



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

**STATE OF FINANCIAL INCLUSION IN WAEMU
IN FINANCIAL YEAR 2021**

ANNUAL REPORT

July 2022



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List of acronyms

ADAPAMI	: Support for the Development, Professionalization and Reorganization of the Microfinance Sector (Benin)
AFD	: French Development Agency
AfDB	: African Development Bank
AFI	: Alliance for Financial Inclusion
AfPI	: African Financial Inclusion Policy Initiative
ANSSFD	: National Agency for the Supervision of Decentralized Financial Systems (Benin)
APBEF	: Professional Association of Banks and Financial Institutions (Senegal)
APIF	: Financial Inclusion Promotion Agency (Côte d'Ivoire)
APSAB	: Professional Association of Insurance Companies of Burkina Faso
APSF	: Professional Association of Decentralized Financial Systems
BCEAO	: Central Bank of West African States
BCSF	: FinTech Knowledge and Monitoring Office
BTCA	: Better Than Cash Alliance
CEMAC	: Central African Economic and Monetary Community
CNSMO	: National Monitoring Committee for the Implementation of the Regional Financial Inclusion Strategy
CONOBAFI	: West African Committee for the Organization and Standardization of Banking and Finance
DFS	: Decentralized financial system (microfinance institution)
DGM	: Directorate-General of Microfinance
FDIF	: Inclusive Finance Development Fund (Niger)
FNM	: National Microfinance Fund (Benin)
GIM-UEMOA	: West African Economic and Monetary Union Interbank Electronic Banking Group
JIF	: Financial Inclusion Day
OQSF	: Financial Services Quality Observatory
PAIF	: Program to Support Financial Inclusion Actors
SE-SNFI	: Executive Secretariat of the National Inclusive Finance Strategy
SME	: Small and medium-sized enterprises
SMS	: Ministerial Follow-up Committee
SNIF	: National Financial Inclusion Strategy

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Summary

This report reviews the state of financial inclusion in the WAEMU Member States in financial year 2021, analyzing trends in seven indicators selected by the Central Bank. These indicators were organized into three core dimensions of financial inclusion, i.e., "access", "use", and "affordability", including:

- the "access" dimension, which encompasses the "aggregate financial services demographic penetration rate (TGPSFd)", which measures the proximity of financial services to the population, and the "aggregate financial services geographic penetration rate (TGPSFg)", which evaluates the number of financial service points over a 1,000 km² geographical area,
- the "use" dimension, which encompasses the "strict banking rate (TBS)", which measures the percentage of the adult population (aged 15 and older) holding accounts with banks, postal services, national savings banks, and the national Treasury department, the "extended banking rate (TBE)", which combines the strict banking services penetration rate and the percentage of the adult population holding accounts in microfinance institutions, as well as the "aggregate financial services usage rate (TGUSF)" which combines the extended banking rate and the level of usage of electronic money services, and
- the "affordability" dimension, which includes the "nominal interest rate on deposits (TINd)" which measures the return on savings in banks and decentralized financial systems, and the "nominal interest rate on loans (TINc)", which provides information on the costs incurred by customers when accessing loans from banks and decentralized financial systems.

The report includes a thorough analysis of trends in these seven indicators, taken together, to gauge every aspect of the state of financial inclusion within the WAEMU region.

This analysis reveals an improvement in financial inclusion in WAEMU in 2021, as positive trends were recorded in both supply and demand during the period under review. Banking interest rates also showed positive developments.

In terms of people's access to financial services (i.e., supply), the aggregate financial services demographic penetration rate rose by 28 points in 2021 compared with 2020, reaching 141 points of service per 10,000 adults. The aggregate geographic penetration rate increased more significantly, climbing by 69 points to reach 307 service points per 1,000 km² in 2021, compared with the 238 service points per 1,000 km² kilometers recorded a year earlier.

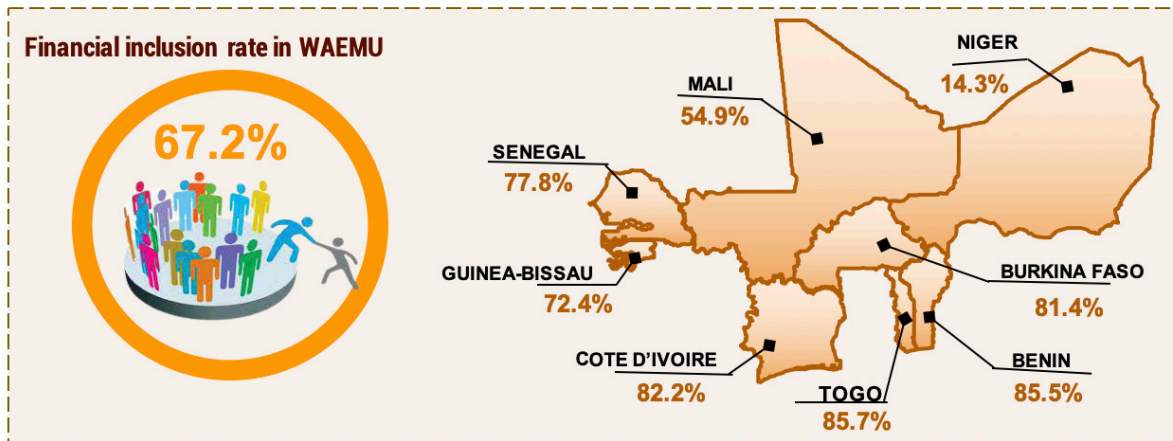
Regarding the utilization of financial products and services (demand), the strict banking rate rose from 19.0% in 2020 to 21.8% in 2021. Additionally, the extended banking rate reached 42.4% in 2021, compared to 39.6% in 2020, marking an increase of 2.8 percentage points. These developments were due, in part, to financial institutions adopting digital strategies in the provision of financial services. The aggregate financial services usage rate stood at 67.2%, compared with 63.7% a year earlier.

Banking conditions also improved, with the cost of borrowing falling by 32 basis points to 6.27% in 2021, compared with 6.59% a year earlier. The rate of return on individuals' deposits with banks also rose by 22 basis points, reaching 5.35% in 2021.

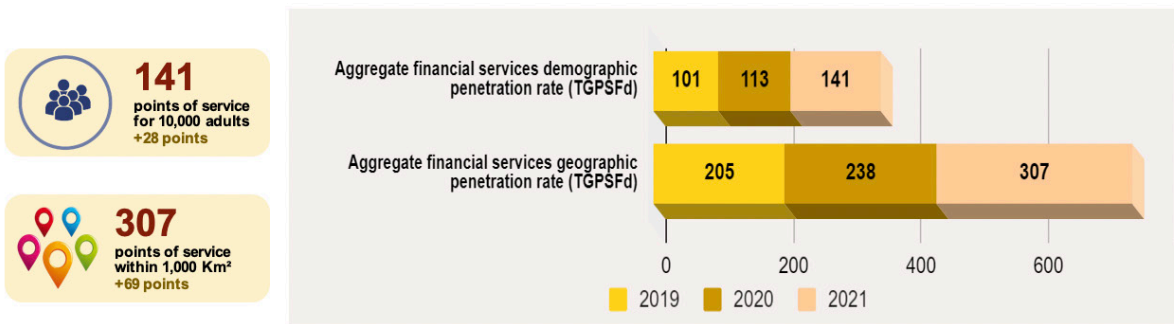
Financial inclusion improved overall in WAEMU 2021, as demonstrated by the trends in the indicators presented above. This is reflected in the increase in the synthetic financial inclusion index, which rose by almost 0.04 point between 2020 and 2021, to stand at 0.562 on a scale of 0 to 1.

This performance reflects the efforts made across the Union by all stakeholders to make financial services more accessible to the population.

KEY FIGURES ON FINANCIAL INCLUSION IN WAEMU IN 2021

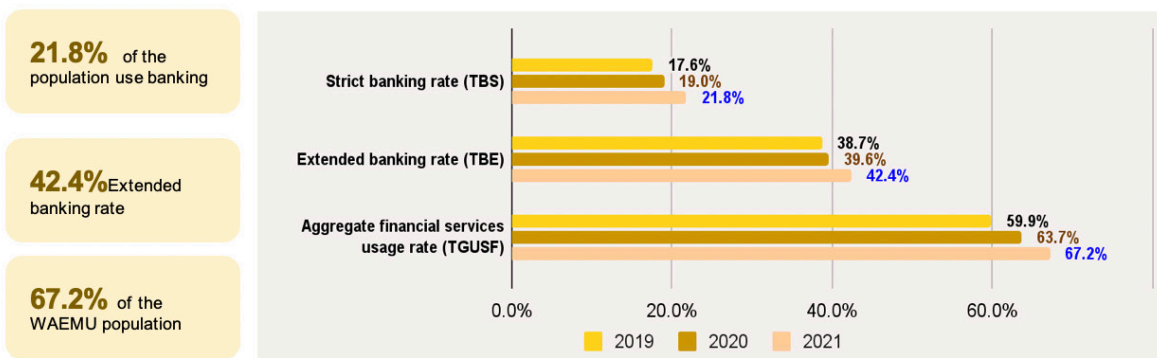


INDICATORS OF ACCESS TO FINANCIAL SERVICES



“Closer proximity of services to the public and a stronger network of financial service points, primarily due to the expansion of mobile-based financial service distribution channels”

FINANCIAL SERVICE UTILIZATION INDICATORS



“A 3.5 percentage point increase in the financial inclusion rate in 2021, driven by a significant contribution from mobile phone-based financial services”

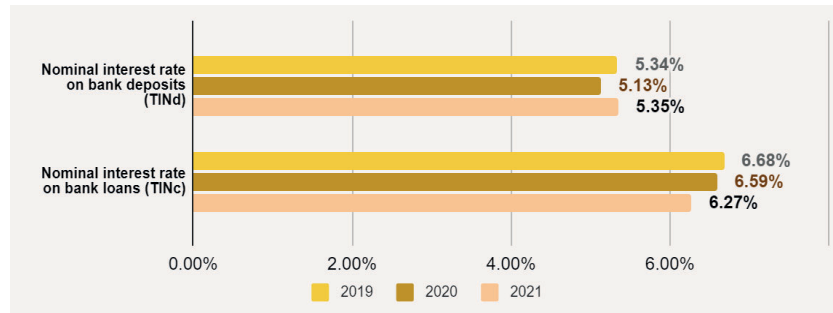
FINANCIAL SERVICES AFFORDABILITY INDICATORS



5.35% Nominal interest rate on deposits
+22 basis points



6.27% Nominal interest rate on loans
-32 basis points

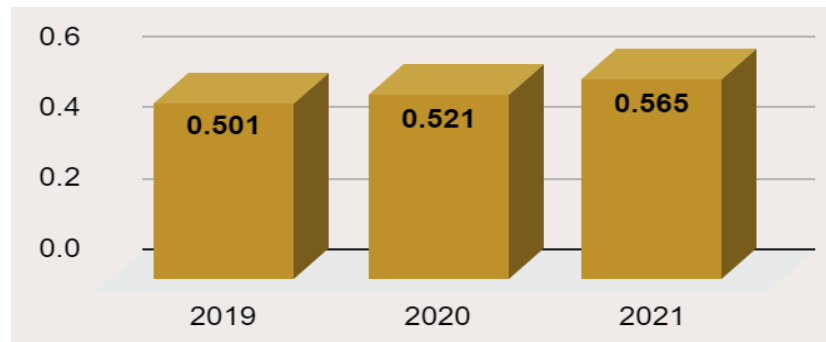


"In 2021, credit access costs showed a more favorable trend. Interest rates on customer deposits also improved"

SYNTHETIC FINANCIAL INCLUSION INDEX

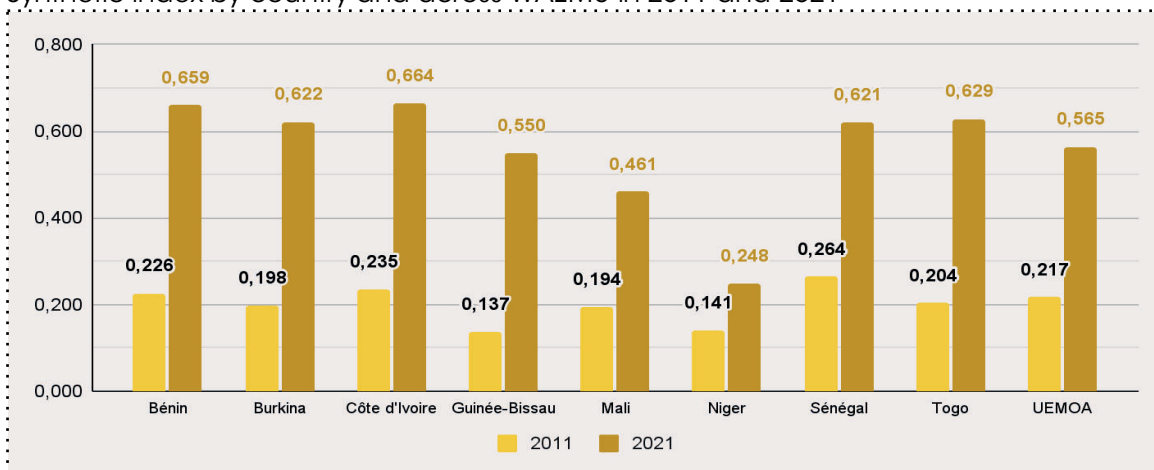


0.565 Financial inclusion index



"The financial inclusion index improved overall, standing at 0.565 in 2021 compared with 0.521 in 2020, on a scale of 0 to 1"

Synthetic index by country and across WAEMU in 2011 and 2021



Introduction

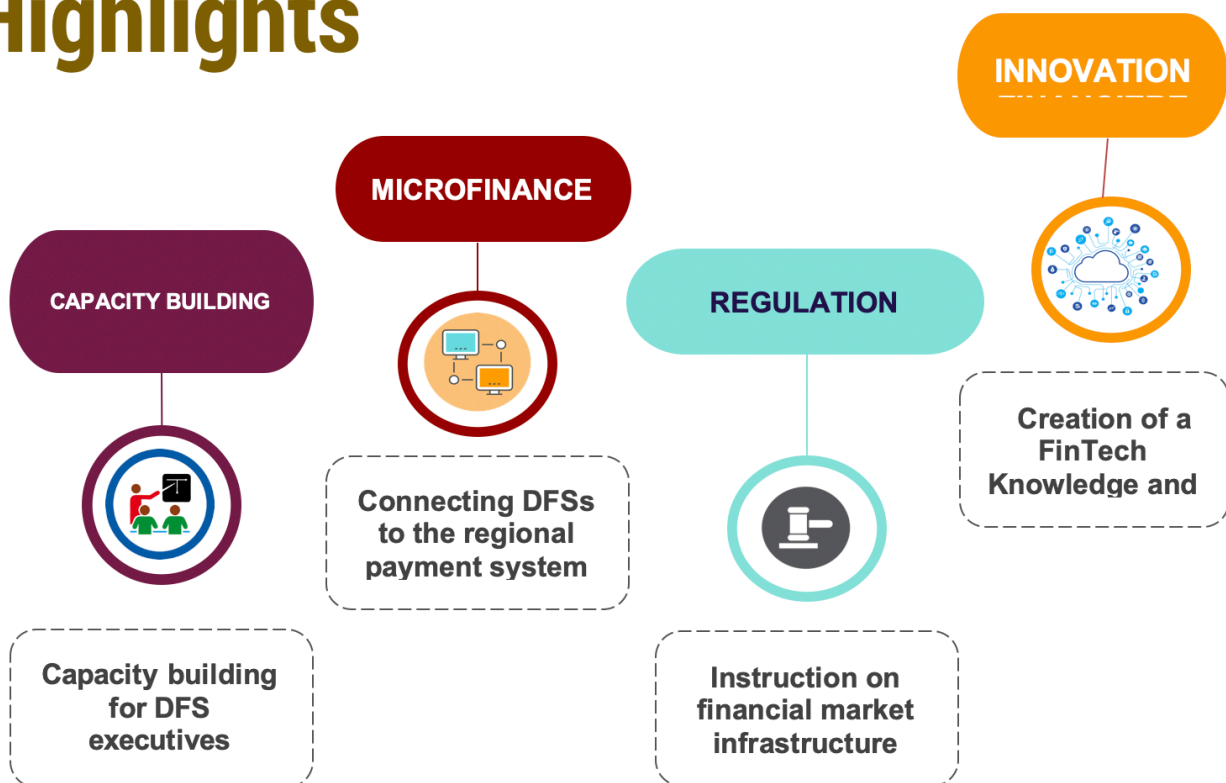
Financial inclusion in WAEMU has made remarkable strides since the adoption of the Regional Financial Inclusion Strategy (SRIF) by the Union's Council of Ministers in 2016. This progress was achieved through a combination of various initiatives implemented by the Central Bank. These initiatives, combined with the collaborative efforts of the Member States and support from technical and financial partners, have improved access to and utilization of financial services among the Union's populations.

In 2021, the Central Bank continued to support financial inclusion, extending its efforts beyond the initial action plan outlined in the regional financial inclusion strategy. Recognizing the evolving socio-economic landscape and contemporary challenges, the Central Bank initiated actions and executed projects that are expected to have a substantial impact on the financial inclusion of both the general public and small and medium enterprises (SMEs).

This report provides an assessment of these actions and offers an overview of the state of financial inclusion in WAEMU over the course of 2021. It reviews noteworthy developments and conducts an in-depth analysis of trends in the seven (7) selected indicators. Furthermore, it examines the holistic dimension of financial inclusion by tracking the progress of the synthetic financial inclusion index across the Union. Lastly, the report identifies forthcoming challenges and outlines the outlook for the future.

2021

Highlights



I- Highlights

Financial year 2021 was marked by the implementation of several initiatives to promote financial inclusion, both by the WAEMU Member States and at the BCEAO level.

I.1. At the country level



BENIN

The government of Benin and all the stakeholders continued their concerted efforts to strengthen the financial sector and promote financial inclusion. Action was focused on the ongoing development of a national financial inclusion strategy, as well as on thematic studies examining the supply of financial services, a state-of-the-art review of the technological and financial infrastructure, and a review of the legal and regulatory framework governing financial services.

At the institutional level, 2021 witnessed the establishment of the Directorate-General of the Financial Sector (DGSF) through Decree No. 2021-307 of June 9, 2021. The DGSF's primary responsibilities encompass overseeing the implementation of (i) the national insurance and banking supervision policy and (ii) the financial inclusion strategy.

As part of the drive to improve financial literacy among the population, the Directorate-General of Microfinance (DGM) and the National Microfinance Fund (FNM) organized training and awareness-raising sessions. These sessions targeted, among other people, trainers, craftspeople, teachers in technical and vocational schools, Alafia microcredit beneficiaries, customers of microfinance institutions, and the general public. The topics covered included (i) debt & budget management and financial negotiation, (ii) small and microbusiness management, and (iii) consumer rights and responsibilities when using financial services. These sessions successfully reached over 12,523 beneficiaries in several departments across the country.

Additionally, the ADAPAMI Project (Support for the Development, Professionalization and Reorganization of the Microfinance Sector) financed the production of a documentary film to educate the public on new trends in network marketing, e-commerce, online savings, and cryptocurrency.

As part of efforts to raise awareness about virtual currencies, the BCEAO National Directorate for Benin issued a press release in a national newspaper on July 1, 2021, aimed to alert the public to the risks associated with the use of cryptocurrency and to inform them about ongoing initiatives within the Central Bank to foster financial innovation within a secure environment.



BURKINA FASO

The Government of Burkina Faso adopted the 2021-2023 communication plan for the National Inclusive Finance Strategy (SNFI) by Order No. 2021-394/MINEFI/CAB/SP-PIF on July 19, 2021. This plan, implemented by the Permanent Secretariat for the Promotion of Financial Inclusion (SP-PIF), seeks to actively engage stakeholders, promote financial services among the general

public, and enhance financial literacy. It primarily targets SNFI implementing partners (including SP-PIF personnel and technical working groups), associations, and groups from the informal and agricultural sectors (women's groups, farmers, breeders, SMEs), media entities, national and administrative authorities, consumer associations, as well as political leaders and/or local elected representatives.

Financial year 2021 was also marked by the organization of the second edition of Financial Inclusion Day (JIF) in Burkina Faso. The event, held on December 14, 2021, in Ouagadougou, was organized by the Professional Association of Decentralized Financial Systems (APSF), the Professional Association of Banks and Financial Institutions (APBEF), and the Professional Association of Insurance Companies of Burkina Faso (APSAB). The 2021 edition, whose theme was "What role does financial education play in promoting people's access to financial services?", aimed to provide a framework for discussion and experience-sharing among professionals responsible for regulating and promoting financial inclusion.

Finally, several other meetings were organized in Ouagadougou to discuss and promote financial inclusion. These included:

- a workshop to discuss digital finance, organized by the SP-PIF in collaboration with UNCDF on December 8, 2021, which explored "critical factors and obstacles in the digitalization process for successful financial services in the COVID-19 era".
- the 2021 edition of the National Framework for Financial Inclusion, which discussed the theme of "Financial inclusion and the security situation in Burkina Faso: identifying innovative approaches to enhance access to financial products and services for the general public", on November 18, 2021.

CÔTE D'IVOIRE

In 2021, Côte d'Ivoire continued its implementation of the National Financial Inclusion Strategy (SNIF). This included various initiatives aimed, among other things, at bolstering digital finance and enhancing financial literacy among the population.

As part of the drive to strengthen digital finance, the authorities introduced the payment of student grants using the TresorPay platform. Thanks to the efforts of the National Treasury Department and the Public Accounting Department, the Net Collect Service was expanded to cover all communities across the country.

A study on the impact of the COVID-19 pandemic on FinTech in Côte d'Ivoire was conducted in collaboration with Microsave Consulting. The findings revealed that government policies and regulatory measures implemented during the pandemic, coupled with partnerships between e-money providers and FinTech companies, led to a significant rise in the number and use of e-money accounts.

With regard to financial education for the general public, trainer training initiatives were initiated under the Saint-Antonius Project, aimed at bolstering the life skills of young people, from January 11 to 15, 2021.

Lastly, on June 29, 2021, the Financial Inclusion Promotion Agency (APIF) presented the results of a study on merchant payments launched in October 2020. The study, which was carried out

with the support of the Better Than Cash Alliance (BTCA), underscored the pivotal role of merchants in the adoption of digital payments due to their consistent proximity to the population. The cost of acquiring and renting EFTPOS terminals, commissions, connectivity issues, and a lack of interoperability between financial services were identified as the main obstacles to adoption. Following the study, guidelines were drawn up to aid stakeholders in promoting the development of merchant payments.



GUINEA-BISSAU

The financial landscape expanded with Coris Bank International being granted a license to operate as a branch of Coris Bank Senegal. The institution, which was scheduled to start operating in 2022, is expected to help improve financial services and financial inclusion for the general public.

Players in the financial and telecommunications sectors also continued to expand their service coverage and customer outreach. To that end, Ecobank launched a number of initiatives aimed at extending its points of service. Orange Bissau also launched a project to upgrade and expand its network. These improvements should give people in rural areas access to telephone networks and financial services.

Finally, on November 5, 2021, the National Telecommunications Regulatory Authority launched a platform designed to control traffic generated by telecoms operators' networks and monitor service quality. This platform is designed to enable the regulatory authority to track the rates of the various services provided by mobile telephone operators and chart the country's telecom infrastructures, which should encourage initiatives to develop them, as well as initiatives relating to electronic money.



MALI

Significant progress was noted in the public payment digitalization process, with the effective launch of the remote payment platform for taxes, duties, and fees on December 6, 2021. This groundbreaking initiative was launched to enhance the Tax Administration's revenue-raising capabilities and provide better services to taxpayers.

At the institutional level, the Minister of Finance issued Order n°2021-2908/MEF-SG to introduce changes to the membership of the National Implementation Monitoring Committee (CNSMO) for the WAEMU regional financial inclusion strategy. These changes were introduced with a view to mobilizing more stakeholders around the promotion of financial inclusion and ensuring greater efficiency in the implementation of the actions set out in the SRIF.

In addition, the action plan for the insurance estates-general was adopted on February 24, 2021, by Mali's insurance companies committee. This plan, which covers a three-year period, focuses on five areas: (i) insurance sector reform and reorganization, (ii) insurance-related tax and regulatory provisions, (iii) claims management and protection of policyholder and beneficiary rights, (iv) communication on and promotion of the insurance sector, and (v) training. Its implementation should help revitalize the country's insurance sector.

The process of adopting the national financial inclusion strategy was completed with the validation of the final report and its 2022-2026 action plan by the CNSMO at its extraordinary

meeting on March 15, 2021. The document was subsequently reviewed at an interministerial meeting held on November 11, 2021.

Finally, strides were made in setting up the Financial Services Quality Observatory (OQSF), including the signing of decisions to create technical and steering committees and the drafting of the instruments governing the Observatory.



Among the highlights of financial year 2021, the Minister of Finance issued Order No. 00022/MF/SG/SE-SNFI on January 19, 2021, amending Order No. 60/MF/DGOFR/DMCE of February 23, 2017, establishing the powers and membership of the national committee responsible for the monitoring of the implementation of the WAEMU Regional Financial Inclusion Strategy. The Executive Secretariat of the National Inclusive Finance Strategy also became operational during the year, with the recruitment of its staff and the signing of three (3) decrees (i) stipulating the organizational and procedural arrangements of the Inclusive Finance Development Fund (FDIF), (ii) determining its operating mechanisms, and (iii) specifying the list of partner DFSs associated with the fund. This series of measures enabled ten of the thirteen activities planned for the year to be carried out.

Technical and financial partners (TFPs), including the World Bank and the French Development Agency (AFD), continued to extend financial support to promotion and supervision structures as well as specific microfinance institutions through the Program to Support Financial Inclusion Actors (PAIF).



In Senegal, the financial year was marked by the organization of the 2021 edition of Financial Inclusion Days (JIF) by the CNSMO. This third edition was organized to consolidate advances made during the first two editions of the Financial Inclusion Week in WAEMU, organized by the BCEAO. It was attended by a number of stakeholders, including professional associations representing financial institutions, the United Nations Capital Development Fund (UNCDF) Regional Office in Dakar, and students. The main themes addressed during the JIF focused on anti-money laundering and terrorist financing (AML/CFT) efforts, determining factors and prospects of financial inclusion for young people in WAEMU and the Central African Economic and Monetary Community (CEMAC), Islamic finance, financial education, entrepreneurship, the digital economy, financial inclusion and business development in Africa, and banking insurance.

Significant progress was made in the process of drawing up the National Financial Inclusion Strategy, with the Technical Committee validating the findings of the sub-committee tasked with drawing up a draft framework document. Two meetings were also held, on November 30 and December 14, 2021, to validate the SNIF data, which had been updated as at the end of December 2020. These actions paved the way for the adoption of the SNIF by the government of Senegal during the first quarter of 2022.

Finally, several other consultation and training events were organized by stakeholders involved in promoting financial inclusion, including the national workshop to prioritize financial education initiatives, which took place on June 24, 2021, and an awareness-raising day at Bordeaux Management School (BEM), organized by the OQSF on December 2, 2021.



In December 2021, the government of Togo adopted the country's national financial inclusion strategy. This strategy, whose implementation is scheduled to span the period from 2021 to 2025, aims to guarantee increased access to and use of a diversified range of formal, affordable and adapted financial products and services, from 45% to 75% of the adult Togolese population. Its primary targets are rural adults, women, young people, and small businesses, and it is structured around three strategic focus areas, namely:

- I. diversification and extension of sustainable financial services, especially to excluded populations.
- II. improving the quality and use of payment services, and banking money in particular.
- III. strengthening financial services institutions, policies, and regulations.

The National Inclusive Finance Fund (FNFI) also continued its activities, consolidating its product offerings with the launch, on August 19, 2021, of the second phase of the "N'kodédé" product, whose funding was increased from 5 to 10 million CFA F. This increase was prompted by the satisfactory results achieved during the first cycle, launched in July 2020.

As part of efforts to reorganize the microfinance sector, several diagnostic audits of DFSs in difficulty were scheduled to take place in 2021.

I.2. At the regional level

Efforts to promote financial inclusion in WAEMU included SRIF implementation in the form of continuing the implementation of the digital financial services interoperability project, strengthening the microfinance sector, improving the understanding of the financial inclusion situation, supporting governments in their efforts to digitalize public payments, reinforcing the regulatory framework, and promoting financial innovation.

I.2.1. Digital financial services interoperability project

2021 was marked by preparations for the deployment of the new platform and the drafting of the regulatory framework and the business plan. The project, whose aim was to set up a regional platform for instant account-to-account transactions, regardless of the type of accounts, instruments, channels or payment services used, should lead to greater digitalization of financial transactions carried out by the public.

To help prepare stakeholders, national project monitoring units were set up in each WAEMU member country. To this end, sixty-one institutions (banks, electronic money institutions and microfinance institutions) have been identified and are gearing up to participate in the pilot phase before the full launch of the platform.

Due diligence was also performed on the development of an interoperability solution for digital financial services and the implementation of the communication campaign focusing on the new services.

1.2.2. Supporting governments in the digitalization of public payments

In 2021, the Central Bank continued to assist the Member States in their efforts to digitalize their public payments, with the support of national treasury departments, in order to connect them to the GIM-UEMOA regional electronic payment platform.

Progress reported in 2021 included (i) the continuation of the work of the working group set up to support national treasury departments, (ii) the organization of an experience-sharing session between Côte d'Ivoire's national treasury department and the treasuries of other WAEMU Member States, in light of its advances in terms of the digitalization of public payments and their connection to the regional interbank electronic payment platform, (iii) the establishment, by GIM-UEMOA, of an interface between the regional interbank platform and the information systems used by national treasuries to record their transactions, and (iv) training of government treasury officials in the technical aspects of electronic banking. In addition, several WAEMU Member States, including Benin, Burkina Faso and Côte d'Ivoire, initiated certification tests for prepaid cards, payment terminals and online exchanges. In the other countries, work is underway to establish the administrative and technical prerequisites for connection to the GIM-UEMOA platform.

1.2.3. Reinforcement of the microfinance sector

In 2021, the Central Bank continued its efforts to revitalize the microfinance sector. The main activities carried out within this framework focused on building stakeholder capacities, auditing struggling DFSs and giving microfinance institutions access to the regional payment system.

In terms of capacity building, two training workshops were organized for executives of DFSs in the WAEMU region. These workshops, which took place from March 17 to September 23, 2021, in all eight countries of the Union, were attended by 445 senior executives of microfinance institutions, especially CEOs and deputy CEOs, heads of departments in charge of financial management, internal control or audit, risk management and compliance within DFSs. The training sessions focused on the following:

- risk management, internal control and financial monitoring, with a view to improving the governance of DFSs, through the optimization or implementation of the "Risk, Compliance and Internal Control" (RCCI) function in DFSs.
- overall performance management and rating within DFSs. This training course was designed to provide a framework and tools that could be used for analysis, monitoring and decision-making purposes, in the light of changes in the sector's environment within the Union and performance requirements.

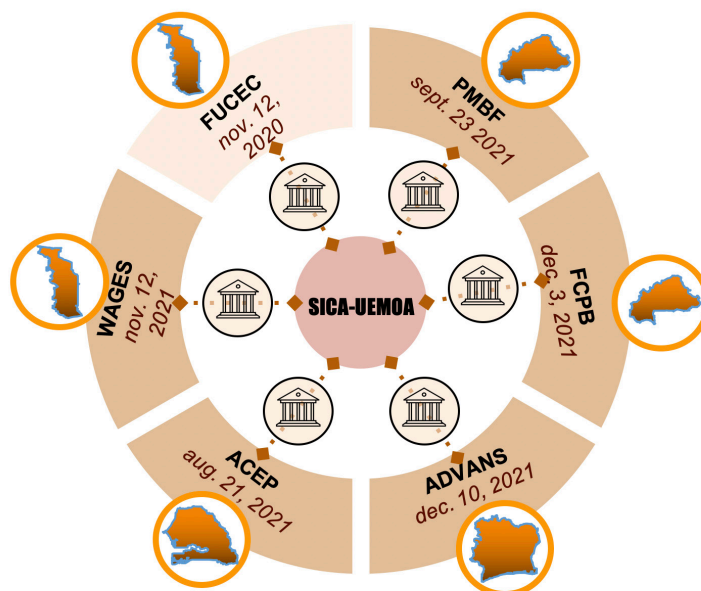
With regard to the diagnosis of struggling DFSs, 40 audits were carried out over the course of 2021 in all eight WAEMU Member States. These audits were conducted jointly by the BCEAO, the Ministerial Monitoring Committee (SMS) and the Secretariat-General of the WAMU Banking Commission (SGCB-UMOA). The purpose of the diagnosis was to identify DFSs whose institutional, operational or financial situations appeared to give cause for concern and could adversely impact the stability of the financial system, at both national and regional levels, with the main aim of highlighting the major vulnerabilities facing these entities, in order to propose action to improve their performance.

The key findings showed that the recent situation of the DFSs diagnosed was characterized by poor governance, with limited technical capacity on the part of management and a lack of appropriate management tools, a weak internal and external control system, poor credit risk

management, and an inefficient Management and Information System (MIS). This situation led to insolvency and a lack of liquidity in almost all the microfinance institutions we visited. In addition, the majority of struggling DFSs failed to carry out regular assessments of their product and service offerings. They also lacked a marketing policy and, in particular, mechanisms to support more effective marketing of the products on offer. In terms of customer protection, most of the entities had no mechanism for handling customer complaints.

The project made significant progress in 2021 in terms of supporting DFSs' access to the WAEMU regional payment system, with the connection of 6 new microfinance institutions to the WAEMU Automated Interbank Clearing System (SICA-UEMOA). The indirect connection of DFSs via partner banks was intended to further enhance the automation of microfinance institutions' financial operations and reduce their transaction costs, for the benefit of their customers.

Finally, the BCEAO has drawn up guidelines to support the digitalization of operations by microfinance institutions. The purpose of these guidelines is to provide the institutions with secure and accessible digital solutions, allowing them to handle and process transactions with their customers.



1.2.4. Enhancing knowledge of financial inclusion in WAEMU

Over the course of 2021, the Central Bank launched several studies aimed at better understanding the financial inclusion landscape in terms of both the demand side and the population's financial product and service needs.

To that end, a study addressing the innovative financial product and service needs of micro-businesses and underserved populations was launched on November 15, 2021. The study, which was part of a partnership with the African Development Bank (AfDB) to implement the regional financial inclusion strategy, focused on identifying the main needs, in terms of financial products and services, of target groups including women, youth, and small-scale farmers. Preliminary findings are expected in the first half of 2022, with subsequent proposals for developing a tailored, innovative, and affordable range of proximity financial services.

In addition, work on a feasibility study for a project to establish a unified identification system for financial service users in WAEMU was launched in May 2021. The objective of this study is to create a centralized database of all financial service users, enhancing transaction traceability and security. The results anticipated for 2022 include the identification of various implementation scenarios, technical prerequisites, cost estimates, and recommendations for the BCEAO.

The selection process for the firm to be contracted to conduct baseline studies on financial inclusion in WAEMU was completed in 2021. These studies aim to provide insights into the market and establish a baseline for financial inclusion in WAEMU by conducting national surveys on the demand for and supply of formal and informal financial services. The study

findings will yield disaggregated data on financial inclusion among different various segments, contributing to the formulation of coherent financial inclusion policies.

Finally, as part of efforts to modernize financial inclusion data collection, the Central Bank initiated a project to develop an automated system for collecting financial inclusion data and geolocating financial service outlets. This project aims to digitalize the statistical system for collecting financial inclusion data and equip the ecosystem with a modern tool for identifying the distribution of financial services in the Union. The UNCDF is expected to provide technical and financial support for this project, which aligned with Pillar 5 of the WAEMU regional financial inclusion strategy, entitled "Implementing a policy and tax framework to promote financial inclusion".

1.2.5. Regulations

The BCEAO introduced innovations to the regulatory provisions governing payment infrastructures and interoperable payments in the WAMU Member States. These innovations were reflected in the entry into force of instruction No. 001-03-2021 setting out the conditions for overseeing financial market infrastructures and payment instruments and services in WAMU Member States, and instruction No. 002-03-2021 on the standards applicable to the Quick Response (QR) Code¹ for interoperable payments in the Union's Member States. These instructions were aimed respectively at facilitating interoperability of QR Code payments and defining monitoring procedures for payment infrastructures.

The process of updating Instruction No. 008-05-2015 of May 21, 2015, which outlines the terms and conditions governing the activities of electronic money issuers in WAMU Member States, continued throughout 2021. The purpose of these updates was to establish suitable regulatory measures in response to developments in the electronic money sector and to address the novel challenges arising from financial innovations sparked by the emergence of FinTechs. These innovations were introduced to address concerns raised by market players and new challenges in the sector, as well as to remedy regulatory shortcomings, while at the same time consolidating financial stability and inclusion.

1.2.6. Promoting Financial Innovation

As part of its efforts to promote innovation for enhanced financial inclusion, the BCEAO strengthened its institutional apparatus with the creation of the FinTech Knowledge and Monitoring Office (BCSF-UEMOA) by decision No. 192-11-2021 of the Governor issued on November 18, 2021. The establishment of this office follows the creation of the BCEAO's FinTech Committee one year earlier.

¹Under instruction No. 002-03-2021, the QR Code is an interoperable payment service that can be offered by a credit institution, a DFS or an EME, provided that it complies with the formats and specifications set out in standard N CONOBAFI 1503: 2021.

Box: Mandate and duties of the FinTech Knowledge and Monitoring Office

The mission of the BCSF is to promote the FinTech sector and facilitate interactions between its stakeholders and the Central Bank.

The FinTech Knowledge and Monitoring Office is responsible for:

- Identifying and analyzing financial innovations and assessing their impact on financial inclusion.
- Gathering and evaluating projects submitted by FinTech companies seeking to introduce innovative products to the market.
- Guiding projects based on their compliance with the relevant legal framework or directing them to the Financial Innovation Lab.
- Steering projects that lack maturity towards incubators set up within the Union.
- Arranging regular meetings with FinTech companies.
- Proposing to the FinTech Committee any regulatory changes needed to promote the FinTech sector.

(Refer to Article 2 of Decision No. 192-11-2021 dated November 18, 2021)

1.3. At the international level



The Central Bank's financial inclusion efforts focused on its active engagement in organizations dedicated to promoting financial inclusion. Additionally, a series of meetings took place between the Governor of the BCEAO and Her Majesty Queen Máxima of the Netherlands, in her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.

1.3.1. The BCEAO's participation in international bodies promoting financial inclusion

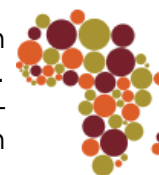
The Central Bank actively participated in various working groups of the Alliance for Financial Inclusion (AFI).

In addition to the working group sessions, the Central Bank also took part in the 6th Annual General Meeting of AFI, which was held on September 8, 2021, by videoconference. The Bank was also involved in the Policy Leadership Dialogue on "Financial Inclusion Beyond the Pandemic", held remotely from September 28 to 30, 2021.



In September 2021, the Governor of the BCEAO completed his second consecutive term as a member of the AFI Board of Directors. On the completion of his terms, the members of AFI expressed their gratitude and appreciation to the Governor of the Central Bank for his substantial contributions to the work of the AFI Network and the global strengthening of financial inclusion.

Furthermore, the BCEAO participated in the 9th Leaders' Round Table of the African Financial Inclusion Policy Initiative, held on August 12, 2021, by videoconference. The theme of the event was "Innovative Regulatory Approaches to Counter De-Risking/Exclusion of Women, Youth and MSMEs during the COVID-19 Pandemic in Africa".



Finally, as part of its efforts to enhance the capabilities of AFI network members and

share experiences, the Central Bank, in collaboration with AFI, organized a virtual training course on inclusive green finance and policies to support the financing of micro, small, and medium-sized enterprises (MSMEs). The first training session, held on June 9, 2021, aimed to boost the policy-development and implementation capacities of Central Bank staff in relation to inclusive green finance.

The training course on policies to support MSME financing was held from October 4 to 7, 2021, and was attended by 119 participants from 44 countries. The aim of the training was to empower participants with the knowledge and tools they need to design effective financing policies for MSMEs and develop action plans to improve access to financing for these entities, in their respective jurisdictions. The meeting provided the BCEAO with an opportunity to share its experience in SME financing policies with other members of the network.

1.3.2. Meetings between the Governor of the BCEAO and Queen Máxima of the Netherlands

Two virtual meetings were organized by videoconference in 2021 between the BCEAO and Her Majesty Queen Máxima of the Netherlands, in her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development. The aim of these meetings was to exchange views on relevant financial inclusion policies and programs that could be implemented by the UN, the WAEMU Member States and the BCEAO.

The first meeting, held on January 21, 2021, was part of Her Majesty's virtual visit to the Senegalese authorities, to discuss the country's national financial inclusion strategy, the development of the FinTech sector and the digitalization of large-scale payments.

The second meeting, held on September 9, 2021, was an opportunity to deepen cooperation on priority issues that could speed the achievement of financial inclusion goals in WAEMU Member States, following the UN Special Advocate's visits to Senegal, Togo, and Côte d'Ivoire in January, April, and June 2021, respectively.

II - Trends in access indicators

In WAEMU, two main indicators have been selected to gauge the population's access to financial services. These are:

- the aggregate financial services demographic penetration rate, which measures the number of service points available per 10,000 adults.
- the aggregate financial services geographic penetration rate, which measures the degree of proximity, i.e., the number of service points available over an area of 1,000 km².

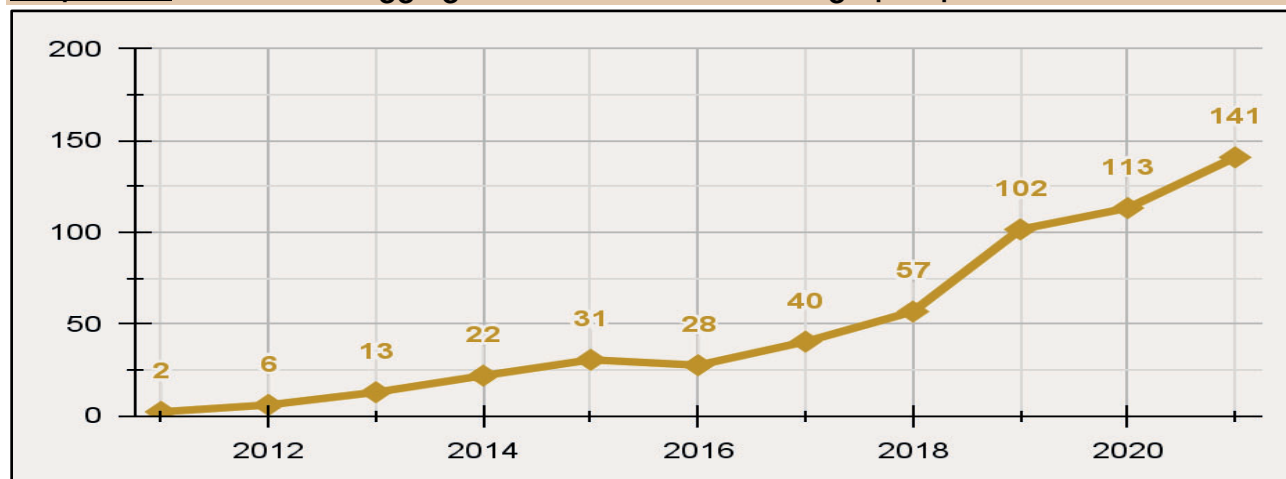


2.1. Aggregate financial services demographic penetration rate (TGPSFd)

The accessibility of financial service outlets for the Union's people increased in 2021. Between 2020 and 2021, the aggregate demographic penetration rate rose by 28 points of service per 10,000 adults, from 113 to 141 points of service per 10,000 adults.

This improvement can primarily be attributed to improvements in e-money distribution infrastructures during the period. Specifically, the demographic penetration rate of e-money services increased to 139 points of service per 10,000 adults in 2021, compared to 111 points a year earlier.

Graph No. 1: Trends in the aggregate financial services demographic penetration rate in WAEMU



Source: BCEAO

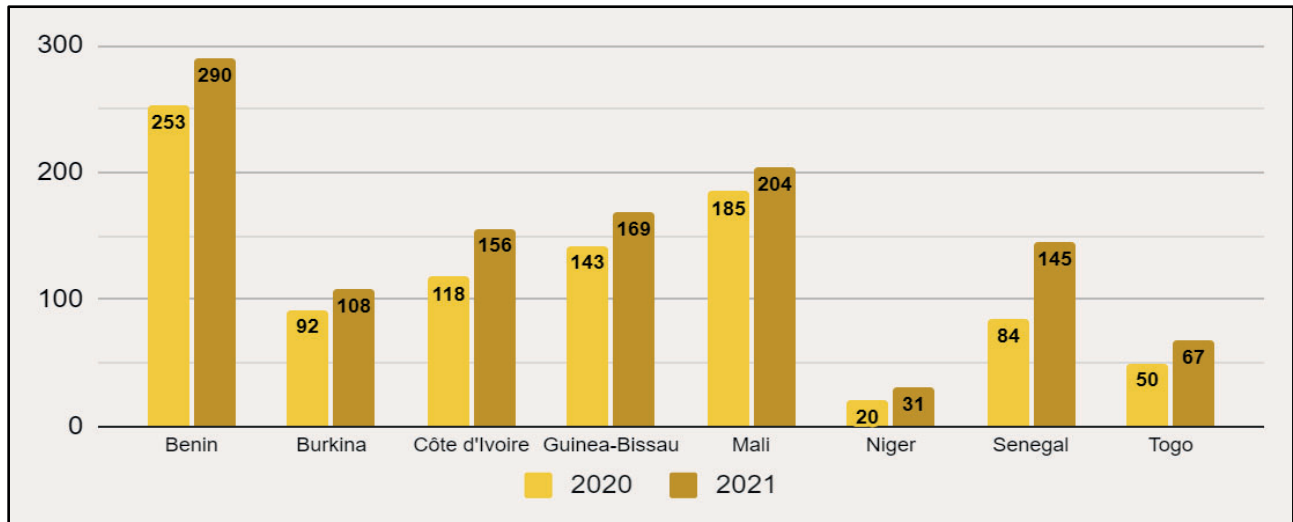
The banking and microfinance services penetration rates remained stable throughout the period under review, with both standing at 1 service point per 10,000 adults.

Similar to the previous year, Benin maintained the highest penetration rate, with 290 service points per 10,000 adults, followed by Mali (204 service points), Guinea-Bissau (169 service points), and Côte d'Ivoire (156 service points). All WAEMU countries reported increased

demographic penetration rates in 2021, with the exception of Niger, where the demographic penetration rate for financial services remained unchanged at 20 service points per 10,000 adults between 2020 and 2021.

Senegal experienced the most significant growth during the period under review, with an increase of 61 service points per 10,000 adults in 2021, following a downturn in 2020. It was followed by Côte d'Ivoire (+38 service points), Benin (+37 service points), and Guinea-Bissau (+26 service points).

Graph No. 2: Aggregate financial services demographic penetration rate in WAEMU countries

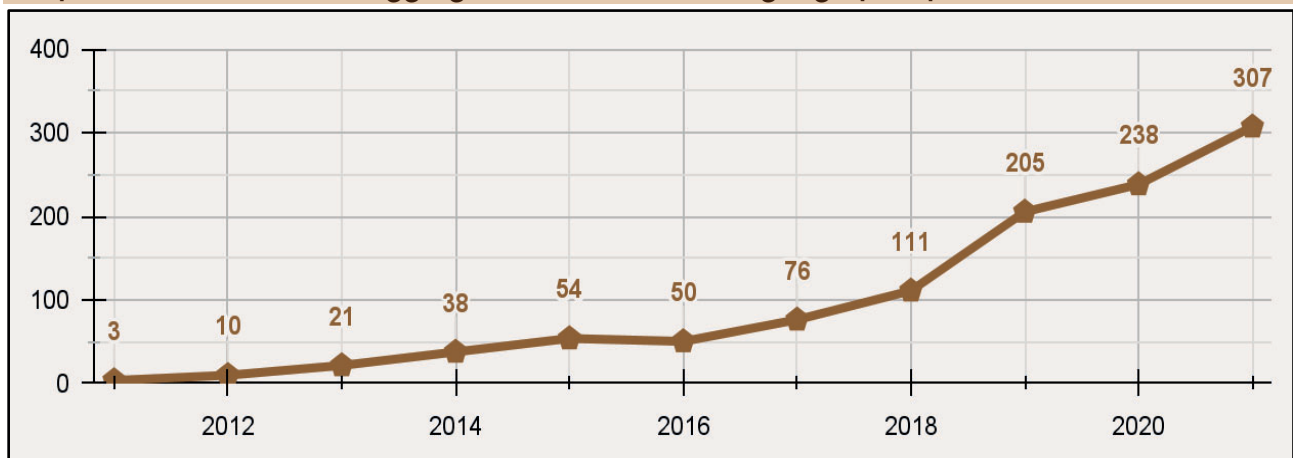


Source: BCEAO

2.2. Aggregate financial services geographic penetration rate (TGPSFg)

The geographical penetration rate rose by 69 service points, from 238 service points per 1,000 km² in 2020 to 307 points per 1,000 km² in 2021, reflecting an improvement in the proximity of service points to the population.

Graph No. 3: Trends in the aggregate financial services geographic penetration rate in WAEMU

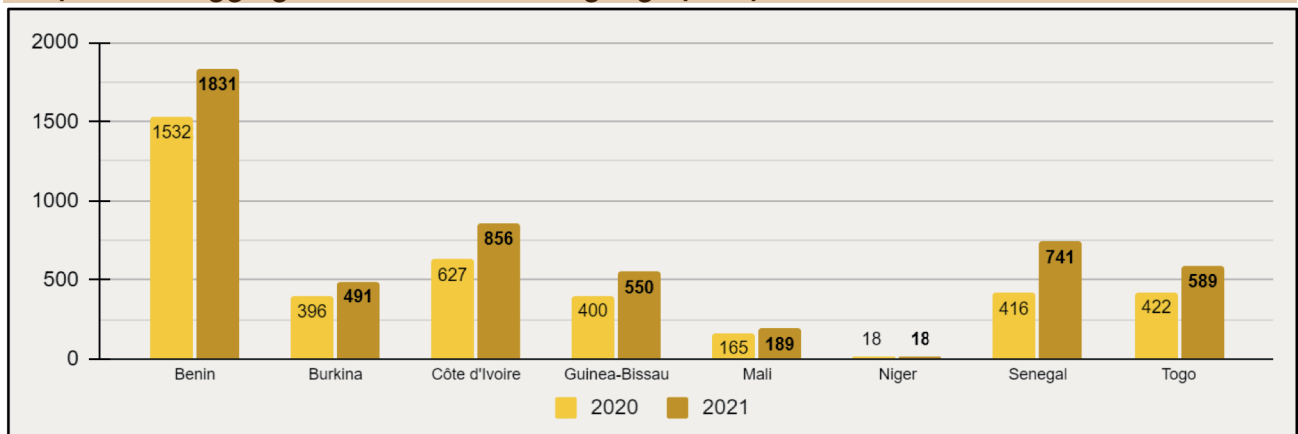


Source: BCEAO

As with the demographic penetration rate, the geographical penetration rate increase was driven by the development of e-money infrastructure. Specifically, the e-money geographic penetration rate rose by 69 points of service per 1,000 Km², from 234 points of service at the end of 2020 to 303 at the end of 2021.

Country-specific analysis reveals disparities in the distribution of financial service points. Benin had the highest geographical penetration rate, with 1,831 service points per 1,000 km², followed by Côte d'Ivoire (856 service points), Senegal (740 service points), and Togo (589 service points). Niger, with a rate of 18 service points per 1,000 km², recorded the lowest performance.

Graph No. 4: Aggregate financial services geographic penetration rate in WAEMU countries

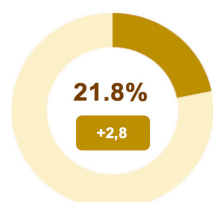


Source: BCEAO

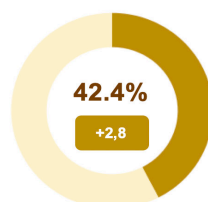
III - Trends in utilization indicators

The effective use of financial services is an important dimension of financial inclusion. Three indicators are used to assess this dimension in the Union.

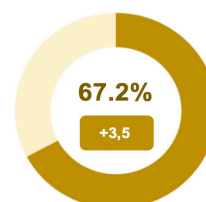
- the strict banking rate (TBS), which measures the percentage of the adult population holding an account with banks, postal services, national savings banks, or the Treasury,
- the extended banking rate (TBE), which measures the percentage of the adult population holding accounts with banks, postal services, national savings banks, or the Treasury, plus those holding accounts with microfinance institutions, and
- the aggregate financial services usage rate (TGUSF), or financial inclusion rate, which measures the percentage of the adult population with accounts at banks, postal services, national savings banks, the Treasury, or microfinance institutions, plus the percentage of e-money account holders.



Strict banking rate



Extended banking rate

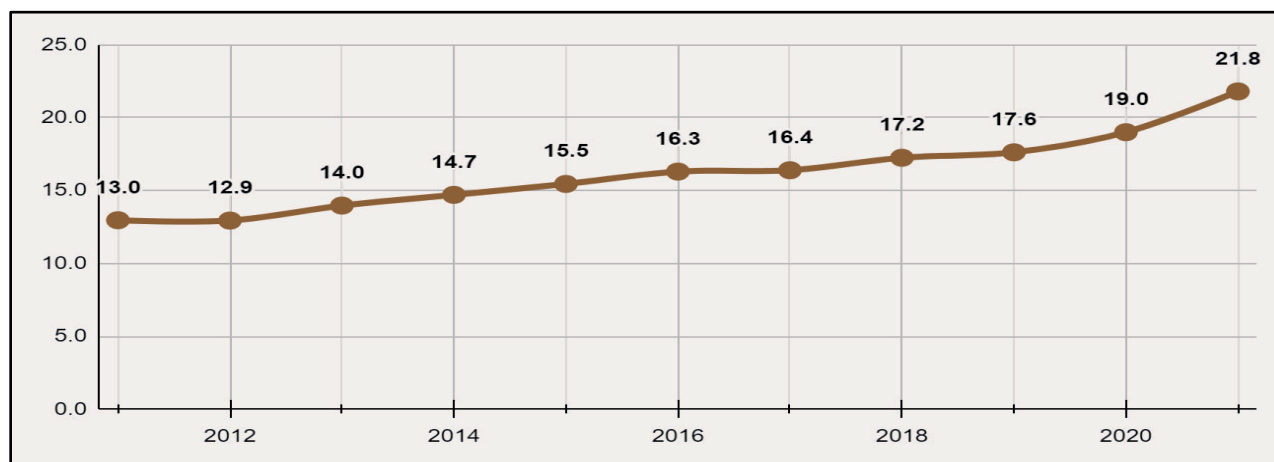


Financial inclusion rate

3.1. Strict banking rate (TBS)

The strict banking rate rose by 2.8 percentage points between 2020 and 2021, i.e., from 19.0% to 21.8%. Two years ago, this indicator stood at 17.6%. The increase in the TBS was mainly due to the digital strategies adopted by certain financial services providers in Benin, Côte d'Ivoire, and Togo, which developed partnerships with electronic money institutions with a view to making financial services more accessible to the population.

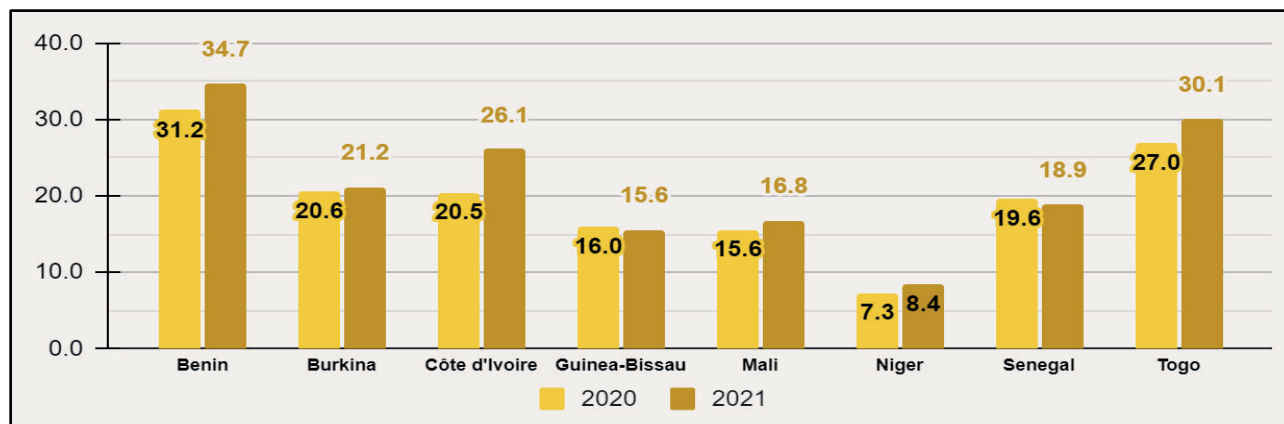
Graph No. 5: Trends in strict banking rates in WAEMU (in %)



Source: BCEAO

At the country level, Benin boasted the highest strict banking rate (34.7%), followed by Togo (30.1%), and Côte d'Ivoire (26.1%). In terms of growth, Côte d'Ivoire recorded the largest increase with 5.6 percentage points (pps), followed by Benin (3.5 pps), and Togo (3.1 pps). These developments were mainly driven by the digital strategies adopted by Orange Bank in Côte d'Ivoire and UBA in Benin, which enabled consumers to open savings accounts directly linked to their e-money wallets. In Togo, the introduction by the Post Office of an innovative new product called "Compte ECO CCP", which enables users to open interest-bearing savings accounts using their e-money wallets, allowed the institution to register over 400,000 new savings accounts.

Graph No. 6: Strict banking rate in WAEMU countries (in 2020 and 2021)

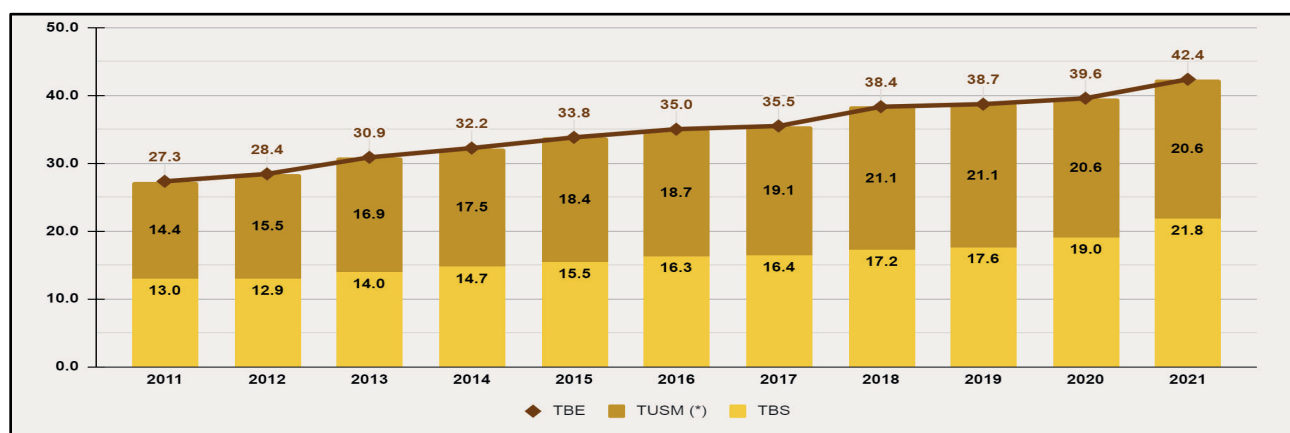


Source: BCEAO

3.2. Extended banking rate (TBE)

The extended banking rate, which includes not only the strict banking rate but also the proportion of the population holding an account with microfinance institutions, rose by 2.8 percentage points, from 39.6% in 2020 to 42.4% in 2021. This trend was mainly due to increases in the strict banking rate. Despite the launch of Bridge Microfinance in Côte d'Ivoire, in partnership with MTN Mobile Money, and the launch of BARKA FINANCES SA and PACIFIC FINANCE SA in Burkina Faso in the second half of 2020, the microfinance service usage rate remained stable within the Union.

Graph No. 7: Trends in the extended banking rate in WAEMU (in %)

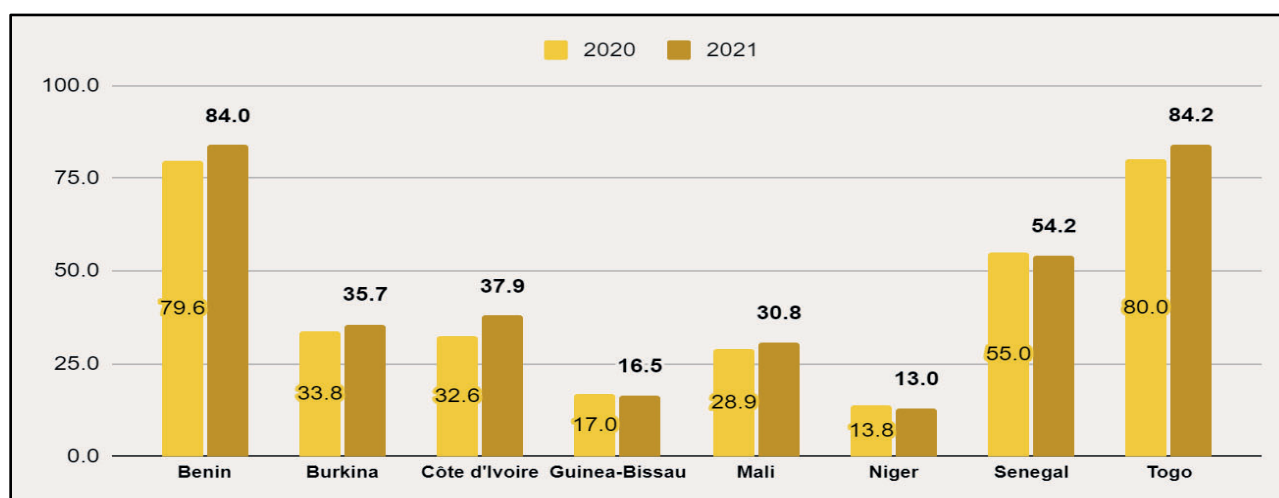


(*) TUSM: Microfinance service usage rate. This rate measures the proportion of the adult population holding an account with microfinance institutions.

Source: BCEAO

Togo had the highest extended banking rate (84.2%), followed by Benin (84.0%), Senegal (54.2%), and Côte d'Ivoire (37.9%). Guinea-Bissau and Niger had the lowest rates, at 16.5% and 13.0%, respectively.

Graph No. n°8: Extended banking rate in WAEMU countries (in %)



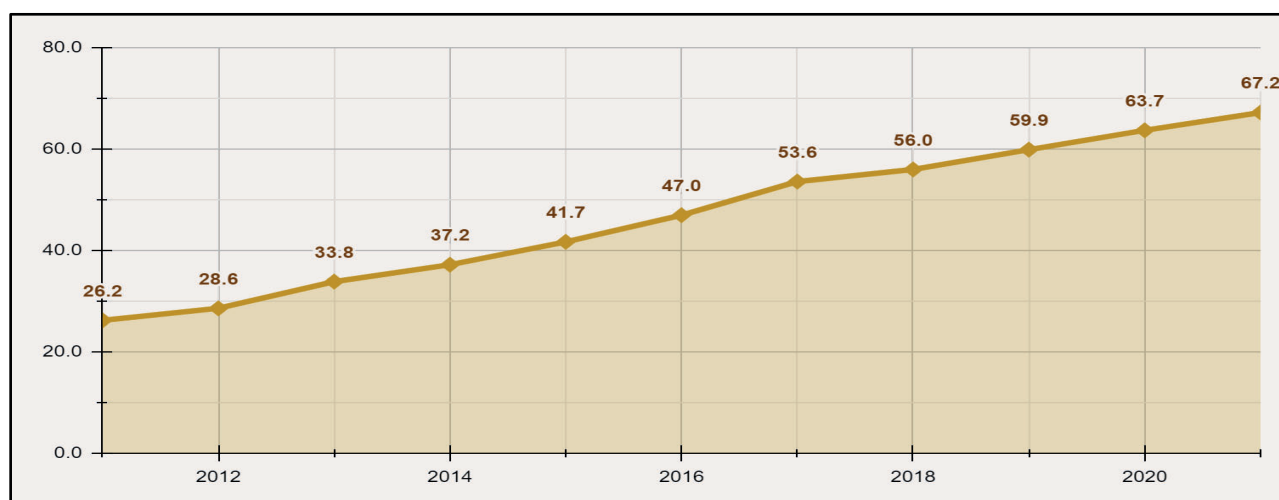
Source: BCEAO

Côte d'Ivoire experienced the highest year-on-year increase, at 5.3 percentage points, followed by Benin (4.4 pps), Togo (4.2 pps), and Burkina Faso (2.0 pps). A decline of 0.8 pp was observed in Niger, following the closure of several accounts at microfinance institutions as a result of the sector's restructuring and the country's security situation. The same applies to Senegal (-0.8 pp) and Guinea-Bissau (-0.5).

3.3. Financial inclusion rate or aggregate financial services usage rate (TGUSF)

In 2021, the financial inclusion rate maintained its upward trajectory, rising by 3.5 percentage points from 63.7% in 2020 to reach 67.2%. This rate was adjusted to account for the multi-banking issue in the Union, pending implementation of a unified identification system for users of financial services in WAEMU. Multi-banking refers to the phenomenon where a single individual holds multiple accounts in one or more financial institutions.

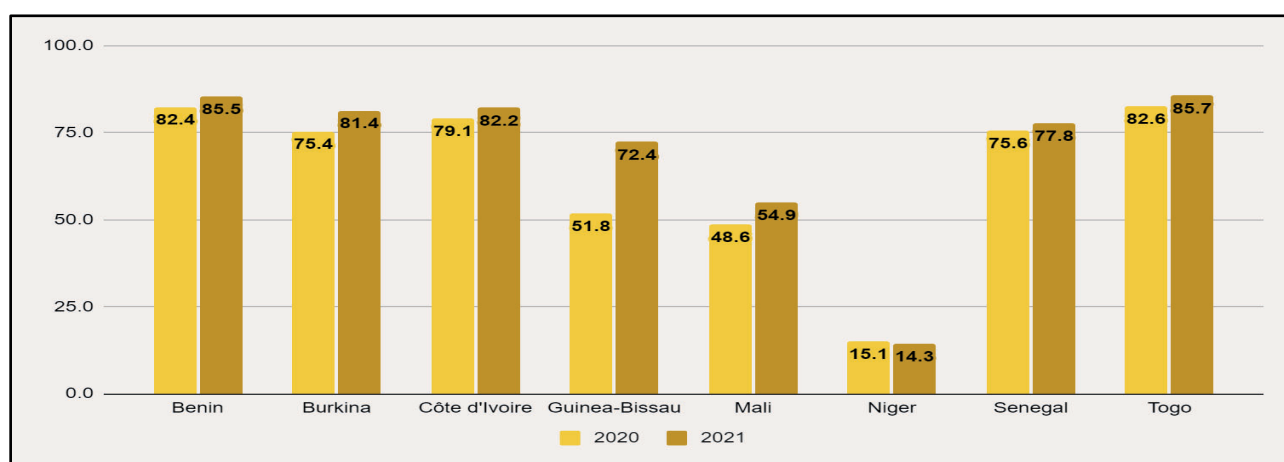
Graph No. 9: Trends in the aggregate financial services usage rate in WAEMU (in %)



Source: BCEAO

The innovations introduced by various financial service providers, including technology for customer onboarding, the utilization of electronic money, and the entry of new participants into the market, played a pivotal role in significantly enhancing the overall financial services usage rate. Notably, certain institutions forged partnerships with electronic money operators to offer financial services such as savings accounts and microcredit to the general public. Additionally, the emergence of collaborations between FinTech companies and traditional banks intensified competition within the sector, resulting in the opening of numerous new electronic money accounts. In 2021, the adoption rate for electronic money services reached 59.4%, compared with 48.9% in the previous year. In Burkina Faso, the government's social safety net program, aimed at providing humanitarian assistance to populations displaced due to insecurity, contributed to an increase of over one million in the number of active e-money accounts.

Graph No. 10: Aggregate financial services usage rate in WAEMU countries



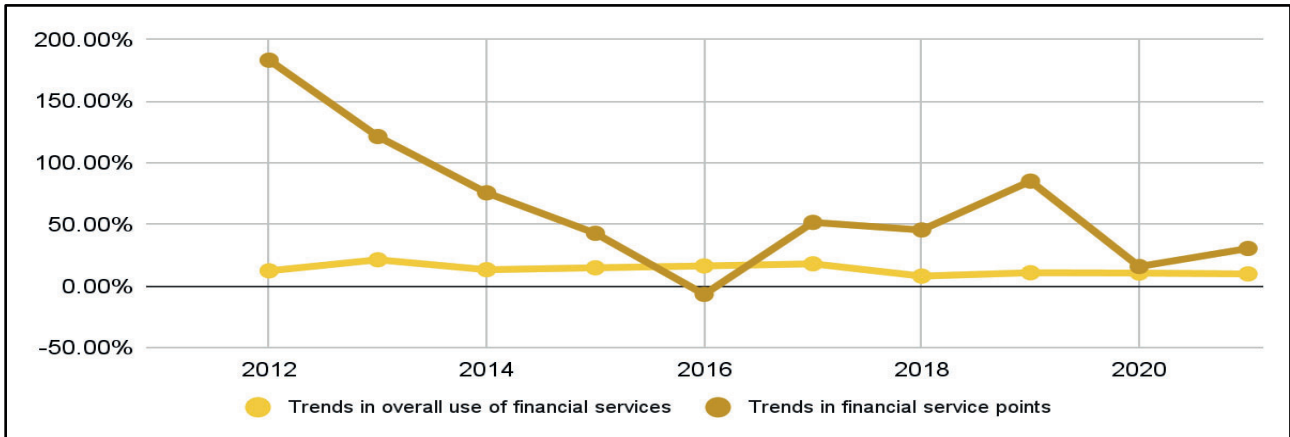
Source: BCEAO

The highest financial inclusion rate was observed in Togo, at 85.7%, followed by Benin (85.5%), Côte d'Ivoire (82.2%), Burkina Faso (81.4%) and Senegal (77.8%). Niger, with a rate of 14.3%, posted the lowest performance.

Guinea-Bissau recorded the most significant change from one year to the next, experiencing a substantial increase of 20.4 percentage points, ascribed to the dynamic growth of electronic money in recent years. Similar positive trends were seen in Mali (6.3 pps), Burkina Faso (6.0 pps), and Côte d'Ivoire (3.1 pps). However, Niger faced a decline of 0.8 pp during the period.

A comparative analysis of trends in access to and utilization of financial services by the general public reveals slower growth in demand for financial services than in supply (Graph 11). In addition, the pace of growth differs from one sector to another, with the banking and microfinance sectors experiencing greater increases in demand for financial services (Graph 12). This may be explained by the digital strategies adopted by some banks and microfinance institutions to make their products and services accessible to users.

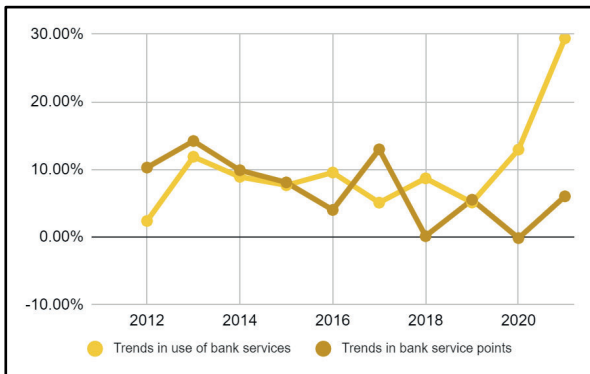
Graph No. 11: Comparative trends in the growth of the aggregate financial services demographic penetration rate and the aggregate financial services usage rate in WAEMU



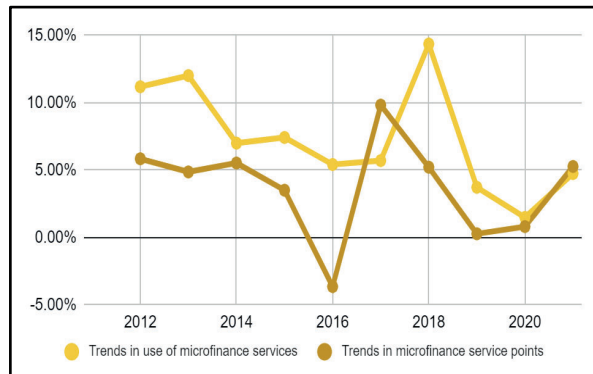
Source: BCEAO

Graph No. 12: Comparative trends in the growth of the demographic penetration rate and the financial service usage rate in WAEMU

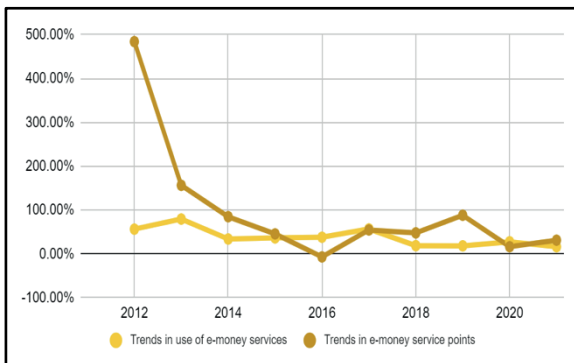
Banks



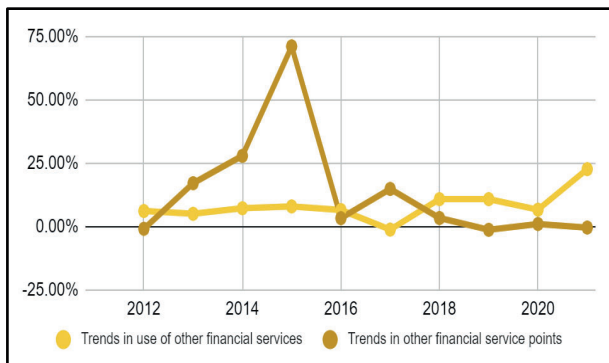
Microfinance



Electronic money



Other financial services

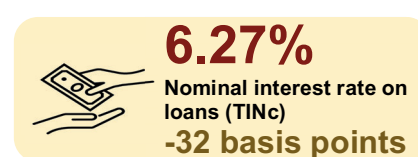
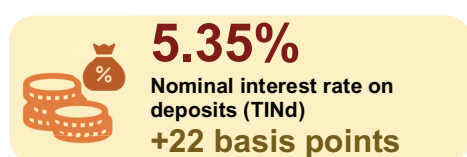


IV - Trends in the cost of financial services

Two indicators are used in the Union, assess the "affordability"² of financial services and, to some extent, the "quality" of these services.

- Nominal interest rate on deposits (TINd): This metric measures the return on deposits held by savers in banks and microfinance institutions (DFSS).
- Nominal interest rate on loans (TINc): TINc provides information about the costs incurred by customers when accessing loans granted by banks and DFSS.

This analysis only considers interest rates charged by banks due to the lack of consistent statistics on interest rates applied by DFSS.



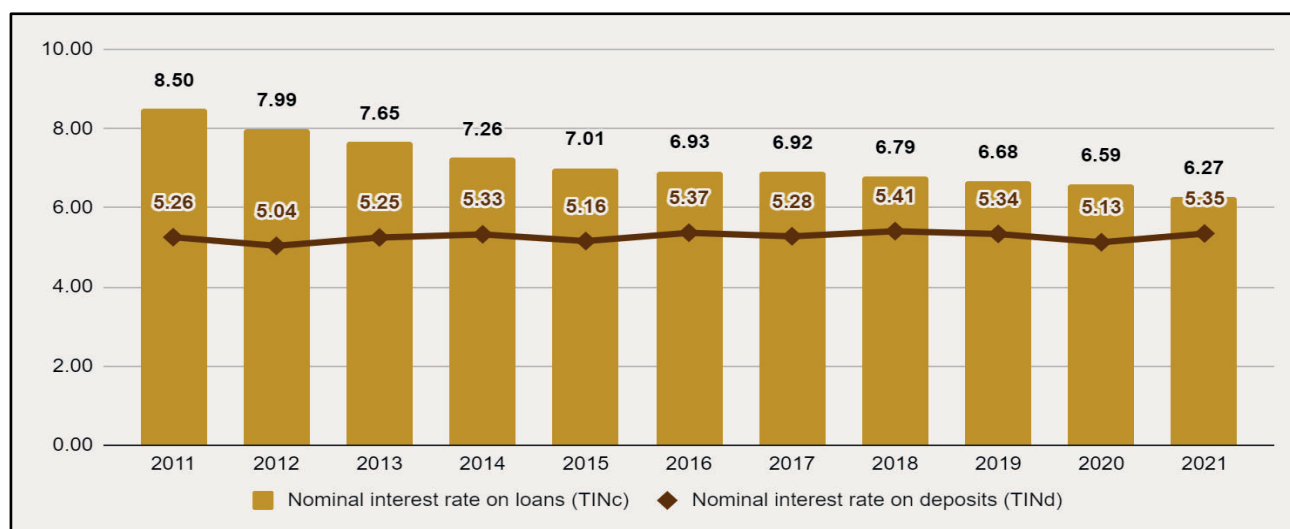
4.1. Nominal interest rate on deposits (TINd)

Between 2020 and 2021, nominal interest rates on deposits in banks increased by 22 basis points, from 5.13% to 5.35%. This reflects an improvement in the return on savings for the people of the Union. Togo had the highest return on deposits at 5.73%, followed by Burkina Faso at 5.62%, and Senegal at 5.57%. On the other hand, Côte d'Ivoire and Guinea-Bissau had the least attractive nominal deposit interest rates at 4.67% and 4.81%, respectively.

4.2. Nominal interest rate on loans (TINc)

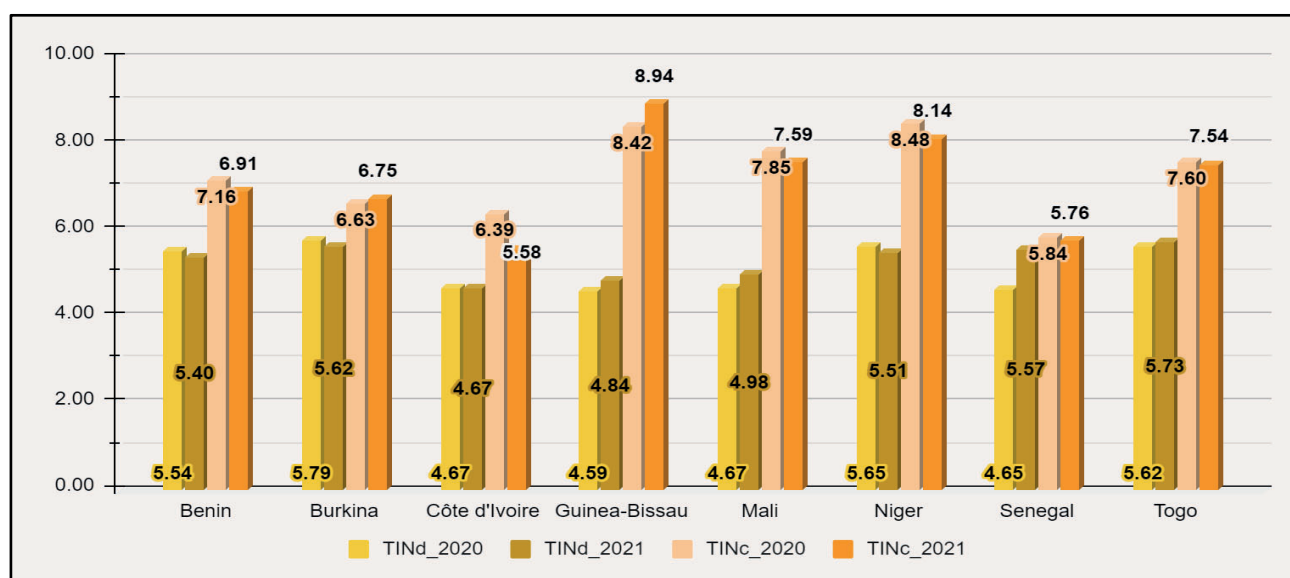
In 2021, interest rates charged on loans granted by banks continued to decrease, reflecting improved credit affordability for the population of WAEMU. The nominal interest rate on loans dropped by 32 basis points, reaching 6.27% in 2021, compared to 6.59% in 2020. The downward trend in interest rates can be attributed, among other factors, to measures implemented by the BCEAO to improve refinancing conditions for financial institutions within the Union.

² Affordability provides a partial indication of the quality of financial services offered in the WAEMU. This indicator is used pending the availability of qualitative data based on demand-side survey results.

Graph No. 13: Trends in nominal interest rates in banks (in %)

Source: BCEAO

The breakdown of interest rate indicators by country reveals that the lowest interest rates on bank loans are found in Côte d'Ivoire at 5.58%, followed by Senegal at 5.73%, and Burkina Faso at 7.75%. Loans granted by banks to economic operators are more expensive in Guinea-Bissau (8.94%) and Niger (8.14%).

Graph No. 14: Nominal interest rates applied by banks in 2020 and 2021

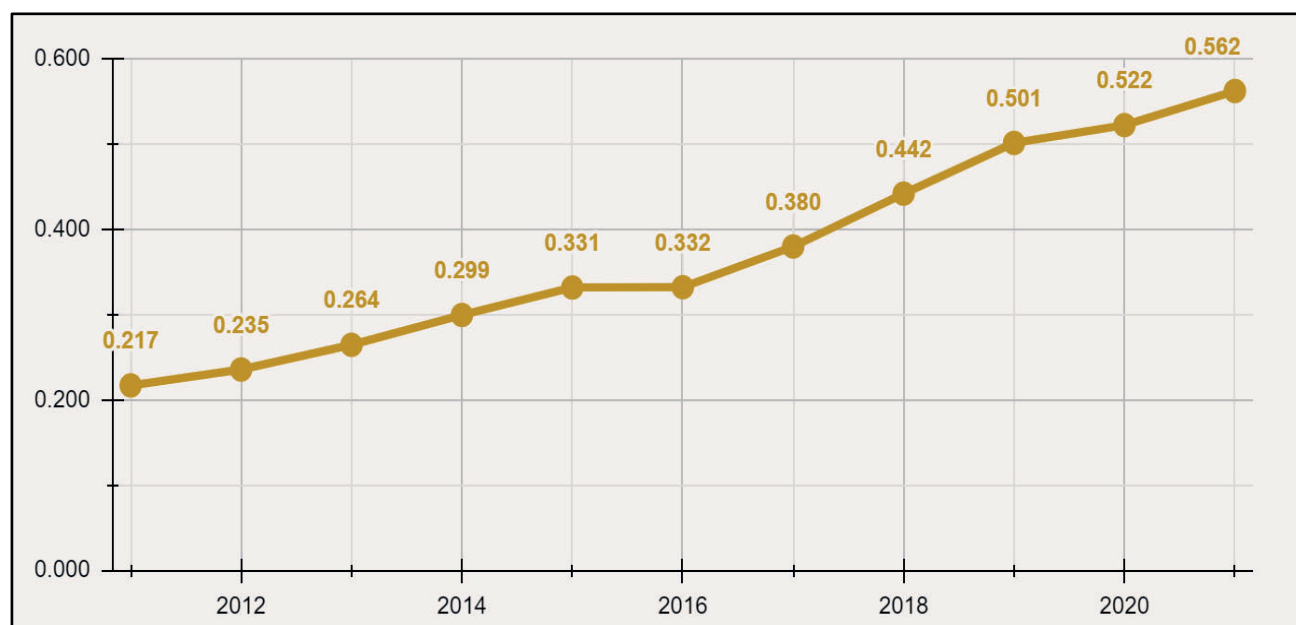
Source: BCEAO

V - Trends in the overall level of financial inclusion in WAEMU

The aggregate level of financial inclusivity in WAEMU is captured by a synthetic index combining all seven key indicators. The index is a single figure, ranging from 0 to 1, with 0 representing total exclusion and 1 full financial inclusion. It is derived from a weighted average of the various indicators analyzed above.

In 2021, the financial inclusion index for WAEMU stood at 0.562. According to the Sarma³ classification scale, this reflects a high degree of financial inclusion. The positive trend in the financial inclusion index is the outcome of the combined efforts of the Central Bank, government authorities, and all financial sector stakeholders, to enhance access to financial services for the Union's population.

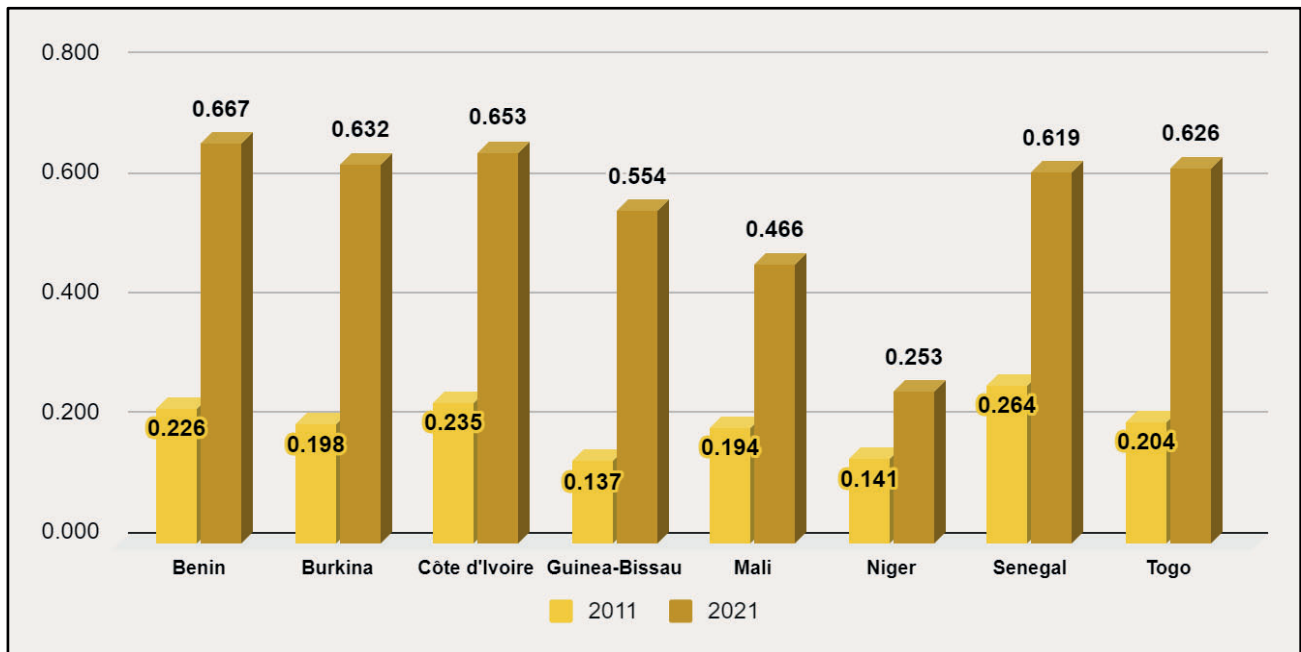
Graph No. 15: Trends in the synthetic financial inclusion index in WAEMU from 2011 to 2021



Source: BCEAO

The financial inclusion index improved across all countries. Benin (0.667), Côte d'Ivoire (0.653), Burkina Faso (0.632), Togo (0.628), Senegal (0.621), and Guinea-Bissau (0.554) all showed high levels of financial inclusion. Mali reported an average level of financial inclusion (0.466), while Niger, with an index of 0.253, experienced a low level of financial inclusion.

³ The methodology used to determine the WAEMU synthetic financial inclusion index is based on an approach proposed by Sarma (2012). Weighting is based on a study by Camara and Tuesta (2014), which uses Principal Component Analysis (PCA) to estimate the weight of each indicator in the formation of the various dimensions of financial inclusion, as well as the weight to be assigned to each dimension in calculating the overall index.

Graph No. 16: Synthetic financial inclusion index by country in 2011 and 2021

Source: BCEAO

VI - Challenges ahead and outlook

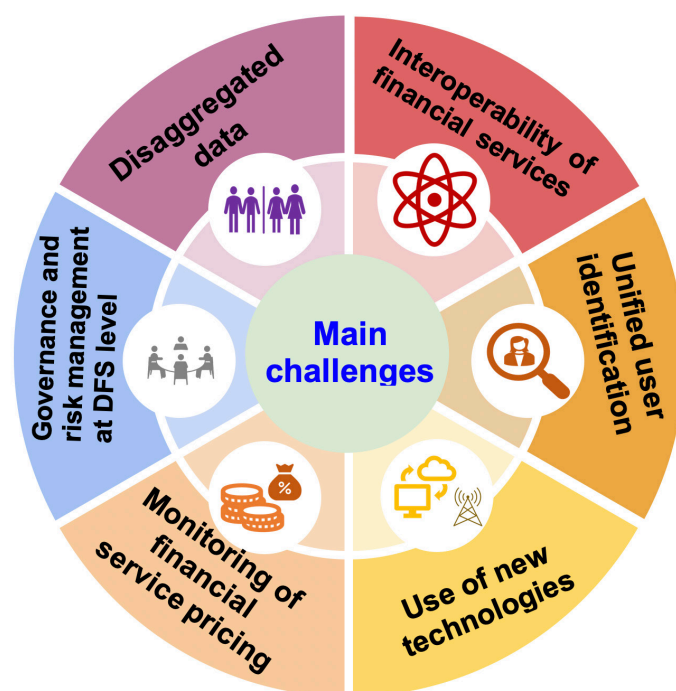
The implementation of the Regional Financial Inclusion Strategy has led to significant advances in terms of financial inclusion for the WAEMU population. Nevertheless, there are still hurdles to be overcome to ensure that financial inclusion contributes more substantially to the economic development of WAEMU nations and the welfare of consumers. The numerous projects planned by the Central Bank are expected to increase financial service accessibility and utilization for the Union's populations.

6.1. Challenges ahead

The remaining challenges relate, firstly, to the collection of financial inclusion data and understanding people's needs, and secondly, to access to and use of financial services.

Regarding data collection, needs include the following:

- availability of data disaggregated by gender, socio-professional category, and place of residence, with a view to improving the quality of policy decisions in favor of financial inclusion,
- availability of factual data on the demand side of financial services, to improve market knowledge and make financial inclusion initiatives more relevant,
- efficient utilization of new technologies to increase the efficiency and quality of data collection on the supply of financial services and the location of financial service providers,
- establishment of a reliable centralized database for the unified identification of financial services users to ensure transaction traceability and security, and monitoring the pricing of financial services, especially those offered by microfinance institutions, to support decision-making that promotes the sector.



With regard to access and use, desired outcomes include:

- achieving interoperability among digital financial services to streamline service provision, encourage platform sharing among all financial institutions, and expand the acceptance and distribution network.
- strengthening the governance and risk management framework within microfinance institutions to contribute to the sector's reorganization.

6.2. Outlook

In the pursuit of improved access to and utilization of financial services by the population, the BCEAO should continue its actions in support of financial inclusion through the implementation of the regional financial inclusion strategy, in order to (i) develop the interoperability system for digital financial services, (ii) increase regulation of digital financial services, (iii) reorganize and strengthen the microfinance sector, (iv) improve knowledge regarding the state of financial inclusion, (v) roll out the WAEMU Regional Financial Education Program, and (vi) finalize the feasibility study for the implementation of a unified identification system for financial service users.

Under the Digital Financial Services Interoperability Project, the BCEAO will focus on implementing the roadmap, with a strategic emphasis on developing and managing the interoperable platform.

On the regulatory front, the 2022 financial year is to be dedicated to the ongoing revision of regulations governing electronic money issuance and terms and conditions for issuing and accepting payment cards in WAEMU.

The lessons learned over the past five years in promoting e-money within the Union have prompted a revision of the regulatory framework governing electronic money issuance. This revision aims to address specific challenges related to (i) safeguarding the interests of e-money account holders in case of default on the part of the issuer or the bank where the holding account is domiciled, and (ii) enhancing supervision of multi-partnerships involving banks. Additionally, the new regulatory framework is expected to address emerging challenges in financial innovation, including the rise of FinTech and remote digital customer identification methods (e-KYC). The revised legal framework will rectify identified regulatory gaps while reinforcing financial stability, integrity, and inclusivity. Efforts to establish regulations governing issuing and acceptance of payment cards were driven by the absence of a regulatory framework within the Union.

Regarding the reorganization and strengthening of the microfinance sector, the BCEAO will continue to provide training for decentralized financial system managers and organize training sessions for ministerial monitoring bodies (SMS) in the microfinance sector. In addition, technical assistance missions will be launched to assist struggling decentralized financial systems (DFSs) in all eight countries of the Union. These missions will also strengthen Central Bank and country capacities in supervising the microfinance sector by (i) designing and deploying an early warning system on microfinance institutions (DFSs) in difficulty at national and regional levels and (ii) defining a crisis prevention and resolution framework for small DFSs. Lastly, to support DFSs in their digital transformation, the Bank will publish a guide of best practices in line with the actions outlined in pillars 2 and 3 of the regional financial inclusion strategy, encouraging these institutions to adopt technological solutions for improved customer transaction handling.

To enhance knowledge of the financial inclusion landscape in WAEMU, the Central Bank will continue its efforts to assess the needs of small and medium-sized enterprises and underserved populations. They will also work on implementing a system for automated data collection on financial inclusion and the geolocation of financial service points in WAEMU.

- The study initiated to assess the needs of small and medium-sized enterprises and underserved populations (such as women, young people, and small rural producers) in terms of innovative financial products and services, which began in November 2021, will continue in 2022, with a view to producing proposals for the development of a range of adapted, innovative and affordable proximity financial services.

- Efforts to establish an automated system for collecting financial inclusion data and geolocating financial service outlets will also continue, including preparatory actions for system design. The implementation of this type of system is expected to provide better insights into the distribution of financial services in the Union and inform policy decisions to enhance financial service coverage across the territory of the Union.

Concerning the regional financial education program, 2022 is expected to see the implementation of a communication strategy for financial education aimed at the people of the Union. Courses and training modules on financial education for specific target groups will be designed, and training sessions for trainers within WAEMU will be conducted.

Regarding the project on the unique identification of financial services users, efforts will focus on finalizing the feasibility study, highlighting the most suitable scenario for the WAEMU context, and proposing recommendations for project implementation.

Additional actions planned for 2022 include:

- monitoring the pricing of financial services offered by microfinance institutions to support sector development,
- implementing the BCEAO's communication strategy on financial inclusion initiatives to promote the institution's initiatives among governments, financial sector stakeholders, and the general public,
- benchmark studies on the demand for and supply of financial services in WAEMU, and
- a comparative study of different tax frameworks for innovative financial services in WAEMU, supported by the Alliance for Financial Inclusion, to aid Member States in identifying and implementing structural reforms, particularly in taxation, to foster financial inclusion.

Finally, at the end of the initial implementation period of the regional financial inclusion strategy, the BCEAO undertook a review of progress on the action plan from 2016 to 2021. This review will be validated in conjunction with the relevant stakeholders and submitted to the authorities of the Union for consideration.

Conclusion

The year 2021 saw improved financial inclusion in WAEMU, thanks to the combined efforts of the various stakeholders, including the BCEAO, the Union's Member States, technical and financial partners, and financial service providers.

The Central Bank continued to implement actions outlined in the Regional Financial Inclusion Strategy (SRIF) action plan, focusing on strengthening the microfinance sector, digitalizing public payments, promoting financial innovations, and modernizing the regulatory framework.

The e-money sector and innovative technologies continued to be the main catalysts for the development of financial inclusion. Digital strategies adopted by financial service providers, especially banks and microfinance institutions (DFIs), helped expand access to and use of financial services among the Union's populations.

At the country level, activities were also conducted to promote financial inclusion, including financial education, promotion of digital financial inclusion, digitalization of public payments, and seminars and workshops.

However, despite the progress made, certain challenges remain, including the need for disaggregated data on financial inclusion, diversification and utilization of financial services, and monitoring of financial service pricing. The completion of ongoing projects, and the implementation of those planned within the framework of the SRIF, should help to address these challenges.

Looking ahead, efforts should continue to implement the national financial inclusion strategies of Burkina Faso, Côte d'Ivoire, Niger and Togo, as well as the newly adopted strategy in Senegal. Particular attention will also be focused on the work underway in the other countries, with a view to developing their national strategies in line with a common, harmonized approach, to further enhance financial inclusion in WAEMU

APPENDIX

Trends in financial inclusion monitoring indicators in WAEMU from 2011 to 2021

Indicators of access to financial services

Table No.1: Aggregate financial service demographic penetration rate (TGPSFd)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	2	22	41	45	50	55	69	115	166	253	290
Burkina Faso	1	4	4	14	18	14	43	65	110	94	112
Côte d'Ivoire	2	4	8	16	23	25	35	60	115	118	156
Guinea-Bissau	1	1	1	2	2	2	2	2	2	143	169
Mali	3	4	6	21	38	45	47	56	139	185	204
Niger	1	5	18	27	37	24	22	26	21	20	20
Senegal	4	6	20	31	41	23	46	53	113	84	145
Togo	2	2	3	4	8	11	35	33	37	50	67
WAEMU	2	6	13	22	31	28	40	57	102	113	141

Table No. 2: Aggregate financial service geographic penetration rate (TGPSFg)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	9	101	192	219	250	285	371	645	990	1532	1831
Burkina Faso	4	13	13	48	64	52	163	255	449	396	491
Côte d'Ivoire	7	17	35	67	102	115	168	293	574	627	856
Guinea-Bissau	1	2	2	4	4	4	5	5	6	400	550
Mali	2	2	4	16	29	36	39	47	121	165	189
Niger	1	4	12	20	27	18	17	22	18	18	18
Senegal	15	25	79	131	175	101	206	250	546	416	740
Togo	13	15	23	29	59	81	265	259	300	422	589
WAEMU	3	10	21	38	54	50	76	111	205	238	307

Financial service utilization indicators

Table No. 3: Strict banking rate (TBS) in %

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	22.6	23.2	25.4	26.3	26.4	26.7	20.9	23.8	24.0	31.2	34.7
Burkina Faso	12.8	14.7	15.4	16.9	19.8	21.0	21.0	22.3	20.4	20.6	21.2
Côte d'Ivoire	19.5	16.5	16.5	15.6	15.8	17.2	17.2	17.8	19.1	20.5	26.1
Guinea-Bissau	3.7	4.6	5.8	6.9	8.6	10.9	10.8	11.2	15.7	16.0	15.6
Mali	8.5	9.0	9.5	9.5	10.6	11.1	12.6	13.4	14.2	15.6	16.8
Niger	2.2	2.8	3.4	4.4	5.5	5.8	5.5	6.8	8.2	7.3	8.4
Senegal	11.8	13.0	15.9	18.3	17.0	17.7	19.6	19.0	18.6	19.6	18.9
Togo	17.3	17.2	18.6	20.4	21.0	21.4	24.3	24.7	25.1	27.0	30.1
WAEMU	13.0	12.9	14.0	14.7	15.5	16.3	16.4	17.2	17.6	19.0	21.8

Table No. 4: Extended banking rate (TBE) in %

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	52.3	52.0	62.2	64.6	65.1	63.1	63.2	70.0	69.9	79.6	84.0
Burkina Faso	27.0	30.7	32.0	34.1	37.9	39.0	39.9	43.3	39.9	33.8	35.7
Côte d'Ivoire	27.0	24.1	22.3	21.6	23.0	25.1	25.5	28.8	30.8	32.6	37.9
Guinea-Bissau	4.8	5.8	6.8	8.0	9.8	12.1	12.0	12.3	16.8	17.0	16.5
Mali	21.9	22.3	22.8	21.7	23.2	23.8	25.6	26.7	26.7	28.9	30.8
Niger	7.8	11.0	12.6	14.1	16.7	16.8	15.8	15.3	17.9	13.8	13.0
Senegal	33.8	36.5	40.8	45.1	43.3	45.8	47.9	51.5	51.6	55.0	54.2
Togo	45.5	50.2	61.1	65.2	68.1	70.8	68.6	73.3	72.8	80.0	84.2
WAEMU	27.3	28.4	30.9	32.2	33.8	35.0	35.5	38.4	38.8	39.6	42.4

Table No. 5 : Aggregate financial service usage rate, adjusted for multibanking (TGUSF) in %

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	44.9	44.7	53.5	57.7	62.0	69.0	71.7	74.5	75.4	82.4	85.5
Burkina Faso	24.1	27.8	35.1	32.0	41.1	45.7	67.8	69.3	70.9	75.4	81.4
Côte d'Ivoire	32.3	33.4	38.9	39.2	41.6	49.9	61.3	67.1	78.7	79.1	82.2
Guinea-Bissau	4.1	4.9	5.9	8.1	10.3	12.9	14.4	20.6	34.3	51.8	72.4
Mali	20.5	21.9	24.0	32.1	37.4	38.7	37.8	37.9	38.3	48.6	54.9
Niger	7.4	10.2	11.9	14.5	17.1	17.1	16.3	15.6	17.7	15.1	14.3
Senegal	30.2	35.1	40.1	50.3	52.4	61.9	65.9	67.0	70.0	75.6	77.8
Togo	38.7	42.6	53.0	57.7	66.2	72.5	72.2	79.0	80.1	82.6	85.7
WAEMU	26.2	28.6	33.8	37.2	41.7	47.0	53.6	56.0	59.9	63.7	67.2

Financial services affordability indicators

Table No. 6 : Nominal interest rate on deposits (TINd) – banks (in %)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	6.16	5.68	6.07	6.17	5.98	5.78	5.85	5.76	5.35	5.54	5.49
Burkina Faso	5.87	4.62	4.82	5.17	4.70	5.40	5.67	5.70	5.87	5.79	5.56
Côte d'Ivoire	5.31	5.25	5.21	5.15	5.01	5.10	4.98	4.98	4.82	4.67	4.79
Guinea-Bissau	4.10	4.53	4.71	4.64	4.54	4.24	4.07	4.62	4.61	4.59	4.60
Mali	4.84	4.69	4.91	4.93	4.82	4.82	4.92	4.92	5.00	4.67	4.77
Niger	5.17	5.31	5.57	5.55	5.22	5.98	5.70	5.70	5.82	5.65	5.71
Senegal	5.18	5.08	5.60	5.51	5.58	5.38	5.13	5.46	5.39	4.65	5.70
Togo	4.89	5.04	5.15	5.28	5.35	5.56	5.40	5.69	5.57	5.62	5.70
WAEMU	5.26	5.04	5.25	5.33	5.16	5.37	5.28	5.41	5.34	5.13	5.35

Table No. 7: Nominal interest rate on loans (TINc) – banks (in %)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	9.18	8.81	8.74	8.16	7.93	8.09	7.84	7.78	7.31	7.16	7.38
Burkina Faso	9.43	9.44	8.75	8.17	7.98	7.54	7.25	7.44	7.27	6.93	7.32
Côte d'Ivoire	7.91	7.60	7.07	6.44	6.13	6.17	6.42	6.33	6.34	6.39	5.30
Guinea-Bissau	10.86	9.82	9.38	9.32	9.23	9.12	9.35	9.23	8.48	8.42	9.06
Mali	9.26	9.13	8.90	8.77	8.73	8.34	7.99	7.86	7.69	7.85	7.81
Niger	11.22	10.77	9.66	10.25	10.32	9.89	9.69	9.23	9.39	8.48	8.45
Senegal	6.61	6.22	6.06	6.00	5.88	5.67	5.98	5.89	5.81	5.84	5.66
Togo	9.54	9.42	9.07	8.79	8.29	8.31	8.10	8.16	7.69	7.60	7.36
WAEMU	8.50	7.99	7.65	7.26	7.01	6.93	6.92	6.79	6.68	6.59	6.27

Synthetic financial inclusion index

Table No. 8: Synthetic financial inclusion index (IIF) ($0 \leq \text{IIF} \leq 1$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benin	0.226	0.297	0.387	0.422	0.451	0.479	0.563	0.606	0.611	0.648	0.667
Burkina Faso	0.198	0.198	0.220	0.260	0.283	0.289	0.424	0.525	0.590	0.595	0.632
Côte d'Ivoire	0.235	0.248	0.276	0.312	0.346	0.362	0.411	0.520	0.602	0.605	0.653
Guinea-Bissau	0.137	0.164	0.176	0.180	0.183	0.185	0.180	0.194	0.223	0.512	0.554
Mali	0.194	0.197	0.210	0.254	0.303	0.330	0.343	0.372	0.425	0.445	0.466
Niger	0.141	0.160	0.214	0.226	0.254	0.233	0.228	0.247	0.236	0.248	0.253
Senegal	0.264	0.281	0.334	0.388	0.430	0.375	0.459	0.500	0.604	0.589	0.619
Togo	0.204	0.211	0.233	0.248	0.282	0.302	0.429	0.433	0.468	0.558	0.626
WAEMU	0.217	0.235	0.264	0.299	0.331	0.332	0.380	0.442	0.501	0.522	0.562

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