



BCEAO

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

2015 ANNUAL REPORT
SUMMARISED VERSION



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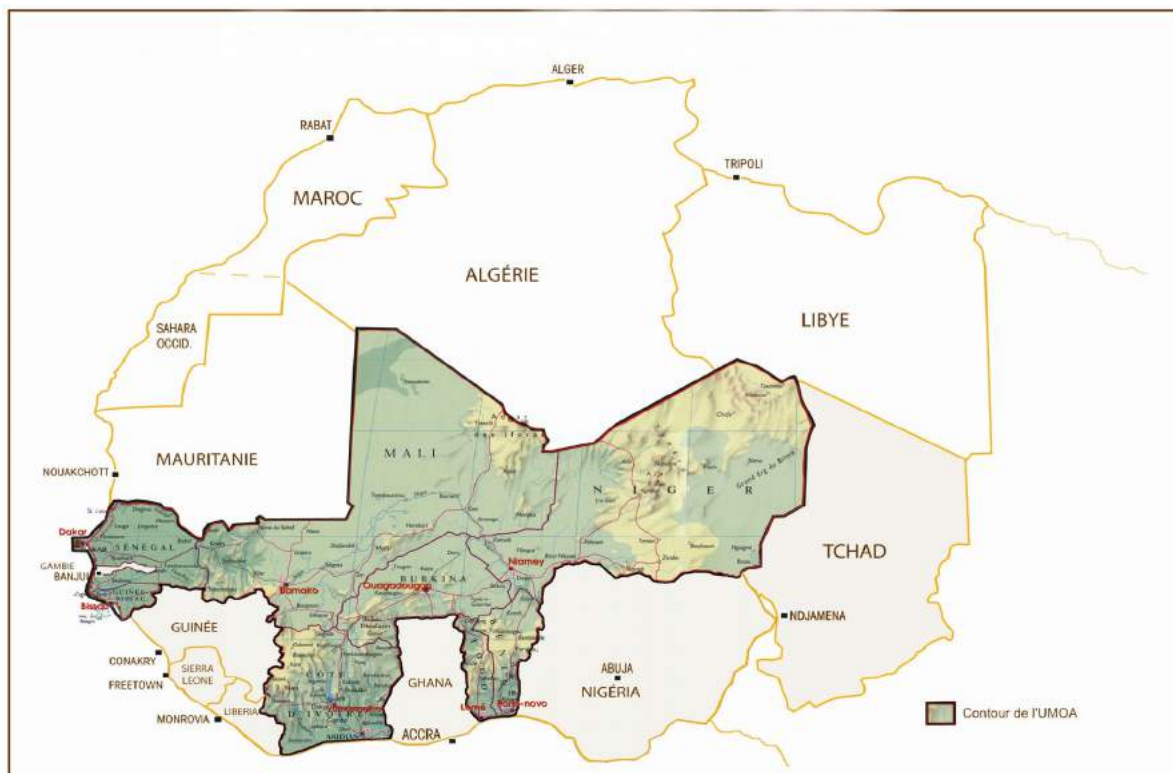
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WEST AFRICAN MONETARY UNION (WAMU)



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



The Central Bank of West African States (BCEAO), whose fifty-third year of activity is described herein, is the common central bank of the WAMU member states; it is in charge notably of managing their common currency, 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 2015

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

AT MONETARY AND FINANCIAL LEVELS

First meeting of the Board of Directors of the WAMU deposit guarantee fund

The first meeting of the Board of Directors of the WAMU deposit guarantee fund (FGD-UMOA) was held on the premises of BCEAO headquarters in Dakar on June 4, 2015, in prelude to the launching of the activities of the fund. FGD-UMOA is a community economic and financial institution, with the status of a financially independent legal entity. Its mission is to guarantee the deposits of customers of registered credit institutions and decentralized financial systems in the Union. The fund also contributes to the preservation of financial stability and the promotion of financial culture in the WAEMU member states.

The meeting provided an opportunity for the Board Members of FGD-UMOA to take important decisions to launch the activities of the fund.

The meeting was attended by the Governor of the BCEAO, Chairman of the Board of Directors of FGD-UMOA, four Board Members including two representatives of WAEMU member states and two others, respectively representing the Federation of Professional Associations of Banks and Financial Institutions of WAEMU (FAPBEF-UEMOA).

Joint BCEAO/HEC-Paris seminar on capacity building for the banking sector in the Union

In the framework of the implementation of the joint BCEAO/HEC-Paris capacity-building programme, COFEB organized an “Excellence” Parcours de Management Général (PMG - General management course) for 2015. The course took place at BCEAO headquarters in two sessions, on July 21-24 and September 15-22, 2015. The sessions were essentially intended for the heads of credit institutions in WAMU.

Regional seminar on issuing of Islamic Sukuk bonds

A seminar on “Issuing of Islamic Sukuk bonds” was held on June 15-16, 2015, at BCEAO headquarters. The seminar was jointly organized by the Central Bank and the Islamic Research and Training Institute of the Islamic Development Bank, in the framework of the implementation of the programme for the promotion of Islamic finance in the WAMU member states. Its aim was to initiate participants on Sukuk issuing techniques with a view to funding the infrastructure needs of WAMU states.

The session was attended by some sixty participants from the BCEAO, the Office of the Secretary General of the WAMU Banking Commission, the Ministers of the Economy and Finance (Tax and Treasury Departments) in the WAMU member states, as well as National Structures in charge of promoting investments, the WAMU Securities Agency, the West African Development Bank (WADB), the Regional Council for Public Savings and Financial Markets (CREPMF) and brokerage firms.

Joint BCEAO/AFRITAC West seminar on “Macroprudential supervision, systemic risk and financial stability”

In the framework of the implementation of its degree training programme and capacity building for executives and leadership of credit institutions in the Union, the BCEAO, in conjunction with AFRITAC West, organized a seminar on “Macroprudential supervision, systemic risk and financial

stability”, on June 1-5, 2015, at BCEAO headquarters. The aim of the seminar was to familiarize participants with issues pertaining to financial stability, the role of regulatory and supervisory authorities, as well as the link between macroprudential policies and supervision at the microprudential level. The meeting brought together thirty-three (33) participants from the Ministries of Finance in countries covered by AFRITAC West, the BCEAO, the West African Monetary Union Banking Commission (WAMU BC), the Central Banks of Mauritania and the Republic of Guinea, the Regional Council for Public Savings and Financial Markets (CREPMF) and the WAEMU Commission.

Discussion seminar with the banking profession on the subject of the draft regulatory instruments for the domestication of Basel II and Basel III provisions in WAMU

A discussion seminar on the draft regulatory instruments for the domestication of Basel II and Basel III provisions in WAMU took place on December 16-18, 2015 at BCEAO headquarters in Dakar. The meeting was part of a broader consultation process conducted by the BCEAO with the banking profession on the planned prudential mechanism and decision-making on consolidated supervision. This seminar presented the proposed regulatory changes and gathered comments from the various stakeholders in the reform with a view to finalizing the draft instruments and submitting them to the BCEAO authorities.

The proceedings were attended by seventy-two representatives of the Scientific Committee of the Federation of Professional Associations of Banks and Financial Institutions of WAEMU (FAPBEF-UEMOA), the parent companies of banking groups with subsidiaries operating in WAMU, and the accounting profession. The meeting was also attended by the BCEAO's technical partners (International Monetary Fund, World Bank and Al-Maghrib Bank) and the French training institute specialising in the Basel regulations (AFGES).

AT THE ECONOMIC INTEGRATION AND MONETARY COOPERATION LEVELS

Working visit by the Managing Director of the IMF to BCEAO Headquarters

On January 30, 2015, Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), made a working visit to Central Bank headquarters, where she led a Conference on the theme of “Harnessing Financial Integration for Inclusive Growth”.

The meeting was also marked by the participation of officials from WAEMU Organs and Institutions, and Managing Directors of credit institutions and heads of microfinance institutions in Senegal. It was also attended by teachers and researchers from Senegalese universities, research centres and schools, as well as representatives of the management of the BCEAO.

Third meeting of the Presidential Task Force on ECOWAS monetary cooperation programs

A delegation from the BCEAO took part in the third meeting of the Presidential Task Force on the Economic Community of West African States' (ECOWAS) monetary cooperation programs, held in Niamey, on February 4-6, 2015. The aim of the meeting was to review the activity programme of the revised ECOWAS single currency roadmap for 2020 and the responsibilities assigned to the regional institutions involved in the multilateral supervisory mechanisms for the completion of each activity. On this occasion, the Ministers of Finance of ECOWAS countries and the Governors of the central banks represented discussed ways and means of merging the West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) to form an ECOWAS Monetary Institute in 2018 and examined the concern raised by the Convergence Council of the West African Monetary Zone (WAMZ) regarding the macroeconomic convergence criteria revised and adopted by the 45th Summit of Heads of State and Government, in Accra on 10 July 2014.

First meeting of the working group of Central Banks of French-speaking countries on financial inclusion

The first technical meeting of the working group of Central Banks of French-speaking countries on financial inclusion was held at BCEAO headquarters in Dakar on February 5-6, 2015. The working group was set in place at the end of the 21st conference of central bank governors of francophone countries, held in Dakar on 14-16 May 2014. The meeting, which was attended by representatives from thirteen central banks, allowed participants to familiarize themselves with the financial inclusion initiatives undertaken by the G20 countries in the framework of the Global Partnership for Financial Inclusion (GPFI), and to share their experiences in that area.

Discussions focused notably on issues of financial inclusion, identifying subjects to be dealt with by each central bank, determining the contributions expected from each central bank and defining a work schedule. At the outcome of the proceedings, the participants agreed to produce a draft progress report as well as a final report to be respectively submitted to the Governors of central banks of French-speaking countries at their meetings in 2015 and 2016.

Workshop for the presentation of the findings of the study on the implementation of the regional strategy for financial inclusion in WAEMU

A regional workshop for the presentation of the findings of the study on regional strategy implementation for financial inclusion in WAEMU was organized at BCEAO headquarters in Dakar on July 6-7, 2015, in partnership with the United Nations Capital Development Fund (UNCDF). The meeting was held in follow-up to a brainstorming workshop on financial inclusion organized in April 2014 and national concertation on the interim report on the strategy, organized May 27-29, 2015 in the National Directorates.

The goals of the workshop were to present a summary of the observations issued by the concertation session to all of the actors, and to analyse the proposals made by the consultants on the main points raised in the interim report, namely the strategy's vision, goals and focus areas. It was attended by some sixty participants from the WAEMU member states, the BCEAO, and UNCDF. The meeting was also attended by financial sector executives from the Union, experts on financial inclusion and donors. The proceedings, which included both plenary sessions and smaller groups, provided an opportunity to discuss WAEMU's vision of financial inclusion, strategic focuses and goals, as well as the budget and monitoring and coordination framework. They also allowed the participants to deepen their reflection on creating synergy between the regional financial inclusion strategy and the national strategies ongoing in the member states.

Signing of a framework cooperation agreement between the BCEAO and INSEE

The Governor of the BCEAO, Mr Tiémoko Meyliet Koné, visited the headquarters of the French National Institute for Statistics and Economic Studies (INSEE), in Paris, on February 6, 2015. During his working session with Mr Jean-Luc Tavernier, Director-General of the institution, a technical cooperation framework agreement was signed between the BCEAO and INSEE.

Through cooperation with INSEE, the BCEAO should be able to improve its structural economic analysis mechanism and extend it to gathering data on household finances and global demand. Cooperation should also promote the establishment of powerful, integrated databases and benefit the National Statistics Institutes of the member states of the Union.

Twelfth annual meeting of the Francophone Banking Supervisors Group

The twelfth annual meeting of the Francophone Banking Supervisors Group (Groupe des Superviseurs Bancaires Francophones – GSBF), which was presided over by the Governor of the

BCEAO and President of the WAMU Banking Commission, was held in Casablanca on March 5, 2015, on the premises of the banking supervision directorate of Bank Al-Maghrib. The opening ceremony was presided over by Mr Mamadou Diop, Deputy Governor of the BCEAO.

The meeting, which was attended by some twenty representatives of audit organizations and central banks, provided a forum for exchanges on subjects of common interest, such as ways to increase the effectiveness of banking supervision, the establishment of the European Banking Union, financial inclusion and supervision of cross-border banking groups.

The meeting was followed, on March 6, 2015, by a seminar facilitated by a representative of the Financial Stability Institute (FSI) of the Bank of International Settlements (BIS). It essentially focused on recent work done by the Basel Committee, particularly on risk reduction and identification and treatment of banks in difficulty.

Annual cooperation meeting between the BCEAO and Banque de France

On April 21, 2015, a BCEAO delegation led by the Governor was hosted in Paris on Banque de France premises by the Governor of the French central bank, Mr Christian Noyer. The meeting afforded the BCEAO with an opportunity to review the implementation of the cooperation agreement signed on 5 October 2012 and share on prospects for cooperation with Banque de France in 2015 and 2016.

Twenty-second conference of central bank governors of francophone countries

A BCEAO delegation, led by the Governor, took part in the 22nd conference of central bank governors of francophone countries in Fort-de-France, Martinique, on May 13-15, 2015. This edition of the conference focused on the subject of “The central bank and risks”. Discussions focused notably on the paradox of insufficient economic risk-taking, which was both a cause and an effect of the sluggish recovery of investment, combined with the need to control potential excessive financial risks.

Attendance of the Annual Meetings of the African Development Bank (AfDB)

A BCEAO delegation led by the Governor attended the Annual Meetings of the African Development Bank (AfDB), held in Abidjan, on May 25-29, 2015, on the subject of: “Africa and the New Global Landscape”. The meetings were organized in the context of the election of the eighth President of the AfDB and the celebration of the 50th anniversary of the institution. They provided an opportunity to review the bank’s transactions in FY 2014, as well as its development financing portfolio for 2015. The meetings also afforded participants with an opportunity to reflect on the challenges facing the African continent in key sectors such as climate change, infrastructure, the private sector and governance.

African Mobile Phone Financial Services Policy Initiative (AMPI) Leaders Round Table

An African Mobile Phone Financial Services Policy Initiative (AMPI) Leaders Round Table was held from July 23-24, 2015, in Yamoussoukro, under the chairmanship of Mr Daniel Kablan Duncan, Prime Minister of Côte d'Ivoire. The round table was attended by Mr Tiémoko Meyliet Koné, Governor of the BCEAO.

The Round Table, focusing on: “The next generation of mobile phone financial services: convergence and development”, was attended by approximately one hundred and fifty participants, including the Governors and Deputy Governors of African central banks belonging to the Alliance for Financial Inclusion (AFI). Participants also included representatives of African public administrations, the banking and microfinance sectors, payment service providers, and partners in

development. The meeting addressed the changes taking place in the digital financial services industry and how the region could maintain its global leadership in the field through AMPI. This third edition was marked by the reappointment of the Governor of the BCEAO as head of the institution up to February 2016.

Visit of the United States Ambassador to BCEAO Headquarters

His Excellency Mr James P. Zumwalt, Ambassador of the United States of America to Senegal and Guinea-Bissau, was received by the Governor of the BCEAO, Mr Tiémoko Meyliet Koné, on August 4, 2015.

Mr Zumwalt was accompanied by the Economic Advisor of the United States Embassy and the Representative of the American Treasury on an advisory mission at the WAMU Securities Agency.

His visit to the Governor of the BCEAO afforded the United States Ambassador with an opportunity to enquire about the economy in the member states of the Union. Following their discussions, the American Ambassador congratulated the Central Bank on the important role it played within the West African Economic and Monetary Union.

Awarding of the Abdoulaye Fadiga Prize for the promotion of economic research

The Abdoulaye Fadiga Prize for the promotion of economic research, established in 2008 by the BCEAO, is intended to promote the emergence of quality research on the formulation and implementation of relevant economic policies for the development of the member states of the Union. It is awarded every other year to a young researcher from a WAEMU country whose work sheds new light on the economies of the countries of the Union and expands our knowledge thereof.

The official award ceremony of the Abdoulaye Fadiga Prize for the promotion of economic research, for work conducted in 2014, took place on September 10, 2015 in the Conference Hall at BCEAO headquarters in Dakar. The ceremony, which was organized under the patronage of Messrs Daniel Kablan Duncan and Mahammed Boun Abdallah Dionne, respectively Prime Ministers of Côte d'Ivoire and Senegal, was broadcast by videoconference on all Central Bank sites.

At the conclusion of the ceremony, the Abdoulaye Fadiga Prize for 2014 was awarded to Mr Yao Dossa Tadenyo, a Togolese national, doctoral student in Economics at Cheikh Anta Diop University in Dakar and author of an article entitled “Chocs de taux d'intérêt de la BCEAO et évolution de l'inflation dans la Zone UMOA : implications pour la poursuite d'un objectif de stabilité des prix” on Central Bank interest rate shocks and trends in inflation in the WAMU zone and their implications for the goal of price stability.

An Incentive Prize was awarded to Messrs Charlemagne Babatoundé Igue and Mathieu Gbêmèho Trinnou, of Beninese nationality, who coauthored an article entitled “Risque de crédit bancaire et politique monétaire dans l'Union Economique et Monétaire Ouest Africaine (UEMOA)” on banking credit risk and monetary policy in the West African Economic and Monetary Union. Mr Igue is a Senior Lecturer/Associate Professor in Economics and Dean of the Faculty of Economics and Management (FASEG) of Abomey-Calavi University in Benin. Mr Trinnou is a Research Assistant and doctoral student at the Centre d'Etudes, de Formation et de Recherche en Développement (CEFRED), or development studies, training and research centre, at the same faculty.

On the same occasion, the 2016 edition of the Abdoulaye Fadiga Prize—the fifth of its kind—was launched by Mr Daniel Kablan Duncan, Prime Minister of the Republic of Côte d'Ivoire.

Ninth meeting of the sub-regional unit in charge of reconciling data on intra-WAEMU exchanges

The ninth meeting of the sub-regional unit in charge of reconciling data on intra-WAEMU exchanges was held at Central Bank headquarters on September 14-15, 2015. The meeting brought together participants from the statistical and customs administrations of the member states of the Union, the WAEMU Commission and the BCEAO National Directorates.

The purpose of the meeting was to conduct a detailed analysis of the asymmetries noted in the bilateral statistics reports of the states, with a view to reconciling data on intra-WAEMU trade, flows pertaining to tourism, remittances and direct foreign investments. The results revealed a continuous upward trend in intra-WAEMU trade, confirming the reinforcement of the economic integration process.

The meeting also afforded an opportunity to ensure a convergence of views on the ways and means of implementing a methodology for updating freight rates in WAEMU member states by product group and partner.

IN TERMS OF THE MANAGEMENT OF THE BCEAO

Meeting of BCEAO human resources managers

On June 25-26, 2015, BCEAO headquarters hosted an important meeting of human resources managers from all Central Bank sites (headquarters, National Directorates, and the Office of the Secretary General of the WAMU Banking Commission). The chief purpose of the meeting was to strengthen the framework for collaboration between human resources managers, with a view to boosting human resources management in the institution. It also provided an opportunity to discuss progress in the modernization of human resources management in the Bank and touch on several subjects of common interest.

Residential seminar for the BCEAO in Somone

On November 13-14, 2015, the BCEAO organized a residential seminar in Somone, Senegal, to review the progress achieved in the implementation of the project on the modernization of human resources management in the Central Bank and the drafting of the institution's 2016-2018 Strategic Plan. The seminar, which was presided over by the Governor of the Central Bank, Mr Tiémoko Meyliet Koné, was attended by the executive staff of the Central Bank.

The participants reviewed the principal achievements in the framework of the human resources management modernization project, one of whose goals was to enable the transition from the role of heads of organizations towards a role of staff managers able to motivate their teams and contribute to the development of their skills in a convivial working environment. The discussions notably focused on classification and pay systems, career management rules, the skills frame and the training catalogue.

The meeting also provided an opportunity to review the first staff performance appraisal campaign following the reform of the performance appraisal system. The participants also reviewed and enhanced the scope and consistency of the selected proposals for the BCEAO's 2016-2018 Strategic Plan.

In follow-up to this seminar, a brainstorming and briefing meeting on the modernization of human resources management in the Bank was organized on November 30, 2015. It was attended by human resources managers from all Central Bank sites as well as delegates from the Advisory Boards.

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, 2015

CHAIRMAN: His Excellency Doctor **Boni Yayi**,
President of the Republic of Benin.

His Excellency Doctor **Boni Yayi**,
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, 2015

CHAIRMAN: Mr Saidou Sidibé,
Minister of the Economy and Finance of the Republic of Niger.

Republic of Benin

- Mr Komi Koutché, Minister of the Economy, Finance and Denationalization Programs;
- Mr Pocoun Damè Kombienou, Minister of Industry and Commerce.

Burkina Faso

- Mr Jean Gustave Sanon, Minister of the Economy and Finance;
- Mr Bédializoun Moussa Nébié, Deputy Minister of Foreign Affairs and Regional Cooperation, in charge of Regional Cooperation.

Republic of Côte d'Ivoire

- Ms Nialé Kaba, Minister in charge of the Economy and Finance;
- Mr Abdourahmane Cissé, Budget Minister under the Prime Minister.

Republic of Guinea-Bissau

- Mr Geraldo João Martins, Minister of the Economy and Finance;
- Mr Degol Mendes, Secretary of State in charge of Planning and Regional Integration.

Republic of Mali

- Mr Mamadou Igor Diarra, Minister of the Economy and Finance;
- Mr Abdel Karim Konaté, Minister of Commerce and Industry.

Republic of Niger

- Mr Amadou Ba, Minister of the Economy and Finance;
- Mr Mohamed Boucha, Deputy Minister of the Economy and Finance, in charge of the Budget.

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 Adji Otèth Ayassor, Minister of the Economy, Finance and Development Planning;
- Mr Kossi Assimaïdou, Deputy Minister in charge of Development Planning,
Ministry of the Economy and Finance.

MEMBERSHIP OF THE BCEAO MONETARY POLICY COMMITTEE

as at December 31, 2015

CHAIRMAN: 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 Houéssou Yaovi Hadonou, Director of Monetary and Financial Affairs.

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 Research Group on the Democratic,
Economic and Social Development of Africa (GERDES).

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, Economic and social development study and research group (Groupe d'Etudes et de Recherches pour le Développement Economique et Social - GERDES), 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, 2015

CHAIRMAN: Mr Tiémoko Meyliet Koné
Governor of the BCEAO.

Republic of Benin

Mr Job Olou, 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 Adama Koné, Director General of Treasury and Public Accounting.

Republic of Guinea-Bissau

Mr Wilson Espírito Santo Alves Cardoso, Director General of Treasury.

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 Cyril Rousseau, Deputy Director in charge of Multilateral Financial Affairs and Development at the General Directorate of the Treasury.

MEMBERSHIP OF THE BCEAO AUDIT COMMITTEE

as at December 31, 2015

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

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).

CENTRAL BANK OF WEST AFRICAN STATES

as at December 31, 2015

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

Advisors to the Governor:

Mr Jean-Baptiste Ayayé Aman

Mr João Alage Mamadu Fadia

GENERAL CONTROL

Comptroller General:

Mr Jean-Baptiste Ayayé Aman

Advisors to the Comptroller General:

Mr Kadjemna Guy Go Maro

Mr Cheick Ahmed Tidiany Diakité

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:

Mr Ahmadou Al Aminou Lo

Director General of Human Resources,
Training and Legal Affairs:

Ms Akouélé Sylviane Mensah

Director General of Financial Stability
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 Organization
and Information Systems:

Mr Horo Coulibaly

Advisor to the Director General of Human
Resources, Training and Legal Affairs:

Mr Abdoulaye Traoré

Advisor to the Director General of Financial
Stability and Inclusion:

Ms Aminata Fall Niang

CENTRAL SERVICES DEPARTMENTS

Director, the Budget and Procurement:

M. Fama Adama Keïta

Director, Property:

M. Hadama Ybia

Director, Security:

Ms Flora Madja Zohoun

Director, General Services:

M. Emmanuel Junior Assilamehoo

Director, Economic Conditions
and Monetary Analysis:

M. Issa Djibo

Director, Studies and Research:

M. Clément Adoby

Director, Statistics:

M. Madani Touré

Director, Fiduciary Activities:

M. Djibril Camara

Director, Market Transactions:

M. Habib Thiam

Director, Payment Systems and Methods:

M. Bwaki Kwassi

Director, Accounting:

M. Ekoué Djro Glokpor

Director of Management Control:

M. Kora Liliou

Director, Organization and Methods:

M. Mohamed Almountaka Alfidja

Director, Information Systems:

M. Tiéguélé Abdoul F. Coulibaly

Director, Centre Ouest Africain de Formation et
d'Etudes Bancaires (COFEB, West African centre
for bank training and studies):

Ms Aminata Haïdara

Director, Legal Affairs

Vacant

Director, Administrative and Social Management
of Human Resources:

M^{me} Marie Evelyne Seabe

Director, Career and Skills Management:

Ms Helena Maria José Nosolini
Embalo

Director, Banking Activities and Financing of the Economies:

M. Antoine Traoré

Director, Microfinance and Financial Inclusion:

M. Patrick Kodjo

Director, Financial Stability:

M. Thierry Toffa

Director, Inspection and Audits:

M. Kadjemna Guy Go Maro

Director, Risk Prevention:

M. Diaffra Harouna

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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:

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National Director for Burkina Faso:

Mr Charles Luanga Ki-Zerbo

National Director for Côte d'Ivoire:

Mr Chalouho Coulibaly

National Director for Guinea-Bissau:

Mr João Alage Mamadu Fadia

National Director for Mali:

Mr Konzo Traoré

National Director for Niger:

Mr Maman Laouane Karim

National Director for Senegal:

Mr Mamadou Camara

National Director for Togo:

Mr Kossi Tenou

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Ms Séna Elda Kpotsra

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Mr Amadou Diarra

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

GOVERNOR'S MESSAGE

Economic activity remained robust in the member states of the West African Economic and Monetary Union (WAEMU) in 2015. In real terms, the growth rate in the gross domestic product of the Union stood at 7.0% in 2015, up from 6.5% in 2014, continuing the positive trend witnessed over the past four years.

Growth was spurred by strong performance across all economic sectors, as well as intensive public and private investments. The inflation rate averaged 1.0% in 2015, compared to -0.1% a year prior.

To maintain such performances over the long term, the countries of the Union should enhance the attractiveness of the economy and increase the amount and quality of investments by accelerating structural reforms. Macroeconomic stability and a sound financial sector are also prerequisites for mobilizing the internal and external resources needed to finance economic activity.

With that purpose in mind, in 2015, the Central Bank of West African States (BCEAO) continued to implement an accommodating monetary policy, while ensuring strong and sustainable growth by maintaining a stable macroeconomic environment. The Central Bank has also implemented significant reforms, notably with a view to improving the monetary policy, strengthening banking supervision and regulation and modernising the financial sector.

These actions are supported by raising the minimum registered capital, accelerating the migration of the prudential mechanism to Basel II and III standards, setting up a banking conflict resolution mechanism and promoting Credit Information Bureaus. The first meeting of the Board of Directors of the WAMU deposit guarantee fund (FGD-UMOA) was held at BCEAO headquarters in Dakar on June 4, 2015. FGD-UMOA is a financially independent legal entity, whose mission is to guarantee the deposits of customers of registered credit institutions and decentralized financial systems in the Union. The fund also contributes to the preservation of financial stability as well as to the promotion of financial culture in the WAEMU member states.

Among its priorities, the Central Bank also included the establishment of a mechanism to support financing of small and medium-sized enterprises and industries (SMEs/SMIs) by credit institutions. The new mechanism, drawn from the action plan for the financing of the economies and promoted by the Conference of WAEMU Heads of State and Government, was adopted by the Council of Ministers of the Union in its session of September 29, 2015, in Dakar.

The result of broad consultations with all partners, notably including the banking profession and non-banking stakeholders involved in the promotion of SMEs/SMIs, this initiative aims to create an enabling environment for the development of a critical mass of successful SMEs. The goal is to increase the contribution made by SMEs/SMIs to wealth creation, achievement of sustainable and inclusive growth objectives set by member states, and ramping up the fight against unemployment.

In keeping with its missions, the Central Bank intends to continue working to create enabling conditions for the development of a sound financial environment and continuing growth.

The Governor of the Central Bank of West African States,

Chairman of the Board of Directors

OVERVIEW

In 2015, the international economic environment was marked by a lower-than-expected rate of growth. According to International Monetary Fund (IMF) estimates in April 2016, the global economic growth rate was 3.1% in 2015, compared to a rate of 3.4% in 2014.

Economic activity remained resilient in the member states of the West African Economic and Monetary Union (WAEMU). The latest estimates, made in late April 2016, posited 7.0% growth in the volume of the gross domestic product of the Union in 2015, after 6.5% growth in 2014.

Economic growth was chiefly supported by an increase in manufacturing production and a dynamic public works and civil engineering sector. It was further driven by an increase in agricultural production and development in the service sector, along with the popularization of new products, particularly in the telecommunications and banking fields.

The inflation rate in the Union averaged 1.0% in 2015, against -0.1% the previous year. The change was due to higher prices for local produce, construction materials and housing services.

Financial transactions by the countries of the Union in 2015 led to the deepening of the overall deficit on a cash basis, inclusive of grants, compared to FY 2014. The deficit as a percentage of the GDP stood at 4.4% in 2015, compared to 3.0% in 2014. The trend was influenced by continued execution of public investment programmes, particularly in infrastructure.

The overall outstanding foreign debt of all Union member states was estimated at 13,328.1 billion CFA Francs at the end of December 2015, compared to 11,347.2 billion at the end of December 2014, an increase of 17.5%. The trend reflects increased loan drawdowns, which stood at 1,947.0 billion in 2015, up 53.7% compared to 2014.

Foreign trade in FY 2015 culminated in an overall deficit of 191.5 billion compared to a surplus of 74.5 billion in 2014. The deterioration in the overall balance was essentially due to a drop in net inflows of foreign capital in the member states of the Union. The impact of the trend was offset somewhat by the decrease in the current account deficit, which dropped from 7.2% of the GDP in 2014 to 6.3% of the GDP in 2015.

As at the end of December 2015, the net foreign assets of the monetary institutions stood at 4,725.6 billion, down 115.0 billion or 2.4% compared to the end of December 2014. The official foreign exchange reserves of the BCEAO grew by 453.4 billion, reaching 7,487.0 billion. The Central Bank's currency issue coverage fell to 80.2% compared to 84.3% in December 2014.

Outstanding domestic credit rose by 2,899.0 billion or 17.7% compared to its level at the end of December 2014, reaching 19,306.9 billion at the end of December 2015. The trend was driven by a deterioration of 1,082.6 billion in the Governments' net external liability position, which stood at 5,798.1 billion, as well as by an increase in credit to the economy, which grew by 15.5%, reaching 13,508.8 billion at the end of December 2015. In conjunction with the trends in its counterparts, the money supply grew by 14.4%, to stand at 21,689.7 billion.

In an environment characterized by low inflation and uncertainties as to the outlook for economic growth, the BCEAO maintained its key interest rates without change, in order to support economic activity. The minimum bid rate on regular cash injection tender transactions and the marginal lending rate therefore respectively remained set at 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union was also kept unchanged at 5.0%, the level in force since March 16, 2012.

In 2015, the WAEMU banking network grew by five (5) units compared to the previous year, reaching a total of 137.

Activity trends were generally positive on the capital markets of the Union. On the money market, aggregate outstanding advances on one-week and one-month bid windows stood at 2,570.0 billion at the end of December 2015 against 2,450.0 billion at the end of December 2014, for a year-over-year increase of 120.0 billion (+4.9%). On the regional public debt securities market, overall outstanding public securities stood at 6,511.8 billion or 12.5% of the GDP at the end of December 2015, compared to 5,068.8 billion or 10.5% of the GDP one year prior.

In terms of the management of banknotes and coins, the volume of withdrawal and deposit transactions through Central Bank windows in FY 2015 totalled 4,819.8 million in banknotes and coins, against 4,389.2 million units in FY 2014, for an increase of 9.8%. Compared to 2014, the share of banknotes in circulation outside banks remained virtually unchanged at 97.1%.

Where international cooperation is concerned, transactions carried out by the Central Bank and the IMF on behalf of WAMU member states culminated in net inflows of resources amounting to 62.3 million SDRs in FY 2015, against 126.4 million SDRs one year prior. Costs covered by the BCEAO in 2015, in the framework of its transactions with the IMF, amounted to 0.4 million SDRs (350.7 million CFA francs) against 0.8 million SDRs (578.4 million CFA francs) the previous year.

With regards to the running of the Central Bank, during the 2015 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 its 18th ordinary session on January 19, 2015, in Cotonou, Republic of Benin. The Council of Ministers held four (4) ordinary meetings and two extraordinary meetings. The Monetary Policy Committee of the BCEAO held four (4) ordinary meetings. The Board of Directors of the BCEAO held two (2) ordinary meetings and one extraordinary meeting.

In FY 2015, the Central Bank developed a strategic plan covering the 2016-2018 period, based on a methodological planning approach inspired by best practices. By identifying internal and external issues over a ten-year period, the new approach made it possible to identify main focus areas and strategic goals to be achieved over the next three years.

In terms of reinforcing the governance of its information system, the BCEAO initiated two actions aimed at ensuring compliance with PCI DSS industry standards (Payment Card Industry Data Security Standards) for payment card security and with ITIL (Information Technology Infrastructure Library) recommendations on best IT services management practices. Work also began with a view to aligning the governance and management of the Bank's information system with the COBIT (Control Objectives for Information and Related Technology) standard of best practices.

Work continued with a view to reinforcing the Central Bank's internal audit and risk management mechanisms, to bring them into line with the appropriate international standards. Accordingly, the BCEAO reworked its risk management process and implemented a new methodological framework known as the "risk management approach (RMA)". The revised mechanism, deployed across all Central Bank sites in 2014, entered into its operational phase with the development of a consolidated risk map and the establishment of a governance framework.

As at December 31, 2015, the total staff of the Central Bank, including all grades, numbered 3,545 against 3,571 at the end of December 2014. The figure included 3,497 active staff members deployed on BCEAO sites, and 48 staff members on secondment or leave of absence.

I - ECONOMIC AND FINANCIAL ENVIRONMENT

1.1 - INTERNATIONAL ECONOMIC AND FINANCIAL ENVIRONMENT

In FY 2015, the international economic and financial environment was marked by volatile financial markets and a drop in the prices of basic raw materials, causing a slower-than-expected rate of economic activity. Growth continued to slow in emerging and developing countries, while advanced countries experienced moderate recovery. Overall, according to International Monetary Fund (IMF) estimates in April 2016, the global economic growth rate was 3.1% in 2015, compared to 3.4% in 2014.

1.1.1 - Economic activity in major industrialized countries

In industrialized countries, economic growth received a slight boost due to support in the form of accommodating monetary policies, improved financing terms and lower oil prices. According to the IMF, the economic growth rate was estimated at 1.9% in 2015, against 1.8% in 2014. In the United States, the gross domestic product (GDP) rose by 2.4% in 2015, in conjunction with the strong performance of private, domestic demand. In Japan, after shrinking by 0.1% in 2014, economic growth returned to positive status in 2015, at 0.5%, under the impact of monetary and budgetary easing, as well as resuming investments, which helped bring about a recovery in business and domestic demand. In the euro zone, the rate of development of the economy remained high, rising from 0.9% in 2014 to 1.6% in 2015, fuelled by domestic and foreign demand following the drop in oil prices, the recovery of private investment, and the maintenance of an accommodating monetary policy by the European Central Bank (ECB) as well as the depreciation of the euro.

1.1.2 - Economic activity in emerging and developing countries

Economic growth slid in emerging and developing countries in 2015. It was affected by a slowdown in the Chinese economy, volatile financial markets, persistent geopolitical tensions and the negative impact of the drop in commodities prices for exporting countries. According to IMF estimates, the gross domestic product of emerging and developing economies grew by 4.0% in 2015, compared to 4.6% the previous year. The Chinese economy experienced a slowdown, with a growth rate of 6.9% over the financial year, its lowest level since 2009, after 7.3% one year prior, due to the impact of sluggish domestic and international demand and the persistent stagnation of the real-estate sector. For their part, Brazil and Russia experienced a reduction in their respective rates of economic expansion due, notably, to lower prices for basic commodities and social and geopolitical tensions. In 2015, the economy fell back respectively by 3.8% and 3.7% in Brazil and Russia, after having grown by 0.1% and 0.6% in 2014. The general morosity in emerging countries was somewhat offset by the boost in the Indian economy, fuelled by the strong performance of investments and low production costs due to the drop in the prices of raw materials. Growth stood at 7.3% in 2015, stable compared to its level in 2014.

In sub-Saharan Africa, growth slowed to 3.4% in 2015, after 5.0% in 2014, due to the impact of the drop in commodities prices that affected the major economies in the region, particularly South Africa, Angola and Nigeria. Growth in the South African economy was 1.3% in 2015, against 1.5% in 2014. Economic activity, in particular, was affected by the sluggishness of the mining sector, scarce infrastructure, particularly electricity supply, and the tense social and political situation in the country. In Nigeria, growth in the gross domestic product slowed to 2.7% in 2015, after 6.3% the previous year. The difficulties besetting the oil sector, rocked by the collapse in oil prices on the international market, explained most of this slowdown.

1.1.3 - Financial and commodities markets

In financial year 2015, the major stock exchanges experienced contrasting trends. In the first half of the year, stock indexes were trending upwards, fuelled by the continuing economic recovery in advanced countries. On the other hand, the second half of the year was characterized by money market volatility, linked to negative trends in the Chinese economy and the commodities market. In the United States, the principal New York stock market indexes, namely the Dow Jones and NASDAQ, performed well on average in FY 2015, respectively up 4.9% and 13.0% compared to the previous year. In Japan, the Nikkei index recorded an increase of 23.9%, rising from 15,470.2 points in 2014 to 19,163.3 points in 2015. In the euro zone, the EuroStoxx 50 index progressed by 300.4 points compared to its average level in 2014, reaching 3,445.7 points in 2015. Conversely, in the United Kingdom, the Footsie 100 index slid by 1.0% in 2015, standing at 6,614.8 points.

On the African stock markets, the main indexes experienced differing trends according to the direction taken by the principal sectors of the economy. Thus, the Accra and Lagos stock exchange indexes respectively slumped by 21.5% and 5.7%. On the other hand, the flagship index of South Africa, FTSE/JSE All Share on the Johannesburg stock exchange, improved by 5.4% despite a sluggish mining sector and electrical power supply issues. In the WAEMU zone, the BRVM10 and BRVMComposite indexes, which respectively stood at 267.53 and 258.08 points at the end of 2014, rose by 8.54% and 17.17% to reach 290.38 and 303.93 points at the end of December 2015.

In terms of commodities, prices mostly trended downward due to weak international demand owing to a slowdown in growth in emerging countries, particularly in China, and the appreciation of the dollar. The indexes calculated by the IMF showed a drop, on an annual average basis, in the prices of energy products (44.8%), industrial products (19.5%) and food products (17.2%).

The most significant drop was seen in oil prices. In 2015, the average Brent oil price stood at 53 dollars per barrel, against nearly 100 dollars in 2014, a decline of 47%. The price drop was chiefly linked to the excess supply of crude oil on the market, notably due to the influx of shale oil from the United States, against the backdrop of a slowdown in the global economy and the discontinuation of the quota system regulating production by the Organization of Petroleum Exporting Countries (OPEC). Concerns regarding the demand in China, the appreciation of the dollar against the main international currencies and the prospect of the return of Iranian oil to the international markets following the lifting of sanctions by the West further accentuated the drop in prices in late 2015, when the Brent price dipped below 40 dollars.

Global prices for the principal commodities exported by the Union followed a similar downward trend on an annual basis, with the exception of cocoa and cashew nut prices, which showed an increase. The most significant decreases were seen in the prices of palm oil (-24.3%), cotton (-15.0%), Robusta coffee (-12.8%) and gold (-8.4%).

The drop in the price of palm oil was chiefly due to sluggish global demand and abundant production in Southeast Asia, particularly in Malaysia. The drop in oil prices, which has reduced the profitability of production of biofuel, for which palm oil is a raw material, also contributed to lowering prices.

The price of cotton was affected by an increase in production and global stocks against the backdrop of a slowdown in global demand, particularly from China.

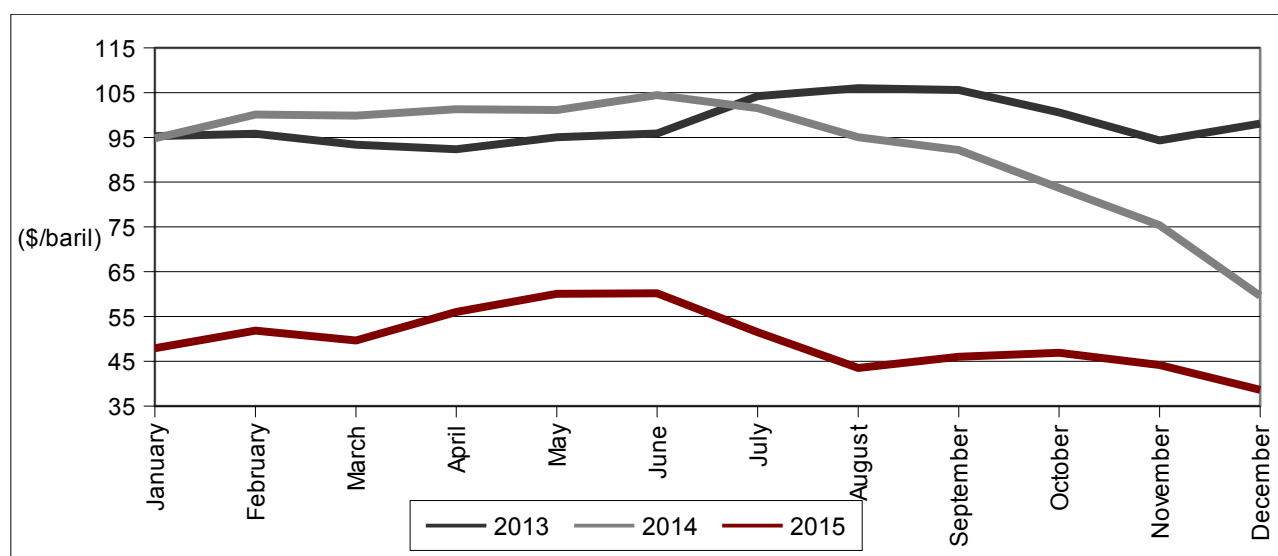
The decrease in the price of Robusta coffee was essentially due to weak global demand given better supply prospects, notably from Brazil and Colombia. Prices were also impacted by the depreciation of the Brazilian real against the dollar, driving Brazilian producers to sell their stocks so that they receive more reals for coffee sold abroad in dollars, and thereby increasing the global supply.

The price of gold also dropped, chiefly due to the appreciation of the dollar, which is mechanically unfavourable for gold prices, weakening the metal's attractiveness to investors. The price of gold was also impacted by decreased demand from India and China, the largest customers on the global scale.

On the other hand, the rise in cocoa prices reflected an increase in demand, especially due to higher chocolate consumption in Asia. The trend was reinforced by decreased production in Ghana, the world's second-largest producer, and by worries about the harvests in Malaysia and Indonesia, due to poor weather conditions.

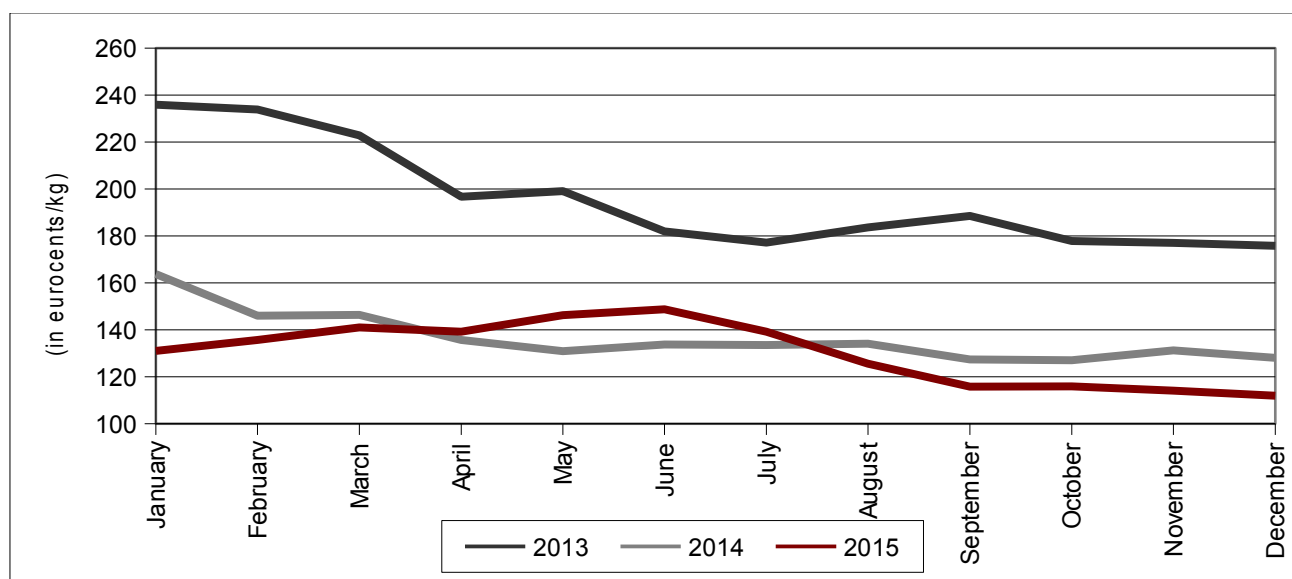
The buoyancy of cashew nut prices was driven by strong global demand, especially from Asia, Europe and the United States.

Graph 1: Trends in oil prices (NYMEX)



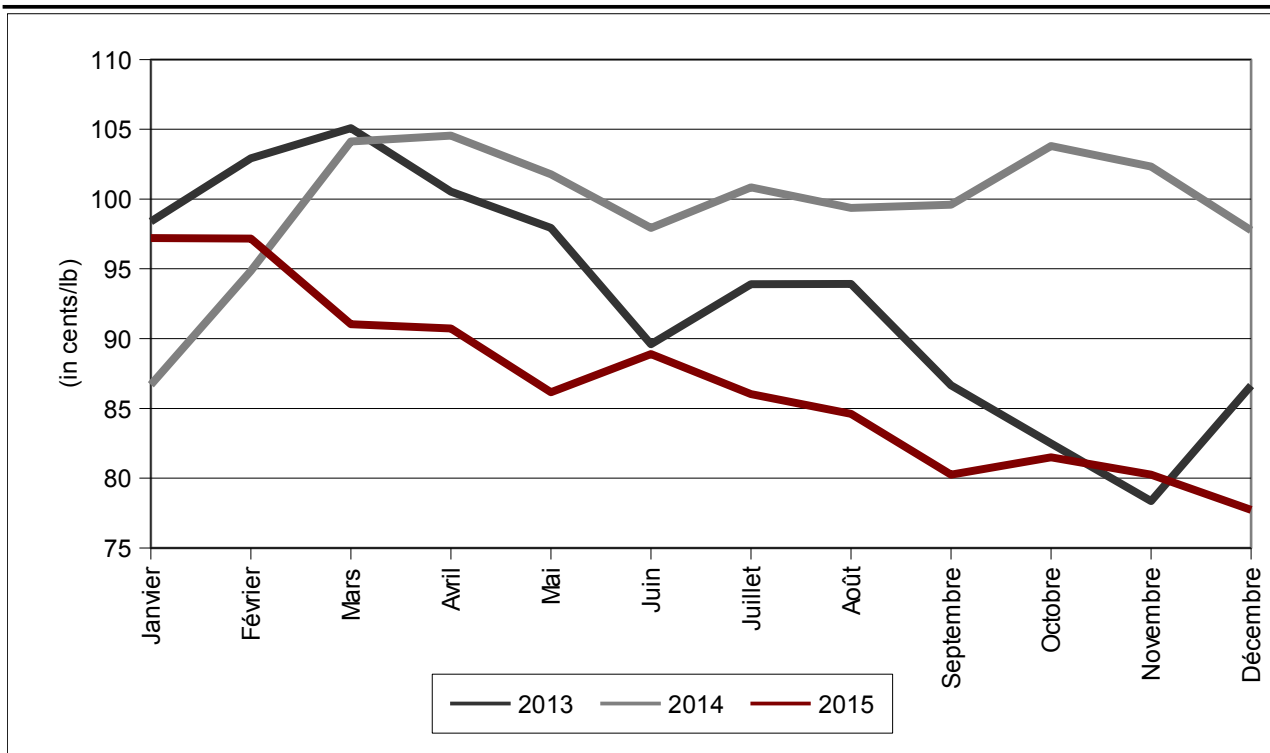
Sources : Reuters, BCEAO.

Graph 2: Trends in rubber prices



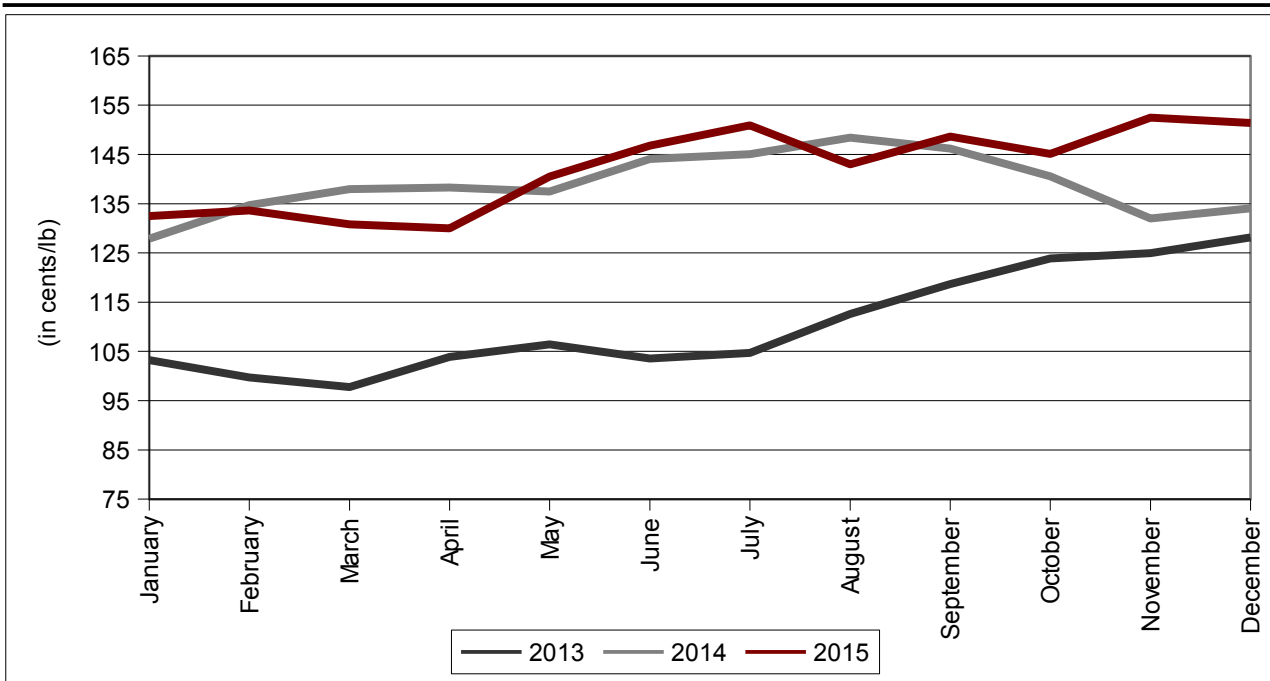
Sources : Reuters, BCEAO.

Graph 3: Trends in coffee prices



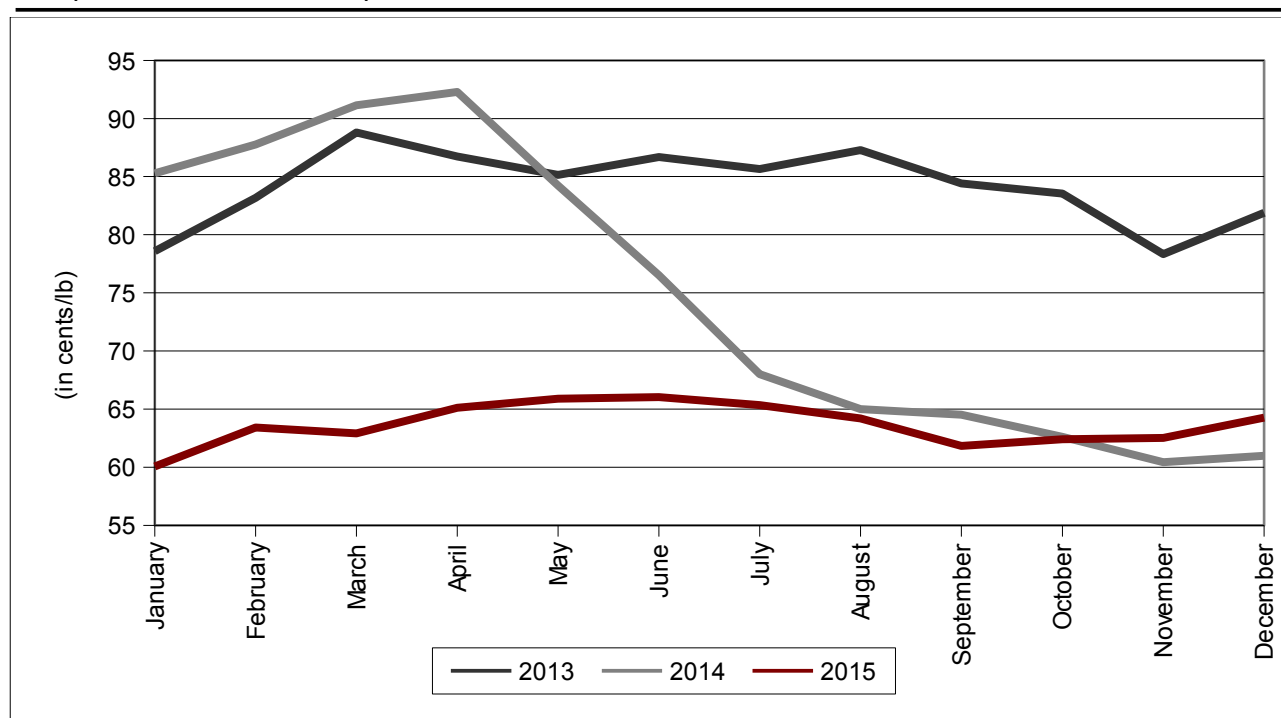
Sources : Reuters, BCEAO.

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, continuing low inflation prompted central banks in major industrialized countries to maintain or reinforce their accommodating orientations, with the exception of the Fed, which progressively tightened its monetary policy towards the end of the year.

The European Central Bank (ECB) kept its leading rates unchanged during FY 2015 and began implementing a quantitative easing program in a bid to stimulate economic activity and fight against the risk of deflation in the euro zone. To that end, it decided to extend its purchases of government securities in European agencies and institutions. The program aimed at buying back public and private assets on the secondary market began on March 9, 2015 and involved an amount of 60 billion euros per month up until March 2017, for a total value of approximately 1,500 billion euros. The ECB also decided, on December 3, 2015, to lower its deposit rate by 10 base points to -0.30%, compared to -0.20% previously. It also made a commitment to broadening the range of assets it would buy back to avoid draining the market.

Against the backdrop of a resilient recovery in the American economy, rising inflation and low unemployment, the United States Federal Reserve (Fed) changed the orientation of its monetary policy at the end of the financial year. On December 16, 2015, the Fed also raised its Fed Funds rate by 25 basis points, to a range of 0.25% to 0.50%, for the first time in nearly a decade. The American central bank emphasized that the increased rate was only the first step in the progressive tightening of its monetary policy, whose continuation would be conditional on further increases in inflation.

The Bank of Japan (BoJ) kept its leading rates and quantitative easing mechanism unchanged, with a view to increasing the monetary base by 80,000 billion yen per annum, or nearly 600.0 billion euros, via a significant asset buyback program. The BoJ also maintained the fluctuation band of its principal leading interest rate between 0.00% and 0.10%.

In emerging countries, most central banks changed the orientation of their monetary policies to counter persistent inflationist and geopolitical tensions and substantial currency depreciations. The Reserve Bank of India continued its monetary easing policy, which began in January 2015, by lowering its main leading rate by 50.0 basis points to 6.75% over the period, in a context of low inflation and the risk of a slowdown in growth. The Central Bank of Russia also lowered its leading rate from 11.50% to 11.00% on July 31, 2015, in a bid to boost its recession economy. In China, in a context of low inflation and decreased economic activity, the Central Bank lowered its main leading rates repeatedly, devalued the currency and reduced its reserve requirement ratio for banks, with a view to stimulating borrowing and bolstering the economy. The one-year lending rate and the one-year deposit rate were lowered by a quarter of a point, respectively to 4.35% and 1.50%. The reserve requirement ratio imposed on the country's major banks was reduced by 50.0 basis points to 17.50%. In August 2015, the Chinese monetary authorities implemented three successive devaluations of the yuan, which lost 3.6% of its value against the dollar.

On the other hand, in Brazil, the Central Bank continued to tighten its monetary policy to contain inflation and shore up the currency, despite the economic recession the country had been experiencing for more than a year. The leading interest rate was raised by half a point, to 14.25%, its highest level in nine years. On November 19, 2015, the South African Reserve Bank raised its leading rate by 25 basis points, to 6.25%, in a bid to halt the drop in the rand.

Table 1: Trends in annual average exchange rates (CFA francs per currency unit)

	Currency unit	2014	2015	Change (%)
Special drawing rights	(1 DTS)	750.7451	820.1188	9.24
US Dollar	(1 USD)	493.6307	591.1520	19.76
Swiss Franc	(1 CHF)	540.0490	614.4077	13.77
Pound Sterling	(1 GBP)	813.4219	903.5117	11.08
Japanese yen	(1 JPY)	4.6728	4.8848	4.54
Gambian dalasi	(1 DALASI)	12.0124	13.8656	15.43
Ghanaian cedi	(1 CEDI)	171.1236	159.3542	-6.88
Guinean franc	(1 FNG)	0.0704	0.0792	12.45
Liberian dollar	(1 DOLLAR)	5.8112	6.5522	12.75
Nigerian naira	(1 NAIRA)	3.1568	3.0742	-2.62
Sierra Leonean leone	(1 LEONE)	0.1096	0.1171	6.77

Sources : BdF, WAMA, IMF, BCEAO.

Table 2: Trends in quarterly average exchange rates

YEAR 2014		1st quarter	2nd quarter	3rd quarter	4th quarter
Special drawing rights	(1 DTS)	737.9265	739.3047	753.7720	771.9772
US Dollar	(1 USD)	478.8939	478.3701	494.9872	525.1017
Swiss Franc	(1 CHF)	536.1170	538.0519	541.4569	544.6489
Pound Sterling	(1 GBP)	792.3781	804.9869	826.3158	831.2372
Japanese yen	(1 JPY)	4.6600	4.6845	4.7623	4.5878
Gambian dalasi	(1 DALASI)	12.3451	12.1748	11.6786	11.8733
Ghanaian cedi	(1 CEDI)	197.6344	167.4782	160.0238	164.0669
Guinean franc	(1 FNG)	0.0685	0.0684	0.0708	0.0742
Liberian dollar	(1 DOLLAR)	5.7670	5.4723	5.7927	6.2674
Nigerian naira	(1 NAIRA)	3.0849	3.0799	3.1848	3.2863
Sierra Leonean leone	(1 LEONE)	0.1100	0.1096	0.1100	0.1090
YEAR 2015		1st quarter	2nd quarter	3rd quarter	4th quarter
Special drawing rights	(1 DTS)	821.1003	829.2365	827.1184	803.0201
US Dollar	(1 USD)	582.0554	593.7695	589.9601	599.0840
Swiss Franc	(1 CHF)	611.7860	630.2229	611.4819	604.7173
Pound Sterling	(1 GBP)	882.0974	909.6196	914.3107	908.7375
Japanese yen	(1 JPY)	4.8883	4.8901	4.8273	4.9346
Gambian dalasi	(1 DALASI)	12.1858	13.9551	14.8767	14.8052
Ghanaian cedi	(1 CEDI)	171.9493	150.1421	158.8986	157.9289
Guinean franc	(1 FNG)	0.0802	0.0804	0.0785	0.0777
Liberian dollar	(1 DOLLAR)	5.7940	7.0088	6.7563	6.7933
Nigerian naira	(1 NAIRA)	3.2459	3.0230	3.0044	3.0355
Sierra Leonean leone	(1 LEONE)	0.1187	0.1223	0.1177	0.1102

Sources : BdF, WAMA, IMF, BCEAO.

As for WAEMU's neighbouring countries, on November 16th, 2015, the Central Bank of Ghana raised its main leading rate by 100.0 basis points to 26.0%, its highest level over the past 12 years. To stimulate growth, which recovered slightly in the third quarter of 2015, the Central Bank of Nigeria (CBN) lowered its leading rate by 200.0 basis points on November 24, 2015, to a level of 11.0% and lowered the required reserve coefficient applicable to banks by 500.0 basis points, to stand at 20.0%.

On forex markets, the euro depreciated against other major currencies, particularly in the second half of FY 2015, in conjunction with the monetary policy easing measures implemented by the ECB and the beginning of the normalization of the Fed's monetary policy. The euro exchange rate stood at 1.0862 dollar at the end of December 2015, against 1.2098 dollar one year prior, a drop of 11.4%. The common European currency also declined in relation to the Japanese yen, the Swiss franc, the yuan and the pound sterling, respectively by 10.9%, 10.5%, 6.3% and 5.4%.

On the West African market, the WAEMU zone currency increased in value compared to the Ghanaian cedi (+7.4%) and the Nigerian naira (+2.7%). On the other hand, the CFA franc declined against the Gambian dalasi (-13.4%), the Liberian dollar (-11.3%), the Guinean franc (-11.1%) and the Sierra Leonean leone (-6.3%). On average over FY 2015, 1,000 CFA F were exchanged against 6.3 Ghanaian cedis, 72.1 Gambian dalasis, 8,542.7 Sierra Leonean leones, 152.6 Liberian dollars, 12,629.5 Guinean francs and 325.3 Nigerian nairas.

1.1.5 - Employment and inflation in industrialized countries

Demand for employment decreased overall in industrialized countries in 2015. In the United States, the unemployment rate fell to 5% in December 2015, compared to 5.6% on December 31, 2014. In the euro zone, it stood at 10.4% on December 31, 2015, compared to 11.3% one year prior. Similarly, in Japan, the unemployment rate was down by 0.1 percentage point over the period, standing at 3.3% in December 2015.

Global inflation continued its downward trend in 2015, notably due to the decrease in oil prices. In industrialized countries, the inflation rate stood at 0.3% in 2015, against 1.4% in 2014, below the target rates set by the world's central banks. In emerging and developing countries, it averaged 4.7% in 2015 after 5.4% in 2014.

1.2 - TRENDS IN THE ECONOMIC SITUATION OF WAEMU MEMBER STATES

Economic activity in the Union remained resilient, despite a gloomy international economy caused by a persistent slowdown in the major emerging countries, notably China, Brazil and Russia. Internally, it benefited from an improved sociopolitical climate.

1.2.1 - Gross domestic product and real sector trends in WAEMU

The latest estimates, made in late April 2016, announced 7.0% growth in the volume of the gross domestic product of the Union in 2015, after 6.5% growth in 2014.

Economic growth in WAEMU was boosted by an increase in manufacturing production, supported by an increased energy supply and a dynamic public works and civil engineering sector thanks to continuing public and private investments in most member states. It was also driven by an increase in agricultural production during the 2015/2016 growing season and the development of the service sector, along with the popularization of new products, particularly in telecommunications, and the development of mobile banking.

The tertiary sector was the main driver of growth, contributing 3.9 points, linked to the boost in trade, communications and services. It was followed by the secondary sector, which contributed 1.7 point, up 0.9 point compared to 2014, thanks to a continued strong rate of investments in public works and civil engineering and a recovery in the extractive industry. The contribution of the primary sector to economic expansion stood at 1.4 point.

Regarding agricultural production, because of good spatio-temporal distribution of rainfall in the region, with the exception of northern Benin and Togo, the delay in the start of the 2015/2016 growing season barely affected crop yields. The latest available official estimates on crop yields showed overall satisfying results at the regional level.

Food crop production in the Union increased by 6.9% compared to the previous crop year. The increase was chiefly driven by cereals (+11.2%) and, to a lesser extent, by other crops (+8.1%) including tubers (+2.0%). The strongest increases were recorded in Senegal (+71.7%), Guinea-Bissau (+31.8%), Mali (+15.3%), Niger (+14.8%) and Côte d'Ivoire (+8.9%). In Benin, Togo and Burkina Faso, food crop production respectively fell by 8.6%, 4.3% and 3.5%.

As for cash crops, recent estimates showed an increase in production compared to the performance in the 2014/2015, in all crops with the exception of cotton; cotton harvests dropped from 2,198,983 tonnes in the 2014/2015 crop year to 2,062,093 tonnes the following year. This trend was chiefly due to decreases in Burkina Faso (-18.3%) and Benin (-22.9%), respectively the number one and number four producers in the Union, due to poor rains in growing areas.

Production of groundnuts recovered, increasing by 26.8% to 2,609,785 tonnes, chiefly due to good harvests in Senegal (+67.6%), Niger (+14.9%), Burkina Faso (+9.1%) and Mali (+3.9%), the main producers in the Union. Coffee production grew by 16.6%, notably due to continuing government action in support of the industry and good rains.

The cocoa harvest was estimated at 1,769,429 tonnes, up 4.9% compared to the 2014/2015 crop year. This stronger performance was essentially due to positive results from action by the Ivoirian authorities to revive the sector for nearly the past five years.

Compared to the 2014/2015 crop year, cashew and rubber production respectively rose by 9.9% and 0.8%, reaching respective levels of 1,073,606 tonnes and 320,000 tonnes during the 2015/2016 crop season.

Mining production in the Union was satisfactory overall. The production index for “extraction activities” rose in 2015 compared to 2014, chiefly due to a recovery in the industry in Côte d’Ivoire.

Gold mining experienced a 4.0% increase, reaching 104.2 tonnes in 2015, due to an increase in production in all gold-producing countries in the Union. In Burkina Faso, total ore production was 36.4 tonnes in 2015, up 0.2% compared to 2014. In Côte d’Ivoire, 20.1 tonnes of gold were mined in 2015, up 15.7% compared to 2014. Gold production in Mali stood at 46.5 tonnes, up 1.4% compared to the previous year. In Niger, 1.2 tonne was produced in 2015, 79.2% more than in 2014.

Phosphate production in the Union, stood at 2,156,194 tonnes in 2015, up 15.9% compared to 2014. This increase reflects the impact of measures taken by the top two producers in the Union, Senegal and Togo, to revitalize the sector. In these countries, the quantities extracted respectively increased by 33.7% and 3.7%, reaching levels of 1,006,000 tonnes and 1,150,194 tonnes.

Furthermore, 4,115.2 tonnes of uranium were produced in 2015 against 3,991.7 tonnes in 2014, for an increase of 3.1%.

Crude oil production experienced an overall increase of 1.6% in the Union. In Côte d’Ivoire, the available data shows a 15.7% increase in production, which was estimated at 7,347.0 thousand barrels. In Niger, oil production declined by 12.7%, reaching 5,459.0 thousand barrels in 2015, due to disturbances taking place on production sites.

1.2.2 - Price developments

In FY 2015, inflation experienced an upward trend, while remaining within a range compatible with price stability. The inflation rate in the Union averaged 1.0% in 2015, compared to -0.1% the previous year. The increase in the overall level of consumer prices in 2015 was mainly due to local foodstuffs, particularly vegetables, cereals, tubers and fishery products. Thus, in Togo and Benin, the prices of cereals rose due to lower production of staple crops during the last growing season. In 2015, the trend in the overall price level was affected by increased prices for construction materials, particularly cement, especially in Côte d’Ivoire, due to increased demand for new housing.

Despite the abovementioned upward trends, developments in the overall price level remain within proportions compatible with the goal of price stability. This situation was a reflection of the easing of domestic fuel prices. In most of the countries in the Union, oil prices were adjusted downwards, particularly in the second half of 2015, following the drop in world crude oil prices. At the end of FY 2015, average fuel prices showed an overall drop of 9.0%, year over year.

The core inflation rate, calculated excluding the most volatile prices, was also up, from an annual average of 0.4% in 2014 to 0.6% in 2015. This trend reflected an increase in the price of services.

In 2015, the inflation gap between WAEMU and its principal partners favoured the WAEMU zone. The differential stood at 1.4 percentage point in relation to all of the partners of the Union. In relation to Ghana and Nigeria, the inflation differential was respectively 16.1 and 8.0 percentage points. On the other hand, WAEMU showed an unfavourable inflation differential of 1.0 percentage point in relation to the Euro Zone.

Table 3: Trends in consumer prices in 2014 and 2015 (%)				
	2014		2015	
	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	-1,1	-0,7	0,3	2,3
Burkina	-0,3	-0,2	1,0	1,3
Côte d'Ivoire	0,5	0,9	1,2	1,3
Guinea-Bissau	-1,0	-0,1	1,5	2,4
Mali	0,9	1,1	1,4	1,0
Niger	-0,9	-0,6	1,0	2,2
Senegal	1,1	-0,8	0,1	0,4
Togo	0,2	1,8	1,8	1,6
UEMOA	-0,1	0,3	1,0	1,3

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

1.2.3 - Public finance and external debt position

1.2.3.1 - Trends in state financial transactions

The profile of public finances in the member states of the Union in 2015 generally reflected their priority focus on continuing to implement public investment programmes aimed at creating the conditions for sustainable growth. In this context, state financial transactions led to a deterioration of the budget deficit compared to FY 2014. The overall deficit, based on commitments and including grants, stood at 2,185.1 billion at the end of December 2015, against 1,590.9 billion one year prior. As a percentage of the GDP, the deficit stood at 4.1% in 2015 compared to 3.2% in 2014.

In terms of fiscal revenue, collections totalled 10,203.1 billion (19.1% of GDP) at the end of December 2015, up 830.3 billion (12.6%) 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 Côte d'Ivoire (+21.2%), Mali (+20.4%), Togo (+10.4%) and Senegal (+7.2%). Benin, Guinea-Bissau and Niger recorded respective increases of 5.0%, 3.8% and 5.1%. In Burkina Faso, revenue dropped by 1.6%.

However, despite increased recovery of tax revenue, the tax ratio remains low. It rose slightly from 16.1% in 2014 to 16.4% in 2015, remaining below the community target of at least 20% by 2019.

Non-tax revenue totalled 1,217.0 billion in 2015, against 917.8 billion one year prior.

Budget grants totalled 1,283.5 billion at the end of December 2015, up 4.1% compared to December 2014. Budget support represented 36.3% of total grants.

Net expenditure and loans increased by 14.0%, from 11,991.0 billion (24.3% of GDP) at the end of December 2014 to 13,671.6 billion (25.5% of GDP) at the end of December 2015. This trend in public spending reflected the rate of increases in current spending, along with a significant increase in capital expenditure during the year. Current expenditures showed an increase of 13.1% in 2015, reaching 8,490.3 billion, in conjunction with increases in wages and salaries (+11.3%), grants and transfers (+9.4%) and interest expenses (+32.1%).

Capital spending totalled 4,786.7 billion at the end of December 2015, an increase of 520.1 billion, in conjunction with the continued implementation of public investment programs in the area of infrastructure. As a percentage of the GDP, it stood at 8.9% in 2015, compared to 8.7% in 2014. Capital expenditure financed by domestic resources represented 60.3% in 2015 against 59.0% in 2014.

Investment efforts by country were highest in Niger (21.7% of the GDP in 2015 against 21.3% in 2014), Togo (11.7% of the GDP in 2015 compared to 9.4% in 2014), Senegal (11.3% of the GDP in 2015 compared to 11.9% in 2014), Benin (7.5% of the GDP in 2015 compared to 5.3% in 2014) and Mali (7.3% of the GDP in 2015 against 6.5% in 2014). Burkina Faso, Côte d'Ivoire and Guinea-Bissau respectively recorded investment rates of 6.9%, 6.6% and 6.2% of the GDP in 2015, compared to 8.8%, 5.9% and 7.6% the year before.

In conjunction with these trends, the overall deficit on a cash basis, including grants, at the end of December 2015, deepened by 881.0 billion to stand at 2,363.5 billion, or 4.4% of the GDP, compared to a deficit of 1,482.5 billion or 3.0% of the GDP over a similar period the previous year. In net terms, 71.5% of the deficit, or 1,689.5 billion, was funded by external resources and 28.5%, or 674.0 billion, by internal resources.

Table 4: Trends in public finance in 2015

	December 2014	December 2015	Gap (2) – (1)	
			(In billions of CFA francs)	(%)
	(1)	(2)		
Total revenue	9 062,3	10 203,1	1 140,8	12,6
Including tax revenue	7 924,2	8 754,5	830,3	10,5
Non-tax revenue	917,8	1 217,0	299,2	32,6
Grants	1 337,9	1 283,5	-54,4	-4,1
Total expenditures and net loans	11 991,0	13 671,6	1 680,6	14,0
Including current expenditures	7 508,3	8 490,3	982,1	13,1
Payroll	3 126,1	3 479,5	353,4	11,3
Grants and transfers	1 816,0	1 987,1	171,0	9,4
Interest on the debt	497,2	657,1	159,9	32,1
Capital expenditure	4 266,6	4 786,7	520,1	12,2
Other expenditure	239,0	363,3	124,3	52,0
net loans	-22,8	31,2	54,1	-236,8
Overall balance commitment basis (including grants)	-1 590,9	-2 185,0	-594,2	37,4
(as a % of the GDP)	-3,2	-4,1		
Overall balance cash basis (including grants)	-1 482,5	-2 363,5	-881,0	59,4
(as a % of the GDP)	-3,0	-4,4		

Sources: National departments, BCEAO.

1.2.3.2 - Resource mobilization and external debt position

In FY 2015, only Côte d'Ivoire operated on the international financial markets with a view to raising funds, by issuing 13-year eurobonds in the amount of 1000.0 million US dollars (approximately 579.0 billion CFA F based on the dollar exchange rate of February 24, 2015). At the close of the operation, orders were recorded for a total amount of over 4,000 million US dollars.

The coupon rate was 6.375% in 2015, compared to 5.375% for the Eurobond issue made in 2014. The price of the bonds was 97.955%, so that the rate of return on the issue was 6.625%. The rate of return at the end of December 2015 stood at 7.561%.

Based on the latest available figures, the overall outstanding external public debt of all Union member states stood at 13,328.1 billion CFA francs at the end of December 2015, compared to 11,347.2 billion CFA francs at the end of December 2014, an increase of 17.5%. The trend reflects increased drawdowns on loans, which stood at 1,947.0 billion in 2015, up 53.7% compared to 2014.

The ratio of outstanding debt to GDP was 24.9% in 2015 compared to 23.0% the year before. On an individual country basis, it was 20.8% in Benin against 18.2% in 2014, 24.6% against 22.8% in Burkina, 20.1% against 19.6% in Côte d'Ivoire, 32.2% against 34.5% in Guinea-Bissau, 22.7% against 20.9% in Mali, 26.6% against 18.6% in Niger, 39.5% against 38.0% in Senegal and 25.5% against 21.2% in Togo. None of the countries in the Union accumulated payment arrears on their external debts.

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 most of the countries indicated low or moderate risk of over-indebtedness. However, year over year, debt ratios have 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 Union's foreign trade in FY 2015 culminated in an overall deficit of 191.5 billion compared to a surplus of 74.5 billion in 2014. The deterioration in the overall balance was essentially due to a drop in net inflows of foreign capital in the member states of the Union. The impact of the trend was offset somewhat by the decrease in the current account deficit.

The current account deficit exclusive of grants stood at 6.3% of the GDP in 2015, against 7.2% of the GDP one year prior, down 0.9 percentage point, mainly due 2014 to a reduction of the deficit in the balance of goods and an increase in the surplus in the balance of secondary income (excluding official transfers). The trend was attenuated by an increase in the deficit of services and the primary income account.

The deficit in the balance of goods was reduced by approximately 25.8% due to the impact of stronger growth in exports (+5.7%) than in imports (+2.6%).

The growth in exports was essentially due to increased volumes and prices in CFA francs for products such as cashew nuts (+63.3%), coffee (+39.4%), cocoa (+25.7%), cotton (+14.9%) and gold (+14.1%) on international markets. The positive price effect was reinforced by the appreciation of the dollar in relation to the euro. The positive trend in exports was slowed, however, by the downward trend in revenue from sales of oil (-22.3%), uranium (-1.1%) and wood (-4.8%), chiefly due

to the decline in international prices for those products and the fact that the major export companies stopped marketing uranium in the first quarter of 2015.

The increase in imports of goods in 2015 (+2.6%) was essentially due to food supplies (+5.1) and other basic consumer goods (+8.7%), as well as capital and intermediate goods (+8.6%). Purchases of capital and intermediate goods increased due to continued construction of infrastructure in the framework of the implementation of national development plans. However, growth in imports was partially offset by the drop in the oil bill (-17.8%) due to a decrease of approximately 30.0% in the price of the barrel of crude oil.

The deficit in the balance of services grew by +8.7%, mainly due to increases in the freight bill (+6.1%) and other services (studies, engineering) purchased notably by mining and oil companies.

The deficit in the primary income account grew by 5.7%, due to the impact of the increase in interest payments on the foreign debt. Growth in the balance of the account was attenuated by decreased payments of dividends to foreign shareholders in major gold, uranium and oil export companies in the Union, notably due to the decline in the profits of mining export companies in 2014.

The surplus in the secondary income account grew by 7.1% in 2015, due to the impact of increased budget aid (+9.4%) and remittances (+11.1%).

The capital account surplus stood at 1,261.1 billion, compared to 1,161.5 billion the year before, mainly due to an increase in project grants in the framework of funding for public infrastructure building programs.

Net inflows of foreign capital in the financial account stood at 2,156.6 billion in 2015, down 9.5% compared to 2014. This trend essentially reflected a drop in foreign direct investments (FDIs) and “other investments”, while the net flows of portfolio investments were up. The declines in net flows of FDIs was notably linked to the wait-and-see attitude of investors in the mining and oil sectors due to the unfavourable outlook for the prices of those raw materials. The drop in net flows under “other investments” was notably due to the decrease in net commitments under commercial loans taken out in 2014, in the framework of funding for the goods and services deficit. The increase in net portfolio investment flows was essentially due to the issue of eurobonds by the Côte d’Ivoire government in 2015.

II - MONETARY POLICY IMPLEMENTATION

2.1 - MONETARY POLICY OBJECTIVES

Since the entry into force of the Institutional Reform on April 1, 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 actions in 2015 relied mainly on use of indirect tools to regulate liquidity, specifically the leading rate, refinancing operations and the required reserve system.

2.2.1 - Interest rate policy

In an environment characterized by low inflation and uncertainties as to the outlook for economic growth, the BCEAO maintained its key interest rates at the previous year's levels in order to support economic activity. The minimum bid rate on regular cash injection tender transactions and the marginal lending rate therefore respectively remained set at 2.50% and 3.50%, the levels that have been in force since September 16, 2013.

2.2.2 - Open market operations

The BCEAO continued to carry out cash injection operations through its windows in FY 2015, through weekly and monthly bidding. The amounts put up for adjudication through the one-week and one-month tender windows varied with the cash needs forecasts of the Union's banks.

The amounts offered through weekly calls for bids rose during FY 2015, from 1,600 billion in January 2015 to 1,730.0 billion in December 2015, an increase of 8.1% compared to 39% in 2014. The increase was observed as of the second quarter of 2015, with amounts rising from 1,250.0 billion in April to 1,730.0 billion since October 27, 2015. Weekly average advances granted by the Central Bank through its weekly window totalled 1,466.9 billion.

The amounts offered through monthly calls for bids rose from 950.0 billion in January 2015 to 975.0 billion at the end of April 2015, their highest level of the year, before entering a downward trend that would leave them at 840.0 billion at the end of December 2015. Growth in FY 2015 totalled 8.4%, compared to 41.7% the year before. In this compartment, requests filled averaged 865.4 billion per month, compared to 693.0 billion 2014.

An analysis of the trends in interest rates across both tender windows shows a general upward trend. The marginal interest rate on the one-week window changed continuously over the first nine months of the year, ranging from 2.5000% to 2.5307%. Beginning in October 2015, the rate rose steadily, reaching 2.6900% at the end of December 2015. The marginal rate on bidding through the one-month window fluctuated between 2.5010% and 2.5911% in FY 2015.

Overall, aggregate outstanding advances on one-week and one-month bid windows stood at 2,570.0 billion at the end of December 2015 against 2,450.0 billion at the end of December 2014, for a year-over-year increase of 120.0 billion (+4.9%).

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. It should also be noted that no reverse repurchase transactions have been carried out by the Central Bank since January 2002.

2.2.3 - Actions through permanent refinancing windows

Advances granted by the BCEAO through the marginal lending window at the initiative of the banks jumped from 113.6 billion at the end of December 2014 to 720.9 billion at the end of December 2015, in conjunction with increased requests in the final quarter of 2015. The weekly average of outstanding credit in the final quarter of 2015 stood at 149.0 billion, against 33.8 billion over the first nine months of FY 2015. The increase was due to the fact that the supply of cash on tender windows was maintained at 1,730.0 billion, leading to increased usage of the marginal lending window by banks. With respect to the special refinancing window¹, outstanding transactions recorded over the period under review stood at 74.7 billion at the end of December 2015 compared to 60.6 billion at the end of December 2014.

2.2.4 - Reserve requirements system

The required reserve coefficient applicable to the banks of the Union was set at 5.0%, the level that has been in force since March 16, 2012. In 2015, the average deficit in the constitution of required reserves stood at 8.6 billion compared to 8.7 billion in 2014 and applied to an average of seven (7) banks per period.

Table 5: Reserve requirement ratios applicable to banks (as a percentage)													
	Up to 15 Nov. 98	16 Nov. to 15 Dec. 1998	16 Dec. 1998 to 15 April 2000	16 April to 15 Aug. 2000	16 Aug. to 15 Sept. 2000	16 Sept. 00 to 15 April 2002	16 April 02 to 15 March 2004	16 March 04 to 15 June 2005	16 June 2005 to 15 June 2009	16 June 2009 to 15 May 2010	16 May to 15 Dec. 2010	16 Dec. 2010 to 15 March 2012	Since 16 March 2012
<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
Burkina Faso	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
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
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
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
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
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
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

Source: BCEAO.

¹ 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.

2.3 - TRENDS IN MONETARY AGGREGATES

The monetary situation in the Union at the end of December 2015, compared to the end of December 2014, was characterised by an increase in the money supply, subsequent to an increase in domestic credit. The drop in the net foreign assets of the monetary institutions had a moderating effect.

2.3.1 - Net foreign assets

The net foreign assets of monetary institutions dropped by 115.0 billion or 2.4% over the year, reaching 4,725.6 billion at the end of December 2015. This development was due to a drop of 338.1 billion in net foreign assets that the increase of 223.1 billion in the assets of the Central Bank was insufficient to offset.

The official foreign exchange reserves of the BCEAO grew by 453.4 billion, reaching 7,487.0 billion at the end of December 2015. As a result, the Central Bank's currency issue coverage fell to 80.2% compared to 84.3% in December 2014. The issuing institution's foreign commitments were up by 230.4 billion, reaching 2,055.5 billion.

2.3.2 - Domestic credit

Outstanding domestic credit rose by 2,899.0 billion or 17.7% compared to its level at the end of December 2014, reaching 19,306.9 billion at the end of December 2015. This development is the result of the combined impact of the increases in bank loans to the private sector and net claims of monetary institutions on the states.

2.3.2.1 - Net position of the Governments

The net liability position of the Governments in relation to the banking system stood at 5,798.1 billion on December 31, 2015, down 1,082.5 billion compared to its level at the end of December 2014. This development was essentially due to an increase in the member states' bank debts (1,477.0 billion), linked to an increase in net issues of public securities (+1,443.9 billion in 2015).

2.3.2.2 - Credit to the economy

Outstanding credit to the economy grew by 1,816.4 billion or 15.5% in 2014, reaching 13,508.8 billion at the end of December 2015, in conjunction with increases of 1,747.3 in ordinary loans and 69.1 billion in seasonal loans. The rise in ordinary loans resulted chiefly from assistance granted to businesses in the energy, agro-industry, telecommunications, transportation, mining, general trade and services sectors. The growth in bank loans to the private sector was due to increases of 922.1 billion or 18.6% in medium- and long-term credits and of 894.3 billion or 13.3% in short-term loans.

In **Benin**, outstanding credits to the private sector had decreased by 19.8 billion (1.8%) by the end of FY 2015, dropping to 1,064.5 billion. This development was due to the reduction in seasonal loans (-41.6 billion), whose impact was attenuated by the expansion of ordinary loans (21.9 billion). The rise in ordinary loans was chiefly due to assistance granted to businesses in the agro-industry, petroleum product distribution, energy, public works and civil engineering, general trade and services sectors. Short-term loans declined by 5.7 billion, while medium- and long-term loans fell by 13.9 billion.

In **Burkina Faso**, outstanding credit to the economy totalled 1,897.5 billion, up 9.2% compared to December 2014, notably due to 171.7 billion or 10.2% growth in ordinary loans, while seasonal loans were down by 12.7 billion. The trend in ordinary loans was due to new bank loans set up for mining and cotton companies, as well as loans to businesses in the hydrocarbon, public works and

civil engineering, agro-industry, and general trade sectors. Short-term loans dropped by 10.1 billion, while medium- and long-term loans grew by 169.2 billion.

In **Côte d'Ivoire**, outstanding credits to the economy stood at 4,466.6 at the end of December 2015, up 29.6% compared to the level of 3,446.7 billion it reached at the end of December 2014. The increase in bank loans to the private sector reflected increases of 906.1 billion or 28.6% in ordinary loans and 113.9 billion or 41.3% in seasonal loans. The trend in ordinary loans was essentially due to new loans set up for businesses operating in the agro-industry, public works and civil engineering, telecommunications, hydrocarbon and transportation sectors. Short-term and medium- & long-term credit increased respectively by 584.8 billion and 435.1 billion.

In **Guinea-Bissau**, credit to the economy stood at 62.6 billion at the end of December 2015, up 1.5 billion year over year, notably due to a 1.9 billion (3.0%) increase in seasonal loans. New bank loans were set up for companies in the cashew-harvesting business. Short-term loans were strengthened by 4.8 billion, while medium- and long-term loans fell by 3.3 billion.

In **Mali**, outstanding credit to the economy grew by 289.4 billion or 19.9%, reaching 1,747.5 billion following a 288.4 billion or 19.8% increase in ordinary loans granted to businesses operating in the areas of hydrocarbons, transportation, agro-industry and mining. Seasonal loans also grew by 1.0 billion. Short-term credit and medium- and long-term loans showed respective gains of 148.5 billion and 140.9 billion.

In **Niger**, outstanding credit to the economy stood at 649.1 billion, up 75.5 billion or 13.2% compared to its level in December 2014. This development was essentially due to the cash advances granted mainly to oil, telecommunications, energy, transportation, and service companies. Short-term credit and medium- and long-term credit showed respective gains of 49.1 billion or 16.4% and 26.4 billion or 9.6%.

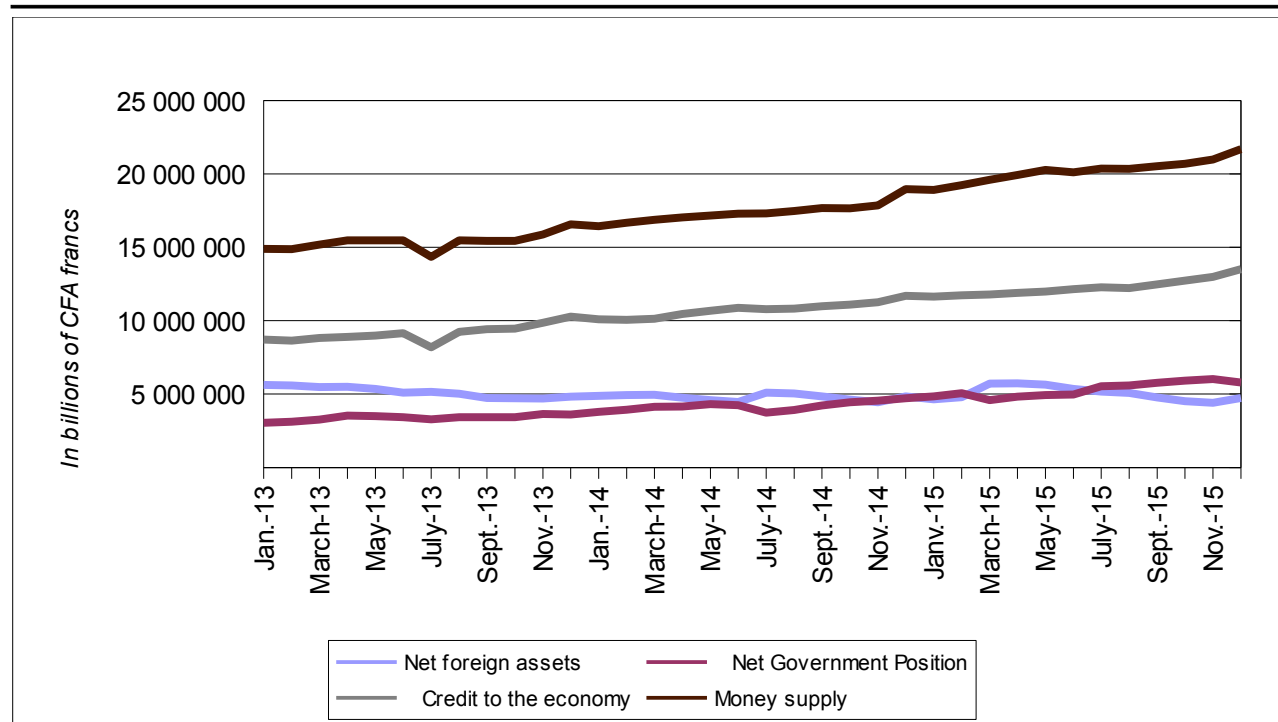
In **Senegal**, credit to the economy grew 6.5% year over year to reach 2,735.1 billion at the end of December 2015. This trend was linked to growth in ordinary loans, which progressed by 159.1 billion, and in seasonal credits (+8.3 billion). Growth in ordinary loans was chiefly due to increases in bank loans set up for private-sector operators working in the hydrocarbon, agro-industry, manufacturing, general trade and services sectors. The increase in credits was driven by a 123.5 billion increase in short-term credits and a 43.8 billion increase in medium- and long-term credits.

In **Togo**, outstanding credits to the economy progressed by 123.4 billion to stand at 886.0 billion at the end of December 2015. The trend was essentially due to a 123.3 billion or 16.2% increase in ordinary loans. Short-term credits and medium- and long-term credits increased respectively by 27.4 billion and 96.0 billion, essentially due to the jump in ordinary loans granted to companies operating in the petroleum product distribution, transportation and trade sectors as well as in chemical industries linked to phosphates.

Table 6: WAMU – integrated monetary situation

	2013	2014	2015	Change in 2015	
				Absolute	%
Net foreign assets	4,830.2	4,840.6	4,725.6	-115.0	-2.4
Central Bank	4,950.4	5,208.4	5,431.5	223.1	4.3
Bank	-120.2	-367.8	-705.9	-338.1	91.9
Domestic credit	13,883.0	16,407.9	19,306.9	2,899.0	17.7
Net position of governments	3,614.2	4,715.6	5,798.1	1,082.5	23.0
Credits to the economy	10,268.8	11,692.4	13,508.8	1,816.4	15.5
ASSETS = LIABILITIES	18,713.1	21,248.5	24,032.5	2,784.0	13.1
Money supply	16,568.1	18,958.3	21,689.7	2,731.4	14.4
Currency outside banks	4,235.0	4,666.5	5,226.7	560.2	12.0
Bank deposits	12,206.7	14,125.7	16,267.2	2,141.5	15.2
Deposits in national savings and postal accounts	126.4	166.1	195.7	29.6	17.9
Other items (net)	2,145.0	2,290.2	2,342.8	52.6	2.3

Source: BCEAO.

Graph 6 : WAMU – Integrated Monetary situation

Source : BCEAO.

2.3.2.3 - Trends in loans registered with the central credit register

With respect to banking risk centralization, the overall outstanding amount of credit registered with the central credit register stood at 10,548.6 billion at the end of December 2015, against 8,957.2 billion on December 31, 2014, an increase of 1,591.4 billion (17.8%). During the period under review, short-term credit increased by 19.0% and medium/long-term credit, by 15.1%.

The increase in overall outstanding credit recorded in 2015 by the central credit register was notably due to an increase in loans granted to the “Bulk trade” (+661.8 billion), “Manufacturing industry” (+228.0 billion), “Public works and civil engineering” (+191.5 billion), “Transportation and communications” (+144.8 billion) and “Agriculture, forestry and fishery” (+61.1 milliards) sectors, as well as “Electricity, gas and water” (+45.7 billion).

2.3.3 - Money supply and monetary base

In conjunction with the trends in its counterparts, the money supply grew by 2,731.4 billion or 14.4%, to stand at 21,689.7 billion at the end of December 2015. This development was reflected in the increases of 2,141.5 billion or 15.2% in bank deposits and 560.3 billion or 12.0% in currency outside banks.

Compared to its level at the end of December 2014, the monetary base grew by 13.6%, reaching 8,072.9 billion on December 31, 2015, essentially due to the 729.4 billion upswing in Central Bank loans to credit institutions, and the drop of 51.2 billion in states’ deposits with the Central Bank.

2.3.4 - Private savings collected by banks and savings banks

Savings mobilized by the banking system in the countries of the Union were estimated at 7,008.4 billion as at December 31, 2015, up by 825.9 billion or 13.4% compared to the level recorded at the end of December 2014. This trend was chiefly linked to term deposits and special accounts, which respectively progressed by 485.1 billion or 14.6% and 316.5 billion or 11.6%.

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

In 2015, the WAEMU banking network grew by five (5) units compared to the previous year. Thus, the total number of approved credit institutions stood at 137 units compared to 132 on December 31, 2014.

Based on activities, between December 2014 and December 2015, developments within the Union's banking system were marked by respective growth of 17.0% in resources and 18.6% in uses. In credit institutions, resources stood at 22,242.3 billion at the end of December 2015 against 19,008.2 billion in December 2014, showing an appreciation of 3,234.1 billion. This trend was chiefly due to an increase of 2,812.1 billion (+17.6%) in deposits and loans, 141.2 billion (+11.6%) in miscellaneous resources and 280.9 billion (+15.6%) in net equity capital.

Uses increased by 3,690.3 billion (+18.6%). This development was essentially due to increases in credit (+1,908.7 billion; +14.7%) and in other uses (+1,781.6 billion; +25.9%).

Short-term credit grew by 876.5 billion (+13.1%) and medium- and long-term credit by 929.1 billion (+17.3%). Overdue loans were up by 77.8 billion (+9.7%), while leasing and related transactions dropped by 25.3 billion (+19.6%).

The increase in other uses, namely investment securities and financial investments, respectively grew by 1,142.5 billion (+24.6%) and 298.0 billion (+43.4%), reaching 5,783.4 billion and 985.2 billion.

The deficit in the cash flow of banks and financial institutions deepened by 456.2 billion, reaching 1,336.8 billion at the end of December 2015, linked to a sharper increase in uses as compared to resources. During the period under review, this situation prompted credit institutions to make more extensive use of central bank monetary assistance.

The quality of the portfolio of the Union's banks and bank-like financial institutions had improved on December 31, 2015, compared to the previous year. The gross rate and the net rate of deterioration in portfolio quality respectively stood at 14.4% and 5.9% compared to 15.0% and 6.2% in December 2014.

Based on the available data, as at September 30, 2015, in prudential terms, the effective combined equity of the WAMU banking system as a whole stood at 1,270.8 billion, including 1,205.2 billion in the banks. The weighted risks were assessed at 14,125.3 billion, 99.0% of which were borne by the banks. The average "capital-risk ratio" for the banking system as a whole stood at 9.0%, down 0.66 percentage point compared to the level at the end of December 2014, against a minimum standard of 8.0%. The ratio was 8.62% for the banks and 47.04% for financial institutions. Approximately 73% of all credit institutions complied with the ratio.

Furthermore, on September 30, 2015, 76% of banks and bank-like financial institutions were in compliance with the liquidity ratio, compared to 75% at the end of December 2014, an increase of 1.0 percentage point.

In all, from a prudential standpoint, the status of the Union's banking system with respect to the solvency standard had deteriorated slightly as at the end of September 2015, due to greater increases in weighted risks than in equity capital.

In the microfinance sector, the upward trend witnessed in recent years continued in 2015, despite the fact that there were seventeen (17) fewer units in terms of decentralized financial systems (DFS / SFD), which totalled six hundred and seventy-nine (679) at the end of December compared to six hundred and ninety-six (696) at the end of December 2014. The access of the population to the financial services they offered increased by 10.4% during the period under review. The number of beneficiaries of services provided by the institutions stood at 15.7 million at the end of December 2015, against 14.2 million the year before.

As regards financial intermediation, a concomitant increase was observed in deposits and in credit granted. Deposits collected by the DFS / SFD in the Union grew by 14.2%, reaching 957.7 billion CFA F at the end of December 2015, compared to 855.7 billion CFA F at the end of December 2014. They represented 6.2% of all deposits collected by credit institutions on that date. Outstanding credit rose by 11.8%, reaching 934.2 billion CFA F over the same period. It represented 6.9% of all assistance granted by credit institutions in the Union.

During the period under review, the quality of the DFS portfolios in the Union improved slightly. The gross deterioration rate for DFS portfolios in the Union, measured by the ratio of past due loans to outstanding loans, stood at 6.1% at the end of December 2015, against 6.2% one year prior, compared to a generally accepted standard of 3.0% in the sector.

In 2015, the Central Bank and the supervisory authorities continued action aimed at reforming the microfinance sector. Thus, in addition to monitoring licensing and withdrawals of licenses, it contributed to the continued implementation of the measures provided for under the Plan of action for the preservation and consolidation of the viability of the microfinance sector (Plan d'actions pour la préservation et la consolidation de la viabilité du secteur de la microfinance – PAPCVSM), adopted by the Council of Ministers in December 2012. In this framework, mid-term evaluations carried out at the end of December 2015 revealed a relative improvement in DFS financial viability and portfolio quality, in an overall context characterized by closer monitoring of institutions facing difficulties.

In the framework of improving financial information in the microfinance sector, the Central Bank put the “centralized computer DFS monitoring solution” (SICS-SFD) into production on November 2, 2015. The purpose of this secure, modular, financial information management application includes, inter alia: gathering financial and non-financial information on DFS, processing data, notably with a view to calculating financial and non-financial indicators as well as consulting financial and non-financial data on decentralized financial institutions. It will facilitate off-site monitoring of DFS, compatible with the new reporting standards, and will allow microfinance institutions and supervisory authorities to ensure greater speed in the production and processing of information relating to the sector.

3.2 - INTERBANK MARKET

The trend in the WAMU interbank market showed a slight drop in the volume of cash exchanges and a rise in the weekly weighted average interest rate on transactions.

The average weekly volume of transactions stood at 107.2 billion CFA F in 2015 against 109.0 billion CFA F in 2014. 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 39.9% and 31.2% of the average volume of transactions, against 50% and 25% in 2014. On average, these windows cumulated loans totalling respectively 42.8 billion and 33.5 billion in 2015, compared to 54.0 billion and 26.8 billion in 2014.

Compared to the average amount of cash injections, the volume of interbank transactions fell to 4.5% in 2015 against 5.8% in 2014.

Interest rates followed an upward trend. On the main, one-week compartment, the weighted average interest rate was 3.68% in 2015 compared to 3.35% in 2014.

All of the financial centres in the Union participated in interbank market transactions. The most active centres in terms of supplying resources were Abidjan (44.4%), followed by Cotonou (13.0%) and Ouagadougou (10.7%). The principal beneficiaries were Dakar (36.7%), Ouagadougou (13.3%) and Lomé (12.9%).

Table 7: Trends in interbank rates in 2015 (weighted average as a percentage)								
	1 day	1 week	2 weeks	1 month	3 months	6 months	9 months	12 months
January	3.48	3.53	5.06	5.21	5.24	4.91		3.80
February	4.08	3.42	5.06	5.31	4.43	3.80		3.78
March	3.83	3.63	4.99	5.25	5.15			
April	3.88	4.13	4.99	5.19	5.10	5.00		4.28
May	3.69	4.21	4.99	4.83	5.41			
June	3.87	3.87	5.02	5.12	4.47			
July	3.49	4.32	5.09	4.87	4.72	4.53		
August	3.89	3.82	5.11	4.99	3.99	4.00		
September	3.02	3.53	4.95	4.93	5.22			
October	3.61	3.64	4.91	4.33	4.81	4.35		
November	4.16	3.22	4.74	5.04	3.75			6.00
December	3.65	3.58	4.70	3.80	4.33	5.50		3.81
Average	3.74	3.68	4.95	4.79	4.50	4.73		4.54

Source: BCEAO.

Table 8: Trends in interbank lending within WAMU in 2015 (in millions of CFA francs)					
	Average amounts		Average outstanding loans	Rate ranges (as a %)	Loan terms
	Total	Including WAMU			
January	105,695	75,115	272,426	2.50 to 6.00	1 day to 12 months
February	111,550	87,288	306,913	2.50 to 5.75	1 day to 6 months
March	101,854	79,513	300,654	2.53 to 6.45	1 day to 12 months
April	103,511	84,611	260,693	2.55 to 6.00	1 day to 12 months
May	95,950	69,450	282,890	2.60 to 6.00	1 day to 6 months
June	76,045	50,770	291,391	2.50 to 6.00	1 day to 3 months
July	90,66	63,596	307,931	2.50 to 5.75	1 day to 6 months
August	100,515	65,509	300,302	2.50 to 5.75	1 day to 6 months
September	102,528	78,896	342,781	2.50 to 7.00	1 day to 3 months
October	136,413	109,511	363,096	2.50 to 7.00	1 day to 6 months
November	117,853	86,741	339,771	2.50 to 6.50	1 day to 12 months
December	144,367	112,725	360,116	2.50 to 6.00	1 day to 12 months
Average	107,245	80,31	310,747		

Source: BCEAO.

3.3 - FINANCIAL MARKET

3.3.1 - Resource mobilization by the states

3.3.1.1 - Resource mobilization on the regional market

The regional public debt securities market remained the primary source of internal funding for Governments during FY 2015. Net issues of public securities amounted to 1,443.9 billion, against 1,324.9 billion in 2014. Gross issues totalled 3,304.3 billion, including 1,127.3 billion in treasury bills and 2,177.0 billion in bonds².

3.3.1.1.1 - Issues of bills and bonds by auction

Over the year, thirty-four (34) issues of Treasury Bills were carried out for a total amount of 1,127.3 billion, compared to 1,466.7 billion one year prior. 12-month and 24-month maturities were the most commonly requested, with twenty-five (25) issues for a total value of 808.9 billion, or 71.8% of the total value of bills issued.

During the 2015 financial year, rates on the Treasury bill compartment generally followed a downward trend. The weighted average interest rate stood at 4.93% over the period under review, compared to 5.29% one year prior. The most significant drops were in six-month terms (-29 basis points) and twenty-four-month terms (-65 basis points).

In 2015, issues by auction through the Treasury bond compartment stood at 1,636.50 billion, up 587.5 billion compared to FY 2014. The states preferred 3-year and 5-year maturities, which respectively raised 428.8 billion and 713.5 billion, which represented, taken together, 69.8% of the total volume of bond issues by auction.

Table 9: Public securities issues (in billions of CFA francs)											
	2013	2014				Year	2015				Year
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Bills	1,411.5	399.0	457.2	304.4	306.0	1,466.7	447.7	259.8	185.9	234.0	1,127.3
Bonds	860.9	306.0	316.4	305.3	676.1	1,603.8	221.9	568.8	403.3	983.0	2,177.0
<i>by auction</i>	455.8	306.0	255.4	205.3	282.3	1,049.0	221.9	435.5	403.3	575.8	1,636.5
<i>by syndication</i>	405.2	-	61.0	100.0	393.8	554.8	-	133.3	-	407.2	540.5
Total	2,272.4	705.0	773.6	609.7	982.1	3,070.5	669.6	828.6	589.2	1,227.0	3,304.3

Source : BCEAO.

3.3.1.1.2 - Issues of bills and bonds by syndication on the regional financial market

Issues by syndication through the Treasury bond compartment stood at 540.5 billion in 2015, down 14.3 billion compared to 2014. The states preferred the 10-year maturity, which raised a total of 233.5 billion, or 43.2% of the total volume of bond issues by syndication. The bond issues by syndication were carried out by Côte d'Ivoire (440.3 billion including 150.0 billion in Islamic "Sukuk" bonds) and Senegal (100.2 billion).

² This amount includes 150 billion in Islamic "Sukuk" bonds issued by the treasury department of Côte d'Ivoire.
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Table 10: Average interest rate on Treasury bills (as a percentage)										
	2014					2015				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
3 months	4.48	3.91	-	-	4.29	4.92	-	-	-	4.92
6 months	4.41	4.79	4.48	5.51	4.92	5.11	4.59	4.32	4.59	4.63
9 months	-	4.81	-	-	4.81	-	-	-	-	-
12 months	4.90	5.53	5.97	5.56	5.29	5.36	5.07	4.30	4.69	5.06
24 months	5.40	5.60	5.74	6.08	5.67	5.27	5.04	4.65	4.72	5.02
Average rate	4.87	5.19	5.24	5.61	5.29	5.27	4.93	4.43	4.67	4.93

Source: BCEAO.

3.3.1.1.3 Outstanding public securities on the regional market

Overall outstanding public securities were estimated at 6,511.8 billion or 12.5% of the GDP at the end of December 2015, compared to 5,068.8 billion or 10.5% of the GDP one year prior. The structure of the outstanding securities was dominated by bonds, which represented 79.7% of the total.

The year-over-year increase of more than 1,400 billion in outstanding public securities was due to the fact that the member states made intensive use of the long-term compartment of the regional market with a view to financing their investment projects, particularly in infrastructure.

Table 11: Outstanding public securities as at December 31, 2015 ^(*) (in billions of CFA F)				
	Bills	Bonds	Total	Relative share by country (%)
Benin	231.7	624.8	856.5	13.2
Burkina	119.9	348.0	467.9	7.2
Côte d'Ivoire	261.6	2,327.7	2,589.3	39.8
Guinea-Bissau	26.0	0.0	26.0	0.4
Mali	242.8	347.7	590.5	9.1
Niger	78.5	238.5	317.0	4.9
Senegal	199.7	950.4	1,150.1	17.6
Togo	159.0	356.4	515.4	7.9
WAEMU	1,319.2	5,193.5	6,512.7	100.0

(*) These figures only apply to bills and bonds issued on the regional financial market.

Source: BCEAO.

Table 12: Trends in outstanding public securities (in billions of CFA F)						
	2010	2011	2012	2013	2014	2015
Outstanding	1,946.9	2,601.7	3,023.9	3,743.9	5,068.8	6,511.8
(as a % of the GDP)	5.6	7.1	7.5	8.3	10.5	12.5
Relative share (in %)						
- bills	51.8	36.7	39.0	36.3	30.5	20.3
- bonds	48.2	63.3	61.0	63.7	69.5	79.7

Source: BCEAO.

3.4 - ACTIONS TOWARDS FINANCIAL STABILITY

The activities carried out by the BCEAO in 2015 with regard to financial stability essentially focused on:

- preserving the financial stability of the Union;
- reinforcing banking supervision;
- promoting Credit Information Bureaus;
- other actions aimed at promoting financial stability.

3.4.1. Preserving the financial stability of the Union

The actions carried out during FY 2015 focused on the setting up of the governance bodies of the WAMU deposit guarantee fund (FGD-UMOA). To that end, the Board of Directors held its first meeting on June 4, 2015, during which it adopted its internal regulations and appointed the Director of FGD-UMOA, who took up his position on August 3, 2015.

The Central Bank also undertook actions with a view to improving the banking crisis resolution mechanism in the Union, in keeping with international best practices. To that end, following a review of the proposals put forward by the BCEAO during its meeting held in Bissau on July 2-3, 2015, the WAMU Council of Ministers approved the establishment of a banking crisis resolution mechanism in the Union, through Decision No. 025 of July 2, 2015. The mechanism is based on an Authority and a Resolution Fund. The Council granted a mandate to the Governor of the BCEAO to suggest practical procedures for the organization and running of the mechanism.

In addition, with a view to boosting the public debt securities market, the Governor of the BCEAO issued Instruction No. 011-09-2015 of September 11, 2015, on procedures for auctioning Treasury bills and bonds in the member states of the Union with assistance from the WAMU Securities Agency, and Instruction No. 012-09-2015 of September 11, 2015, for securities intermediaries on the registration and circulation of Treasury bills and bonds issued by auction with assistance from the WAMU Securities Agency.

3.4.2 - Reinforcing banking and financial supervision

The activities carried out in this framework focused on improving financial regulation in the Union and designing and implementing tools for banking and financial supervision.

With a view to improving financial regulation, the BCEAO drew up a draft regulatory instrument on the consolidated supervision of banking groups operating in the zone. The draft instrument introduces the concepts of parent-company credit institutions and financial firms into the legal corpus of the Union and establishes the terms and conditions of their consolidated supervision by the WAMU Banking Commission.

The BCEAO also continued its project for the implementation of Basel II and Basel III agreements in WAMU. In this framework, plans to set in place a new prudential policy applicable to credit institution and financial companies have been implemented. The new prudential framework includes the three pillars of the abovementioned Basel agreements, while taking account of the unique features of the economies and the banking sector of the Union. The framework also includes monitoring of major risks and leverage in the credit institutions of the Union.

In addition, research with a view to revising the Union's Banking Chart of Accounts (Plan Comptable Bancaire or PCB, in French). The new chart of accounts for credit institutions includes the new activities carried out by the institutions subject to it, as well as the relevant changes in regulations. Based on a

participatory approach, and the inclusion of banking professionals and accountants on national PCB committees, these reforms should make it possible to equip the banking sector with a new reporting mechanism, in line with the needs of the institutions, the monetary authorities and the supervisory authorities. In this regard, a proposed transition strategy has been developed to bring the banking profession chart of accounts in line with International Financial Reporting Standards (IFRS).

As for the reinforcement of supervisory tools, the Central Bank has undertaken the development of a methodology for the identification of systemically important banking institutions, with a view to improving the risk-based supervisory framework. Indeed, the failure of such establishments could have a significant negative impact on the financial system as a whole and the economies of the Union.

The BCEAO conducted stress tests on the banking sector to assess banking system resilience in WAMU in the event of severe shocks that are likely to take place. The findings of the tests, which were carried out jointly with the International Monetary Fund (IMF), showed that the banking sector was generally resilient, despite a few areas of vulnerability, notably related to its concentrated credit portfolio.

Finally, the Bank took part in the proceedings of the 8th and 9th ordinary sessions of the WAMU Financial Stability Committee (CSFUMOA), held respectively on May 28 and December 3, 2015. During the meetings, the Committee highlighted the main risks that required specific supervision by the financial system regulatory organs and institutions and the member states of the Union.

The BCEAO also participated in the 80th, 81st and 82nd ordinary meetings of the regional commission for insurance supervision (CRCA) under the auspices of the Inter-African Conference on Insurance Markets (CIMA), which were respectively held in May 2015 in Brazzaville, in July 2015 in Yamoussoukro, in October 2015 in Niamey and in December 2015 in Libreville. The Bank also took part in the proceedings of the first and second ordinary meetings of the social security supervisory board of the Inter-African Social Security Conference (CIPRES), which took place in May and November 2015 in Lomé.

3.4.3 - Promotion of Credit Information Bureaus (BIC)

The Central Bank continued to move ahead on the project initiated by the Central Bank with a view to promoting Credit Information Bureaus (BICs) in WAMU, with a view to reducing information asymmetry between banks and their customers, as the BICs will ensure the availability of economic and financial information on customers.

Since it was launched in early 2013, the project has made progress in institutional and organizational terms. In its meeting of June 28, 2013, the Council of Ministers of the Union approved the uniform bill on the regulation of Credit Information Bureaus, recommending that the member states integrate it into their domestic legal systems by December 31, 2013 at the latest. To date, five member states of the Union have domesticated the uniform act into their own legal systems.

In order to enable effective start-up of the activities of the Credit Information Bureaus, ten (10) instructions for the enforcement of the uniform act were issued by the Governor of the BCEAO in 2015. They notably focused on preparation of licensing and operating applications, procedures and deadlines for sending credit information to the BICs, the institutions' information system security systems, and handling of customer claims. The instructions were widely disseminated to all institutions subject to the act.

3.4.4 - Other actions aimed at promoting financial stability

With a view to consolidating the mechanism for the prevention and control of financial crimes, on the initiative of the BCEAO, the Council of Ministers of the Union, in its session of July 2, 2015, held in Bissau, issued Decision No. 26 of 02/07/2015/CM/UMOA on the adoption of a uniform draft bill on the fight against money laundering and the fight against terrorism in the WAMU member states. The regulation was designed to align the existing mechanism with the new in compliance with standards issued by the Financial Action Task Force (FATF / GAFI) and remedy the enforcement issues observed. Effective

integration into the domestic legal order of the member states of the Union will reinforce the preservation of the integrity and stability of their financial system as well as peace and security in the Union.

In addition, in light of the difficulties encountered by the institutions subject to the act with regard to the calculation of the effective annual interest rate (T.E.G.) on loans of money, the BCEAO made a template calculation model and a users' guide available to all credit institutions, decentralized financial systems and postal financial services on August 10, 2015. The goal is to promote a joint understanding and harmonized enforcement of the provisions pertaining to the definition and punishment of usury in the Union, by all of the institutions falling under the act.

In the framework of the promotion of competition between banks and transparent pricing of banking products and services, with a view to reinforcing the protection of customers of credit institutions, Instruction No 004-05-2015, establishing a harmonized outline of the prices of the banking products and services credit institutions provide for their customers, was signed by the Governor of the BCEAO on May 8, 2015.

Furthermore, the development of rapid money transfer services in the member states of the Union and the increase in the number of actors involved in the activity has led the Central Bank Authorities to initiate actions aimed at preventing or limiting the associated risks. With this in mind, the Governor of the BCEAO signed Instruction No. 013-11-2015 of November 10, 2015, on terms and conditions of operating fast money transfer businesses as a sub-agent in the WAMU.

3.5 - ACTIONS TOWARDS FINANCIAL INCLUSION

In the framework of enhancing financial inclusion and popular access to financial services, the BCEAO continued work relating to the establishment of a regional strategy on financial inclusion (SRIF) in WAEMU as well as the activities of the working group of central banks of French-speaking countries on financial inclusion. Work also continued on the implementation of a statistical monitoring system on financial inclusion in WAEMU.

Regarding SRIF, the BCEAO organized national consultations from May 27-29, 2015, with the principal actors in order to review the interim report on the state of financial inclusion in WAEMU with proposals to boost financial inclusion. The consultations were followed by a regional research restitution workshop on July 6-7, 2015. The proceedings helped to flesh out the details of the interim report and develop a regional policy and strategy framework document on financial inclusion in WAEMU, along with a plan of action and a budget for its funding. The strategy framework document should be submitted to various validation authorities of the Union for adoption during 2016.

The Central Bank also adopted a new statistical tool, beginning in the month of April 2015, which included four (4) new indicators to measure the concept. With the addition of these indicators, there is now a total of seven (7) instruments that will be monitored to measure financial inclusion in WAEMU. These indicators include three of the four dimensions of financial inclusion, namely access, use and quality, measured through the affordability of financial services.

Furthermore, the Central Bank continued the work of the working group of central banks of French-speaking countries on financial inclusion. The first meeting of the working group took place in February 2015 in Dakar and it provided an opportunity to discuss the issue of financial inclusion, identify topics to be addressed by the various central banks, and establish a working schedule. A progress report was prepared and submitted to the Governors of the institutions during their meeting in May 2015 in Martinique.

IV - MANAGEMENT OF BANKNOTES AND COINS, PAYMENT SYSTEMS AND INSTRUMENTS AND FOREIGN EXCHANGE RESERVES

4.1 - MANAGEMENT OF FIDUCIARY CIRCULATION

The transactions carried out through the windows of the Central Bank in 2015 were marked by a surplus of outflows over inflows of banknotes and coins. Compared to 2014, the share of banknotes in circulation outside banks remained virtually unchanged at 97.1%.

4.1.1 - Withdrawals and deposits through BCEAO branch windows

In 2015, outflows and inflows through Central Bank windows involved a total of 4,819.8 million banknotes and coins, against 4,389.2 million units in the 2014 financial year, a 9.8% increase.

Outflows of banknotes during the period under review totalled 2,385.8 million vignettes (15,786.5 billion CFA francs), against 2,158.5 million vignettes in 2014 (14,259.0 billion CFA francs), an increase of 10.5% in volume and 10.7% in value.

The largest withdrawals were recorded in Côte d'Ivoire (30.1%), Burkina Faso (16.0%), Benin (14.9%) and Mali (12.9%).

Withdrawals of coins declined by 10.9 % in 2015, falling from 141.8 million units to 126.3 million units, year over year. In value, outflows of coins rose to 7.6 billion CFA francs in 2015 from 7.4 billion CFA francs in 2014, an annual increase of 2.7%.

Inflows of banknotes through Central Bank windows totalled 2,295.3 million units (15,174.1 billion CFA francs) in 2015, against 2,072.7 million banknotes (13,788.1 billion CFA francs) in 2014, for an increase of 11.4% in volume and 10.1% in value. The largest inflows in value were observed in Côte d'Ivoire (24.1%), Burkina Faso (17.5%), Benin (16.1%) and Senegal (13.2%).

Deposits of coins through the windows of the Central Bank dropped from 16.1 million units in 2014 to 12.4 million units in 2015, representing a 22.8% decrease in volume, essentially due to the reduction in deposits of 500 CFA franc coins at bank windows. The value of deposits of coins stood at 4,329.6 million CFA francs in 2015 against 6,105.6 million CFA francs the previous year.

4.1.2 - Structure of currency outside banks

As at the end of December 2015, fiduciary circulation stood at 5,863.0 billion CFA francs against 5,247.8 billion CFA francs one year prior, for an increase of 11.7%. Large denominations made up 88.6% of banknotes in circulation as at 31 December 2014 against 87.6% over a similar period in 2014.

4.1.3 - Cross-border flows of banknotes through BCEAO branch windows

Cross-border flows of banknotes³ resulting from sorting operations during the 2015 financial year totalled 1,766.0 billion CFA francs against 1,815.9 billion CFA francs the previous financial year, for a decrease of 2.8%.

The banknotes moved chiefly included notes issued in Côte d'Ivoire (25.0%), Togo (21.5%), Benin (15.9%) and Burkina Faso (15.3%).

The Togo, Benin, Burkina Faso and Côte d'Ivoire Branches registered the largest cross-border inflows of banknotes, with respective shares of 29.7%, 29.0%, 14.5%, and 11.1%.

³ The banknotes came from sorting operations in Branches of states in which they were not issued.
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Table 13: Cross-border flows of banknotes through BCEAO Branch windows (in billions of CFA francs)									
FY 2013			FY 2014			Change			
	(1)			(2)			(3)=(2)-(1)		
	Inflows	Outflows	Balance	Inflows	Outflows	Balance	Inflows	Outflows	Balance
Benin	372.7	290.9	81.8	512.1	280.6	231.5	139.3	-10.3	149.6
Burkina Faso	163.5	342.6	-179.1	256.6	270.2	-13.6	93.1	-72.4	165.5
Côte d'Ivoire	172.6	542.7	-370.1	195.8	441.5	-245.6	23.2	-101.2	124.5
Guinea-Bissau	26.3	30.6	-4.3	25.7	27.0	-1.3	-0.6	-3.7	3.0
Mali	239.9	196.6	43.3	105.8	113.1	-7.4	-134.1	-83.5	-50.6
Niger	115.3	146.7	-31.4	87.8	182.0	-94.2	-27.4	35.4	-62.8
Senegal	107.8	124.6	-16.8	57.8	71.1	-13.3	-50.0	-53.5	3.5
Togo	617.8	141.1	476.7	524.4	380.4	144.0	-93.4	239.3	-332.8
WAMU	1,815.9	1,815.9	0.0	1,766.0	1,766.0	0.0	-50.0	-50.0	0.0

Source: BCEAO.

4.2 - PAYMENT SYSTEMS AND INSTRUMENTS

As at 31 December 2015, the performance of the WAEMU payment systems was generally satisfactory, with increases in the major activity indicators.

4.2.1 - Functioning of payment systems

As at the end of December 2015, there were 115 participants in the WAEMU Automated Transfer and Settlement System (STAR-UEMOA) thanks to the entry into production of eight (8) new participants including the national treasury department of Côte d'Ivoire.

In 2015, 682,895 transactions were settled through STAR-UEMOA for a value of 306,751 billion CFA francs, for an increase of 18.96% in value and 8.49% in volume compared to the 2014 financial year.

This positive trend in transactions during the 2015 financial year was due to the positive in the number of participants and an increase in the volume of Central Bank interventions on the money market through the WAMU Automated Cash and Securities Management System (SAGETIL-UMOA).

Inter-country exchanges within WAEMU, which made up 42.56% of the total volume of transactions handled by STAR-UEMOA, stood at 290,613 transactions worth 22,938 billion CFA francs in 2015. The positive trend (10.27% in volume and 15.25% in value) in inter-country exchanges within WAEMU confirmed the intensification of financial exchanges between WAEMU countries.

At the end of December 2015, there were 126 participants in the WAEMU Automated Interbank Clearing System (SICA-UEMOA), including banks, National Directorates of the BCEAO and the public treasury departments of Benin, Burkina Faso, Mali and Senegal. In FY 2015, the activity of SICA-UEMOA experienced respective increases of 8.73% in the volume of transactions and 14.35% in the value of transactions compared to 2014. The volume of exchanges stood at 12,229,406 transactions worth a total of 42,568 billion CFA francs.

This increase in the value of transactions was due to significant changes in activity levels in Côte d'Ivoire (+19.40%), Mali (+18.97%), Senegal (+10%) and across the sub-region (+50.18%). Inter-country exchanges within WAEMU made up 1% of the total volume of transactions in the Union.

In terms of the distribution of payment instruments handled by the teleclearing system, the relative share of transfers continued to grow to the detriment of cheques. In 2015, transfers represented 31.7% of exchanges compared to close to 67% for cheques. It should be recalled that the respective shares of these instruments were 29% and 70% in 2014. In terms of value, cheques represented 85.6% of exchanges in 2015.

4.2.2 - Securing, promoting and modernizing payment systems and instruments

The clearing balance settlement guarantee fund was set up on June 30, 2014, essentially for the purpose of covering participants' risks of financial default on the settlement of clearing balances, in keeping with international standards pertaining to financial risk management in payment systems.

During the financial year under review, seventy (70) loans were made by the clearing balance settlement guarantee fund, worth a total of more than 65 billion CFA francs, an increase of 268.42% in volume compared to FY 2014.

At the end of December 2015, the average amount of the advances stood at approximately 930 million CFA francs per day, compared to 260 million CFA francs in 2014. In all, interventions by the guarantee fund allowed more than 142.8 billion CFA francs in negative balances to be settled in clearance in 2015.

In the framework of controlling the financial and operational risks inherent in the running of the SICA-UEMOA and STAR-UEMOA systems, the following actions were implemented by the BCEAO to improve its management of the systems:

- a project was launched to revamp the SICA-UEMOA application, notably with a view to reducing maintenance costs, controlling the technical and operational risks due to the obsolescence of the teleclearing system servers installed in each of the BCEAO Main Branches, and increasing productivity and efficiency;
- guarantee fund interventions were automated to shorten processing time and reduce operational risks;
- a plan of action was developed and implemented to improve the functioning of the access network linking the participants to the BCEAO;
- a training session was organized for payment systems participants with a view to reinforcing their ability to conduct STAR-UEMOA and SICA-UEMOA more efficiently.

Furthermore, in 2015, the Central Bank continued monitoring the implementation of the plans of action for the active participation of national treasury departments in payment systems. In this regard, progress was achieved in every country, particularly in Côte d'Ivoire, where the treasury department has been directly connected to STAR-UEMOA since November 2015. The treasury departments of Benin, Burkina Faso, Côte d'Ivoire and Mali are all active participants in SICA-UEMOA.

As to the supervision of payment systems and instruments, 2015 was marked by the reinforcement of the regulatory framework governing the issuance of electronic money. Note should also be taken of the entry into force, on May 21, 2015, of Instruction No. 008-05-2015 by the Governor of the BCEAO, governing terms and conditions of the activities of issuers of electronic money in the member states of the West African Monetary Union (WAMU).

Furthermore, with a view to reinforcing monitoring of the electronic money sector, the Central Bank adopted a revised monitoring and supervision framework for the sector, to maintain the security and efficiency of electronic payment services and ensure the protection of their users.

In the framework of the supervision of regional interbank electronic banking, the Council of Ministers of the Union issued Decision No 31 of September 29, 2015, on clearing and settlement of transactions conducted in WAEMU. This Decision made it mandatory for clearance and settlement of electronic banking transactions between issuers and buyers based in one or more WAEMU member states to be carried out in CFA francs, rather than using foreign currency. The Decision is notably aimed at maintaining the foreign exchange reserves of the Union. It also requires all operators or managers of clearing systems or mechanisms wishing to operate in one or more WAEMU member states to seek prior authorization from the Central Bank.

4.3 - MANAGEMENT OF FOREIGN EXCHANGE RESERVES

The management of foreign exchange reserves was characterized by the continuation of the policy of diversification of investment supports to assets not in the operating account, in strict compliance with the prudential principles and practices generally allowed, particularly IMF Guidelines.

Assets in foreign currency averaged 9.52 billion euros during FY 2015. On December 31, 2015, BCEAO foreign exchange reserves deposited in its operating account represented 55.0% of overall reserves against 54.7% at the end of 2014.

Foreign exchange assets separated from the operating account were held in the form of bonds or debentures divided between an investment fund, a liquidity portfolio, and shares in common fund trusts managed by international institutions.

All in all, the exchange reserve management policy implemented by the BCEAO in FY 2015 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 2015 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 (WAMU) and the Statutes of the Central Bank of West African States.

5.1.1 - Conference of WAMU Heads of State and Government

The Conference of Heads of State and Government of the Union held its 18th ordinary session in FY 2015, on January 19, 2015, in Cotonou, Republic of Benin, under the chairmanship of his Excellency Doctor Boni Yayi, President of the Republic of Benin.

The meeting was attended by:

- for the Republic of Benin, His Excellency Doctor Boni Yayi, President of the Republic;
- for Burkina Faso, His Excellency Michel Kafando, President of the Faso;
- for the Republic of Côte d'Ivoire, His Excellency Doctor Alassane Ouattara, President of the Republic;
- for the Republic of Guinea-Bissau, His Excellency José Mário Vaz, President of the Republic;
- for the Republic of Mali, Mr Mamadou Igor Diarra, Minister of the Economy and Finance;
- for the Republic of Niger, His Excellency Brigi Rafini, Prime Minister;
- for the Republic of Senegal, His Excellency Macky Sall, President of the Republic; and
- for the Togolese Republic, His Excellency Faure Essozimna Gnassingbé, President of the Republic.

The participants in the proceedings included the members of the WAEMU Council of Ministers chaired by Mr Gilles Baillet, Minister of Finance of the Republic of Niger, as well as:

- Mr Cheikhe Hadjibou Soumaré, President of the WAEMU Commission;
- Mr Tiémoko Meyliet Koné, Governor of the Central Bank of West African States (BCEAO);
- Mr Christian Adovelande, President of the West African Development Bank (WADB);
- Mr Jeremias António da Cruz Pereira, President of the Regional Council for Public Savings and Financial Markets (CREPMF).

The Heads of State and Government were pleased with the outcome of the “Investors’ Conference” held in Dubai on September 9, 2014, and urged the Organs and Institutions of the Union to capitalize on the experience to make the subregion more attractive for investors, particularly those from emerging countries. They also encouraged the Organs and Institutions of the Union to intensify resource mobilization with a view to funding integration projects.

The conference was also pleased with the action carried out towards increasing financial inclusion and rationalizing the cost of banking services within the Union. Note was taken of the start-up of the 2014-2021 Strategic Plan on the regional financial market and the Organs and Institutions were encouraged

to continue their efforts to deepen that market.

In the framework of the reinforcement of the multilateral surveillance mechanism on macroeconomic policies, the Conference adopted an additional act establishing a Convergence, Stability, Growth, and Solidarity Pact between the member states of the Union. The pact defines new conditions for the convergence of the economies of the Union. On that basis, the Conference adopted a declaration entitled: "Maintaining the level of the debt ceiling while ensuring the quality and sustainability of the public debt in WAEMU".

The Conference also 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.

5.1.2 - Council of Ministers

The following changes were made to the membership of the Council in FY 2015:

- **as regards the Republic of Benin**, Mr Pocoun Damè Kombienou, Minister of the Industry and Commerce, was appointed to the Council of Ministers of the Union as of June 29, 2015, replacing Mr Marcel de Souza;
- **as regards the Republic of Côte d'Ivoire**, Mr Abdourahmane Cissé, Budget Minister, was appointed to the Council of Ministers of the Union as of September 25, 2015, replacing Mr Ally Coulibaly;
- **as regards the Republic of Mali**, Mr Mamadou Igor Diarra, Minister of the Economy and Finance, was appointed to the WAMU Council of Ministers as of January 10, 2015, replacing Ms Bouaré Fily Cissoko.
- **as regards the Republic of Niger**, Mr Saidou Sidibé, Minister of the Economy and Finance, was appointed to the WAMU Council of Ministers as of June 4, 2015, replacing Mr Gilles Baillet;
- Mr Mohamed Boucha, Deputy Minister in charge of the Budget, Ministry of the Economy and Finance, was appointed to the WAMU Council of Ministers as of November 17, 2015, replacing Mr Amadou Boubacar Cissé;
- **and as regards the Togolese Republic**, Mr Kossi Assimaïdou, Deputy Minister of the Economy, Finance and Planning, in charge of Planning and Development, was appointed to the WAMU Council of Ministers as of July 1, 2015, replacing Mr Mawussi Djossou Semodji.

During the 2015 financial year, the Council of Ministers held four (4) ordinary sessions, respectively on March 30, 2015 at BCEAO headquarters in Dakar under the chairmanship of Mr Gilles Baillet, Minister of Finance of the Republic of Niger, its statutory chairperson; on July 2, 2015, at the BCEAO Main Branch Office in Bissau; on September 29, 2015, at BCEAO headquarters in Dakar and on December 17, 2015 at the BCEAO Main Branch Office in Niamey, under the chairmanship of Mr Saidou Sidibé, Minister of the Economy and Finance of the Republic of Niger, its new statutory chairperson.

The Council also held two extraordinary sessions, respectively on January 16, 2015 and on November 26, 2015, at the BCEAO Main Branch Office in Cotonou, in the run up to the 18th and 19th ordinary meetings of the Conference of Heads of State and Government of the Union.

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

During their ordinary meeting of March 30, 2015, the Ministers stressed the need to continue efforts to consolidate public financial management by deepening ongoing reforms, particularly with regard to spending, in order to enhance its effectiveness and efficiency. With this goal in mind, they encouraged the states to ramp up efforts to ensure greater mobilization of fiscal revenue to increase the budget for investments that can generate growth. They also urged the member states to continue their efforts to support the private sector so that it plays a greater role in funding of investments.

The Ministers also acquainted themselves with the report on the first phase of increasing the capital of credit institutions in WAMU. With a view to consolidating the banking sector in the Union, the Council of Ministers decided to launch a second phase, during which banks must increase their minimum registered capital from 5.0 billion to 10.0 billion and financial institutions from 1.0 billion to 3.0 billion, by July 1, 2017, at the latest.

The Council also approved the accounts of the BCEAO for FY 2014 and allocated the financial results of financial year.

Finally, the Council was informed of the progress of the project to promote Credit Information Bureaus (BICs) in WAMU. In that regard, they recommended that the states that had yet to do so should quickly adopt the Uniform Act on the regulation of credit information bureaus to enable them to begin operating on schedule.

During its ordinary meeting of July 2, 2015, the Council of Ministers analysed the risk factors likely to hinder the achievement of the growth targets. In this regard, the Ministers stressed the need to improve internal resource mobilization to increase state budgets with a view to consolidating basic infrastructure. They also emphasized the importance of increasing the efficiency of public spending and the quality of investments. The Ministers agreed on the need for the countries of the Union to combine their efforts to increase the resilience of their economies in an uncertain international environment marked by the potential repercussions of the crises in the euro zone and the expected slowdown in emerging countries.

They also urged the member states to continue their efforts to improve the business environment in order to stimulate private investment and attract foreign investment in productive sectors.

The Ministers also reviewed and adopted a draft guideline and uniform draft bill on the fight against money laundering and terrorist financing in the WAMU member states. These instruments include innovations that will allow the existing texts to be brought into line with the new international standards issued by the Financial Action Task Force (FATF / GAFI) in February 2012 and help remedy the inadequacies and difficulties encountered by the actors in the implementation of the instruments currently in force.

Upon reviewing the proposals put forward by the Central Bank, the Council of Ministers decided to set up a banking crisis resolution mechanism for the Union. To that purpose, the Council granted a mandate to the Governor of the BCEAO to suggest practical procedures for the organization and running of the mechanism, notably with a view to effectively addressing failures of banking institutions of systemic importance.

The Council also appointed external auditors for the BCEAO for the 2015-2017 financial years.

The Ministers were informed of the decisions of the meeting of the Monetary Policy Committee of June 3, 2015, and of the makeup of said Committee following the renewal of the mandates of its members.

During its ordinary meeting of September 29, 2015, the Council of Ministers urged the member states to continue their efforts to reform public finance, in order to reduce the budget deficit to 3.0% of the GDP in 2019, as stipulated in the Convergence, Stability, Growth and Solidarity Pact between the member states of the Union, and also to make budgets available to prepare for any potential exogenous shocks. The Ministers further recommended that the states continue implementing measures to improve the business environment and the attractiveness of the economies of the Union, with a view to creating the conditions for the harmonious development of private investment. To this end, the Council urged the member states that had not yet done so to take the necessary steps to domesticate all community instruments adopted for the establishment of the Credit Information Bureaus.

The Council also reviewed and adopted a Decision on clearance and settlement of all electronic banking transactions in CFA francs involving issuers and recipients located in the Union.

The Ministers also authorized the Central Bank to join the Alliance for Financial Inclusion (AFI) and urged the states to participate in the body as associate members. The goal of AFI is to provide its membership with a platform for dialogue to share their experiences and develop appropriate policies on inclusive finance.

Finally, upon a proposal by the Central Bank, the Council adopted a support mechanism for funding of SMEs and SMIs in the Union. The aim of this mechanism is to create a critical mass of successful small and medium enterprises to increase the contribution made by this category of businesses to the creation of wealth and the fight against unemployment.

Furthermore, taking account of the need to adapt the operational organization of the Office of the Secretary General of the Banking Commission to the changes in its supervisory mandate, the Council decided to amend Article 9 of the Annex to the Convention of April 6, 2007, governing the Banking Commission.

During its ordinary meeting of December 17, 2015, the Council urged the member states of the Union to continue their efforts to improve the quality of public investments while implementing appropriate debt policies that maintain the sustainability of the debt. The Ministers further urged the states to increase domestic resource mobilization, notably in the form of taxes, to finance development and boost economic change. The also recommended increasing efforts by the states and the Central Bank to improve the repatriation of revenues from exports from the Union.

In application of the provisions of Article 11 of the Treaty of the West African Monetary Union, the Council appointed the Minister of Finance of the Republic of Senegal to the position of Chairperson of the Council of Ministers for the 2016-2017 period. The Council also expressed its gratitude to the Minister of Finance of the Republic of Niger for the work he had accomplished at the head of the Council over the past two years.

5.1.3 - BCEAO Monetary Policy Committee

During the financial year under review, the composition of the Board of Directors underwent the following changes:

- **as regards the Republic of Côte d'Ivoire**, Mr Mama Ouattara, Professor at Université Félix Houphouët-Boigny of Cocody and Director of the Groupe de Politique Economique (GPE – economic policy group) was appointed to the Committee as of June 1, 2015, replacing Mr Kanvaly Diomandé;
- **as regards the Republic of Senegal**, Mr Aliou Faye, Director of the Centre d'Etudes de Politiques pour le Développement (CEPOD – centre for development policy studies) was appointed to the Committee as of June 1, 2015, replacing Ms Gnounka Diouf;

– **as regards the members appointed intuitu personæ:**

- Mr Lansina Bakary, Expert Consultant and former economic advisor to the Governor of the BCEAO was appointed to the Committee on an intuitu personæ basis, as of June 1, 2015;
- Mr Maïna Boukar Moussa, Vice President, Economic and social development study and research group (Groupe d'Etudes et de Recherches pour le Développement Economique et Social - GERDES), was appointed to the Committee on an intuitu personæ basis, as of June 1, 2015;
- 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, was appointed to the Committee on an intuitu personæ basis, as of June 1, 2015;
- Mr Kossi Assimaïdou, a former IMF Administrator representing Africa Group II appointed to the Committee on an intuitu personæ basis as of June 1, 2015, tendered his resignation on July 3, 2015, due to his appointment to the position of Deputy Minister in charge of Planning and Development under the Senior Minister of the Economy and Finance and Planning, Togolese Republic.

The BCEAO Monetary Policy Committee held four (4) ordinary meetings in 2015, under the chairmanship of Mr Tiémoko Meyliet Koné, Governor of the Central Bank and statutory chairman, respectively on March 4, June 3, September 9 and December 2 at BCEAO headquarters in Dakar.

During the meeting of March 4, 2015, the Committee assessed the risk factors that could affect the medium-term outlook for price stability and economic growth in the Union.

At the international level, the Committee noted that the economic recovery remained tenuous in most industrialized countries and that growth had slowed in the major emerging countries. According to International Monetary Fund (IMF) estimates, the global economic growth rate was 3.3% in 2014, the same level as in 2013. The Committee also noted the downward trend in global prices for most commodities, including those exported by the countries of the Union.

On analysing the internal situation of the Union, the Committee also noted that economic activity continued strong in the final quarter of 2014. For 2014 as a whole, the gross domestic product of the Union grew by 6.6% compared to 5.9% in 2013. This performance was due to stronger agricultural production and a healthy performance in the industrial and trade services sectors, particularly due to strong growth in the “public works and civil engineering” branch.

The Union recorded an inflation rate of 0.3%, year over year, as at the end of December 2014. This development was linked to an increase in the cost of basic utilities (water and electricity) in certain countries in the Union, offset by the drop in food prices. In 24 months' time, the year-over-year inflation rate is forecast at 1.7%, in phase with the Central Bank's goal of price stability. Risks that the actual figure may be higher or lower than the projection are deemed to be balanced.

With regard to monetary terms, the Committee observed the easing of interest rates on the one-week interbank market compartment, where the weighted average rate stood at 3.35% in the final quarter after reaching 3.43% in the third quarter of 2014.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level in force since March 16, 2012.

During its session of June 3, 2015, the Committee noted that, on the international scale, the consolidation of the economic recovery continued at a moderate rate in the first quarter of 2015, due to the contrasting impact of strong performances in some advanced countries and slower growth in the major emerging countries. According to recent projections by the International Monetary Fund, the global economic outlook for 2015 is an expected growth rate of 3.5%, compared to 3.4% in 2014. The Committee also noted that the downward trend in global prices for some commodities had faded as of January 2015. On the other hand, global petroleum prices dropped in the first quarter of 2015, due to an abundant supply.

Reviewing the economic situation of the Union, the members of the Committee noted that the gross domestic product had grown by 6.2% in the first quarter of 2015, thanks in particular to the strong tertiary sector. The outlook is for this trend to increase. Thus, the rate of growth in the gross domestic product of the Union is projected to reach 6.7% in 2015, up from 6.5% in 2014, thanks to strong performances in the industrial and trade services sectors.

Where prices are concerned, the Committee noted a slight increase in the rate of growth. From one year to the next, the inflation rate in the Union rose from 0.3% at the end of December 2014 to 0.5% at the end of March 2015, due to an increase in prices for food, construction materials and services linked to housing in certain countries. In 24 months' time, the year-over-year inflation rate is forecast at 1.8%, in phase with the Central Bank's goal of medium-term price stability. The Committee also felt that there were balanced risks of the actual figure being higher or lower than the projection.

The Committee observed that monetary conditions had eased slightly in the Union during the first quarter of 2015, following an increase in the interest rate on the one-week compartment of the interbank market, offset by a drop in the real effective exchange rate.

Reviewing the state of public finance, the Committee noted that public deficits remained high, in conjunction with high levels of infrastructure investments in most of the states. In this regard, the members of the Monetary Policy Committee recommended balancing public finances over the medium term, in keeping with the provisions of the Convergence, Stability, Growth and Solidarity Pact adopted in the Union in January 2015.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level that has been in force since March 16, 2012.

During its ordinary meeting of September 9, 2015, the Committee noted that, on the international scale, the global economy was marked by a sluggish recovery in advanced countries and a continued slowdown in growth in the major emerging countries. In this context, the macroeconomic forecasts published by the International Monetary Fund (IMF) in July 2015 predicted that the global gross domestic product (GDP) growth rate would stand at 3.3% in 2015, compared to 3.4% in 2014. The Committee also noted contrasting trends in global commodities prices in the second quarter of 2015. It noted, in particular, that global prices for crude oil, which had been experiencing a downward trend since 2014, rose slightly in the second quarter of 2015, before dropping in the month of August, due to fears of a significant slowdown in Chinese growth and its impact on the global economy. Notable trends in prices for commodities exported by the Union included an increase in cocoa, cotton, cashew nut and rubber prices, and drops in coffee, gold, palm oil and palm kernel oil.

Reviewing the economic situation of the Union, the members of the Committee noted that the GDP had grown by 6.9% in the second quarter of 2015, compared to 6.0% in the first quarter, thanks in particular to a strong secondary sector and a healthy performance in the primary and tertiary sectors. The outlook is for an increase in this trend over the remainder of 2015. Under those conditions, the GDP growth rate in the Union was expected to reach 6.7% in 2015, compared to 6.5% in 2014.

Where consumer prices were concerned, the Committee noted a slight increase in their rate of growth. From one year to the next, the inflation rate in the Union rose from 0.5% at the end of March 2014 to 1.5% at the end of June 2015, notably due to higher prices for food, following decreased cereal production in certain countries in the Union in the 2014/2015 growing season. In 24 months' time, the year-over-year inflation rate is forecast at 2.1%, in phase with the Central Bank's goal of medium-term price stability.

The Committee noted that the money market terms were almost unchanged from one quarter to the next, with a weighted average rate on weekly cash injections of 2.56% at the end of June 2015. On the other hand, the one-week interbank rate was up, standing at 4.08% in the second quarter of 2015, compared to 3.53% in the previous quarter.

Reviewing the state of public finance, the Committee took note of a deterioration in the budgetary balance on a commitments basis, including grants, in the member states of the Union, compared to the level recorded over a similar period in FY 2014. The deepening budget deficit was due both to an increase in current spending and an increase in public investments in infrastructure. In this regard, the members of the Monetary Policy Committee recommended that the states should continue their efforts to increase public revenue and rationalize spending.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level in force since March 16, 2012.

During the meeting of December 2, 2015, the Committee assessed the risk factors that could affect the medium-term outlook for price stability and economic growth in the Union.

At the international level, the Committee remarked that the economic recovery remained tenuous in most industrialized countries and that the growth slowdown continued in the major emerging countries. It also noted that this outlook continued to weigh negatively on global prices for most commodities, including those exported by the countries of the Union. Global prices for crude oil, cotton, rubber, palm oil, palm kernel oil, coffee and gold, in particular, continued their downward trend in the third quarter of 2015. On the other hand, the prices for other commodities exported by the Union followed an upward trend. These notably included cocoa and cashew nuts, due to the strong global demand for those products.

Reviewing the internal situation of the Union, the members of the Committee noted that buoyant economic activity had been maintained in the third quarter of 2015, due to a strong secondary sector and healthy performance in the primary and tertiary sectors. The growth rate stood at 7.0% after 7.1% in the second quarter of 2015. For 2015 as a whole, the gross domestic product of the Union grew by 6.6%, the same rate of growth observed in 2014.

Reviewing the state of public finance in the member states of the Union, the Committee took note of a deterioration in the budgetary balance on a commitments basis, including grants, compared to the level recorded over a similar period in FY 2014. The deepening of the budget deficit was due both to increased public current spending and continuing investments in infrastructure. In this regard, the members of the Monetary Policy Committee encouraged the states to ramp up their efforts to increase public revenue and rationalize expenditure, with a view to bringing the budget deficit to below 3.0% by 2019, in keeping with the new standards set by the convergence, stability, growth and solidarity pact.

Where consumer prices are concerned, the Union recorded an inflation rate of 1.5%, year over year, as at the end of September 2015. This trend was essentially due to the increase in food prices. In 24 months' time, the year-over-year inflation rate is forecast at 2.0%, in phase with the Central Bank's goal of price stability.

With regard to monetary terms, the Committee observed the easing of interest rates on the one-week interbank market compartment, where the weighted average rate stood at 4.35% in the third quarter of 2015 after reaching 4.63% the previous quarter. The average weighted interest rate for one-week cash injection transactions also fell to 2.55% in the third quarter of 2015, down 0.9 basis point from one quarter to the next.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level that has been in force since March 16, 2012.

5.1.4 - Board of Directors of the BCEAO

The Board of Directors of the BCEAO held two (2) ordinary meetings in 2015, respectively on March 23 at BCEAO headquarters in Dakar and on December 15 at the Main Branch in Niamey, chaired by Mr Tiémoko Meyliet Koné, Governor of the Central Bank and statutory Chairman of the Board.

The Board also held an extraordinary meeting on June 18, 2015, at BCEAO headquarters in Dakar. During the financial year under review, the composition of the Board of Directors underwent the following changes:

- regarding the Republic of Benin, Mr Job Olou, Director General of the Treasury and Public Accounting, was appointed to the Board of the BCEAO, as of January 23, 2015, replacing Madame Fatima Sékou Madougou;
- regarding the Burkina Faso, Mr Naby Abraham Ouattara, Director General of the Treasury and Public Accounting, was appointed to the Board of the BCEAO, as of January 21, 2015, replacing Mr Moumounou Gnankambary;
- regarding the Republic of Senegal, Mr Adama Racine Sow, Treasurer General and Chief Accounting Officer of the General Directorate of Public Accounting and Treasury, was appointed to the Board of the BCEAO, as of May 20, 2015, replacing Mr Daouda Sembène;
- regarding the French Republic, Mr Cyril Rousseau, Deputy Director of the Multilateral Financial Affairs and Development Department of the Treasury Directorate General, was appointed to the Board of Directors of the BCEAO, as of November 24, 2015, replacing Mr Yves Charpentier.

During its ordinary session of March 23, 2015, the Board reviewed the financial statements of the BCEAO as at December 31, 2014. The Board members were apprised of the reports of the Statutory Auditors-Comptrollers of the Central Bank for financial year 2014.

The Board was also informed of the audits conducted by the BCEAO Audit Committee, which met on March 20, 2015, at BCEAO headquarters, to review the accounts and financial statements of the Bank.

On that basis and after discussion, the Board of Directors approved the accounts of the BCEAO as at December 31, 2014. The Board commended the Central Bank for the performances it had achieved in a difficult economic and financial environment. It decided they would be submitted at the next regular session of the Council of Ministers of the Union.

During the ordinary session of December 15, 2015, the Board reviewed and approved the budget of the Central Bank for financial year 2016. It authorized the BCEAO to invest 5 million US dollars in the capital of the “AFRICA50” firm.

The Board of Directors also appointed the members of the BCEAO Audit Committee for FY 2016 and 2017, in keeping with Article 89 of the States of the BCEAO.

The Board also took note of developments in the process of Central Bank withdrawal from the share capital of banks established in the West African Monetary Union.

Finally, the Board of Directors took due note of the planning of the internal audits for FY 2016 as well as the work program of the BCEAO Audit Committee for 2016, in keeping with the conclusions of the proceedings of the Committee, which met on December 14, 2015, in Niamey.

During its extraordinary meeting of June 18, 2015, the Board reviewed the file on the appointment of a BCEAO Statutory Auditor-Comptroller and National Comptrollers for FY 2015, 2016 and 2017.

5.1.5 - BCEAO Audit Committee

During the financial year under review, a change took place in the makeup of the Audit Committee.

Regarding the Republic of Senegal, Mr Adama Racine Sow, Treasurer General and Chief Accounting Officer of the General Directorate of Public Accounting and Treasury, was appointed to the Audit Committee of the BCEAO, as of May 20, 2015, replacing Mr Daouda Sembène, Director General of Public Accounting and Treasury.

The BCEAO Audit Committee held two (2) ordinary meetings under the chairmanship of its statutory chairman, Mr Taher Hassane, respectively on March 20, 2015, at BCEAO headquarters in Dakar and on December 14, 2015, on the premises of the Main Branch in Niamey.

The Board also held an extraordinary meeting on June 18, 2015, at BCEAO headquarters in Dakar.

During its meeting of March 20, 2015, the Committee analysed the accounts and financial statements of the Central Bank.

During its extraordinary meeting of June 18, 2015, the Committee reviewed the file on the appointment of a BCEAO Statutory Auditor-Comptroller and National Comptrollers for FY 2015, 2016 and 2017.

During its ordinary meeting of December 14, 2015, the Committee validated the plan for the internal audit missions for FY 2016 as well as the work program of the Committee for 2016.

5.2 - ADMINISTRATION OF THE BCEAO

5.2.1 - Human resource management

5.2.1.1 - Staffing

As at December 31, 2015, the total staff of the Central Bank, including all grades, numbered 3,545 against 3,571 at the end of December 2014. The figure included 3,497 active staff members deployed on BCEAO sites, and 48 staff members on secondment or leave of absence.

The active staff, distributed among Headquarters, the eight (8) Main Branches, the twelve (12) Sub-Branches, the Representations and the Office of the General Secretary of the WAMU Banking Commission, was smaller by 26 members, a 0.73% decrease compared to the level of staffing on December 31, 2014.

Numbering 1,140, including 93 top management staff members and Board Members, executive staff represented 32.6% of active personnel. Their number decreased by 3 since December 31, 2014.

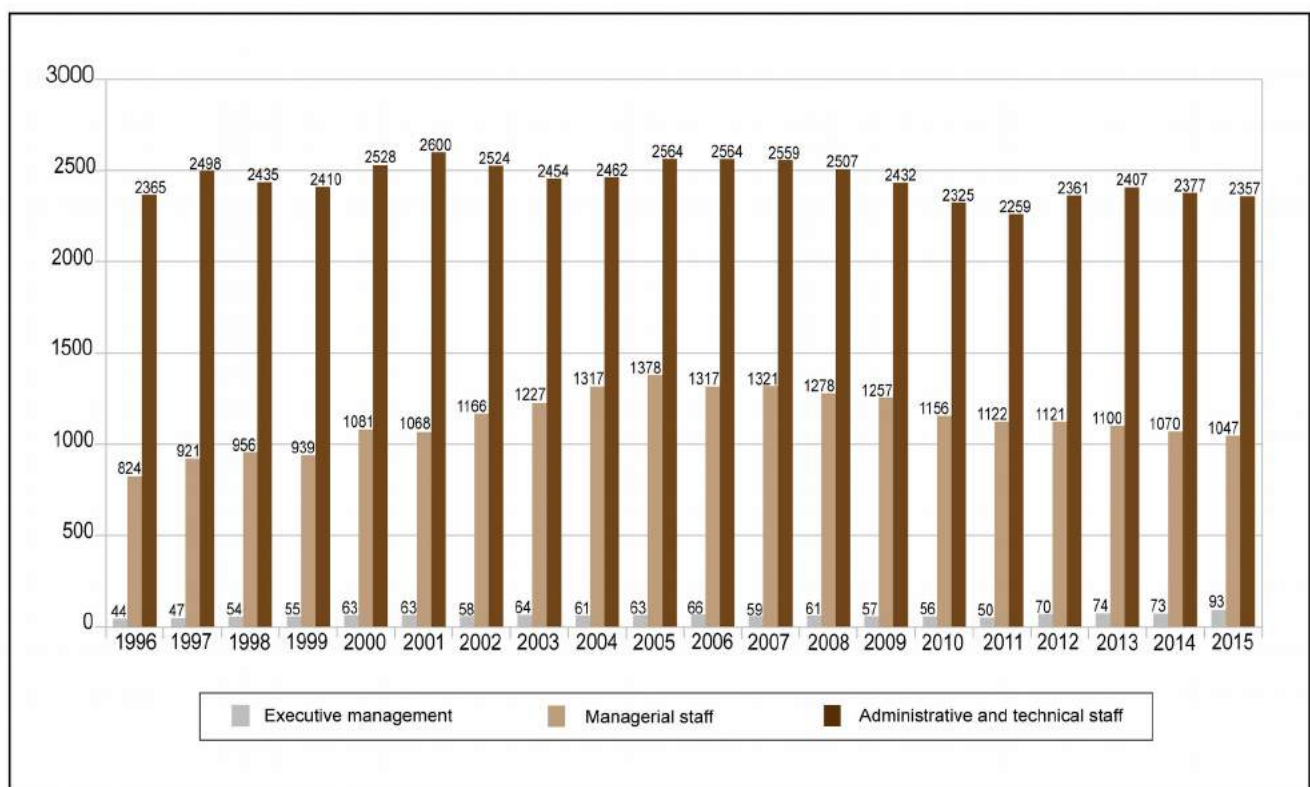
Administrative and technical staff represented 67.4% of the active staff as at December 31, 2015. Administrative and technical staff declined by 20 members, compared to the level on December 31 of the previous year.

Broken down by site, active staff members as at December 31, 2015 were as follows:

- Headquarters: 700;
- National Branches (Main Branches and Sub-Branches): 2,664;
- BCEAO Representation with European Cooperation Institutions: 4;
- Representation of the Governor with the WAEMU Commission: 9;
- Office of the Secretary General of the WAMU Banking Commission: 120.

In terms of the gender breakdown in the total staff of the BCEAO as at December 31, 2015, it should be noted that male staff represented 61.47%, corresponding to 2,179 members, while women represented 38.53%, or 1,366 staff members.

Graph 7 : trends in BCEAO staffing from 1996 to 2015



Source : BCEAO.

5.2.1.2 - Training

During the 2015 financial year, the implementation of the activity program of the West African Centre for Banking Studies and Training (COFEB) took the form of the provision of training for Central Bank of West African States (BCEAO) staff, economic and financial administration employees, and staff of WAEMU credit institutions and partner central banks.

As regards specific activities, note should be taken of the launch of an English-language training project intended for all staff across all sites, and the organization of placement tests held November 23-26 and December 8-9, 2015. In all, out of a total of eight hundred and thirty-four (834) enrollees, six hundred and forty-five (645) actually attended, for a rate of participation of 77.3%.

In addition, high-level training was provided in conjunction with the Ecole des Hautes Etudes Commerciales of Paris (HEC-Paris) and the Financial Technology Transfer Agency (ATTF) of Luxembourg, for the management of the BCEAO and the credit institutions of the Union.

In the framework of continuous training for BCEAO staff, COFEB organized courses and seminars, on-site and through videoconferencing, chiefly focusing on the core activities of the Central Bank. Decentralized seminars were also organized in the National Directorates, focusing notably on fire safety, first aid and office software. In addition, three (3) seminars on bank information system monitoring, risk management in credit institutions, and monitoring of electronic banking transactions were implemented by the Office of the Secretary General of the WAMU Banking Commission. Part of the staff training took the form of enrolling Bank staff members in internships and courses organized by other institutions or training organizations.

All in all, the Centre provided training for three thousand seven hundred and twenty-nine (3,729) participants, including one thousand and thirty-two (1,032) women, representing 28% of the total. The overall breakdown of participants in each type of training was as follows:

- four hundred and eighty-two (482) participants in thirty-two (32) on-site training sessions at BCEAO headquarters;
- two thousand two hundred and sixty-eight (2,268) participants in thirty-one (31) training sessions organized by videoconference;
- eight hundred and forty-five (845) participants in twenty-eight (28) decentralized training actions;
- one hundred and twenty-three (123) participants in sixty-two (62) internships and on-site briefing activities organized by external partners and training institutions;
- and eleven (11) participants in seminars organized in conjunction with HEC-Paris, AFRITAC West and the IMF Institute.

Training for economic and financial administration employees and staff of credit institutions included COFEB degree courses, short-term skills training for staff of credit institutions and the BCEAO/BEAC/BCC⁴ capacity-building program. The training sessions organized by the Centre in that framework were attended by three hundred and sixty-two (362) staff members of credit institutions, public administrations in the Union and partner central banks, and, of their number, eighty-one (81) were women, representing 22% of the total.

As regards degree training offered by COFEB, the 37th cohort, comprising thirty-one (31) trainees, all nationals of WAEMU member states, took theoretical training from November 5, 2014 to July 29, 2015, followed by practical internships between August 17 and November 20, 2015. The 38th cohort, for which theory classes began on November 3, 2015, included forty-five (45) trainees: thirty-seven (37) nationals of member states of the Union, five (5) from the Central Bank of the Republic of Guinea (BCRG), two from the Central Bank of the Congo (BCG) and one (1) from the Bank of the Republic of Burundi (BRB).

As regards short-term skills training, activities took place in a more open context, and training needs expressed by credit institutions were addressed. The beneficiaries of this type of training were distributed as follows:

⁴ Banque Centrale des Comores (Central Bank of Comoros).
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- one hundred and twenty-four 124 participants in five (5) seminars designed in partnership with the Financial Technology Transfer Agency (ATTF) of Luxembourg. The training was delivered by experts from the organization, and focused on the following themes:
 - “Governance and compliance in credit institutions”, in two (2) sessions held in Dakar and Cotonou, respectively on February 23-27 and March 2-6, 2015;
 - “SME financing, from business plans to bank loans”, in two (2) sessions held in Dakar and Lomé, respectively on October 26-30 and November 16-20, 2015;
 - “Fundamental principles of bank risk management”, in a single session, on November 2-6, 2015, in Dakar;
- fifty-one (51) heads of credit institutions, including twenty-two (22) at the closing session of the general management plus program (Parcours de Management Général Plus - PMG + 2014), which took place in Dakar on June 23-26, 2015, received their higher business education certificates (Cycle d'Etudes Supérieures des Affaires - CESA). Furthermore, twenty-nine (29) participants attended the two (2) sessions of the third edition of the PMG, covering modules 1-5, organized in Dakar, respectively on July 21-24 and September 15-22, 2015;
- sixty-two (62) participants in training on payment systems and instruments, organized by the BCEAO, in Dakar on November 23-26, 2015, and facilitated by five (5) staff members from the Directorate of Payment Systems and Instruments;
- fifty-two (52) participants in two (2) training activities focusing on “Macro-prudential supervision, systemic risk and financial stability” and “Economic aspects of regional integration”, jointly organized by COFEB, AFRITAC West and the IMF Institute, respectively on June 1-5 and December 7-18, 2015;
- and twenty-eight (28) participants in the inaugural seminar of the BCEAO/BEAC/BCC regional capacity-building program, focusing on the “Financing of the economies of Franc Zone countries”, which took place in Douala, Cameroon, on 8-10 June, 2015.

In the framework of reinforcing external partnerships and cooperation, the activities of COFEB also included were marked by the launch of the BCEAO/BEAC/BCC regional capacity-building program and the continuation of efforts to extend the network of partnership with renowned training centres and universities.

With regard to the BCEAO/BEAC/BCC regional capacity-building program, a meeting of the Management Committee, held in Dakar on February 27, 2015, provided an opportunity to review the management plan and adopt a draft activity program for FY 2015. Following the inaugural seminar, a training workshop was organized in Douala for the program focal points, on June 11-13, 2015. Furthermore, in the framework of the setting up of a unit in charge of training at the Central Bank of the Comoros, a joint BCEAO/BEAC delegation travelled to Moroni on July 20-24, 2015.

COFEB continued talks with a view to extending and enhancing its cooperation with training institutes and universities. With this aim in mind, a list was made of the BCEAO's specialized technical skills not covered by COFEB's current partnerships, as well as a directory of renowned universities and specialized training centres that could meet training needs in those areas. Draft terms of reference were also prepared for the signing of partnership agreements. The management of COFEB also held a working session on March 27, 2015, with the Africa Director of HEC-Paris, with a view to jointly establishing the training program for 2015.

In addition, the Director of training for international executives of HEC-Montréal made a working visit to COFEB on April 3, 2015, in the framework of a partnership project that was officialized by the signing of a cooperation MOU on November 30, 2015.

Activities pertaining to the reinforcement of cooperation and external partnership also included relations with the Centre Africain d'Etudes Supérieures et de Gestion (CESAG). In this framework, COFEB took part in the preparation and review of the meeting files for the 30th and 31st ordinary meetings of CESAG's Board of Directors, held respectively on July 23, 2015 and December 11, 2015, in Dakar. The Centre also participated in the meetings of the Steering Committee and the Executive Committee of the Masters in Banking and Finance, which took place on December 8, 2015.

5.2.2 - Property assets

Reconstruction work continued on the Sub-Branch buildings in Bouaké, Korhogo and Man.

Furthermore, studies have been undertaken with a view to the rehabilitation and expansion of Sub-Branch buildings in Bobo Dioulasso, Burkina; Maradi and Zinder, Niger; and Kaolack, Senegal.

5.2.3 - Information and communication system

During financial year 2015, the Central Bank continued actions aimed at increasing the security and availability of its information system. Thus, the capacity of the Bank's videoconference system was enhanced and service was extended to external links. Projects for the improvement of the Bank's network security mechanisms and emergency links to the Main Branches also continued and were nearing completion. Furthermore, work was begun with a view to formalizing the IT backup plan and making it operational.

In terms of the governance of its information system, the BCEAO continued initiatives aimed at ensuring compliance with the PCI DSS industry standards (Payment Card Industry Data Security Standards) for payment card security and with the ITIL (Information Technology Infrastructure Library) recommendations on best IT services management practices. In addition, work began with a view to aligning the governance and management of the Bank's information system with the COBIT (Control Objectives for Information and Related Technology) standard of best practices.

5.2.4 - Risk management and control activity mechanisms

The work accomplished in financial year 2015, in terms of the risk management mechanism and control activities, were a continuation of the process of alignment with international standards. These actions specifically focused on updating risk mapping and business continuity management tools and developing information system security frameworks. Various monitoring activities (operational controls, internal audits and external audits) were regularly conducted in Central Bank structures.

Work linked to the annual risk mapping update was carried out in 2015 on all of the sites of the Bank. Coaching sessions were organized to that purpose for structures based at headquarters and remote sites. This helped refine and expand on the findings of the previous year.

With regards to business continuity management, the crisis management and business continuity tools of every structure of the Bank were updated to ensure that the business continuity plan (Plan de Continuité d'Activité - PCA) remained in operational condition. A delegation also travelled to the BCEAO Main Branch Office in Niger in October 2014, with a view to deploying the PCA. The planned additional extreme shock scenarios were defined and two operational tests for the IT backup plan (PCI) were conducted in November 2015 on the high-availability site and the backup site.

In terms of information system security, a framework was set in place to monitor information system security and the systematic inclusion of security in all IT projects. A Charter on information systems

administration, guidelines for the classification of information assets, a framework for the management of information system security incidents, and guidelines on the security of mobile equipment and information system access management were developed.

Audit work pertaining to operational control activities focused on verifying the compliance of transactions and monitoring the implementation of the recommendations issued by the different auditing bodies.

Capacity building for audit team members took the form of two seminars facilitated by consultants from the French Internal Audit and Control Institute (Institut Français de l'Audit et du Contrôle Interne - IFACI). The first seminar, which focused on integrating internal controls into computerized processes, was attended by staff from the Information Systems and Risk Prevention Directorates. The second, which focused on internal controls and fraud detection, took place in three sessions in September, October and December 2015, and was intended for Operations Controllers.

In addition, a revised framework for reporting the findings of operational controls using a new monthly reporting template has been made available to all operational structures and will enter into force on January 1, 2016.

Finally, 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).

In terms of internal audit, the activities carried out in 2015 focused on the implementation of the annual control program and reinforcement of the efficiency of the internal audits of the Bank.

The purpose of the controls was to provide assurance that the property of the Bank was safeguarded, that its operations were effective and efficient, that its information was reliable and that compliance was ensured with the provisions in force. In all, the implementation of the 2015 annual program resulted in the completion of thirty-three (33) internal audits, including seven (7) audits of structures, eighteen (18) audits of processes, six (6) thematic audits and two (2) audits of information systems.

Audits of structures applied to two (2) Branches in a BCEAO National Directorate, three (3) Central Services Directorates, one (1) BCEAO Representation, and one (1) administrative structure managing regional electronic banking. These audits notably focused on aspects linked to governance, and particularly the handling of matters of ethics; steering of activities; operational controls and risk management; communications and quality management.

Audits of processes essentially focused on fiduciary activities and payment systems. Seventeen fiduciary (17) audits were carried out in National Directorate Branch Offices. The purpose of these audits was to assess the conduct of activities and conditions of transaction processing at cash desks. These audits also included cash audits and checks on the destruction of cancelled banknotes. The R8 process - Payment Systems audit provided a crosscutting analysis of the effectiveness of the internal control mechanisms in terms of managing the risks inherent in running payment systems in the Union.

Investigations were conducted in BCEAO Central Services Directorates, banks and electronic money institutions.

With regard to thematic audits, four (4) quarterly audits were carried out on the conformity of transfers at the Market Operations Directorate (Direction des Opérations de Marché - DOM). Two (2) other audits were carried out on topics pertaining to human resources management and the safety of property and persons.

Information system audits focused on databases managed by the Statistics Directorate and on IT project management by the Information Systems Directorate (DSI).

As to the reinforcement of the efficiency of internal audits, a variety of training activities were carried out for internal participants during the period under review. Accordingly, in collaboration with the West African Centre for Banking Studies and Training (COFEB), the Directorate of Inspections and Audits (DIA) organized, for all participants, one (1) seminar on the subject of “IT audits and using IT tools in internal audits” and two (2) seminars to prepare participants for parts 1 and 2 of the Certified Internal Auditors (CIA) exam. The participants also benefitted from briefing activities in the internal audit directorate of partner central banks and training internships with the French Internal Audit and Control Institute (Institut Français de l’Audit et du Contrôle Internes - IFACI) and the French Association of IT Auditing and Consulting (Association Française de l’Audit et du conseil Informatiques - AFAI).

In addition, work to ensure compliance of internal audits with international standards continued in 2015, with the formalization and implementation of a Quality Assurance and Improvement Program (QAIP). The aim of the program is to guarantee that internal audit activities are carried out in compliance with the definition of internal audits, and standards and codes of professional ethics for internal auditors. It includes continuous monitoring and periodic internal and external evaluations of the activities. In keeping with this program, the DIA conducted a self-assessment of internal audit activities in FY 2015.

Furthermore, a scoring system to express audit opinions was formalized to improve communication of audit findings.

Monitoring of external audits focused on the audit of BCEAO accounts for financial year 2014 by the Statutory Auditors-Comptrollers and the National Comptrollers as well as on the annual review of foreign exchange reserves management by the operating account auditor. It also focused on the implementation the recommendations of the IMF Safeguards Assessment of the BCEAO.

During the period under review, audit firms were appointed to conduct external audits of the Bank’s accounts for FY 2015, 2016 and 2017.

Finally, in the framework of enhanced supervision by the Audit Committee, particularly in terms of internal and external audits, Committee members received training facilitated by a specialized firm in November 2015.

5.2.5 - Management control mechanism

In financial year 2015, the principal activities carried out focused on the development of the BCEAO 2016-2018 BCEAO Strategic Plan, continued monitoring of the implementation of organizational steering of cost accounting of certain Quality Management System (QMS) processes.

In recent years, the Central Bank has relied on strategic plans to better deal with the uncertainties and rapid change in its environment, the latest of which covered the 2011-2015 period and ended at the end of December 2015. Progress in the completion of the strategic actions set forth by the General Directorates for FY 2015 was periodically reviewed by the Government of the Bank.

During the financial year under review, the Bank undertook the development of its new 2016-2018 Strategic Plan. In this framework, in 2015, it adopted a new strategic planning method based on strong involvement of process pilots, heads of structures and executive management. On completion of the work done from March to November 2015, the main issues to be faced by the Bank for the coming decade were identified. These issues were organized around four strategic focus areas.

Focus area 1 included the following issues relating to “process and risk governance”:

- better positioning of the BCEAO on African and international levels;
- preservation of the financial equilibrium of the Bank;

- optimization of organization and management methods to better address future challenges;
- the Bank's resilience when faced with crisis situations;
- maintaining the highest standards of risk management and control activities.

Focus area 2 involved the following issues relating to “monetary stability, financial inclusion and financing of economies”:

- increasing the effectiveness of monetary policy;
- stronger knowledge of the dynamics of the economies of the Union;
- and diversification and accessibility of financial services for adequate financing of the economies.

Focus area 3 was centred on “financial stability”, and the only issue was the “resilience and strength of the banking and financial system”.

Focus area 4 concentrated on the problem of “resource efficiency”, through issues relating to “the optimization of the BCEAO information system and its alignment with best practices, norms and standards” and “handling of the Bank's missions and projects by efficient human resources”.

In order to address all of these issues in the 2016-2018 Strategic Plan, twenty-one (21) strategic objectives divided into fifty (50) operational objectives were identified. Indicators were also defined for the achievement of those objectives, through projects to be implemented. For each project, the structure in charge developed a detailed plan of action clearly identifying the distribution of its implementation over time in each year of the Strategic Plan.

All additional resources required to achieve the objectives of the new Strategic Plan were estimated by each structure. The financial sustainability of the Plan was taken into account on the basis of a multi-year budget framework covering the 2016-2018 period.

Regarding the steering mechanism, FY 2015 was marked by the continuation of actions undertaken in 2012, 2013 and 2014 to improve the system for the steering of BCEAO structures. In this framework, the regular organization of the monthly steering meetings established in 2013 for the Central Services Directorates, Headquarters and the Main Branch Office in Dakar, extended in 2014 to include all of the structures of the Bank, was monitored on a regular basis.

An evaluation of the implementation of the steering methodology was conducted, based on audits of the regularity of steering meetings and compliance of steering documents with methodological requirements.

As for the cost accounting component, the work begun in 2012, 2013 and 2014 on three pilot processes were continued and the results they produced were analysed and reported on. By refining the analysis of the preliminary findings of the implementation of a cost accounting approach to these processes, it was possible to issue recommendations to be followed by the Process Improvement Teams concerned (PITs / GAP), by drafting plans of action.

5.2.6 - BCEAO Quality Management System

In compliance with the provisions of the ISO certification process stipulating a three-year cycle of audits by a certified external body, following certification in 2013 and an initial surveillance audit in 2014, the Central Bank subjected its Quality Management System (QMS) to a second surveillance audit on June 8-12, 2015.

The aim of this audit was to evaluate the capacity of the BCEAO's QMS to meet normative requirements and to identify the areas of the QMS that could be improved. It concluded that the Bank's QMS certification should be maintained, thereby confirming the BCEAO in its will to adopt an approach focusing on progress and continuous improvement.

With a view to renewing its certification in 2016, the Central Bank developed a new quality policy in 2015 by adapting its QMS to the 2015 version of the ISO 9001 standard.

5.3 - INTERNATIONAL COOPERATION

5.3.1 - Monetary and financial cooperation

5.3.1.1 - Relations with the International Monetary Fund (IMF)

In FY 2015, six (6) WAEMU member states, namely Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger and Senegal, implemented programs supported by the International Monetary Fund (IMF). Benin and Togo continued negotiations with the Fund with a view to signing on to new programs.

Transactions carried out by the Central Bank and the IMF in 2015 on behalf of WAEMU member states culminated in net inflows of resources amounting to 62.3 million SDRs against 126.4 million SDRs one year prior. This decrease was notably due to the combined impact of a net increase in reimbursements and a decline in drawdowns. Payments stood at 108.1 million SDRs in 2015, compared to 59.7 million SDRs the previous year, for an increase of 48.4 million SDRs. Drawings were down by 4.5 million SDRs, from 174.9 million SDRs in 2014 to 170.4 million SDRs in 2015. Furthermore, no debt reductions were granted to any of the member states of the Union in 2015, contrary to 2014, when Côte d'Ivoire was granted debt relief in the amount of 11.3 million SDRs (8.3 billion CFA francs).

Costs covered by the BCEAO in 2015 in the framework of its transactions with the IMF amounted to 0.4 million SDRs (350.7 million CFA francs) against 0.8 million SDRs (578.4 million CFA francs) the year before. They applied solely 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.

In remuneration of their creditor positions in 2015, the IMF paid 0.4 million SDRs (332.6 million CFA francs) to the WAMU member states against 0.9 million SDRs (684.2 million CFA Francs) the previous year.

As at December 31, 2015, the stock of purchases of SDRs stood at 700.0 million SDRs (584.4 billion CFA francs), showing relative stability compared to its level at the end of December 2014.

5.3.1.2 - Relations with other institutions

During FY 2015, the BCEAO participated in a meeting of the Ministers of Finance of the Franc Zone countries, held on October 2, in Paris. The meeting focused on two main themes, in addition to a review of the status of convergence in the Zone. The first theme focused on the integration of capital markets in the Franc Zone, and the second on the fight against money laundering and financing of terrorism. In the framework of the drafting of the report on the first theme, the BCEAO was appointed to head the working group in charge of reviewing the status of the integration of capital markets in the Franc Zone and suggesting realistic avenues moving ahead. The working group was made up of central banks, stock exchanges and capital market regulatory bodies in African countries located in the Franc Zone. The report submitted by the working group was presented during the meeting.

The BCEAO also participated in the 15th international economic forum on Africa of the Organisation for Economic Co-operation and Development (OECD) on the theme: "Africa Beyond 2015", held on

September 9, 2015, in Berlin, Germany. During the forum, which was part of a series of meetings on climate change and sustainable development, the following sub-themes were addressed: (i) “Beyond 2015: Africa’s Development Agenda”, (ii) “Climate Change and Agricultural Transformation in Africa” and (iii) “Can regional development help Africa tap its demographic dividend? ”.

The Central Bank also attended the 8th joint annual meeting of the Conference of Ministers of the Economy and Finance of the African Union (CAMEF) and the 2015 Conference of African Ministers of Finances, Planning and Economic Development of the United Nations Economic Commission for Africa (CM-ECA), held on March 30-31, 2015, at ECA headquarters in Addis Ababa, Ethiopia. The central theme of the meeting focused on: “Implementing Agenda 2063 - Planning, Mobilizing and Financing for Development”. At the outcome of the meeting, it was apparent that the progress achieved by African countries in terms of meeting the Millennium Development Goals (MDGs) was considerable, but that it remained insufficient to achieve equitable and inclusive development in Africa. In addition, African countries were urged to explore South-South and triangular cooperation, in order to take advantage of the opportunities provided by emerging economic powers.

5.3.2 - Economic and monetary integration

In the framework of work to further the economic integration process in the Union, FY 2015 was essentially marked by the adoption of a new Convergence, Stability, Growth and Solidarity Pact by the Authorities of the Union. The instrument, which entered into force on January 19, 2015, notably includes (i) a reduction in the number of convergence projects, from 8 to 5, including three first-ranking projects, (ii) the introduction of an overall budget balance, including grants, as percentages of the GDP, as new key criteria, replacing the underlying budget balance, (iii) the extension of the timeline for convergence to December 31, 2019 and (iv) the introduction of the concept of “critical mass”, i.e. the Union’s entry into a phase of stability in which the three first-ranking criteria are met by at least four (4) countries representing at least 65% of the nominal GDP of the Union.

Furthermore, it should be noted that the ECOWAS Common External Tariff (CET) entered into force on January 1, 2015. Its architecture notably includes (i) fees and duties of a permanent nature, which include customs duties, statistical charges and community levies, (ii) trade defence measures, and (iii) additional protective measures through an Import Adjustment Tax (IAT) and a Supplementary Protection Tax (SPT). As regards its structure, it includes five (5) tariff bands with customs duty rates of 0%, 5%, 10%, 20% and 35%. ECOWAS-CET, which establishes a customs union between the member states of the Community, replaces the WAEMU CET, which had been in force since January 2000. However, during FY 2015, only the WAEMU member states and Nigeria effectively began to enforce ECOWAS-CET. The other member states are urged to rapidly take the necessary steps for full enforcement of this community policy.

In the context of the Union’s common sectorial policies, the BCEAO took part in activities relating to the implementation of the Regional Initiative for Sustainable Energy (IREN), and specifically in the work of the IREN Steering Committee and Technical Monitoring Committee and that of the Council of Donors of the Energy Development Fund (EDF). The work accomplished chiefly included monitoring of the execution of projects financed with EDF resources and approval of new loan applications submitted by member states with a view to financing priority electricity projects. It also included monitoring of the setting up of a seed fund to create a fund for private financing of energy infrastructure in the Union. The Central Bank also participated in the proceedings of the high-level committee on the implementation of the WAEMU peace and security program, particularly with regard to the review and validation of the Strategic Program for Peace and Security (2PS) in WAEMU.

With regard to monetary integration in the Economic Community of West African States (ECOWAS), the BCEAO took part in the third meeting of the Presidential Task Force on the ECOWAS monetary cooperation programs, in Niamey, on February 4-9, 2015. The meeting notably focused on the revision of convergence criteria and the creation of the ECOWAS Monetary Institute (EMI). The documents

validated at the meeting on these two issues were submitted at the eighth ordinary meeting of the ECOWAS Convergence Council, held in Dakar on September 4, 2015. During that meeting, the Convergence Council approved the draft convergence and macroeconomic stability pact between the member states of ECOWAS. The draft instrument will subsequently be submitted to the Conference of Heads of State and Government in 2016.

The statutory meetings of the West African Monetary Agency (WAMA / AMAO) for FY 2015 were unable to take place due to the persistence of the Ebola virus epidemic. However, in the light of the risks of paralysis threatening the operation of the Agency, the BCEAO, which presides over its meetings, consulted the other member central banks regarding payment of financial contributions for the 2015 budget of WAMA / AMAO, based on the contributions paid in FY 2014. All of the ECOWAS member states' central banks reacted positively to the initiative, which allowed WAMA / AMAO to access the necessary resources to carry on its activities.

PRINCIPAL MONETARY POLICY MEASURES ADOPTED BY THE BCEAO IN 2015

During the financial year under review, the BCEAO Monetary Policy Committee held four (4) ordinary meetings, under the chairmanship of Mr Tiémoko Meyliet Koné, Governor of the Central Bank and statutory chairman, respectively on March 4, June 3, September 9 and December 2 at BCEAO headquarters in Dakar.

March 2015

The BCEAO Monetary Policy Committee held its first ordinary meeting of FY 2015 on March 4, 2015, at the headquarters of the institution in Dakar.

The Committee analysed recent trends in the economic, monetary and financial situation, both internationally and at the level of the Union, and assessed the risk factors on the medium-term outlook for economic growth and price stability in the Union.

At the international level, the Committee noted that the economic recovery remained tenuous in most industrialized countries and that growth had slowed in the major emerging countries. The Committee also noted the downward trend in global prices for most commodities, including those exported by the countries of the Union.

On analysing the internal situation of the Union, the Committee further noted that economic activity had continued strong in the final quarter of 2014. For 2014 as a whole, the gross domestic product of the Union grew by 6.6% compared to 5.9% in 2013. This performance was due to stronger agricultural production and a healthy performance in the industrial and trade services sectors, particularly thanks to strong growth in the “public works and civil engineering” branch.

The Union recorded an inflation rate of 0.1%, year over year, as at the end of December 2014. This development is linked to an increase in the cost of basic utilities (water and electricity) in certain countries in the Union, offset by a drop in food prices. In 24 months' time, the year-over-year inflation rate is forecast at 1.7%, in phase with the Central Bank's goal of price stability.

With regard to monetary terms, the Committee observed the easing of interest rates on the one-week interbank market compartment, where the weighted average rate stood at 3.35% in the final quarter after reaching 3.43% in the third quarter of 2014.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level that has been in force since March 16, 2012.

June 2015

The BCEAO Monetary Policy Committee held its second ordinary meeting of FY 2015 on June 3, 2015, at the headquarters of the institution in Dakar.

Upon its analysis of the recent economic, monetary and financial situation, the Committee noted that, on the international scale, the consolidation of the economic recovery continued at a moderate rate in the first quarter of 2015, due to the contrasting impact of strong performances in some advanced countries and slower growth in the major emerging countries. According to recent projections by the International Monetary Fund, the global economic outlook for 2015 is expected to ring in at 3.5%, compared to 3.4% in 2014. The Committee also noted that the downward trend in global prices for

some commodities had faded as of January 2015. On the other hand, global petroleum prices dropped in the first quarter of 2015, due to an abundant supply.

Reviewing the economic situation of the Union, the members of the Committee noted that the gross domestic product had grown by 6.2% in the first quarter of 2015, thanks in particular to a strong tertiary sector. The outlook is for this trend to increase. Thus, the rate of growth in the gross domestic product of the Union is projected to reach 6.7% in 2015, up from 6.5% in 2014, thanks to strong performances in the industrial and trade services sectors.

Where prices were concerned, the Committee noted a slight increase in their rate of growth. The Committee observed that monetary conditions had eased slightly in the Union during the first quarter of 2015, following the depreciation of the real effective exchange rate, offset by an increase in the interest rate on the one-week compartment of the interbank market.

The Committee also noted that public deficits remained high, in conjunction with the high levels of infrastructure investments ongoing in most of the states. In this regard, the members of the Monetary Policy Committee recommended balancing public finances over the medium term, in keeping with the provisions of the Convergence, Stability, Growth and Solidarity Pact adopted in the Union in January 2015.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level that has been in force since March 16, 2012.

September 2015

The BCEAO Monetary Policy Committee held its third ordinary meeting of FY 2015 on September 9, 2015, at the headquarters of the institution in Dakar.

Based on its analysis of the economic, monetary and financial situation in the second quarter of 2015, the Committee noted that, on the international scale, the global economy was marked by a sluggish recovery in advanced countries and a continued slowdown in growth in the major emerging countries.

Reviewing the economic situation of the Union, the members of the Committee noted that the GDP had grown by 6.9% in the second quarter of 2015, compared to 6.0% in the first quarter of 2015, thanks in particular to the strong secondary sector and a healthy performance in the primary and tertiary sectors. The outlook is for an increase in this trend over the remainder of 2015. Under those conditions, the GDP growth rate in the Union was expected to reach 6.7% in 2015, compared to 6.5% in 2014.

Where consumer prices were concerned, the Committee noted a slight increase in their rate of growth. From one year to the next, the inflation rate in the Union rose from 0.5% at the end of March 2014 to 1.5% at the end of June 2015, notably due to higher food prices, following decreased cereal production in the 2014/2015 growing season in certain countries in the Union. In 24 months' time, the year-over-year inflation rate was expected to stand at 2.1%.

The Committee noted that money market terms remained virtually unchanged from one quarter to the next, with a weighted average rate on weekly cash injections of 2.56% at the end of June 2015. On the other hand, the one-week interbank rate was up, standing at 4.08% in the second quarter of 2015, compared to 3.53% in the previous quarter.

Reviewing the state of public finance, the Committee took note of a deterioration in the budgetary balance on a commitments basis, including grants, in the member states of the Union, compared to the level recorded over a similar period in FY 2014. In this regard, the members of the Monetary Policy

Committee recommended that the states should continue efforts to increase public revenue and rationalize spending.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level that has been in force since March 16, 2012.

December 2015

The BCEAO Monetary Policy Committee held its fourth ordinary meeting of FY 2015 on December 2, 2015, at BCEAO headquarters in Dakar.

On analysing the recent economic, monetary and financial situation, the Committee pointed out that, at the international level, the economic recovery remained tenuous in most industrialized countries and that the growth slowdown continued in the major emerging countries. It noted that this outlook would continue to weigh on global prices for most of the commodities exported by the countries of the Union, which continued on their downward trend in the third quarter of 2015, with the exception of cocoa and cashew nuts.

Reviewing the internal situation of the Union, the Committee noted that buoyant economic activity had been maintained in the third quarter of 2015, thanks to a strong secondary sector and healthy performance in the primary and tertiary sectors. The rate of growth stood at 7.0% after 7.1% in the second quarter of 2015. For 2015 as a whole, the gross domestic product of the Union grew by 6.6%, the same rate of growth observed in 2014.

Reviewing the state of public finance in the member states of the Union, the Committee took note of a deterioration in the budgetary balance on a commitments basis, including grants, compared to the level recorded over a similar period in FY 2014. In this regard, the members of the Monetary Policy Committee urged the states to ramp up efforts to increase public revenue and rationalize expenditure, with a view to bringing the budget deficit in below 3.0% by 2019, in keeping with the new standards set by the convergence, stability, growth and solidarity pact.

Where consumer prices are concerned, the Union recorded an inflation rate of 1.5%, year over year, as at the end of September 2015. This trend was essentially due to the increase in food prices. In 24 months' time, the year-over-year inflation rate is forecast at 2.0%, in phase with the Central Bank's goal of price stability.

With regard to monetary terms, the Committee noted the easing of interest rates on the one-week interbank market compartment, where the average weighted rate stood at 4.35% in the third quarter of 2015 after reaching 4.63% the previous quarter. The average weighted interest rate for one-week cash injection transactions also fell to 2.55% in the third quarter of 2015, down 0.9 basis point from one quarter to the next.

Based on these analyses, the Monetary Policy Committee decided to maintain both the minimum bid rate on cash injection tender transactions and the marginal lending rate unchanged, at respectively 2.50% and 3.50%, the levels in force since September 16, 2013. The required reserve coefficient applicable to the banks of the Union remained at 5.0%, the level that has been in force since March 16, 2012.

LIST OF THE PRINCIPAL DOCUMENTS PUBLISHED BY THE BCEAO

PERIODICAL PUBLICATIONS

Annual Publications

- 1 - Banks and financial institutions directory (from 1967).
- 2 - Statistical directory (from 2004).
- 3 - Balance of payments and overall external position of the WAMU member states (from 2005).
- 4 - Balance sheets & profit and loss accounts of banks and financial institutions (from 1967).
 - Balance sheets of banks and financial institutions (1967-2003).
 - Balance sheets & profit and loss accounts of banks and financial institutions (from 2004).
- 5 - Banking conditions (from 2015).
- 6 - Monographs on Decentralized Financial Systems (from 1994).
 - Database on decentralized financial systems (1994-2000).
 - Monographs on Decentralized Financial Systems (2001-2011).
- 7 - Organization of the banking and financial system (from 2012).
- 8 - Economic outlooks of WAEMU member states (from 2006).
- 9 - BCEAO Annual Report (from 1962).
- 10 - Annual report on consumer price trends and outlook in WAEMU (from 2008).
- 11 - Annual report on mobile phone financial services in WAEMU (from 2014).
- 12 - Annual report on BCEAO payment systems (from 2012).
- 13 - Report on foreign trade by WAEMU (from 2006).
- 14 - Report on the competitiveness of WAEMU's economies (2011, 2012).
- 15 - Report on banking conditions in WAEMU (from 2006).
- 16 - Review of financial stability within WAEMU (2006, 2008)
- 17 - Status of the banking landscape (from 2015).
- 18 - Status of the microfinance sector (from 2014).

Semi-annual Publications

- 19 - Economic and Monetary Review (from June 2007).

Quarterly Publications

- 20 - Quarterly statistics newsletter (from September 2014).
- 21 - DFS / SFD indicators in WAMU (from 2010).
- 22 - Memos and Statistics (1962-2004).

23 - Quarterly information memo (from March 2005).

24 - Quarterly economic memo (June 2010 to December 2013). 25 - Monetary policy report (from December 2010).

Monthly Publications

26 - Monthly economic newsletter (2005-2013).

27 - Monthly bulletin of WAEMU economic statistics (from 2014). 28 - Monthly bulletin of monetary and financial statistics (from January 2005).

BOOKS

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

30 - History of the West African Monetary Union (3 volumes in French and English) Georges Israël, Publisher, Paris, 2000.

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

32 - Méthodologie d'analyse financière (Methodology of financial analysis). BCEAO, Dakar, 2004.

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

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

35 - Recueil des textes légaux et réglementaires régissant l'activité bancaire et financière dans l'UMOA (Compendium of legislative and regulatory texts governing banking and financial activities in WAMU). BCEAO, 1st edition 2003, 2nd edition 2016.

36 - Recueil des textes législatifs et réglementaires applicables aux systèmes financiers décentralisés dans l'UMOA (Compendium of legislative and regulatory texts applicable to decentralized financial systems in WAMU). BCEAO, 2013.

37 - Référentiel comptable spécifique des systèmes financiers décentralisés de l'UMOA (Specific accounting standard for the decentralized financial systems of WAMU). BCEAO, 2009.

38 - Système Comptable Ouest Africain (SYSCOA - West African Accounting System) (4 volumes).

- Plan comptable général des entreprises (Company General Chart of Accounts). Edition Foucher, Paris, 1996.

- Guide d'application (Implementation Guide). Edition Foucher, Paris, 1997.

- Système minimal de trésorerie (Minimum Cash System). Edition Foucher, Paris, 1997.

- Tableaux de passage (Reconciliation tables). Edition Foucher, Paris, 1997.

- 39 - Système Comptable Ouest Africain (SYSCOA - West African Chart of Accounts). Liste intégrale des comptes et états financiers (Complete list of accounts and financial statements) BCEAO, Dakar, 2005.
- 40 - Livre d'or du 40^e anniversaire de la BCEAO. (Guest book of the 40th anniversary of the BCEAO). Georges Israël, Publisher, Paris, 2004.
- 41 - Collection des œuvres d'art contemporain de la BCEAO (Collection of contemporary artwork of the BCEAO). Georges Israël, Publisher, Paris, 2005.



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