa harvest totalled 1,995,442 tonnes, up 21.3%, essentially due to strong production in Côte d'Ivoire, the number one producer in the world. This commodity continued to benefit from actions launched a few years ago by the Authorities in charge of the sector, notably including better technical supervision and use of high-yield varieties.

Cottonseed production progressed by 9.7%, reaching 2,472,794 tonnes, mainly thanks to Burkina Faso (+16.1%) and Benin (+8.5%). These performances were due to the satisfactory rainfall recorded in production areas and the maintenance of support measures for producers, notably the provision of inputs and technical support.

Groundnut harvests rang in at 3,083,045 tonnes, an increase of 6.7%, mainly driven by production in Senegal (+8.0%), the main producer in the Union, Niger (+7.4%), Burkina (+6.5%) and Mali (+4.3%).

Cashew nut production recorded a 3.7% increase, reaching 1,150,355 tonnes during the 2017/2018 crop season in conjunction with favourable weather conditions in production areas in Côte d'Ivoire and Benin, respectively the top global producer and the second-largest producer in WAEMU.

The amount of rubber harvested during the 2017/2018 crop season was 394,583 tonnes, an increase of 0.6%, due to the impact of expanded planting areas.

On the other hand, coffee production fell by 61.1%, reaching 47,711 tonnes, mainly due to a decrease in the harvest in Côte d'Ivoire for the second year running, under the impact of climate shocks, notably including a longer Harmattan period.

1.2.1.2 - Mine Production

Available statistics on the first nine months of FY 2017 showed an overall drop in mining extraction compared to the same period in FY 2016, with the exception of gold production in Côte d'Ivoire and Burkina.

Gold extraction in FY 2017 was estimated at 45,867.3 kg in Burkina Faso and 26,000 kg in Côte d'Ivoire, showing respective increases of 19.0% and 3.8% compared to 2016. In Mali, the top producer in WAEMU, total production as at the end of September 2017 was 35,201.4 kg, down 4.6% compared to the end of September 2016. In Niger, there was a 14.6% drop in gold mining over the first ten months of 2017 and production was assessed at 659.4 kg.

Phosphate production also regressed, at 1,448,800 tonnes between January and September 2017, compared to 1,820,400 tonnes one year prior. This drop resulted from dips in production in Senegal (21.5%) and Togo (-18.1%) in conjunction with sluggish global demand.

Uranium production declined by 9.4%, to stand at 2,525.9 tonnes over the first ten months of FY 2017, combined with a sluggish international market. Crude oil extraction also fell by 12.5% in Côte d'Ivoire.

On the other hand, it was consolidated in Niger, where, according to the available statistics for the first

eight months of 2017, production stood at 4,352.5 thousand barrels, up 14.8% compared to the same period in 2016.

1.2.1.3 - Industrial Production and Retail Trade Turn-Over

Industrial production in WAEMU experienced a 3.1% increase in 2017, on the heels of 7.2% growth the previous year. This slowdown in the rate of growth chiefly reflects a decrease in energy sector production rates, which showed 5.2% growth in 2017, compared to 16.0% one year prior. Furthermore, the decline in mining production accelerated (-7.3% compared to -1.2%), combined with a slowdown in manufacturing production (+1.3% compared to +3.7%).

An increase in industrial production was observed in most states in the Union in 2017, particularly Mali (5.6%) and Senegal (5.2%).

The retail sales figure improved significantly, with an average growth rate of 8.8% in WAEMU compared to 2.0% growth the previous year. This recovery was essentially due to the increase in the rate of sales of petroleum products (+10.5% compared to +3.3%), automobiles and motorcycles (+13.5% compared to +5.6%) and food products (+6.2% compared to -2.6%).

The retail trade sales figure saw increases in every state, with the exception of Guinea-Bissau (-11.9%) and Niger (-5.1%).

1.2.2 - Trends in Inflation

The inflation rate in the Union averaged 0.8% in 2017, compared to 0.3% the previous year. This upswing was mainly due to higher prices for local food products, especially vegetables and seafood, as well as food services. To a lesser extent, price increases were seen on clothing and furniture items. Growth in inflation was partially offset by the continued easing of communications costs. Furthermore, the increase in the price of crude oil was not reflected in fuel prices at the pump in the countries of the Union, with the exception of Togo.

The core inflation rate, calculated excluding the most volatile prices, was also up, from an annual average of 0.3% in 2016 to 1.0% in 2017, in line with the price hikes in food services and clothing and furniture items mentioned above.

In 2017, the inflation differential between WAEMU and its principal partners favoured the Union by 2.8 percentage points. The inflation differential in relation to Nigeria and Ghana was respectively 16.0 and 11.8 percentage points.

Table 3: Trends in consumer prices in 2016 and 2017 (as a %)

	2016		2017	
	Annual average	Year-over-year change as at the end of December	Annual average	Year-over-year change as at the end of December
Benin	-0.8	-2.8	0.1	3.2
Burkina	-0.2	-1.7	0.4	2.1
Côte d'Ivoire	0.7	-0.2	0.7	1.1
Guinea-Bissau	1.5	1.6	1.0	-1.2
Mali	-0.8	-1.8	1.1	1.8
Niger	0.2	-2.2	2.4	4.8
Senegal	0.8	2.1	1.3	-0.7
Togo	0.9	0.4	-0.8	-1.6
WAEMU	0.3	-0.2	0.8	0.9

Sources: National Institutes of BCEAO States in charge of Statistics.

1.2.3 - Public Finance and External Debt Position

1.2.3.1 - Trends in State Financial Transactions

The public finance profile of the member states of the Union in 2017 was marked by continuing investments in the social and infrastructure sectors, with a view to creating the conditions for sustainable and inclusive growth, as well as increasing current expenditure. In this context, state financial transactions culminated in a deterioration of the budget deficit compared to FY 2016.

The overall deficit, based on commitments and including grants, stood at 3,090.9 billion at the end of December 2017, against 2,659.8 billion one year prior. As a percentage of the GDP, the deficit deteriorated by 0.3 point, reaching 4.7% in 2017, following an increase of 0.6 percentage point of the GDP in total spending between 2016 and 2017, offset by an increase of 0.4 percentage point of the GDP in total revenue and grants.

In terms of fiscal revenue, collections totalled 11,705.9 billion (17.7% of GDP) at the end of December 2017, up 1,018.0 billion (9.5%) compared to the previous year. Increases were recorded in every country of the Union. The biggest year-over-year increases in fiscal revenue were observed in Benin (+21.7%), Guinea-Bissau (+18.2%), Burkina (+12.9%) and Togo (+11.4%).

Despite this improvement in revenue recovery, the tax burden remained low at 15.4% in 2017, below the community target of at least 20% set for 2019.

Non-tax revenue totalled 1.518,4 billion in 2017, against 1.174,4 billion one year prior.

Budget grants totalled 1,482.6 billion over FY 2017, up 17.7% compared to 2016.

Net expenditure and loans increased by 11.3%, from 14,607.3 billion (24.0% of GDP) at the end of December 2016 to 16,279.5 billion (24.6% of GDP) at the end of December 2017. The trend in public spending reflected the rate of increase in current spending, along with a significant increase in capital expenditure during the year. Current expenditure showed an increase of 8.5% in 2017, reaching 9,455.9 billion, in conjunction with increases in wages and salaries (+7.1%) and interest expenses (+18.0%).

Capital spending totalled 6,019.9 billion at the end of December 2017, an increase of 957.0 billion or 18.9%, in conjunction with the continued implementation of public investment programs in the area of infrastructure. As a percentage of the GDP, it stood at 9.1% in 2017, compared to 8.3% in 2016. 59.5% of capital expenditure was financed by domestic resources in 2017 against 62.2% in 2016.

Public investment efforts, broken down by country, were highest in Benin (9.2% of the GDP in 2017 compared to 5.9% in 2016), Burkina Faso (10.5% of the GDP in 2017 compared to 8.3% in 2016) and Mali (9.9% of the GDP in 2017 compared to 8.9% in 2016).

In conjunction with these trends, the overall deficit on a commitment basis, including grants, at the end of December 2017, deepened by 431.1 billion to stand at 3,090.9 billion, or 4.7% of the GDP, compared to a deficit of 2,659.8 billion or 4.4% of the GDP over the same period the previous year. On a cash basis, the deficit was 2,974.9 billion, 1,008.5 billion of which was financed by net issues of public securities on the regional public debt securities market.

Table 4: Trends in Public Finance in 2017

	December 2016	December 2017	Gap (2) – (1)	
	(1)	(2)	(in billions FCFA)	(in %)
Fiscal revenue and grants	11,947.4	13,188.5	1,241.1	10.4
(as a % of the GDP)	19.6	20.0	-	-
Fiscal revenue	10,687.9	11,705.9	1,018.0	9.5
(as a % of the GDP)	17.6	17.7	-	-
Including tax revenue	9,513.5	10,187.4	673.9	7.1
(as a % of the GDP)	15.6	15.4	-	-
Grants	1,259.5	1,482.6	223.1	17.7
Total expenditures and net loans	14,607.3	16,279.5	1,672.2	11.4
(as a % of the GDP)	24.0	24.6	-	-
Including current expenditures	8,712.9	9,455.9	743.0	8.5
(as a % of the GDP)	14.3	14.3		
Payroll	3,764.9	4,033.4	268.5	7.1
Transfers and grants	2,174.4	2,124.0	-50.4	-2.3
Interest on the debt	842.2	994.2	152.0	18.0
Capital investments	5,062.9	6,019.9	957.0	18.9
(as a % of the GDP)			-	-
Other expenditures	842.6	815.9	-26.7	-3.2
Net loans	-11.1	-12.2	-1.1	10.1
Overall balance commitment basis (including grants)	-2,659.8	-3,090.9	-431.1	16.2
(as a % of the GDP)				
Overall balance cash basis (including grants)	-2,544.1	-2,974.9	-430.8	16.9
(as a % of the GDP)	-4.2	-4.5	-	-

Sources: National departments, BCEAO.

1.2.3.2 - Resource Mobilization and External Debt Position

In 2017, Côte d'Ivoire and Senegal raised resources on international markets through eurobond issues. The overall amount raised by Côte d'Ivoire totalled 1,143.6 billion CFA francs, divided between an issue in US dollars in the amount of 1.25 billion, or approximately 733.6 billion CFA francs and an operation in euros totalling 625 million, or approximately 410 billion CFA francs. In Senegal, there was one issue of 1.1 billion US dollars, or approximately 641.2 billion CFA francs.

Based on the latest available figures, the overall outstanding external public debt of all Union member states stood at 15,570.1 billion CFA francs at the end of December 2016, compared to 14,003.0 billion CFA francs at the end of December 2015, an increase of 11.2%. The ratio of outstanding debt to GDP was 26.4% in 2016 compared to 25.9% the year before.

On an individual country basis, the ratio was 22.4% in Benin against 21.3% in 2015, 24.6% against 24.5% in Burkina, 22.8% against 23.1% in Côte d'Ivoire, 32.7% against 32.2% in Guinea-Bissau, 25.0% against 22.6% in Mali, 28.5% against 26.3% in Niger, 41.5% against 39.4% in Senegal and 19.0% against 23.6% in Togo. None of the countries in the Union accumulated payment arrears on their external debts in 2016.

Thus, thanks to the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief (MDRI) Initiatives, the national debts of the countries of the Union showed a clear improvement in terms of their indebtedness indicators. The updated debt viability analyses carried out in all countries indicated low or moderate risk of over-indebtedness, with the exception of Togo. However, year over year, debt ratios followed an upward trend in certain countries.

In future, the member states of the Union should continue structural reforms aimed at increasing their growth potential and implement public debt management strategies that are compatible with preserving medium- and long-term sustainability of the public debt.

1.2.4 - Trends in the Balance of Payments

The balance of external trade in the Union showed a total surplus of 627.0 billion, following a deficit of 946.8 billion in 2016. This clear improvement was due to an increase in net inflows in capital and financial accounts, partially offset by the deterioration of the current account deficit.

The current account deficit reached 6.5% of the GDP, up 1.3% compared to the previous year, in line with the deepening of the deficit in the balance of goods and services and the primary income account.

The trade deficit deepened under the impact of a larger increase in importations (+12.6%) than in exportations (+7.0%). The increase in imports is notably due to the increase in oil prices, combined with stronger demand and an ongoing dynamic of purchasing of capital and intermediate goods. The increase in exports resulting from increased sales of petroleum (+32.7%), cotton (+40.4%) and gold (+7.2%), was partially offset by a drop in income from cocoa, following a price drop in the area of 30%. The negative balance in primary income increased by 5.8%, driven by interest payments on the public debt and dividends to foreign investors.

The surplus in the capital account grew by 25.0% compared to the previous year, notably in relation to the increase in project grants in Burkina Faso and Niger. Taking account of capital transactions, financing needs stood at 2,900.2 billion, a 37.6% increase. 106.9% of these needs were covered by net inflows of capital in the financial account, compared to a coverage ratio of 86.3% in 2016, for an increase of 20.6 percentage points, essentially due to increased net financial flows (+70.5%).

The strong growth in net inflows in the financial account in 2017, was chiefly due to flows from portfolio investments, essentially arising from eurobond issues by Côte d'Ivoire, Senegal and the West African Development Bank (WADB) for a total net amount of 1,682.0 billion. The consolidation of the financial account was also supported by increases in foreign direct investments (+29.2%) and net public borrowing (+10.4%).

II - MONETARY POLICY IMPLEMENTATION

2.1 – MONETARY POLICY OBJECTIVE

Since the entry into force of the Institutional Reform on April 1st, 2010, the main objective of the monetary policy of the BCEAO has been to ensure price stability. In this framework, the operational price stability target has been defined as an annual inflation rate in the Union within a range of one percentage point (1%) above or below the central value of 2% over the next 24 months. Potential risks affecting price stability and growth were identified during the macroeconomic framework exercise that provided reference points for the Monetary Policy Committee regarding future trends in the economies of the Union.

2.2 – MONETARY ACTION

The Central Bank's monetary actions in 2017 relied mainly on use of indirect tools to regulate bank liquidity, specifically leading rates, BCEAO refinancing operations and the required reserve system.

2.2.1 - Interest Rate Policy

In a context marked by an overall moderate level of inflation and the lack of any particular tensions in terms of future price trends over the medium term, the BCEAO Monetary Policy Committee kept the minimum bid rate on Central Bank cash injection tenders unchanged, in order to better support the member states' efforts to achieve economic growth. Thus, the rate remained at 2.50%, its level since September 16, 2013. The Monetary Policy Committee also maintained the marginal lending window interest rate unchanged at 4.50%, the level in force since December 16, 2016. The corridor formed by the minimum interest rate for bidding on calls for tenders for cash injections and the marginal lending rate remained at 200 basis points.

2.2.2 - Open Market Operations

During FY 2017, cash injection operations through the BCEAO's weekly and monthly bidding windows varied in relation to the estimated cash needs of the Union's banking system.

The amount offered through weekly calls for bids rose from 2,150.0 billion in January 2017 to 3,125.0 billion in December 2017, an increase of 45.3% compared to 21.4% in 2016. The average amount of weekly cash injections during FY 2017 stood at 3,013.2 billion, compared to 1,845.5 billion in 2016. This increase in seven-day cash advances reflects the will of the Monetary Authorities to help credit institutions cover the growing financing needs of the Union's economies. It also reflects the steps taken by the BCEAO to enhance the consistency of the liquidity-management system. In order to restore the marginal lending window to its role as a supplementary window¹, the Central Bank significantly increased the supply of cash through the weekly open market window during the call for tenders on the value date of April 4, 2017. This made it possible to shift the needs expressed at the marginal lending window to the weekly window.

The average marginal interest rate on weekly tenders was 3.3319% in 2017, up 10.0 basis points compared to its level of 3.2319% in 2016. The weighted average interest rate on weekly tenders was 3.6563% in 2017, up 26.8 basis points compared to its level in 2016.

1. The marginal lending window represented nearly 30% of total outstanding refinancing loans before the significant increase on April 4, 2017.

Total amounts offered through weekly calls for tenders fell from 850.0 billion in January 2017 to 720.0 billion in December 2017, an drop of 15.3% compared to an increase of 1.2% one year prior. Requests satisfied through this compartment, on average, in FY 2017, stood at 788.8 billion compared to 846.9 billion in 2016.

On average, the marginal interest rate and the weighted average interest rate increased in 2017 compared to 2016, respectively by 28.7 and 52.7 basis points, reaching 3.5898% and 3.8854%.

Overall, aggregate outstanding advances on one-week and one-month bid windows stood at 3.845,0 billion at the end of December 2017 against 3.000,0 billion at the end of December 2014, for a year-over-year increase of 845.0 billion (+28.2%).

Government treasury bills and bonds from all eight countries of the Union represented most of the assets presented by credit institutions as collateral for refinancing operations.

2.2.3 - Actions through Permanent Refinancing Windows

In its meeting of December 6, 2016, the BCEAO Monetary Policy Committee (MPC) decided to limit total outstanding refinancing granted to the same counterpart through the BCEAO marginal lending window and special refinancing window to a maximum level of twice the original own funds of the counterpart in question, as of December 16, 2016. This measure was aimed at improving bank liquidity, promoting better recycling of cash surpluses and reducing pressure on interbank market interest rates. The entry into force of this decision and the significant increase in the supply of cash on the open market² led to a substantial drop in assistance through the marginal lending window, which fell from 1,583.8 billion in early January 2017 to 11.8 billion in mid-April 2017. At the end of December 2017, outstanding loans through this window totalled 251.5 billion.

With respect to the special refinancing window³, which entered into force in January 2014, the volume of loans granted by the Central Bank to the banks stood at 10.3 billion at the end of December 2017 compared to 122.8 billion at the beginning of FY 2017.

2.2.4 - Reserve Requirements System

The required reserve coefficient applicable to the banks of the Union, which was previously 5.00%, the level that had been in force since March 16, 2012, was brought down to 3.00% as of March 16, 2017. This measure was taken to adjust the required reserve coefficient to a suitable level to ensure that the banks were in compliance with the Central Bank. The decrease in the required reserve coefficient was also aimed at providing the banks with a liquidity margin they could recycle, as needed, on the interbank market, thereby reducing interbank rates and reducing requests through BCEAO refinancing windows. As at November 15, 2017, actual reserves stood at 1,310.0 billion, compared to a requirement of 587.0 billion. Thus, bank reserves held in excess of requirements stood at 714.0 billion over the reserve period falling due on November 15, 2017.

2. It should be recalled that the BCEAO increased the supply of cash on the open market on the value date of April 4, 2017, in order to restore the marginal lending window to its role as a supplementary window.

3. The special refinancing window was established by Decision No. 24/2013/CPM amending and supplementing Decision No. 397/12/2010 on the rules, instruments and procedures for the implementation of the monetary and credit policy of the Central Bank of West African States. Credit institutions eligible for refinancing can request advances on maturities ranging from three to twelve months through this window. These advances are backed by public or private securities with a residual maturity ranging between five and twenty years maximum. This window took effect in January 2014 and recorded its first transactions in July 2014.

Table 5: Reserve requirement ratios applicable to banks

	Up to Nov. 15, 1998	Nov. 16 - Dec. 15 1998	Dec. 16, 1998 - Apr. 15, 2000	Apr. 16 - Aug. 15, 2000	Aug. 16 - Sept. 15, 2000	Sept. 16, 2000 - Apr. 15, 2002	April 16, 2002 - March 15, 2004	March 16, 2004 - June 15, 2005	June 16, 2005 - June 15, 2009	June 16, 2009 - May 15, 2010	May 16 - Dec. 15 2010	Dec. 16, 2010 - March 15, 2012	March 16, 2012 - March 15, 2017	Since March 16, 2017
<i>(As a percentage)</i>														
Benin	9.0	9.0	3.0	3.0	9.0	9.0	9.0	13.0	15.0	9.0	7.0	7.0	5.0	3.0
Burkina	9.0	9.0	3.0	3.0	3.0	3.0	3.0	3.0	7.0	7.0	7.0	7.0	5.0	3.0
Côte d'Ivoire	9.0	1.5	1.5	3.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	5.0	3.0
Guinea-Bissau	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0	7.0	5.0	3.0
Mali	9.0	9.0	3.0	3.0	3.0	3.0	9.0	9.0	9.0	7.0	7.0	7.0	5.0	3.0
Niger	5.0	5.0	1.5	3.0	5.0	5.0	5.0	5.0	9.0	7.0	7.0	7.0	5.0	3.0
Senegal	5.0	1.5	1.5	3.0	9.0	9.0	9.0	9.0	9.0	7.0	7.0	7.0	5.0	3.0
Togo	9.0	3.0	1.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0	7.0	5.0	3.0

Source: BCEAO.

2.3 – TRENDS IN MONETARY AGGREGATES

The monetary situation in the Union at the end of December 2017, compared to the end of December 2016, showed an increase in the money supply, subsequent to increases in domestic claims and net foreign assets.

2.3.1 - Net Foreign Assets

Net foreign assets of monetary institutions increased by 332.8 billion to reach 4,029.6 billion at the end of December 2017. This trend was due to an increase of 602.6 billion in the Central Bank's net foreign assets, whose impact was partially offset by a drop of 269.8 billion in those of the banks.

The official foreign exchange reserves of the BCEAO increased by 654.9 billion, reaching 7,184.2 billion at the end of December 2017, compared to 6,529.4 billion at the end of December 2016. As a result, the Central Bank's currency issue coverage rose to 73.4%, compared to 68.2% in December 2016. The external commitments of the Central Bank grew by 51.9 billion, reaching 2,020.9 billion at the end of December 2017, compared to 1,969.0 billion at the end of December 2016.

2.3.2 - Domestic Claims

Outstanding domestic claims rose by 2,298.7 billion or 9.9% compared to their level at the end of December 2016, reaching 25,413.1 billion at the end of December 2017. This development was due to the combined impact of the consolidation of net claims on central government and credits to other sectors of the economies of the Union.

2.3.2.1 - Net Claims on the Central Government

Net claims of monetary institutions on central governments stood at 6,896.0 billion at the end of December 2017, up 508.8 billion compared to their level at the end of December 2016. This trend notably results in increased debts of governments to the Union's banks (567.0 billion). Compared to 2016, this trend reflects an increase in government commitments to the banks. Over the same period, one year prior, net bank claims on governments had increased by 2,040.7 billion.

2.3.2.2 - Claims on other sectors

Loans to the economy by depositing institutions grew by 1,789.9 billion or 10.7% over FY 2017, reaching 18,517.1 billion at the end of December 2017, compared to 16,727.2 billion at the end of December 2016. This development follows from an increase in bank loans to private non-financial companies and households, which respectively progressed by 1,132.4 billion and 513.2 billion.

In **Benin**, outstanding credits to the economy increased by 18.2 billion (1.5%) to stand at 1,201.2 billion. In **Burkina**, loans to the economy saw an increase of 234.2 billion or 11.3%, reaching 2,308.7 billion compared to 2,074.5 billion at the end of December 2016. In **Côte d'Ivoire**, the level of loans from deposit institution to the economy rose by 762.4 billion or 14.7%, reaching 5,953.7 billion. At the end of December 2016, it was 5,191.2 billion. Credits from deposit institutions in **Guinea-Bissau** to economy followed a downward trend (-10.2%), standing at 46.9 billion after twelve months.

As for **Mali**, financing of the economy rose by 9.6%, from 2,182.7 billion in December 2016 to 2,392.1 billion in December 2017. In **Niger**, loans to the economy also grew by 5.8%, reaching 780.3 billion in December 2017. Growth in loans to the economy in **Senegal** was the strongest in the region. Over the twelve-month period, outstanding claims on sectors other than the central government were up 16.5%, from 3,243.9 billion in December 2016 to 3,780.6 billion in December 2017. In **Togo**, outstanding credits to the economy increased by 22.1 billion (2.0%) to stand at 1,060.7 billion.

2.3.2.3 - Centralization of Banking Risks

With respect to banking risk centralization, the overall outstanding amount of credit registered with the central credit register stood at 12,896.5 billion at the end of December 2017, against 11,910.9 billion on 31 December 2013, an increase of 8.3%. During the period under review, short-term credit increased by 7.3% and medium/long-term credit, by 10.1%.

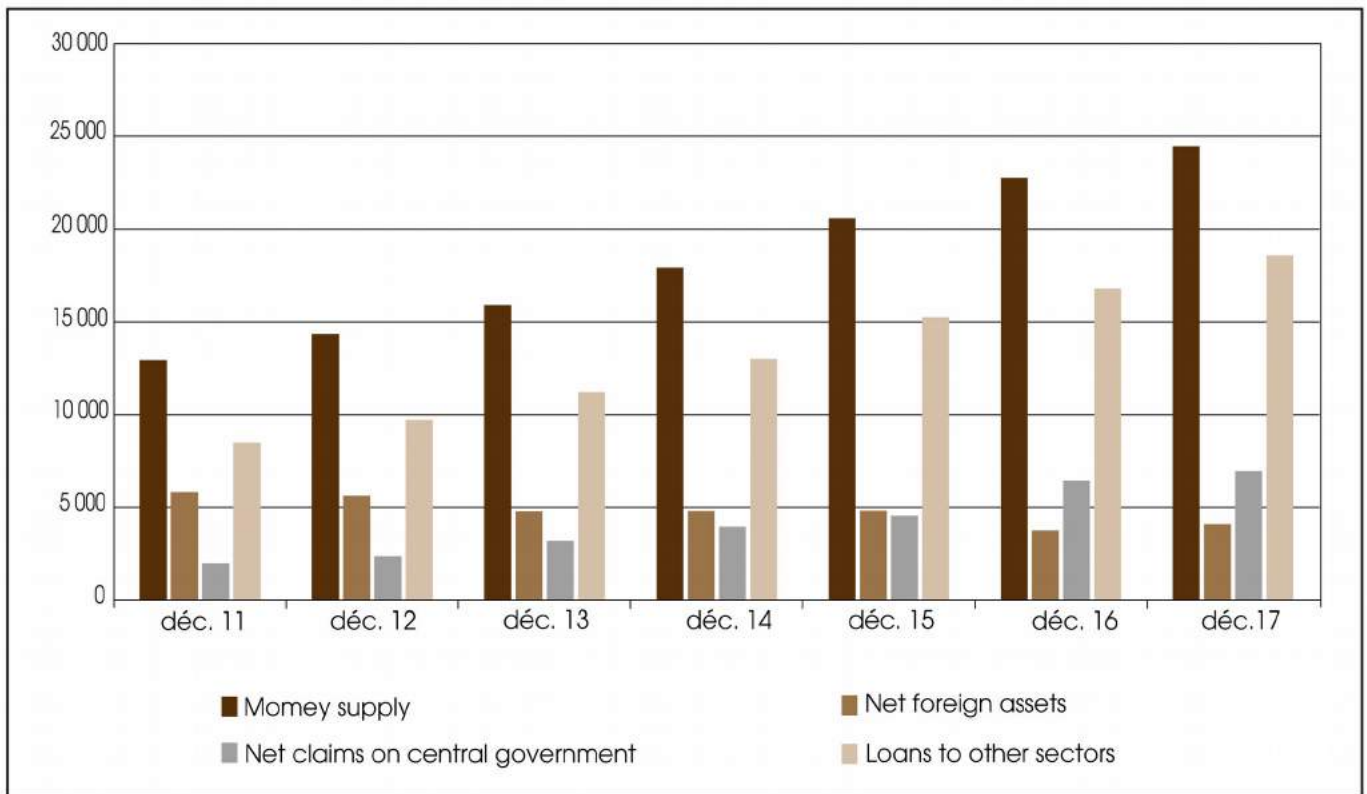
These risks are essentially concentrated in the following sectors: “wholesale trade” (27.7%), “community services” (16.9%), “manufacturing industries” (15.4%), “transportation and communications” (11.8%) and “construction and public works” (10.4%). These five (5) areas of activity alone accounted for more than 4/5 of the loans declared at the central credit register.

2.3.3 - Money Supply and Monetary Base

In conjunction with the trends in its counterparts, the **money supply** grew by 1,708.4 billion or 7.5%, to stand at 24,425.7 billion. This increase in overall liquidity was reflected in a rise of 855.6 billion or 8.8% in deposits and 273.3 billion or 5.0% in currency outside banks.

Compared to its level at the end of December 2016, the **monetary base** shrank by 123.0 billion or 1.5%, reaching 8,016.1 billion at the end of December 2017. This development was driven by a drop of 529.1 billion in loans to banks and financial institutions, partially offset by an increase of 602.6 billion in the net foreign assets of the Central Bank.

Graph 6: WAMU – Monetary aggregates (in billions of CFA francs)



Source : BCEAO.

Table 6: WAMU - Monetary aggregates

	2015	2016	2017
	<i>As at the end of December</i>		
	<i>In billions of CFA francs</i>		
Currency outside banks	5,227.3	5,509.2	5,782.5
Demand deposits	8,075.9	9,668.2	10,523.8
M1	13,303.2	15,177.4	16,306.3
Other deposits included in the money stock (1)	6,939.3	7,539.9	8,119.3
MONEY SUPPLY (M2)	20,242.6	22,717.3	24,425.7
Net foreign assets	4,751.3	3,696.8	4,029.6
<i>Central Bank</i>	5,482.2	4,565.3	5,167.9
<i>Bank</i>	-730.9	-868.5	-1,138.3
Domestic claims	19,615.6	23,114.5	25,413.1
<i>Net claims on the central government</i>	4,305.8	6,387.2	6,896.0
<i>Claims on other sectors</i>	15,309.8	16,727.2	18,517.1
Non-monetary liabilities (2)	5,301.1	5,628.5	6,280.8
Other items (net) (3)	-1,176.7	-1,534.5	-1,263.7
TOTAL COUNTERPARTIES OF M2 (4)	20,242.6	22,717.3	24,425.7

- (1) Term deposits and special savings accounts opened in banks, interest-bearing deposits opened in the books of the Central Bank.
(2) Comprising shares and other interests in deposit institutions and their non-monetary commitments to other sectors.
(3) Comprising consolidation adjustments and the net balance of non-classified assets, particularly miscellaneous items and non-financial assets.
(4) Total counterparties = Net foreign assets + Domestic claims - Non-monetary liabilities - Other items (net).

Source: BCEAO.

III – TRENDS IN THE BANKING AND FINANCIAL SYSTEM AND ACTIONS WITH REGARD TO FINANCIAL STABILITY AND INCLUSION

3.1 – SITUATION OF CREDIT AND MICROFINANCE INSTITUTIONS

Over the 2017 fiscal year, the WAEMU **banking network** grew by six (6) units compared to the end of December 2016.

Thus, the total number of approved credit institutions stood at one hundred and forty-four (144) units at the end of 2017, compared to one hundred and thirty-eight (138) on December 31, 2016.

Over the first eleven (11) months of FY 2017, developments within the Union's banking system were marked by growth in resources and uses.

Uses had risen by 5.98% at the end of November 2017 (+1,645.5 billion) compared to their level at the end of December 2016. This momentum relied mainly on credits (+1,146.6 billion; +6.8%) and other uses (+498.8 billion; +4.64%). Resources grew by 1,653.4 billion, or 6.8% over the same period, essentially driven by deposits and loans (+1,034.6 billion; +5.0%).

The cash flow position, which has had a structural deficit since 2013, improved slightly (+7.9 billion), reaching -3,142.9 billion on November 30, 2017.

Regarding the quality of the credit institutions' portfolios, the situation as at November 30, 2017 had deteriorated slightly compared to the end of December 2016, the gross rate of deterioration of the portfolio increased by 1.3 percentage point, reaching 15.2%. The net rate stood at 6.3%.

Based on the available data, as at September 30, 2017, in prudential terms, the actual combined equity of the WAMU banking system as a whole stood at 1,917.9 billion, including 1,824.8 billion in the banks. Weighted risks were assessed at 17,298.1 billion, 99.2% of which were borne by the banks. This results in an average "capital-risk ratio" of 11.09% for the banking system as a whole, for a minimum standard set at 8.0%, up 2.03 percentage points from the ratio recorded at the end of December 2016. Approximately 83% of all credit institutions were in line with the ratio.

Furthermore, 72% of banks and bank-like financial institutions met the solvency standard on September 30, 2017, compared to 73% at the end of December 2016, i.e. a decrease of 1.0 percentage point.

Overall, from a prudential standpoint, the solvency status of the Union's banking system had improved in late September 2017, with equity increasing faster than weighted risks.

In terms of intermediation and people's access to financial services in 2017, the **WAMU microfinance sector** remained dynamic. Indeed, based on available information, with 623 Decentralized Financial Systems (DFSs), the number of service points rose from 4,156 at the end of December 2016 to approximately 4,853 at the end of June 2017. The number of beneficiaries of services provided by microfinance institutions rose to nearly 13.6 million at the end of June 2017, up from 12.7 million at the end of December 2016, which corresponds to a 7.1% increase.

DFS financial intermediation activity also increased, as deposits collected totalled 1,216.1 billion at the end of June 2017 compared to 1,079.1 billion at the end of December 2016, corresponding to a 12.7% increase. These deposits account for around 6.9% of deposits collected by the Union's credit institutions during the reporting period. Outstanding loans granted by microfinance institutions increased by 6.5%, from 1,072.6 billion at the end of December 2016 to 1,142.2 billion at the end of June 2017, representing approximately 7.0% of the loans granted by the Union's credit institutions.

On the other hand, the quality of the DFS loan portfolio deteriorated comparatively over the reporting period, standing at 72.3 billion at the end of June 2017 compared to 61.6 billion on December 31, 2016. The gross deterioration rate for DFS portfolios in the Union, measured by the ratio of past due loans to outstanding receivables, stood at 6.3% at the end of June 2017 compared to 5.7% at the end of December 2016, showing an increase of 0.6 percentage point. This exceeds the 3% standard generally accepted in the sector.

In 2017, the Central Bank continued its work relating to the reorganization and consolidation of the microfinance sector as well as strengthening supervision and improving financial information.

In terms of sector reform and consolidation, the Central Bank conducted an overall assessment of the implementation of the Action Plan for the preservation and consolidation of the viability of the microfinance sector (PAPCVSM), adopted by the WAMU Council of Ministers on December 14, 2012 and expiring on December 31, 2016.

The assessment noted progress in the following areas:

- sector reform;
- improvements in access indicators; and
- relative improvement in the financial viability of certain institutions.

The Central Bank has also opened discussions to amend the current legal framework in order to clarify certain provisions and take the sector's new concerns into consideration.

With respect to strengthening the supervision of microfinance institutions, the Central Bank continued its mapping of the major risks facing WAMU's large DFSs, as well as the operationalization of the "Centralized computer DFS monitoring solution (SICS-SFD)" application whose new version was put on line on September 1, 2017, as part of the Bank's efforts to improve financial information.

3.2 – INTERBANK MARKET

The trend in the WAMU interbank market showed a concomitant increase in the volume of cash exchanges and the weighted average interest rate on transactions.

Average outstanding loans stood at CFA F 497.4 billion at the end of December 2017, compared with CFA F 381.5 billion over the same period the previous year.

The average volume of transactions amounted to CFA F 296 billion in 2017 compared with 169 billion in 2016 (+75%). These transactions included maturities ranging from one (1) day to twelve (12) months. One-week and two-week compartments were the most active, representing respectively 69% and 16% of the average volume of transactions, against 44.7% and 32.5% in 2016. On average, total loans through these windows were respectively worth 208 billion and 46 billion CFA F in 2017, compared to 76 billion and 55 billion in 2016.

Compared to the average amount of cash injections, the volume of interbank transactions rose from 6.3% in 2016 to 7.8% in 2017.

With respect to interest rates, the one-week sub-fund's weighted average interest rate rose from 4.21% in 2016 to 4.90% in 2017. All the Union's financial centers contributed to the volume of transactions on the interbank market. Abidjan was the most active in terms of supplying resources (25.9%), followed by Dakar (20.6%) and Ouagadougou (19.2%). The main beneficiaries were Dakar (26.1%), Abidjan (16.3%) and Cotonou (15.8%).

Table 7: Trends in interbank rates in 2017 (weighted average as a percentage)

	1 day	1 week	2 weeks	1 month	3 months	6 months	9 months	12 months
January	5.21	4.95	5.33	5.26	4.68	5.75		2.92
February	4.69	5.03	5.49	5.75	5.21	5.62	5.50	
March	5.12	5.17	5.53	5.77	4.71	5.21		5.50
April	4.89	4.65	5.48	5.72	6.25			
May	4.36	4.88	5.21	5.30	5.41	5.18		5.50
June	4.48	5.10	5.30	5.17	4.40	4.85		3.50
July	3.90	4.12	5.25	5.41	5.44			
August	4.26	4.40	5.38	4.92	4.93			6.50
September	4.49	4.56	5.43	5.08	4.04			
October	4.66	4.74	5.40	4.67	6.04	5.00		5.15
November	5.14	5.33	5.33	5.35	3.98	4.50	5.45	5.33
December	5.38	5.33	5.42	5.33	5.50	5.45		5.63
Average	4.78	4.90	5.38	5.29	4.92	4.94	5.47	4.80

Source: BCEAO.

Table 8: Trends in interbank lending within WAMU in 2017 (in millions of CFA Francs)

	Average amounts		Outstanding Average outstanding loans	Rate ranges (as a %)	Loan terms
	Total	Including WAMU			
January	202,502	148,680	427,361	2.92 to 5.75	1 day to 12 months
February	302,313	228,239	469,817	4.69 to 5.75	1 day to 9 months
March	310,824	236,284	461,273	4.71 to 5.77	1 day to 12 months
April	264,016	216,729	486,675	4.65 to 6.25	1 day to 3 months
May	277,811	204,795	451,687	4.36 to 5.50	1 day to 12 months
June	233,073	154,793	478,458	3.50 to 5.30	1 day to 12 months
July	262,000	208,300	491,952	3.90 to 5.44	1 day to 3 months
August	211,690	169,500	416,770	4.26 to 6.50	1 day to 12 months
September	274,070	190,072	466,595	4.04 to 5.43	1 day to 3 months
October	405,584	259,966	594,359	4.66 to 6.04	1 day to 12 months
November	455,258	276,436	629,950	3.98 to 5.45	1 day to 12 months
December	358,133	204,691	594,381	5.33 to 5.63	1 day to 12 months
Average	296,439	208,207	497,415		

Source BCEAO.

3.3 – FINANCIAL MARKET

3.3.1 - Resource Mobilization by Member States

3.3.1.1 - Resource Mobilization on the Regional Market

In 2017, the total gross amount of bonds issued on the regional public debt market was 3,700.1 billion, compared with 4,412.1 in 2016. Net bond issuance stood at 1,008.5 billion in 2015, against 2,232.9 the previous year. This downward trend in net annual bond issuance was correlated with the decrease in gross bond issues and the high level of payments of principle and interest falling due during the reporting period, which amounted to 2,707.1 billion, including repurchases of public securities by Côte d'Ivoire (99.2 billion) and Senegal (20.9 billion).

The share of Treasury bonds in resource mobilization on the market was 57.3% in 2017 compared with 72.3% in 2016. The decrease in bond loans reflected governments' difficulties in raising funds with long-term maturities, associated with the bank solvency pressures observed in 2017.

Table 9: Public securities issues (in billions of CFA Francs)

	2015	2016				Total 2016	2017			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Bills	1,127.3	464.6	287.8	404.7	234.0	1391.1	618.6	434.4	253.9	271.3
Bonds	2,177.0	366.7	851.1	988.1	983.0	3,188.9	191.4	486.6	767.5	676.4
<i>Auction</i>	1,636.5	366.7	465.8	472.1	575.8	1,880.4	54.3	215.2	645.5	250.2
<i>Syndication</i>	540.5	-	385.3	516	407.2	1,308.5	137.1	271.5	122.0	426.2
Total	3,304.3	831.3	1,138.9	1,392.8	1,217.0	4,412.1	810.0	921.0	1,021.4	947.7

Source: BCEAO.

With respect to the Treasury bonds sub-fund, ninety-three (93) bonds totaling 1,578.2 billion were issued. 6-month and 12-month maturities were the most commonly requested, with sixty-three (63) issues for a total value of 969.1 billion, or 61.4% of the total value of bills issued in 2017. The weighted average interest rate on Treasury bonds was 5.71% in 2017 compared with 4.72% a year earlier.

Table 10: Average interest rate on Treasury bills (as a percentage)

	2016				Total	2017			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
1 month	-	-	-	3.52	3.52	4.94	4.86	-	-
3 months	4.03	4.11	3.33	4.66	3.75	5.50	5.37	5.64	5.62
6 months	4.67	4.81	-	-	4.75	5.37	5.87	5.38	5.86
12 months	5.14	4.65	5.06	4.54	4.90	5.99	6.12	5.68	5.99
24 months	5.10	5.76	5.07	5.62	5.30	-	-	-	5.78
Average rate	4.92	4.72	4.38	4.82	4.72	5.68	5.74	5.58	5.85

Source: BCEAO, WAMU Securities Agency.

3.3.1.2- Outstanding Public Securities on the Regional Market

Overall outstanding public securities stood at 9.629,9 billion at the end of December 2017. The structure of outstanding securities was dominated by bonds, which represented 87.3% of the total.

Table 11: Outstanding public securities at the end of December 2017 (in billions of CFA Francs)

	Benin	Burkina	Côte d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	WAEMU
Bills	159.4	273.8	304.4	24.8	90.3	121.6	101.7	147.8	1,223.8
Bonds	1,146.9	683.1	3,296.9	24.7	894.1	428.0	1,135.4	797.0	8,406.1
Total	1,306.3	956.9	3,601.3	49.5	984.4	549.6	1,237.1	944.8	9,629.9

Source: BCEAO, WAMU Securities Agency.

Table 12: Trends in outstanding public securities (in billions of CFA Francs)

	2011	2012	2013	2014	2015	2016	2017 (*)
Outstanding	2,601.7	3,023.9	3,743.9	5,068.8	6,388.5	8,621.4	9,629.9
(% of the GDP)	7.1	7.5	8.3	10.5	12.2	14.6	14.5
Relative share							
- bills	36.7	39.0	36.3	30.5	20.3	17.2	12.7
- bonds	63.3	61	63.7	69.5	79.7	82.8	87.3

Sources: BCEAO, WAMU Securities Agency.

(*): (*) Estimates

3.3.2 - Regional Stock Exchange (BRVM)

Trends on the regional financial market on December 29, 2017, compared with December 30, 2016, were characterized by a drop in the main indicators. Market capitalization amounted to 9,805.8 billion on December 30, 2017, compared to 10,215.5 billion on December 30, 2016, a decline of 4.0%, attributable to the downturn in the equity sub-fund. Stock market capitalization fell from 7,706.3 billion at the end of December 2016 to 6,836.2 billion on December 29, 2017, down 11.3%, while bond market capitalization rose over the same period by 460.3 billion, reaching 2,969.5 billion on December 29, 2017. The transaction volume also fell over the reporting period, from 2,315,818 shares traded on December 30, 2016 to 362,640 shares traded at the end of December 2017.

The BRVM indexes also dropped in 2017. The BRVM10, which is the main stock market index, and the composite index stood at 219.65 and 243.06 points respectively on December 30, 2017, down 16.1% and 16.8%, respectively, compared with the end of December 2016.

3.4 – ACTIONS TOWARDS FINANCIAL STABILITY

Financial stability activities conducted by the BCEAO in 2017 targeted the following key areas:

- preserving financial stability;
- reinforcing banking and financial regulation and supervision; and
- other actions aimed at promoting financial stability.

3.4.1 - Preserving Financial Stability

The steps taken to preserve financial stability focused mainly on reinforcing bank crisis resolution and depositor protection mechanisms.

In this context, the Central Bank's revision of the relevant legal framework was completed by the Council of Ministers' amendment of the Annex to the Convention governing the WAMU Banking Commission (CB-WAMU) on September 29, 2017.

This instrument grants the Banking Commission the status of supranational authority for the resolution of banking crises in addition to that of supervisory authority. It now comprises two (2) bodies, namely a Supervisory College and a Resolution College. The Banking Commission also has powers and prerogatives enabling it to take all necessary steps to deal with the difficulties of institutions whose failure could affect the stability of the banking system and compromise the mission of providing financial services to the population. The revised Annex enters into force on January 1, 2018.

Regarding macroprudential supervision, the BCEAO continued its work relating to the definition and establishment of a macroprudential policy framework within the Union as well as to the identification of systemically important banking institutions. The latter project addresses the need to enhance the resilience of the financial system by setting apart institutions whose failure could have a significant negative impact on the financial system as a whole and on the economies of the Union. The ultimate goal is to subject them to closer supervision and additional minimum capital requirements.

As part of the annual evaluation of the resilience of the WAMU banking system to severe but likely shocks, the Central Bank conducted a stress test on the sector, based on the banks' situation on June 30, 2017. The results of this exercise showed that, overall, the banking sector was resilient to simulated shocks, despite a few vulnerable areas, including the risk entailed by the loan portfolio being focused on a single counterparty.

Furthermore, the Central Bank took part in the proceedings of the 11th and 12th ordinary sessions of the WAMU Financial Stability Committee (WAMU-FSC), held in Dakar on June 8 and November 27, 2017. During these meetings, the Committee highlighted the main risks that required specific supervision by the financial system regulatory bodies and institutions and by the member states of the Union.

Box 1: Overview of the New Annex to the Convention Governing the WAMU Banking Commission (CB-UMOA)

The revision of the Annex to the Convention governing the WAMU Banking Commission aims to take into account developments resulting from certain decisions taken by the WAMU Council of Ministers in recent years. These include the following:

- Decision No. 25 of July 2, 2015 (02/07/2015/CM/UMOA) establishing a banking crisis resolution mechanism within the Union;
- Decision No. 28 of September 29, 2015 (29/09/2015/CM/UMOA) stating that the Secretary General of the Banking Commission shall be assisted by two (2) Deputies;
- Decision No. 13 of June 24, 2016 (13/24/06/2016/CM/UMOA) on the prudential framework applicable to credit institutions and finance companies in the Union; and
- Decision No. 14 of June 24, 2016 (14/24/06/2016/CM/UMOA) on the supervision, on a consolidated basis, of parent credit institutions and finance companies within the Union.

The main innovations introduced by the decisions focus on:

- organizing the Banking Commission to form two (2) bodies: a Supervisory College and a Resolution College, each having specific composition and powers (Title I - Articles 2 to 11);
- revising Article 12 of Decision No. 28 of September 29, 2015 (29/09/2015/CM/UMOA) stating that the Secretary General of the Banking Commission shall be assisted by two Deputy Secretaries General;
- increasing the operational flexibility of the Banking Commission, so that it may, firstly, hold meetings by videoconference or any other telecommunications technology enabling the identification and effective participation of the Commissioners and, secondly, rule by written consultation (Article 13);
- extending the supervisory scope of the Banking Commission to financial companies and electronic money institutions (Article 16);
- reinforcing the administrative measures it may take against regulated institutions (Article 29);
- limiting the right of appeal against the decisions of the Banking Commission to the natural or legal persons concerned by such decisions. It should be noted that such appeals shall be lodged with the WAMU Council of Ministers (Article 43);
- introducing provisions on resolution measures and interventions by the WAMU Deposit Guarantee Fund (FGD-UMOA). The latter will become the "WAMU Deposit Guarantee and Resolution Scheme (GFRD-UMOA)" to take into account the extension of its scope to include banking crisis resolution (Title III - Articles 45 to 58); and
- broadening the scope of cooperation between the Banking Commission and counterpart authorities in order to take into account aspects relating to banking crisis resolution (Title IV - Articles 59 to 62).

3.4.2 - Reinforcement of Banking and Financial Regulation and Supervision

The activities carried out in this framework focused on improving financial regulation in the Union as well as banking and financial supervision.

Actions taken to improve financial regulation involve the revision of the Decentralized Financial Systems Regulation Act and the enactment of implementing instruments.

In its session of September 29, 2017, the Council of Ministers adopted the draft Uniform Act amending and supplementing the Act regulating DFSs to open up the microfinance sector to Islamic finance operations.

The implementing instruments enacted pertain to the Act regulating DFSs and the Decisions of the WAMU Council of Ministers on the prudential framework applicable to WAMU credit institutions and financial companies, as well as to supervision on a consolidated basis. They include:

- Instruction No. 001-01-2017 on applications for prior authorization to change the legal form, corporate name, trade name or share capital structure of a decentralized financial system operating in the West African Monetary Union. It covers the documents and information to be provided in applications for prior authorization and to the related presentation outline;
- Instruction No. 002-01-2017 on procedures for processing applications for exemption from the nationality requirement, which mainly lists the information and documents required for processing such applications; and
- Instruction No. 005-08-2017 of August 11, 2017 on the procedures for reporting prudential statements to specify the procedures for implementing the first pillar of Decision No. 013/24/06/2016/CM/UMOA of the WAMU Council of Ministers on the prudential framework applicable to credit institutions and finance companies in the Union.

In addition, five (5) circulars were adopted by the Banking Commission at its ordinary meeting held on September 27, 2017. The circulars related to:

- the governance of WAMU credit institutions and financial companies;
- the conditions governing the exercise of the functions of director and officer within WAMU credit institutions and financial companies;
- internal audits of WAMU credit institutions and financial companies;
- risk management in WAMU credit institutions and financial companies;
- management of compliance with applicable standards by WAMU credit institutions and financial companies.

These circulars ensure the effective implementation of the second pillar of the prudential framework, to wit the supervisory review process to provide institutions subject to prudential supervision with a robust and effective system of governance, internal control, and risk management and compliance.

3.4.3 - Promotion of Credit Information Bureaus (CIBs)

CREDITINFO-VOLO, a Credit Information Bureau (CIB) headquartered in Abidjan, Côte d'Ivoire and authorized to operate throughout the Union, has been operational since February 1, 2016. It is continuing its deployment throughout the WAMU area, with the Uniform Act regulating CIBs now in force in all of the Union's Member States.

Within the framework of the implementation of the legal obligation to establish CIBs in member states which have domesticated the Uniform Act, CREDITINFO-VOLO has been authorized to set up representative offices in Burkina, Guinea-Bissau, Mali, Niger, Senegal and Togo. In Benin, where the Uniform Act was promulgated on January 23, 2017, the declaration of a representative office has been processed and the BCEAO's assent has been sent to the country's Minister of Finance.

As of December 31, 2017, 146 (or 77.7%) of the 188 regulated institutions concerned were deemed eligible to participate in the credit information sharing system, following qualification tests. The institutions for which tests were yet to be completed were mainly located in States that had recently adopted the Uniform Act on CIBs. CREDITINFO-VOLO set up a permanent system to provide close assistance to the institutions concerned in order to finish the tests.

The number of customers whose information was available in the CIB database rose from 30,694 at the end of February 2016 to 1,251,789 on December 31, 2017, including 14,876 legal entities and 1,236,913 individuals. This significant increase was mainly due to the progress achieved in Côte d'Ivoire. Customer data from Côte d'Ivoire accounted for 59.6% of the all customer data in the CIB regional database.

The positive situation in Côte d'Ivoire was due to this country's adoption of Ordinance No. 2016-20 of January 27, 2016, which exempts regulated institutions from the obligation of obtaining consent to share data from customers who received loans before April 21, 2014, which is the date when the Uniform Act came into force in the country. Like Côte d'Ivoire, and for similar purposes, Niger promulgated Act No. 2017-36 of May 8, 2017 amending the Uniform Act on CIBs in force in the country. This law exempts regulated institutions in Niger from the obligation of obtaining prior consent to share data from customers who received loans before December 31, 2014. Like Côte d'Ivoire and Niger, Senegal has also initiated a procedure to amend the Uniform Act on CIBs towards the same end.

During a meeting of the Council of Ministers held on December 14, 2017, the Ivorian authorities adopted a decree, which authorized the implementation of automated processing of personal data to integrate large public utilities companies into the electronic credit information-sharing platform. The implementation of this decision will further increase the volume of credit data available in the regional CIB database.

Various steps were taken to increase the volume of credit information available in the regional CIB database. These mainly included a conference on credit data sharing in the WAMU area for improved financial inclusion held on June 1, 2017, a mission to audit the quality of the participation of Abidjan's regulated institutions in the credit data-sharing system and the organization, by CREDITINFO-VOLO, of free training for regulated institutions on consultation of credit reports, dispensed at all Central Bank sites in July and August 2017.

3.4.4 - Other Actions Contributing to Financial Stability

Additional actions were also undertaken in 2017 to contribute to financial stability. These include monitoring the implementation of Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) regulations and the implementation of accounting and prudential reforms.

Regarding monitoring of the implementation of Anti-Money Laundering and Counter-Terrorism Financing regulations, the BCEAO issued four Instructions for the implementation of the legislation. These instruments notably stipulate the procedures for financial institutions to implement the Uniform Act on AML/CTF as well as certain cash transaction thresholds. They include the following instruments, which entered into force on September 25, 2017:

- Instruction No. 007-09-2017 on the procedural requirements for financial institutions to implement the Uniform Act on AML/CTF in the WAMU member states;
- Instruction No. 008-09-2017 establishing the threshold for reporting cross-border physical transportation of cash and bearer negotiable instruments;
- Instruction No. 009-09-2017 establishing the threshold for debt payments in cash or by means of bearer negotiable instruments; and
- Instruction No. 010-09-2017 establishing the threshold for reporting cash transactions to the National Financial Information Processing Unit.

With regard to the monitoring of the implementation of accounting and prudential reforms, due diligence was performed to promote regulatory instruments and support regulated institutions. In this respect, the following steps were taken:

- Between January 16 and June 2, 2017, organization of a travelling mission to disseminate the instruments domesticating the Basel II-III rules in all WAMU member states for the benefit of all the prudential reform stakeholders, including representatives of regulated institutions, the accounting profession and Finance Ministries;
- A mission to raise awareness among banking software publishers and information systems managers of regulated institutions on accounting and prudential reforms in the Union, which took place on July 17-31, 2017. The aim of the travelling mission was to draw the attention of concerned stakeholders to the expectations of the regulating body and discuss their concerns; and to
- establish a support mechanism for the orderly and harmonious implementation of both reforms in WAMU. This system is based on:
 - ongoing dialogue between BCEAO teams and regulated institutions' teams, with a view to addressing all their concerns;
 - Communication of the following by the regulated institutions:
 - Transition plans and bimonthly reports on the implementation of due diligence under the revised BCA reform; and
 - Detailed action plans and quarterly reports on the implementation of the Basel II-III reform.

The system was reinforced by a program to provide closer support to institutions for the implementation of the Basel II-III reform (PARE BII/III), which began on August 3, 2017. The program consists of bimonthly videoconference meetings (or monthly meetings for institutions experiencing difficulties) between the BCEAO and project team leaders in regulated institutions, in order to ensure better coordination in the handling of due diligence and reform-related concerns.

More specifically, regarding the revised BCA, a workshop to disseminate the BCA implementation guide was organized on October 5 and 6, 2017 in addition to the actions mentioned above. The purpose of the workshop, which brought together representatives of the accounting and banking professions, as well as the heads of the national directorates' credit departments, was to validate the draft application guide designed to ensure harmonized application of new bank accounting rules and strong ownership of the new framework by the main users.

Instruction No. 003-05-2017 on the reporting of periodic statements by credit institutions was also drafted, redefining the formats of these reports. Likewise, Instruction No. 004-05-2017 on futures instruments, which is included as an innovation in the banking accounting system, also specifies the accounting processing of such transactions.

3.5 – ACTIONS FOR FINANCIAL INCLUSION

The Central Bank continued its actions with a view to implementing the regional financial inclusion strategy in the Union, following its adoption by the WAMU Council of Ministers on June 24, 2016 and the organization of a donor round table with the United Nations Capital Development Fund (UNCDF) on November 17, 2016. The Central Bank took steps to set up the necessary bodies for the coordination of the strategy, namely the Regional Steering Committee (RSC) and the National Implementation Monitoring Committees (CNSMO) in the WAEMU member states. It also set up a Strategy Management and Coordination Unit (UGC-SRIF) and a Technical Committee to monitor its activities, by Decision of the Governor of the BCEAO dated June 8, 2017. The recruitment process for the Unit's staff has started and should be completed by the first quarter of 2018. The BCEAO also signed a Memorandum of Understanding with UNCDF on September 25, 2017, as part of the implementation of some of the activities of this regional strategy's action plan.

IV – MANAGEMENT OF BANKNOTES AND COINS, PAYMENT SYSTEMS AND FOREX RESERVES

4.1 - MANAGEMENT OF FIDUCIARY CIRCULATION

During the 2017 financial year, transactions through the windows of the Central Bank were marked by a higher volume of withdrawals of banknotes and coins, which reached a total of 17,069.9 billion CFA francs (2,468.5 million units) than of deposits received, which stood at 16,797.5 billion CFA francs (2,362.0 million units). As a result of these trends, currency outside banks increased by 4.4%.

4.1.1 - Withdrawals and Deposits through BCEAO Branch Windows

Movements through Central Bank windows amounted to 4,830.5 million banknotes and coins in 2017 compared to 4,853.8 million units the previous year.

Banknote **withdrawals** totalled 17,064.6 billion CFA francs (2,372.8 million units) during FY 2017, compared to 16,123.1 billion CFA francs (2,383.8 million units) in 2016, an annual increase of 941.5 billion CFA francs and a volume decrease of 11.0 million units. The largest withdrawals were recorded in Côte d'Ivoire (31.7%), Burkina Faso (16.8%), Senegal (14.9%) and Mali (12.8%).

Withdrawals of coins experienced a 25.9% decrease over the period, from 129.0 million units in 2016 to 95.6 million in 2017. In terms of value, withdrawals totalled 5.3 billion CFA francs in 2017, compared to 7.6 billion CFA francs in 2016.

Banknote **deposits** through the windows of the Central Bank reached 16,794.5 billion CFA francs (2,351.0 million units) in 2017, compared to 15,855.8 billion CFA francs (2,331.5 million units) in 2016, an annual increase of 938.7 billion CFA francs in terms of value, and a volume decrease of 19.5 million units. The largest inflows in value were observed in Côte d'Ivoire (29.0%), Burkina Faso (16.9%), Senegal (14.3%) and Mali (13.0%).

Over FY 2017, inflows of coins through Central Bank windows totalled 3,000.3 million CFA francs (11.0 million units) compared to 2,2348.8 million CFA francs (9.5 million units) the previous year, showing an increase of 651.5 million CFA francs (+1.5 million units).

4.1.2 - Structure of Currency Outside Banks

As at the end of December 2017, fiduciary circulation stood at 6,407.6 billion CFA francs against 6,135.7 billion CFA francs one year prior, showing an increase of 271.9 million CFA francs. Large denominations made up 91.4% of banknotes in circulation, compared to a proportion of 91.2% in 2016. Compared to 2016, the share of banknotes in circulation outside banks remained virtually unchanged at 97.3%.

4.1.3 - Cross-Border Flows of Banknotes through BCEAO Branch Windows

At the end of December 2017, cross-border flows of banknotes⁴ resulting from sorting operations totalled 2,083.1 billion CFA francs against 2,131.7 billion CFA francs the previous financial year, showing a decrease of 2.3%.

4. The banknotes resulted from sorting operations in Branches of states other than their states of issuance.

Banknotes moved principally included those issued by Branches in Côte d'Ivoire (29.8%), Burkina Faso (14.9%), Benin (13.3%) and Togo (12.5%). The Togo, Benin, Mali and Burkina Branches registered the largest cross-border inflows of banknotes, with respective shares of 27.8%, 27.6%, 12.2%, and 11.1%.

Table 13: Cross-border flows of banknotes through BCEAO branch windows (in billions of CFA Francs)

	FY 2016			FY 2017			Change	
	(1)			(2)			(3)=(2)-(1)	
	Inflows	Outflows	Balance	Inflows	Outflows	Balance	Inflows	Outflows
BENIN	414.1	270.5	143.6	574.5	276.8	297.7	160.4	6.3
BURKINA FASO	264.7	324.1	-59.4	231.2	311.3	-80.1	-33.5	-12.8
COTE D'IVOIRE	155.4	784.9	-629.5	136.0	620.9	-485.0	-19.4	-163.9
GUINEA-BISSAU	24.9	78.1	-53.2	23.2	105.1	-81.9	-1.7	27.0
MALI	331.2	204.2	127.0	254.1	213.1	41.0	-77.1	8.9
NIGER	138.9	149.8	-10.9	97.1	125.5	-28.5	-41.8	-24.3
SENEGAL	202.0	145.4	56.6	188.3	169.1	19.2	-13.7	23.7
TOGO	600.4	174.6	425.8	578.8	261.2	317.5	-21.6	86.6
WAMU	2,131.6	2,131.6	-	2,083.1	2,083.1	-	-48.5	-48.5

Source: BCEAO.

4.2 – PAYMENT SYSTEMS AND INSTRUMENTS

As at 31 December 2017, the performance of the Union's payment systems was generally satisfactory, showing upward trends in the major activity indicators.

4.2.1 - WAEMU Regional Payment Systems

As at the end of December 2017, there were 127 participants in the **WAEMU Automated Transfer and Settlement System (STAR-UEMOA)** thanks to the entry into production of nine (9) new participants. In 2017, the number of transactions settled through the STAR-UEMOA system stood at 829,174, for a value of 540,528 billion CFA francs, an 18.06% increase in value and a 9.25% increase in volume compared to FY 2016.

Inter-country exchanges within WAEMU rang in at 345,767 transactions valued at 35,501.79 billion CFA francs in 2017, accounting for 41.70% of the total volume of transactions processed through STAR-UEMOA. The positive trend (9.23% in volume and 35.13% in value) in inter-country exchanges within WAEMU highlighted the increase in financial exchanges between WAEMU countries.

There were 137 participants in the **WAEMU Automated Interbank Clearing System (SICA-UEMOA)**, including banks, the BCEAO and the public treasury departments of Benin, Burkina Faso, Côte d'Ivoire, Mali and Senegal. The volume of transactions stood at 13,625,262 operations worth a total of 48,600 billion CFA francs. The activity of SICA-UEMOA was marked by respective increases of 8.28% in the volume of payments cleared and 11.44% in the value of payments cleared compared to 2016.

This increase in the value of transactions cleared was due to changes in levels of activity in Guinea-Bissau (+16.60%), Mali (+12.43%) and across the sub-region (+23.87%). Inter-country exchanges made up 3.46% of the total volume of transactions in the Union in 2017, compared to 1.13% in 2016.

In terms of the distribution of payment instruments handled by the teleclearing system, the relative share of transfers increased by 3.92% compared to cheques, which saw a decrease of 3.98%. In 2017, transfers represented 38.24% of exchanges compared to close to 60.53% for cheques. It should be recalled that the respective shares of these instruments were 34.32% and 64.51% in 2016. In terms of the value of exchanges, 83.44% were conducted by cheque in 2017.

It should be recalled that the BCEAO's vision was to equip the West African Economic and Monetary Union with secure, efficient and accessible payment systems founded on criteria of transparency, and to provide economic actors with low-cost, modern payment instruments. Accordingly, it works to ensure the stability of the banking and financial system of the Union and promotes the security and smooth running of its payment systems.

In 2017, the Central Bank undertook actions to secure and modernize payment systems and instruments so that they could better contribute to enhancing the financial inclusion of the population in the Union.

4.2.2 - Securing and Modernizing Payment Systems and Instruments and Contributing to Financial Inclusion

4.2.2.1 - Securing and Modernizing Payment Systems

The following actions were implemented in 2017 to enhance the efficiency of the SICA-UEMOA and STAR-UEMOA systems:

- Drafting of a guidance note on the functional redesign of the SICA-UEMOA system with a view to improving its performance, resilience and security. The project was primarily aimed at meeting the new operational needs of system participants and managers (banks, treasury departments, and Post Office and BCEAO financial services) and overhauling the infrastructure used to manage the certificates of system participants;
- Revision of the agreement governing the Regional Guarantee Fund for the settlement of SICA-UEMOA balances, including changes in procedures for calculating contributions and triggering or lifting sanctions on subscribers to the Fund;
- Evaluation of payment system fraud risks and identification of avenues for improving the fraud prevention and control system; and
- Organization of a decentralized, all-site training session for payment systems participants with a view to reinforcing their STAR-UEMOA and SICA-UEMOA transactions management skills.

In terms of the active participation of national treasury departments in payment systems, after the treasury departments of Benin, Burkina Faso, Côte d'Ivoire, Mali and Senegal, steps were ongoing to connect the national treasury departments of Niger and Togo to STAR-UEMOA. The national treasury departments of Côte d'Ivoire, Senegal, Benin and Mali were directly connected to STAR-UEMOA since November 2015, October 2016, and November and December 2017 respectively.

With respect to the management of the SICA-UEMOA clearing balance settlement guarantee fund (FDG), the 2017 financial year recorded sixty-two (62) cash advance interventions compared to fifty (50) in 2016, a decrease of 24% in volume compared to the previous year. Advances granted during the financial year under review stood at 44 billion CFA francs.

At the end of December 2017, advances averaged approximately 710 million CFA francs, against 420 million CFA francs in 2016. In all, interventions by the guarantee fund allowed nearly 132.5 billion CFA francs in negative balances to be settled in clearance in 2017.

Analysis shows that, at the end of FY 2017, the number of applications to the Regional Guarantee Fund was up compared to the previous year, highlighting increased cash-flow problems on the part of the participants.

4.2.2.2- Securing of Payment Services

To secure payment services, the monitoring system was strengthened through the following:

- establishment of a supervisory framework for electronic money payment services; and
- development of a supervisory framework for fast money transfer services.

The supervisory framework for electronic money payment services is designed to equip the Central Bank with tools for analyzing the risks inherent in these services and in sector-relevant innovations. It emphasises the efficiency and security of electronic money payment services. To this end, the BCEAO analyses trends in the use of e-money services based on transaction volume and value data. The BCEAO also ensures the regulatory compliance of the issuing systems and analyses actual operating conditions through incident and fraud monitoring.

With regard to monitoring of rapid money transfer services, the current discussions aim to establish an operational framework with the capacity to control risks emerging as these services develop. The main concerns addressed by the relevant actors include the following:

- the reliability and security of fast money transfer platforms in terms of infrastructure availability, integrity, confidentiality and traceability of transactions;
- the control of financial risks inherent in clearance and settlement of transactions pertaining to fast money transfers;
- the protection of the funds of fast money transfer services users; and
- pricing of customer services.

4.2.2.3- Contribution of Payment Systems and Instruments to Increased Financial Inclusion

As part of ongoing efforts to modernize payment systems and instruments and promote financial inclusion, major steps taken in 2017 pertained to the launch and implementation of projects to promote decentralized financial systems' access to the WAEMU Regional Payment Systems and the interoperability of digital financial services in the Union.

The project to support access by Decentralized Financial Systems (DFSs) to the WAEMU Regional Payment Systems was officially launched on February 23, 2017, following the signing, on December 20, 2016, of a grant memorandum of understanding between the BCEAO and the African Development Bank (AfDB) for the effective implementation of the project over a three-year period. The project aims primarily to provide DFSs with the support they need to develop their activities, reduce financial transaction costs and processing times, improve the quality of available financial services, develop the use of electronic payment instruments, and reinforce their contribution to financial inclusion. Seventy-one (71) beneficiary organizations were selected for operational and technical capacity building to help them provide modern payment services to their customers. Côte d'Ivoire and Niger were selected as host countries for the establishment of two (2) pilot Computer Processing Centres (CPCs) to update DFS information and management systems.

Regarding the Union's Digital Financial Services Interoperability Project, special meetings were organized with banks, decentralized financial systems, electronic money institutions and fast money transfer companies following the signing of a Grant Agreement between the Central Bank and the AfDB on April 23, 2017. The aim of the meetings was to share the BCEAO's vision of interoperability, i.e., a common infrastructure based on the GIM-UEMOA platform to facilitate "account-to-account" transfers, regardless of account type (bank, non-bank), between all stakeholders, as well as the integration of all instruments, services and channels used. This approach also aimed to identify stakeholder needs and, in collaboration with stakeholders, stakeholders' needs and expectations, as well as the constraints and challenges related to the project. The meetings made it possible to identify several ongoing initiatives for the development of partnerships for the provision of interoperable services, thus confirming the need for the implementation of global interoperability. Furthermore, a regional forum on the digitalization of government payments was organized on the sidelines of the celebration of the fifteenth anniversary of GIM-UEMOA in Côte d'Ivoire. The main objective of this workshop was to provide support for the digitization process being implemented by the Central Bank in all eight WAEMU member states.

Box 2: BCEAO Participation in the Activities of the Alliance for Financial Inclusion

In its role as a member of the Alliance for Financial Inclusion (AFI), the Central Bank successfully supported the Government of Côte d'Ivoire in filing the application of its Ministry of Economy and Finance to host the AFI Regional Office for Africa and the Middle East in Abidjan.

BCEAO Governor Tiémoko Meyliet Koné was furthermore elected member of the Board of Directors representing the Sub-Saharan Africa, North Africa and Middle East region, on September 13, 2017, at the AFI General Assembly in Sharm El Sheikh, Egypt.

He was elected in recognition of the BCEAO's commitment to the AFI network and its actions in support of financial inclusion in WAEMU. The implementation of several of its initiatives has contributed to strong growth in the rate of use of financial services, which rose from 26% in 2010 to 65% in 2016 in the WAEMU zone.

The BCEAO's involvement in AFI contributes to building the capacities of its staff, including improved management of activities relating to the development of financial services via mobile phones, microfinance and SME financing. Overall, the presence of the Central Bank on the AFI Board of Directors and the Union's regional office will make it easier to support Member States' efforts to implement national financial inclusion strategies.

4.3 – MANAGEMENT OF FOREIGN EXCHANGE RESERVES

In 2017, the BCEAO continued its foreign exchange reserves investment policy, in strict compliance with the precautionary principles and practices generally accepted for the management of official exchange reserves, and IMF Guidelines related thereto in particular.

Foreign currency assets amounted to €8.74 billion at the end of December 2017, compared with €7.87 billion in 2016 (an increase of €870 million over the period). On December 31, 2017, BCEAO foreign exchange reserves deposited in its operating account represented 57.91% of overall reserves against 53.00% at the end of 2016.

Foreign assets not deposited in the Operating Account were held in the form of monetary assets and debt instruments distributed among actively and passively managed funds.

All in all, the exchange reserve management policy implemented by the BCEAO in FY 2017 was governed by the imperatives of security, liquidity and profitability.

V – INSTITUTIONAL AND ADMINISTRATIVE FRAMEWORK OF THE BCEAO AND INTERNATIONAL COOPERATION

5.1 – ACTIVITIES OF THE STATUTORY BODIES

During the 2017 financial year, the Organs of the Union held their meetings in accordance with the provisions of the Treaty of January 20, 2007 establishing the West African Monetary Union (WAMU) as well as those of the Statutes of the Central Bank of West African States.

5.1.1 - Conference of WAMU Heads of State and Government

In FY 2017, the Conference of Heads of State and Government of the Union held its 18th ordinary session on April 10, 2017, in Cotonou, Republic of Benin, under the chairmanship of his Excellency Doctor Boni Yayi, President of the Republic of Benin.

On the political level, the Conference welcomed the successful organization of the referendum and parliamentary elections in Côte d'Ivoire and extended warm congratulations to His Excellency Mr. Alassane Ouattara and the people of Côte d'Ivoire for successfully holding these ballots, which once again shows that democracy is strongly established in the Member States of the Union.

The Conference was also pleased to note the implementation of projects worth 229.7 billion, financed with the resources of the Energy Development Fund, under the Regional Initiative for Sustainable Energy. It further saluted actions undertaken to boost energy efficiency and promote solar energy.

To promote private sector involvement in financing renewable energy and energy efficiency development projects in the WAEMU region, the Conference took note of the mechanism known as the "Regional Facility for Sustainable Energy Access (FRAED)" which was created to catalyse and leverage private investment.

The Conference also noted the signing of contracts between private partners and the Union, following the International Investors Conference held in Dubai in September 2014 under the Regional Economic Program.

With respect to improving rural land management, the Conference noted the steps taken with a view to providing a decision-making tool on the regulation of rural land markets and a website for the Regional Rural Land Observatory in West Africa (ORFAO).

The Conference urged BCEAO organs and institutions to pursue the implementation of community projects, programs and political reforms for the well-being of the populations of the Union.

The Conference further commended the actions initiated by the Central Bank with a view to setting up a mechanism to support funding of SMEs/SMIs in the Union. It urged all those involved in the promotion of SMEs to take ownership of the practical measures planned, in order to help achieve the objectives of the scheme.

The Conference also welcomed the measures implemented with the support of the WAMU Securities Agency, which have enabled the Union's member states to raise substantial resources on the regional financial market in order to meet their funding needs, at lower costs.

The Conference took due note of the completion of the project for the promotion of credit information bureaus within the Union, with the effective launch of the activities of the authorized company and urged Member States to work to help the bureaus achieve the objectives set, with a view to improving the banks' financing of the economy and the member states' ranking in international business climate indicators.

The Conference commended the initiatives taken by the Central Bank to broaden the range of products designed to finance the economies of the Community, through the promotion of leasing, private equity, Islamic finance and factoring. It urged the member states to domesticate the Uniform Financial Leasing Act in the Union.

The Heads of State and Government took note of the actions taken by the Central Bank to set up a banking crisis resolution authority and ensure that the Union's prudential mechanism was in line with international standards by implementing the provisions of Basel II and Basel III. They encouraged the Central Bank to continue its efforts to consolidate financial stability within the Union.

The Heads of State and Government commended the efforts made to consolidate the viability of the microfinance sector and develop financial inclusion within the Union. They welcomed the adoption of a framework document for a regional financial inclusion policy and strategy within the Community, as well as the actions taken to mobilize the necessary resources for the strategy's implementation.

The Conference was informed of the revision of the Union's current instruments on the repression of currency counterfeiting and interference with banknotes and coins, and urged Member States to domesticate the relevant Uniform Act to protect the Union against emerging forms of crime that could damage the common currency.

Finally, the Conference expressed its satisfaction to the President of the Commission, the Governor of the Central Bank of West African States, the President of the West African Development Bank, and the President of the Regional Council for Public Savings and Financial Markets, as well as the staff of all WAEMU organs and institutions for the results they achieved in the implementation of community projects and programs.

5.1.2 - WAMU Council of Ministers

In FY 2017, the Council of Ministers held four (4) ordinary sessions, respectively on March 31, June 30, September 29 and December 22, 2017, at the BCEAO under the chairmanship of Mr. Amadou Ba, Minister of the Economy, Finance and Planning of the Republic of Senegal, and statutory President of the Council of Ministers. An extraordinary meeting was also held on April 14, 2017, at the BCEAO main branch office in Abidjan. During these meetings, the Ministers reviewed the international economic situation as well as the economy in the WAEMU member states.

During these meetings, the Ministers reviewed the international economic situation as well as the economy in the WAEMU member states.

During its ordinary session of March 31, 2017, the Council of Ministers took note of the strong performance of the economy in the fourth quarter of FY 2016 as well as the positive economic outlook for WAEMU countries. In this respect, real gross domestic product (GDP) growth reached 6.5% year over year in the fourth quarter of 2016, after reaching 6.8% in the previous quarter, reflecting strong domestic demand. Over FY 2016, the Union's GDP grew by 6.8%, compared to 6.6% in 2015. Forecasts for 2017 assume 7.0% GDP growth supported mainly by the tertiary and secondary sectors.

The Ministers urged the member states to step up efforts for fiscal consolidation, better quality public investment and private sector development. In particular, the Council of Ministers noted the need to continue efforts to mobilize tax revenue and streamline public spending with a view to reducing the budget deficit and bringing it into line with the Community standard of 3.0% of the GDP by 2019.

The Council of Ministers also noted the overall drop in consumer prices, with an inflation rate falling from -0.1% in the third quarter to -0.3% in the fourth quarter of 2016, in line with the adequate supply of food products and the decrease in fuel prices at the pump in most Union Member States.

The Council approved the accounts of the BCEAO for FY 2016 and allocated the profits of financial year. The Council of Ministers extended its congratulations to the BCEAO for actions undertaken to consolidate macroeconomic resilience and promote sustainable and inclusive growth in the Union.

At its ordinary session on June 30, 2017, the Council of Ministers noted the continued positive momentum of economic activity in the first quarter of 2017. Growth in the real gross domestic product (GDP) of the Union stood at 6.6% year over year in the first quarter of 2017, compared to 6.5% the previous quarter, reflecting strong domestic demand. Considering the year 2017 as a whole, the Union's GDP grew by 6.9%, compared to 6.7% in 2016. This growth was mainly driven by the tertiary and secondary sectors.

The Council also noted that, after falling for two consecutive quarters, the inflation rate in the WAEMU zone rose from -0.3% the previous quarter to 0.8% in the first quarter of 2017. This increase was correlated with a rise in the prices of food products and housing services as well as higher transport tariffs.

The members of the Council of Ministers noted with satisfaction that all of the member states of the Union had adopted economic and financial programs supported by the International Monetary Fund (IMF). This reflected the countries' commitments to pursuing sound macroeconomic policies with a view to consolidating sustainable and inclusive economic growth. To this end, the Ministers urged member states to carry on their efforts to ensure fiscal sustainability, quality public investment and private sector development. They further reiterated the need to step up efforts to mobilize fiscal revenue and streamline public spending with a view to reducing the budget deficit and bringing it into line with the community standard of 3.0% of GDP by 2019.

The Council examined and adopted the action plan to consolidate the repatriation of export earnings in WAEMU member states.

The Council reviewed and adopted the draft decision setting contribution rates for participants in the West African Monetary Union Deposit Guarantee Fund and ceilings for compensation to holders of eligible deposits. The adoption of this instrument allows the Fund to make significant progress in its operationalization process.

Finally, the Council of Ministers was informed of trends in the regional balance of payments and overall investment position for 2015 and of the progress of the project to promote Credit Information Bureaus (CIBs) within the WAEMU zone.

During its ordinary session of September 29, 2017, the Council of Ministers noted that the economy remained strong in the second quarter of 2017. Growth in the real gross domestic product (GDP) stood at 6.5% year over year in the second quarter of 2017, compared to 6.6% the previous quarter. This slight downturn is mainly due to a slowdown in the secondary and tertiary sectors. Over 2017, the Union's GDP grew by 6.9%, compared to 6.7% in 2016, with growth mainly driven by the secondary and tertiary sectors.

The Council noted a downturn in inflation, with an overall 0.3% price increase in the second quarter of 2017, compared to 0.8% the previous quarter, due to a drop in food prices, owing to a satisfactory supply of cereal products, vegetables and tubers on the markets.

The Council of Ministers adopted the Annex to the Convention governing the revised WAMU Banking Commission, to bring it into line with recent decisions aimed at strengthening the regulatory framework for the supervision and resolution of banking crises in the Union. The Council also reviewed and approved amendments to the law regulating WAMU's decentralized financial systems with a view to the implementation of Islamic finance operations. It adopted a deadline of June 30, 2018 for the domestication of the law by the member states.

In addition, the Council of Ministers was informed of the findings of the Monetary Policy Committee's meeting on September 6, 2017 and progress in the implementation of the project to promote Credit Information Bureaus (CIBs) in the Union. It noted that CIB activities in the Union were progressing steadily. However, there were still efforts to be made to increase credit report consultations and enhance the volume of country-specific information available in the database, with a view to ensuring CIB coverage of a significant proportion of the Union's population.

At its ordinary session of December 22, 2017, the Council of Ministers noted the continued positive trend in the economy during the third quarter of 2017. Indeed, the real gross domestic product (GDP) growth rate in the third quarter of 2017 stood at 6.4% year over year, compared to 6.5% in the previous quarter. Over 2017, the Union's GDP grew by 6.7%, compared to 6.6% in 2016, with growth mainly driven by the expansion of commercial and manufacturing activities, as well as public works and civil engineering.

The Council noted a slight increase in the inflation rate to 1.2% in the third quarter of 2017, up from +0.1% the previous quarter. The price increase was due to higher food prices, particularly for vegetables, seafood and local cereals.

The Council also appointed representatives for the Republics of Guinea-Bissau and Niger to the WAMU Financial Stability Committee.

Finally, the Council of Ministers was informed of the findings of the Monetary Policy Committee's meeting held December 6, 2017, the outlook for the Union's economies in 2018 and 2019, the situation of the WAMU banking system in FY 2016, the implementation status of the second phase of the measure to increase the minimum share capital of the Union's credit institutions, the status of Credit Information Bureau (CIB) activities in the Union and the BCEAO's draft budget for the 2018 financial year.

At its extraordinary meeting of April 14, 2017, the Council of Ministers noted the expiry of the mandate of Mr. Jeremias Antonio da Cruz Pereira, President of the Regional Council for Public Savings and Financial Markets (CREPMF). The Council commended Mr. Pereira's work during his term in office and congratulated him on his actions to boost the regional financial market as well as the CREPMF's satisfactory achievements under his leadership.

In line with the deliberations of the WAEMU Conference of Heads of State and Government, during its extraordinary session of April 10, 2017 in Abidjan, the Council of Ministers, in accordance with the provisions of Article 5 of the Annex to the Convention on the composition, organization, functions and powers of the CREPMF, with respect to the Republic of Senegal, appointed Mr. Mamadou N'Diaye President of the Regional Council for Public Savings and Financial Markets effective from May 1, 2017, for a single term of three (3) years. The Council of Ministers congratulated the new President of CREPMF and urged him to maintain the achievements of the integration process and continue the work in progress.

5.1.3 - BCEAO Monetary Policy Committee

The BCEAO Monetary Policy Committee held four (4) ordinary meetings in 2017, under the chairmanship of Mr. Tiémoko Meyliet Koné, Governor of the Central Bank and statutory chairman, respectively on March 1, June 7, September 6 and December 6 at BCEAO headquarters in Dakar.

During its session of March 1, 2017, the Committee reviewed the main trends unfolding recently in the economy and assessed the risk factors that could affect the outlook for price stability and economic growth in the Union.

At the international level, the Committee noted that the global economy grew stronger in the fourth quarter of 2016, thanks to the recovery of the United States economy and the continued improvement of the economic situation in the main emerging countries. The prices of the main commodities exported by WAEMU countries rose during the quarter under review, with the exception of cocoa and gold.

In terms of the internal situation within the Union, the Committee took note of the strong performance of the economy. Year over year, the rate of growth in the gross domestic product (GDP) in the Union stood at 6.5% compared to 6.8% the previous quarter. Over FY 2016, economic growth reached 6.8%, compared to 6.6% in 2015. The real GDP in the Union is projected to grow by 7.0% in 2017.

The Monetary Policy Committee noted that the states' financial operations in 2016 ended with an overall deficit of 4.0% of the GDP based on commitments. Trends in public finances in the Union's member states in 2016 continued to be marked by an increase in current spending and by continued investments in infrastructure and social sectors, in a context of low mobilization of external resources and stagnation in the fiscal pressure rate. The Committee stressed that compliance with the Community's standard of 3.0% of the GDP for the budget deficit in all states by 2019 required increased efforts to leverage tax revenue and streamline public spending.

Analysing price trends in the Union, the Committee noted that the year-over-year inflation rate in WAEMU stood at -0.3% in the third quarter of 2016 compared to a level of -0.1% the previous quarter. The increasing decline in inflation is due to a drop in food prices, which is in line with the improved supply of commodities on the markets. In 24 months' time, the year-over-year inflation rate is forecast at 1.7%, in line with the Central Bank's goal of price stability.

On the money market, the weighted average rate for weekly cash injection transactions stood at 3.59% compared to 3.37% one quarter previously and 2.59% one year prior. On the one-month window, the weighted average rate rose slightly from 3.47% to 3.48%, quarter-on-quarter. In the same period in 2015, the rate was 2.62%. The weighted average rate also rose on the one-week interbank market compartment, reaching 4.48% compared to 4.39% the previous quarter.

In view of these trends, the Monetary Policy Committee decided to keep the BCEAO's leading rates unchanged. The minimum bid rate on cash injection tender transactions remained unchanged, at 2.50%, its level since September 16, 2013, while the marginal lending rate was kept at 4.50%, the rate in force since December 16, 2016.

To help implement measures to improve the operation of the interbank market, the Committee decided to lower the reserve requirement ratio applicable to the Union's banks by 200 base points from 5.0%—the level in force since March 16, 2012—to 3.0%. The decision entered into force as of March 16, 2017.

During its meeting of June 7, 2017, the Committee reviewed the main trends unfolding recently in the economy and assessed the risk factors that could affect the outlook for price stability and economic growth in the Union.

At the international level, the Committee noted that the global economy remained healthy in the first quarter of 2017, thanks, in particular, to strong growth in advanced economies and continued improvement of emerging economies. The prices of the main commodities exported by the Union's countries rose during the quarter under review, with the exception of cocoa, palm kernel oil and gold. Oil, rubber, cashew nuts, cotton and coffee recorded the most significant quarterly increases.

In terms of the internal situation within the Union, the Committee noted a boost in the performance of the economy in the first quarter of 2017. Year over year, the rate of growth in the gross domestic product (GDP) in the Union stood at 6.6% compared to 6.5% the previous quarter. Over FY 2017, economic growth reached 6.9%, compared to 6.7% in 2016 and 6.6% in 2015.

The Monetary Policy Committee noted that over FY 2017, the budget deficit, on a commitments basis and including grants, remained at 4.4% of the GDP, as was the case in 2016. Under those circumstances, efforts to mobilize tax revenues and streamline public spending should be pursued.

Analyzing price trends in the Union, the Committee noted that the year-over-year inflation rate in WAEMU stood at 0.8% in the first quarter of 2017 compared to a level of -0.3% the previous quarter. This trend is due to higher food prices, housing services and transportation prices, which is in line with the recent upturn in oil prices. In 24 months' time, the year-over-year inflation rate is forecast at 1.7%, which is in line with the Central Bank's price stability target.

In view of these trends, the Monetary Policy Committee decided to keep both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 4.50%. The required reserve coefficient applicable to the banks of the Union remained at 3.0%.

During its meeting of September 6, 2017, the Committee reviewed the main trends unfolding recently in the economy and assessed the risk factors that could affect the outlook for price stability and economic growth in the Union.

At the international level, the Committee noted that the global economy grew stronger in the second quarter of 2017, thanks to stronger growth in the euro zone, the United States and some emerging countries. In line with this recovery, the IMF's July 2017 forecasts show that global production increased by 3.5% in 2017 compared to 3.2% in 2016. The prices of the main commodities exported by the Union's countries fell during the quarter under review, with the exception of cashew nuts and gold. Oil, rubber, palm kernel oil, palm oil, cocoa and coffee recorded the most significant quarterly decreases.

In terms of the internal situation in the Union, the Committee noted growth in the global economy in the second quarter of 2017. The year-over-year growth rate of the Union's gross internal product was 6.5% compared to 6.6% in the previous quarter. This growth was mainly driven by strong internal demand and, on the supply side, by significant increases in added value in the primary (5.1%), secondary (9.5%) and tertiary (5.9%) sectors. Over FY 2017, economic growth reached 6.9%, compared to 6.7% in 2016 and 6.6% in 2015.

The Monetary Policy Committee noted that the budget deficit, on a commitment basis, including grants, stood at 2.4% at the end of June 2017 compared to 2.3% a year earlier. Over FY 2017, the deficit reached 4.4% of the GDP, as in 2016, against a Community target of 3.0% by 2019. Under these circumstances, efforts to mobilize tax revenues and streamline public spending must be pursued.

The Committee analyzed price trends in the Union and observed that the year-over-year inflation rate stood at 0.3% in the second quarter of 2017 after a level of 0.8% in the previous quarter. This slowdown in price increases was due to a drop in food prices, due to a satisfactory supply of cereal products, vegetables and tubers on the markets. In 24 months' time, the year-over-year inflation rate is forecast at 1.5%, which is in line with the Central Bank's price stability target.

The Committee observed that, in the second quarter of 2017, the money supply in the Union grew by 10.0% year over year, reflecting the consolidation of net external assets (4.1%) and increased internal debt (11.3%). The average quarterly money market interest rate dropped to 2.70% compared to 3.86% in the previous quarter, and 3.34% a year earlier.

In view of these trends, the Monetary Policy Committee decided to keep both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 4.50. The required reserve coefficient applicable to the banks of the Union remained at 3.0%.

At its session of December 6, 2017, the Committee noted that the global economy grew stronger in the third quarter of 2017, due in particular to the positive growth trend in the United States, the euro zone and some emerging countries. According to the International Monetary Fund's economic outlook published in October 2017, world production increased by 3.6% in 2017 from 3.2% in 2016. The prices of the main commodities exported by the Union's countries experienced contrasting trends during the third quarter of 2017. The prices of palm kernel oil, oil, coffee, gold and cocoa rose, while cotton, cashew nut, rubber and palm oil prices dropped.

In terms of the internal situation in the Union, the Committee noted that the economy remained buoyant in the third quarter of 2017. The year-over-year gross domestic product (GDP) growth rate in the Union stood at 6.4%, driven mainly by strong domestic demand, compared with 6.5% in the previous quarter. Over FY 2017, economic growth in the Union reached 6.7%, compared to 6.6% in 2016 and 6.2% in 2015.

The Monetary Policy Committee noted that, in the first nine months of 2017, the budget deficit, commitments basis, including grants, stood at 3.5% of the GDP, compared to 2.8% the year before. Over FY 2017, the deficit reached 4.5% of the GDP compared to 4.3% in 2016, against a Community target of 3.0% by 2019. Under these circumstances, efforts to mobilize tax revenues and streamline public spending need to be pursued.

The Committee noted that the year-over-year inflation rate stood at 1.2% in the third quarter of 2017, compared to 0.1% in the previous quarter. This change in the general price level was due to an increase in food prices, following an inadequate supply of local cereal, vegetables and fishery products on the markets. In 24 months' time, the year-over-year inflation rate is forecast at 1.5%, which is in line with the Central Bank's price stability target.

The Committee noted that the money supply in the Union grew by 11.3% year over year in the third quarter of 2017, reflecting the consolidation of net external assets (17.6%) and an increase in domestic receivables (10.8%). The quarterly average money market interest rate recovered to 3.20% from 2.70% in the previous quarter and 3.18% a year earlier.

In view of these trends, the Monetary Policy Committee decided to keep both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 4.50%. The required reserve coefficient applicable to the banks of the Union remained at 3.0%.

5.1.4 - Board of Directors of the BCEAO

The Board of Directors of the BCEAO held two (2) ordinary meetings in FY 2017, at BCEAO headquarters in Dakar, respectively on March 23 and December 21, under the chairmanship of Mr. Tiémoko Meyliet Koné, Governor of the Central Bank and statutory Chairman of the Board.

During the ordinary meeting of March 23, 2017, the Board reviewed the accounts of the BCEAO established as at December 31, 2016, in keeping with International Financial Reporting Standards (IFRS) and the specific accounting rules of the BCEAO. The Board members were also apprised of the reports of the Statutory Auditor-Comptroller of the Central Bank for financial year 2016.

The Board was also informed of the findings of the audits conducted by the BCEAO Audit Committee, which met on March 21, 2017, at BCEAO headquarters, notably to review its financial statements and assess the quality of its internal audit mechanism.

On completion of the assignment and based on the findings of the Audit Committee, the Board of Directors approved the accounts of the BCEAO as of December 31, 2016. The Board commended the Central Bank for the performances it had achieved in a difficult economic and financial environment. It decided to submit the financial statements to the Council of Ministers of the Union, for its approval.

During the ordinary session of December 21, 2017, the Board reviewed and approved the budget of the Central Bank for financial year 2018.

The Board of Directors also appointed the members of the BCEAO Audit Committee for 2018-2019, in compliance with Article 89 of the Statutes of the BCEAO.

Finally, in follow-up to the work of the BCEAO Audit Committee, which met on December 19, 2017, in Dakar, the Board took due note of the BCEAO's 2018-2020 audit plan as approved by the Committee, as well as the Committee's work program for 2018.

5.1.5 - BCEAO Audit Committee

In FY 2017, the BCEAO Audit Committee held two (2) ordinary meetings chaired by Mr. Adama Racine Sow, its statutory Chairman, respectively on March 21 and December 19, at BCEAO headquarters in Dakar.

During its session of March 21, 2017, the Committee, after being presented with the Bank's financial records by its services and the audit reports by the Statutory Auditor-Comptroller noted, with satisfaction, the strong increase in the Central Bank's net income compared to 2015 (+132%), despite a difficult international economic context. This performance was the outcome of a significant improvement in net interest income following an increase in income from loans granted to credit institutions, a surplus in net foreign exchange income and a decrease in general operating expenses.

The Committee noted the positive opinion of the Statutory Auditor on the regularity and fairness of the accounts for the year ended December 31, 2016, the quality of the Bank's administrative and accounting procedures and its control system, and its compliance with the provisions of the Operating Account Agreement.

The Audit Committee congratulated the Central Bank, the Statutory Auditor-Comptroller and the National Auditors for the quality of the financial statements and the clarity of their presentations.

At the end of the review of the financial statements, the Audit Committee extended its congratulations to the Governor and staff of the Central Bank on their achievements and recommended that the Board of Directors close the accounts for the financial year ended December 31, 2016, as submitted.

The Committee reviewed the annual report on the BCEAO's control activities for FY 2016, as well as the control system for the operations of the Directorate of Administrative and Social Management of Human Resources and measures dealing with the risks inherent in the management of the Central Bank's human resources.

During its session of December 19, 2017, the Committee commended the Central Bank's performance in implementing its three-year audit plan for 2015-2017. It approved the internal audit program for 2018-2020, which covers the Bank's main sensitive areas of activity and emerging risks, including those related to cyber security. The Committee urged the Bank to take the necessary steps to maintain the rate of completion of its internal audit missions.

The Audit Committee adopted its work program for 2018, which mainly comprised three sessions in March, June and December. These sessions respectively focussed on reviewing the BCEAO's financial statements for 2017, appointing a Statutory Auditor-Controller and National Auditors for 2018, 2019 and 2020 and approving the 2019 annual audit program.

It also reviewed the status of implementation of its recommendations as well as those of the internal and external audit missions, and the external evaluation of the internal audit conducted in 2016. It noted the satisfactory implementation rate of said recommendations.

The Committee was apprised of the Statutory Auditor-Controller's engagement letter for FY 2017 and noted that the intervention program and the organization of the audit were in accordance with contractual provisions. The Committee welcomed the resources marshalled by the Statutory Auditor-Comptroller for the performance of its mission.

Finally, as part of the information provided to the Audit Committee on management of risks inherent in the Bank's activities, the Accounting Department presented the organization and operation of its internal control system. The Committee assessed the relevance of the existing system, which provided strong assurances on the quality of the financial information produced by BCEAO.

5.2 – ADMINISTRATION OF THE BCEAO

5.2.1 - Human Resource Management

5.2.1.1 - Staffing

As at 31 December 2017, the total staff of the Central Bank, including all grades, numbered 3,633 compared to 3,505 at the end of December 2016. The figure included 3,580 active staff members deployed on BCEAO sites, and 53 staff members on secondment or on leaves of absence.

Active staff, distributed among Headquarters, the eight National Branches (including Main Branches and Sub-Branches), the Representations and the Office of the Secretary General of the WAMU Banking Commission, increased by 131 members, up 3.8% compared to the level recorded on December 31, 2016.

Numbering 1,078, including 88 top management staff and Board Members, executive staff represented 30.11% of all active personnel. Their number fell by 13 since December 31, 2016.

Administrative and technical staff represented 69.89% of active staff members as at December 31, 2017. Their numbers increased by 144 staff members, compared to the level at the end of 2016.

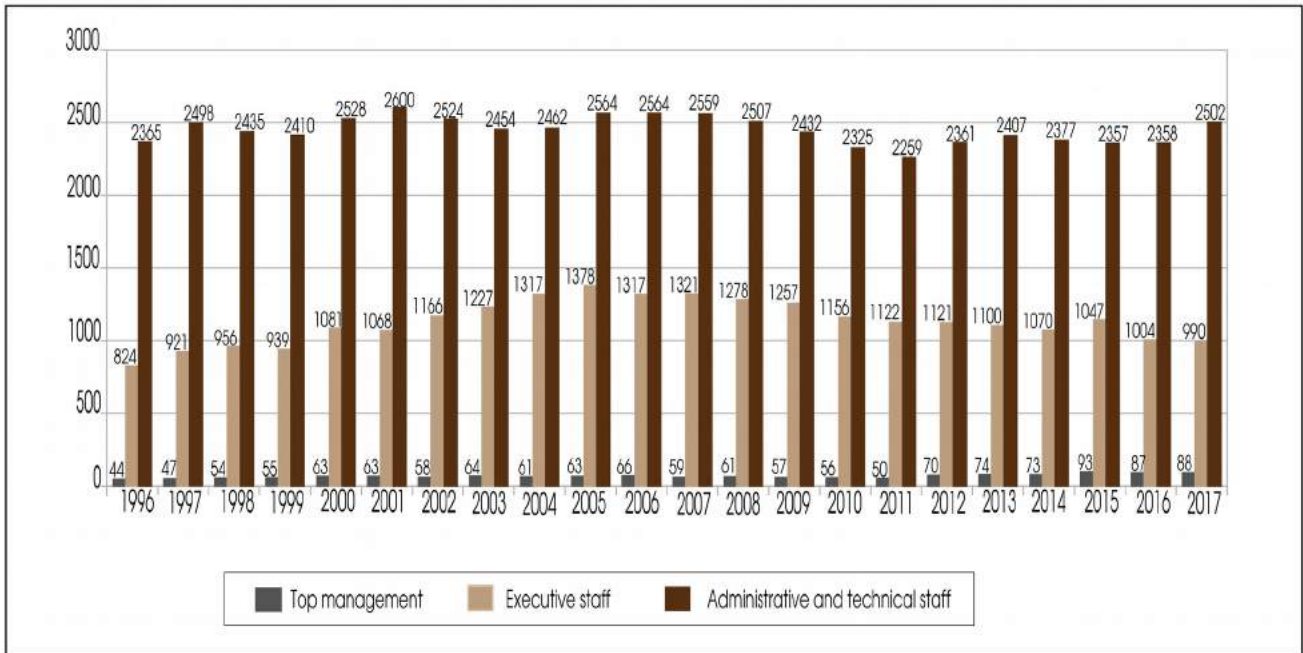
Broken down by site, active staff members as at December 31, 2017 were distributed as follows:

- Headquarters: 680;
- National Branches (Main Branches and Sub-Branches): 2,753;

- BCEAO Representation with European Cooperation Institutions: 3;
- Representation of the Governor with the WAEMU Commission: 9;
- Office of the Secretary General of the WAMU Banking Commission: 135.

In terms of the gender breakdown as at December 31, 2017, male staff represented 60.56%, corresponding to 2,200 members, while women represented 39.44% or 1,433 staff members, compared to 41.5% in 2016.

Graph 7: Trends in BCEAO staffing from 1996 to 2017 (*)



(*) : Without staff members on secondment or leave of absence.

Source: BCEAO.

5.2.1.2 - Training

During the 2017 financial year, the implementation of the activity program of the BCEAO's West African Centre for Banking Studies and Training (COFEB) consisted of the provision of training for Central Bank staff, economic and financial administration employees, and executive staff of WAEMU credit institutions and partner central banks.

With respect to specific activities, it should be noted that classes started in the framework of the certifying professional training program for its staff.

The training culminates in level 1 (CQP 1) and level 2 (CQP 2) professional qualification certificates. Its purpose is to significantly upgrade the qualifications of the staff members and equip them with the necessary skills to facilitate their promotion to senior positions.

This year's edition was attended by sixty-three (63) staff members from the *Support and Logistics* career path and seventeen (17) from the "Operations" career path.

Phase one of the training focussing on the common core took place from March 30 to October 5, 2017. Phase two, focussing on specializations, will be completed in March 2018.

During the period under review, nine hundred and thirty-three (933) BCEAO staff members took part in fifty-eight (58) training activities implemented by COFEB, National Branches and the Office of the Secretary General of the WAMU Banking Commission. The training sessions focussed essentially on financial transactions, internal controls and fraud detection, team leadership, supervision of distressed banks, asset/liability management in the central bank context, results-based management, cyclical forecasting, Islamic finance, the revised WAMU Banking Chart of Accounts (BCA), writing techniques, ethics and professional conduct, information systems and auditing Quality Management Systems, as well as the anti-money-laundering mechanism.

Ninety-five (95) staff members took part in fifty-two (52) internships and trainings implemented by other institutions or partner or private training organizations. The subjects of the training included audit, credit risk management, financial programming and policies, accounting of financial instruments in compliance with IFRS standards, economics and international relations in a central bank. They also focussed on financial soundness indicators, management of foreign exchange reserves, analysis of counterfeit and stained banknotes, information systems and public finance management.

The training took place against a backdrop of extensive collaboration with the traditional partners of the Bank, notably the World Bank (WB), the European Central Bank (ECB), the Bank of International Settlements (BIS), the Federal Reserve Bank of New York, the *Deutsche Bundesbank*, the National Bank of Belgium (NBB), the Bank of England, the WAEMU Interbank Electronic Banking Group (GIM-UEMOA), AFRITAC West and the Africa Training Institute (ATI) of the International Monetary Fund (IMF), the International Banking and Financial Institute (IBFI) of *Banque de France*, the West African Institute for Financial and Economic Management (WAIFEM), the African Capacity Building Foundation (ACBF) and the West African Monetary Agency (WAMA), as well as private training organizations such as the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) in France, the UNIDEV firm in Benin, the *Institut Français de l'Audit et du Contrôle Internes* (IFACI), the *Centre Scientifique des Techniques du Bâtiment* (CSTB), Global Knowledge, and ORSYS – France.

As part of its actions to raise public awareness on economic, monetary and financial events, COFEB organized six (6) topical events conferences on the following themes:

- “*The role of the CFA franc in economic and monetary integration in West Africa*”, on April 7, 2017, facilitated by Mr. Théophile Azomahou, Full Professor at Université Clermont Auvergne, the Centre for Studies and Research on International Development (CERDI) and the United Nations University, Maastricht, Netherlands. This Conference, which was broadcast by videoconference and covered by the press, was attended by staff from all BCEAO sites as well as by officials in the area of economics and finance in all countries of the Union;

- “*Sustainable Development Goals: African economies between reforms and challenges*”, held on May 3, 2017, and facilitated by the late Fulbert Amoussouga Gero, Full Professor at the Faculty of Economic Sciences and Management (FASEG) of Université d'Abomey-Calavi in Benin;

- “*Regional economic perspectives in sub-Saharan Africa*”, held on May 9, 2017 and October 31, 2017 and facilitated by Mr. Roger Nord, Deputy Director, Africa Department, International Monetary Fund (IMF);

- “*Fiscal deficits and external deficits: identical twins or complete strangers*”, facilitated by Mr. Michel Normandin, Full Professor at HEC-Montréal, on June 28, 2017; and

- “*The issue of public debt in WAEMU member states*”, facilitated by Mr. Antonin Dossou, Director of Economic Conditions and Monetary Analysis (DCEAM) at the BCEAO, on July 26, 2017.

In terms of diploma courses, the Centre provided training for the 39th cohort and processed applications for the 40th cohort. Theoretical courses for the 40th cohort began on November 6, 2017, for thirty (30) auditors, including twenty-five (25) nationals from the member states of the Union and five (5) staff member from partner central banks (three (3) staff members from the Central Bank of the Republic of Guinea and two (2) from the Central Bank of the Congo).

With regard to short-term certifying training for credit institutions, four (4) seminars were organized in keeping with their needs, as part of support for funding of SMEs and SMLs in the member states of the Union. These training activities were implemented in a very open context, in conjunction with Luxembourg’s Financial Technology Transfer Agency (ATTF). They were conducted on various sites in January and February, in Senegal, Côte d’Ivoire, Burkina Faso and Togo, and were attended by a total of one hundred and thirteen (113) participants. The activities were facilitated by a teaching team comprising an expert from ATTF and staff from the BCEAO Directorate of Banking Activities and Financing of the Economies (DABFE).

In addition, two (2) joint sessions with Luxembourg’s ATTF on the theme of “*Banking Risk Management*” were respectively held in on July 3-7, 2017, Dakar, Senegal, and on July 10-14, 2017, in Niamey, Niger. These sessions were attended by sixty-one (61) credit institution employees from the Union.

A joint regional seminar was organized with ATTF on the subject of “*Audits and Internal Controls*” on December 4-8, 2017, on Central Bank premises in Dakar, Senegal. It was attended by twenty-four (24) participants from WAEMU credit institutions and two (2) BCEAO staff members.

With regard to BCEAO/BEAC/BCC capacity building, a regional seminar on debt strategy formulation was held in Douala, Cameroon, on November 20-24, 2017. The meeting was attended by thirty-four (34) participants from WAEMU and CEMAC member states and top executives from three (3) central banks. Furthermore, a high-level regional seminar on the theme of the role of the Central Bank in development and growth was organized on the sidelines of the inauguration of the new Central Bank of the Comoros (BCC) building, on December 19, 2017. The seminar, which was facilitated by the Director of MECK-Moroni, the Commissioner-General of the Planning Board of the Union of the Comoros and officials from three (3) central banks, was attended by seventy-eight (78) participants from credit institutions in the Union of the Comoros. A meeting of the BCEAO/BEAC/BCC capacity-building program management committee was held on December 18, 2017, in order to establish the draft activity program for 2018.

In terms of joint actions with AFRITAC West and the IMF Institute, COFEB organized a regional course with AFRITAC West on the theme of “*Financial policies and programming*” from April 24 to May 5, 2017, at BCEAO headquarters in Dakar. The session was attended by thirty-six (36) participants from Finance Ministries of countries covered by AFRITAC West, the Central Bank of West African States, the Central Banks of Mauritania and the Republic of Guinea, the Regional Council for Public Savings and Financial Markets (CREPMF) and the WAEMU Commission. The session was facilitated by three (3) IMF experts and one expert from AFRITAC West.

As part of the joint BCEAO-HEC Paris bank management program, COFEB organized four (4) sessions on the eight (8) modules of the general management program (*Parcours de Management Général - PMG*) for the general certificate on executive management of banking activities (*Certificat Executive Management Général des Activités Bancaires - CEMGAB*), in Dakar, Senegal. These training sessions were attended by one hundred and eight (108) participants, including twenty-one (21) from the BCEAO and eighty-seven (87) from credit institutions in the Union. They took place in March, April, May and September 2017 and led to the delivery of certificates from HEC-Paris on completion of the training.

In addition, the second edition of the certificate program on Human Resource Management for 2017, entitled “Human Resource Management Executive Certificate” (*Certificat Executive Management des Ressources Humaines* - CEMRH) took place in October and November 2017, with five (5) modules for eighteen (18) participants from credit institutions in the Union and two (2) from the BCEAO.

5.2.2 - Property Assets

In FY 2017, the Central Bank continued its program of consolidation and expansion of its infrastructure and its network of Sub-Branches and finalized the selection of contractors for the construction of a pilot fiduciary processing center (*Centre de Traitement Fiduciaire* - CTF) in Yamoussoukro, Côte d’Ivoire.

As pertains to the expansion of the network of Sub-Branches, calls for tenders from contractors for the construction of buildings on sites in Kayes, Mali; Tahoua, Niger and Saint-Louis, Senegal, were launched in the final quarter of 2017. The selection process for the Branch in Tahoua was completed in December 2017. Work is scheduled to start in the first quarter of FY 2018.

As pertains to the consolidation of the Bank’s real estate assets, work to expand and renovate sub-branch buildings in Bobo-Dioulasso is scheduled to begin in the first quarter of 2018. Project studies on the expansion of sub-branch buildings in Maradi and Zinder, Niger, are currently being finalized with a view to launching calls for tenders in the first quarter of FY 2018.

Work on the construction of the CTF is expected to start in the first quarter of 2018, following the technical adjustment of the project in conjunction with the contractors selected in December 2017 through an international call for tenders.

5.2.3 - Information and Communication System

The BCEAO continued the implementation of structuring projects flowing from the 2016-2018 Strategic Plan, chiefly aimed at improving the governance and management of its information system, enhancing the security of its processing infrastructure and computer networks, and increasing its resilience to cyber attacks.

Thus, with a view to bringing the governance and management of the Information System into line with best practices recommended by the COBIT standard of best practices (Control Objectives for Information and related Technology), the Central Bank identified and rolled out sixteen (16) priority activities out of the thirty-seven (37) model activities in the standard. With this in mind, a new strategic, organizational and operational framework was adopted in January 2017, defining a governance framework that can guarantee alignment with the objectives of the Information System and the overall strategy of the Central Bank.

With regard to business continuity, and in the framework of work on the operationalization of its IT backup plan, for the third year in a row, the Bank conducted satisfactory tests on the changeover of the Bank’s information system to its high availability site and its backup site.

With a view to reinforcing security and resilience to cyber attacks, the Bank undertook the upgrading and certification of its Information System to meet the international Payment Card Industry Data Security Standard (PCI DSS).

The Bank also completed the project on the automation of the management of dormant deposits transferred to the BCEAO. This new tool will be put into production in early 2018.

Finally, new projects, including the reform of the administrative and accounting management system of the Central Bank and the modernization of the management of market operations were launched in 2017.

5.2.4 - Risk Management and Control Activity Mechanisms

The work accomplished in financial year 2017, in terms of the risk management mechanism and control activities, was a continuation of the process of alignment with international standards. Work specifically focused on setting up an incident base, updating risk mapping and business continuity management tools and reinforcing information system security. Various monitoring activities (operational controls and external audits) were regularly conducted in the Bank's operational structures.

Work linked to the annual **risk mapping** update was carried out in 2017. Coaching sessions were organized to that purpose for structures based at headquarters and remote sites, as well as Process Improvement Teams (PITs / GAP). Annual risk reports for financial years 2015 and 2016 were prepared and submitted to the Operational Risks Committee (CRO). Follow-up on the implementation of plans of action for major and critical risks was also emphasised. An incident base was set in place.

With regards to **business continuity management**, thanks to the work done to ensure that the business continuity plan (*Plan de Continuité d'Activité* - PCA) remained in operational condition, the crisis management and business continuity tools of every structure of the Bank were updated. The operational crisis and security committee held its two semi-annual meetings and an awareness program was developed for its crisis units.

Work underway on **information systems security** focused on continuing enhancement and improvement of the security of the operations of the Central Bank, notably through the start-up of a system to fight cybercrime.

Audit work pertaining to **operational control activities** focussed on verifying the compliance of operations and monitoring the implementation of the recommendations issued by the different supervisory bodies, as well as on the execution of control plans.

Quarterly reviews on compliance with the rules on investment of BCEAO foreign exchange reserves were regularly produced and submitted to the exchange reserve management policy and supervision committee (COSGRC).

Monitoring of **external audits** focussed on the audit of BCEAO accounts for financial year 2017 by the Statutory Auditor-Comptroller and the National Comptrollers as well as on the annual review of foreign exchange reserves management by the operating account auditor.

In terms of internal audit, the activities carried out in 2017 focussed on the implementation of the annual control program and the reinforcement of the efficiency of the internal audits of the Bank.

The purpose of the controls was to provide assurance of the safeguard of the property of the Bank, the effectiveness and efficiency of its operations, the reliability of its information, the operability and security of information and payment systems as well as compliance with legal, regulatory and contractual provisions. Overall, the execution of the annual program for 2017 culminated in the conduct of fifty (50) missions out of a planned fifty-one (51), a completion rate of 98.04%. They included eleven (11) organizational audits, twenty-nine (29) audits of fiduciary activities, two (2) thematic audits, five (5) information system audits and three (3) special assignments.

Organizational audits focussed on eight (8) National Branches in Burkina, Guinea-Bissau, Mali and Togo, and two (2) Central Services Directorates (the Payment Systems and Instruments Directorate and the Legal Affairs Directorate). These audits specifically focussed on governance aspects, including steering of activities, operation control and risk management, as well as the handling of transactions through departments other than cashier services. An audit of the Centre Africain d'Etudes Supérieures en Gestion (CESAG) was also conducted upon request by the Bank Authorities.

Audits of fiduciary activities were conducted in the National Branches, with a particular focus on assessing business conduct, cash transaction processing conditions, cash audits and destruction of cancelled banknotes.

Thematic audits were conducted on the management of accounting data and cashless and electronic transactions.

Information system audits assessed the reliability of the BAOBAB (bank and cash transaction management) and SICA-UEMOA (clearance system) applications, the BCEAO messaging system and the SWIFT financial data exchange platform. The security of the Bank's systems and networks was also audited.

Two (2) special biannual audits were conducted on transfers issued by the Market Transactions Directorate (DOM) and an audit of financial flows through POSTEFINANCES Sénégal was carried out at the request of the national authorities.

With regard to capacity building, various training activities were organized for internal auditors during the period under review. In collaboration with the West African Centre for Banking Studies and Training (COFEB), two (2) training seminars were held for all auditors, respectively on preparations for part 3 of the CIA (Certified Internal Auditors) examination and auditing of the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) mechanism. Individual traineeships were also organized for Auditors in training institutes abroad.

5.2.5 - Management Control Mechanism

In financial year 2017, main activities focussed on the implementation of the 2016-2018 BCEAO Strategic Plan, steering of the body and the continuing implementation of cost accounting at the Bank.

Project monitoring for FY 2017 under the Strategic Plan was carried out periodically through quarterly Steering Committee meetings that reviewed the progress of the projects based on a specific reporting framework. Overall, the strategic Bank Structures projects have been properly carried out so far. An update of strategic diagnoses was also initiated to identify any issues that could have an impact on the strategic vision of the BCEAO.

Regarding the organizational steering group, improvements suggested by the 2016 stakeholder survey on perceptions of the group were under implementation. Generally speaking, Headquarters, all remote sites and the Office of the Secretary General of the WAMU Banking Commission organized monthly steering meetings with tools that reflected organizational steering methodology. Monitoring of implementation continued with a view to ensuring stronger ownership of the methodology.

As for the cost accounting component, the work begun on three (3) pilot processes continued. Support was provided for two (2) new processes in order to determine and refine cost accounting needs.

5.2.6 - BCEAO Quality Management System (QMS)

Furthermore, following the entry into force of the 2015 version of the ISO 9001 standard, the Central Bank undertook to adapt its QMS to the changes in the requirements of the standard before the end of FY 2017.

The BCEAO organized the adaptation to the new requirements of the ISO 9001 standard in all QMS processes, on all sites, particularly with regard to supervision, understanding of relevant stakeholders' needs and expectations and reinforcement of the risk-based approach in process steering.

In application of the provisions governing ISO certification and following a mock audit conducted on May 8-12, 2017, the Central Bank submitted its QMS to a transition audit marking the completion of progress towards the new version of the applicable standard. The transition audit, which was conducted from July 31 to August 4, 2017, covered all processes at Headquarters and sample of processes at the Office of the Secretary General of the WAMU Banking Commission, the Main Branches in Bissau, Ouagadougou and Niamey, and Sub-Branches in Bobo-Dioulasso, Maradi and Ziguinchor.

The audit found that the Central Bank's QMS was in compliance with the ISO 9001:2015 standard. These findings confirmed the anchoring of continuous improvement in the organization and running of the management system, as witnessed through the execution of the core missions of the Central Bank.

5.3 – INTERNATIONAL COOPERATION

5.3.1 - Monetary and Financial Cooperation

5.3.1.1 - Relations with the International Monetary Fund (IMF)

During financial year 2017, International Monetary Fund (IMF) supported programs were implemented by all member states in the Union. The Burkina Faso economic and financial program, supported by an agreement under the Enhanced Credit Facility (ECF), was completed in July 2017. At the present stage, the country is continuing negotiations with the IMF with a view to signing a new agreement under the EFC.

Transactions carried out by the Central Bank and the IMF in FY 2017 on behalf of WAEMU member states culminated in net inflows of resources amounting to 143.25 million SDRs against 23.6 million SDRs one year prior. This was due to a strong increase in drawdowns of IMF resources, partially offset by an increase in payments. Drawdowns stood at 320.96 million SDRs in 2014, compared to 148.18 million SDRs the previous year, showing an increase of 172.78 million SDRs. Payments were up by 51.76 million SDRs, rising from 124.40 million SDRs to 176.16 million SDRs. Furthermore, as in the previous financial year, no debt reductions were granted to any of the member states of the Union in FY 2017.

In 2017, costs covered by the BCEAO amounted to 4.62 million SDRs (3,697.53 million CFA francs) against 0.5 million SDRs (401.8 million CFA francs) the year before. They applied to commissions paid under the general resource use facility. No interest fees were paid over the period, due to measures implemented by the IMF in July 2009 in reaction to the global financial crisis, regarding exceptional relief on interest on loans granted by the International Monetary Fund to low-income countries.

As pertains to remuneration of their positive positions in 2017, the amount paid by the IMF to the WAEMU member states increased by 2.62 million SDRs, reaching 3.06 million SDRs (2,456.61 million CFA francs) compared to 438,766 SDRs (360.5 million CFA francs) the previous year.

On December 31, 2017, the stock of purchases of SDRs stood at 535.98 million SDRs (417.49 billion CFA francs), up 49.76% compared to the end of December 2016.

5.3.1.2 - Relations with Other Institutions

The BCEAO attended both ordinary meetings of the Ministers of Finance of the Franc Zone countries organized in 2017, respectively in April in Abidjan, Côte d'Ivoire, and in October in Paris, France. In addition to reviewing the economic outlook and the status of convergence in the Zone, the proceedings of the meetings notably focussed on the mobilization of tax revenue and the experience of African countries on international financial markets. It emerged that, in a context of strong growth in WAEMU (+6.6% in 2016) and virtual stagnation in CEMAC (-0.4% in 2016), the status of convergence in the Franc Zone was mitigated, as member countries did not comply with all of the defined criteria. Significant risks were also revealed on the economic outlooks in the Zone, due to persistent insecurity and the related costs, low commodity prices and a tendency towards rapid re-indebtedness in some member states. The latter were urged to continue implementation of strict and sustainable economic policies in order to re-establish macroeconomic equilibrium.

Regarding collection of tax revenue, which remains insufficient to meet the infrastructure needs of the Franc Zone countries, guidelines were adopted to sustainably increase these internal resources. Recommendations ran along the following three (3) lines: (i) broadening the tax base and prioritizing a broad fiscal base and moderate rates, (ii) modernizing tax collection and (iii) guaranteeing effective and increasingly transparent management of public finances.

It was noted that the experiences of African countries on international financial markets had generated significant sums, which sometimes covered their annual needs. However, it was emphasised that such transactions generally involved substantial risks to be avoided, including foreign currency exposure. In relation to this risk, it was recommended that the states concerned should do their homework, work with specialized services and above all be cautious in their dealings with the markets.

The meetings ended with the traditional press conference. Talks with the press focussed on the interchangeability of the CFA franc currencies of Central and West Africa as well as recent debates on the franc and monetary cooperation agreements between France and the African Franc Zone countries.

5.3.2 - Economic and Monetary Integration

The Central Bank played an active role in the implementation of the Union's integration projects. To this end, it attended a meeting of the WAEMU cotton/textile agenda on how to boost the competitiveness of the cotton industry in the zone. It also participated in the proceedings of the third meeting of the high-level committee on the implementation of peace and security projects in WAEMU, which aim to ensure the peaceful conditions necessary for the development of the sub-region.

With respect to monetary integration in the Economic Community of West African States (ECOWAS), the BCEAO attended the annual statutory meetings of the West African Monetary Agency (WAMA) in February 2017 in Freetown, Sierra Leone, and in August 2017, in Monrovia, Liberia. The main points reviewed during these meetings pertained to the implementation of the ECOWAS Monetary Cooperation Program (EMCP) and administrative issues.

Regarding the implementation of the EMCP, it emerged that the status of macroeconomic convergence within the community deteriorated in 2016 in conjunction with the drop in commodities prices, leading to greater economic imbalances. The growth rate in the Community stood at 0.1% (6.6% in WAEMU) in 2016, compared to 3.3% one year prior. The average annual inflation rate in ECOWAS reached 15.5% (0.3% in the Union) in 2016, compared to 8.9% (1.3% in the Union) one year previously, mainly due to the depreciation of the national currencies. In this context, only one country, Liberia, met all criteria, compared to a total of four (4) countries (Burkina Faso, Côte d'Ivoire, Mali and Nigeria) in 2015. Most of the member states were unable to meet the criteria pertaining to inflation, the budget deficit and the financing of the deficit, or nominal exchange rate stability. With a view to reversing that trend, member states were urged to accelerate the implementation of actions aimed at modernizing their infrastructure, diversifying production and improving the business climate to boost growth, while reinforcing the resilience of their economies to cope with volatile commodities prices. They were also urged to enhance the efficiency of public spending and contain the budget deficit, notably through the adoption of a law on fiscal responsibility.

As to the harmonization of economic and financial policies with a view to creating a common currency for ECOWAS by 2020, actions have been undertaken to establish an ECOWAS Exchange Rate Mechanism, adopt a common exchange-rate regime and transition to a flexible inflation-targeting regime as a common monetary policy.

Administrative issues mainly focussed on revising coefficients for member central banks' contributions to the budget of WAMA and the restructuring of the Monetary Agency.

Furthermore, in keeping with the conclusions of WAMA's statutory meetings of August 2017, a meeting was held in November 2017, in Abuja, Nigeria, between the members of the Committee of Governors and the President of the ECOWAS Commission. It notably focussed on four points: (i) reinforcing cooperation between WAMA and said Commission, particularly through the need for the Agency to play a stronger role in the monetary integration process, (ii) financing of the activities of the West African common currency program, (iii) the creation of a formal communication framework between the Committee of Governors and the Council of Ministers of ECOWAS, to facilitate the sharing of decisions and relevant information on the ECOWAS Monetary Cooperation Programme (EMCP) at the ECOWAS Conference of Heads of State and Government and (iv) the need for the ECOWAS Commission to accelerate the process of revising the roadmap for the establishment of a common West African currency, with the participation of all stakeholders, particularly the central banks, and the harmonization of public finance frameworks within ECOWAS.

APPENDICE

LIST OF THE PRINCIPAL DOCUMENTS PUBLISHED BY THE BCEAO

PERIODICAL PUBLICATIONS

Annual Publications

- 1 - Banks and financial institutions directory
(Annuaire des banques et établissements financiers)
- 2 - Statistical yearbook
(Annuaire statistique)
- 3 - BCEAO financial statements
(Etats financiers de la BCEAO)
- 4 - Balance of payments and overall external position of WAMU member states
(Balance des paiements et position extérieure globale des Etats membres de l'UMOA)
- 5 - Balance sheets and profit and loss accounts of banks and financial institutions
(Bilans et comptes de résultats des banques et établissements financiers)
- 6 - Economic outlooks of WAEMU member states
(Perspectives économiques des Etats de l'UEMOA)
- 7 - BCEAO Annual Report
(Rapport annuel de la BCEAO)
- 8 - Annual Report of the WAMU Banking Commission
(Rapport annuel de la Commission Bancaire de l'UMOA)
- 9 - Annual report on BCEAO payment systems
(Rapport annuel sur les systèmes de paiement de la BCEAO)
- 10 - Report on trends in consumer prices in the Union and outlooks
(Rapport sur l'évolution des prix à la consommation dans l'UEMOA et perspectives)
- 11 - Report on foreign trade in the Union
(Rapport sur le commerce extérieur de l'UEMOA)
- 12 - Report on the competitiveness of the economies of the Union
(Rapport sur la compétitivité des économies de l'UEMOA)
- 13 - Report on banking conditions in the Union
(Rapport sur les conditions de banque dans l'UEMOA)
- 14 - Status of mobile phone financial services in WAEMU
(Situation des services financiers via la téléphonie mobile dans l'UEMOA)

Semi-annual Publications

- 15 - Revue Economique et Monétaire (Economic and Monetary Journal)
(*Revue Economique et Monétaire*)

Quarterly Publications

- 16 - Quarterly statistical bulletin
(*Bulletin trimestriel de statistiques*)

- 17 - Briefing note
(*Note d'information*)

- 18 - Report on monetary policy
(*Rapport sur la Politique Monétaire*)

Monthly Publications

- 19 - Monthly bulletin of WAEMU economic statistics
(*Bulletin mensuel de statistiques économiques de l'UEMOA*)

- 20 - Monetary and financial statistics bulletin
(*Bulletin de statistiques monétaires et financières*)

BOOKS

- 21 - WAMU Zone banknotes and coins from inception to 2012. BCEAO, Dakar, 2012.
(*Billets et pièces de monnaie dans la Zone UMOA (des origines à 2012). BCEAO, Dakar, 2012*)

- 22 - History of the West African Monetary Union (3 volumes in French and English). Georges Israël, Publisher, Paris, 2000.
(*Histoire de l'UMOA (3 tomes en français et en anglais). Georges Israël Editeur, Paris, 2000*)

- 23 - Monetary integration and changes in the international financial system: challenges and outlook. BCEAO, L'Harmattan, Dakar, 2014.
(*Intégration monétaire et mutations du système financier international : défis et perspectives. BCEAO, L'Harmattan, Dakar, 2014*)

- 24 - Méthodologie d'analyse financière (methodology of financial analysis). BCEAO, Dakar, 2004.
(*Méthodologie d'analyse financière. BCEAO, Dakar, 2004*)

- 25 - WAMU Banking Chart of Accounts (4 volumes), BCEAO, Dakar, 1994.
(*Plan Comptable Bancaire de l'UMOA (4 volumes). BCEAO, Dakar, 1994*)

- 26 - What banking sector to finance WAEMU economies? Editions BCEAO, L'Harmattan, Dakar, 2011.
(*Quel secteur bancaire pour le financement des économies de l'UEMOA. Editions BCEAO, L'Harmattan, Dakar, 2011*)

- 27 - Compendium of legislative and regulatory texts governing banking and financial activities in WAMU. BCEAO, 1st ed. 2003, 2nd ed. 2016.
(Recueil des textes légaux et réglementaires régissant l'activité bancaire et financière dans l'UMOA. BCEAO, 1^{ère} éd. 2003, 2^e éd. 2016)
- 28 - Compendium of legislative and regulatory texts applicable to decentralized financial systems in WAMU. BCEAO, 2013.
(Recueil des textes législatifs et réglementaires applicables aux systèmes financiers décentralisés dans l'UMOA. BCEAO, 2013)
- 29 - Specific accounting standard for the decentralized financial systems of WAMU). BCEAO, 2009.
(Référentiel comptable spécifique des systèmes financiers décentralisés de l'UMOA. BCEAO, 2009)
- 30 - SYSCOA - West African Accounting System (4 volumes).
(Système Comptable Ouest Africain (SYSCOA) (4 tomes)
- Company General Chart of Accounts. Edition Foucher, Paris, 1996.
(Plan comptable général des entreprises. Edition Foucher, Paris, 1996)
 - Implementation Guide. Edition Foucher, Paris, 1997.
(Guide d'application. Edition Foucher, Paris, 1997)
 - Minimum Cash System. Edition Foucher, Paris, 1997.
(Système minimal de trésorerie. Edition Foucher, Paris, 1997)
 - Reconciliation tables. Edition Foucher, Paris, 1997.
(Tableaux de passage. Edition Foucher, Paris, 1997)
- 31 - West African Chart of Accounts (SYSCOA). Complete list of accounts and financial statements. BCEAO, Dakar, 2005.
(Système Comptable Ouest Africain (SYSCOA). Liste intégrale des comptes et états financiers – BCEAO, Dakar, 2005)
- 32 - Guest book of the 40th anniversary of the BCEAO. Georges Israël, Publisher, Paris, 2004.
(Livre d'or du 40^e anniversaire de la BCEAO. Georges Israël Editeur, Paris, 2004)
- 33 - Collection of contemporary artwork of the BCEAO. Georges Israël, Publisher, Paris, 2005.
(Collection des œuvres d'art contemporain de la BCEAO)



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BANQUE CENTRALE DES ETATS
DE L'AFRIQUE DE L'OUEST

Avenue Abdoulaye FADIGA
BP 3108 - Dakar - Sénégal
www.bceao.int