BCEAO

CENTRAL BANK OF WEST AFRICAN STATES

2024

ANNUAL REPORT



2024

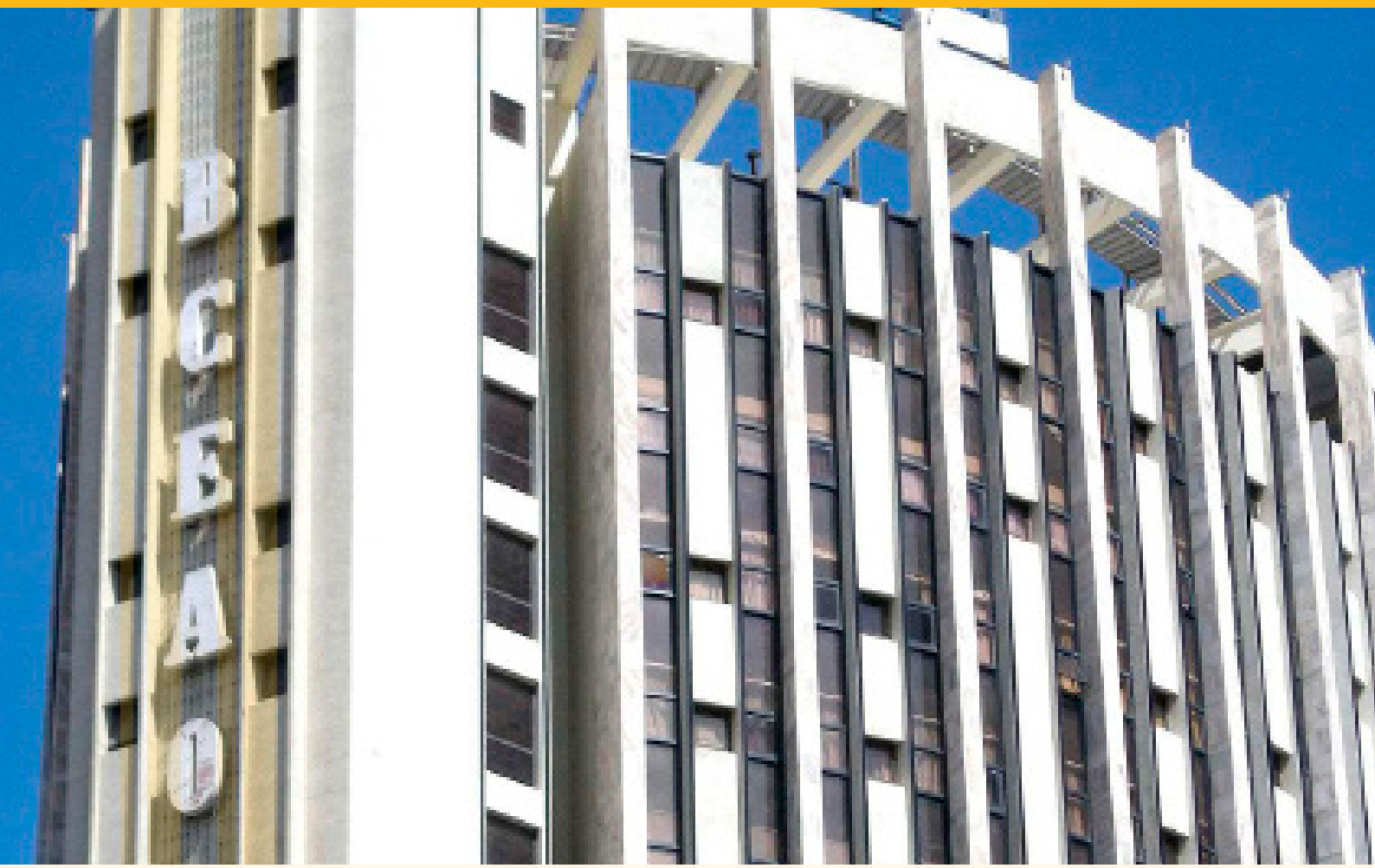
ANNUAL REPORT

(SUMMARISED VERSION)

BCEAO

CENTRAL BANK OF WEST AFRICAN STATES

ANNUAL REPORT 2024



The Annual Report of the Central Bank of West African States is available on the BCEAO website at **https://www.bceao.int/en/publications/**

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LIST OF ACRONYMS AND ABBREVIATIONS

AACB	Association of African Central Banks
AERC	African Economic Research Consortium
AES	Alliance of Sahel States
AfDB	African Development Bank
AFES	Africa Meeting of the Econometric Society
AFI	Alliance for Financial Inclusion
AFIS	Africa Financial Industry Summit
AfPI	African Financial Inclusion Policy Initiative
AI	Artificial Intelligence
AMF-UMOA	*Autorité des Marchés Financiers de l'Union Monétaire Ouest Africaine* (WAMU financial markets authority)
AMI	African Monetary Institute
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing
AML/CTF/FP	Anti-money laundering and countering financing of terrorism and financing of the proliferation of weapons of mass destruction
APBEF	*Association Professionnelle des Banques et Établissements Financiers* (professional association of banks and financial institutions)
ASE	African School of Economics
ATTF	Financial Technology Transfer Agency
BCEAO	Central Bank of West African States
BCP	Business continuity plan
BCSF-UMOA	WAMU Fintech Knowledge and Monitoring Office
BEAC	Bank of Central African States
BIS	Bank for International Settlements
BoE	Bank of England
BoG	Bank of Ghana
BoJ	Bank of Japan
Bp	Basis point
BRVM	Regional stock exchange
CAMES	African and Malagasy Council for Higher Education
CBDC	Central Bank Digital Currency
CBN	Central Bank of Nigeria
CCBS	Centre for Central Banking Studies
CEMAC	Central African Economic and Monetary Community
CEMSTRAT	Executive Certificate in Strategic Banking Management
CFA F	African Financial Community Franc
CG	Central government
CIAQ	Internal Quality Assurance Unit
CIB	Credit Information Bureau
CILSS	Permanent Inter-State Committee for Drought Control in the Sahel
CIP	Payment Incidents Center
CIWA	Creditinfo West Africa
COCOTIER	*Collecte, Consolidation, Traitement Informatique et Élaboration de Rapport* (WAEMU payment systems and instruments monitoring mechanism for stakeholders in the payment instruments and services ecosystem)
COFEB	West African Center for Banking Studies and Training
CPC	Climate Policy Committee
CPM	Monetary Policy Committee
CRIA	Research Committee on Artificial Intelligence
DC	Development Committee
DC/BR	*Dépositaire Central/Banque de Règlement* (Central Depository/Settlement Bank)

DPC	Data Processing Center
DSF	Financial Stability Directorate
ECA	United Nations Economic Commission for Africa
ECB	European Central Bank
ECF	Extended Credit Facility
ECOWAS MU	ECOWAS Monetary Union
ECOWAS	Economic Community of West African States
EFF	Extended Fund Facility
EFP	Economic and Financial Program
EIB	European Investment Bank
EMI	Electronic Money Institution
ENSEA	*École Nationale Supérieure de Statistique et d'Économie Appliquée d'Abidjan* (National school of statistics and applied economics, Abidjan)
ERM	ECOWAS Exchange Rate Mechanism
ESG	Environmental, social, and governance
ETL	Extract, Transform, and Load
FDI	Foreign direct investment
Fed	Federal Reserve System (United States)
FERDI	Foundation for Studies and Research on International Development
FIL	Financial Innovation Laboratory
FINTECH	Financial technology
FMI	Financial market infrastructure
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
GDP	Gross domestic product
GIM-UEMOA	Interbank Electronic Banking Group of the West African Economic and Monetary Union
GPE	Economic Policy Management
HEC	*École des Hautes Études Commerciales* (renowned Paris business school)
HICP	Harmonized Index of Consumer Prices
IBFI	Institut Bancaire et Financier International (cooperation branch of the French central bank)
IDM	Instant Decision Module
IFI	Islamic finance institution
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IMFC	International Monetary and Financial Committee
IORWG	International Operational Risk Working Group
IPS	Instant Payment System
IS	Information system
ISO	International Organization for Standardization
JICA	Japan International Cooperation Agency
LPR	Loan Prime Rate Management System)
MFI	Microfinance institution
MIGA	Multilateral Investment Guarantee Agency
MSMEs	Micro, small and medium-sized enterprises
NBB	National Bank of Belgium
NEAs	Net external assets
NET / TSN	Thematic Study Notes
NGFS	Network for Greening the Financial System
NPISH	Non-profit institutions serving households

NPTCIE	*Nouveau Programme de Troisième Cycle Inter Universitaire en Économie* (new inter-university postgraduate program in economics)
NYMEX	New York Mercantile Exchange
OAPI	*Organisation Africaine de la Propriété Intellectuelle* (African Intellectual Property Organization)
OdR	Stimulus bonds
OECD	Organization for Economic Co-operation and Development
PBoC	People's Bank of China
PCI DSS	Payment Card Industry Data Security Standard
PCS	*Prélèvement Communautaire de Solidarité* (community solidarity levy)
PI-RAC	*Plateforme d'Interopérabilité – Répertoire des Alias Centralisé* (Interoperability Platform Centralized Alias Directory)
PI-SPI	*Plateforme d'Interopérabilité – Système de Paiement Instantané* (Interoperability Platform Instant Payment System)
PoC	Proof of Concept
Pp	Percentage point
QAIP	Quality Assurance and Improvement Program
RBI	Reserve Bank of India
RCF	Rapid Credit Facility
RCG SSA	Regional Consultative Group for Sub-Saharan Africa
REM	*Revue Économique et Monétaire* (BCEO economic and monetary journal)
RFI	Rapid Financing Instrument
RSF	Resilience and Sustainability Facility
SAE	Support and Supervision Structure
SAHFI	Société Sahélienne de Financement
SDRs	Special drawing rights
SGI	Management and intermediation company
SICA-UEMOA	Automated Interbank Clearing System of the West African Economic and Monetary Union
SIRH	*Système Intégré de Gestion des Ressources Humaines* (Integrated Human Resource
SMEs	Small and medium enterprises
SMIs	Small and medium-sized industries
SPAME	*Services de Paiement Adossés à la Monnaie Électronique* (payment services backed by electronic money)
SRIF	*Stratégie Régionale d'Inclusion Financière* (regional financial inclusion strategy)
SSA	Sub-Saharan Africa
SSEC	*Système de Suivi des Établissements de Crédit* (credit institution monitoring system)
STAR-UEMOA	Automated Transfer and Settlement System in the West African Economic and Monetary Union
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TFP	Technical and financial partner
UNDP	United Nations Development Programme
VPN	Virtual Private Network
VSAT	Very Small Aperture Terminal
WADB	West African Development Bank
WAEMU EIS	WAEMU-region Energy Information System
WAEMU	West African Economic and Monetary Union
WAMA	West African Monetary Agency
WAMU	West African Monetary Union
WAMU DGRF	WAMU Deposit Guarantee and Resolution Fund
WAMU FSC	WAMU Financial Stability Committee
WAR	Weighted average rate
WAY	Weighted average yield
WPS	Working Paper Series

A WORD FROM THE GOVERNOR

The year 2024 was marked by the consolidation of global economic activity, despite an unfavorable international environment owing to ongoing geopolitical tensions. Monetary policy easing by central banks, particularly in advanced economies, contributed to an improvement in financial conditions and supported demand. Global economic growth stood at 3.2% in 2024, after 3.3% in 2023, while global inflation fell to an annual average of 5.8% in 2024, compared with 6.7% in 2023.

Economic activity in the WAEMU Union remained robust in 2024, with growth of 6.2%, driven in particular by the entry into production of new oil and gas fields and a better agricultural season than the previous one. The downward trend in prices recorded since 2022 was supported by satisfactory supplies of local agricultural food commodities, combined with easing of world prices for imported foods and petroleum products. The average annual inflation rate was 3.5% in 2024, compared with 3.7% the previous year. Despite the decline in inflation, significant upside risks persisted throughout 2024 due to geopolitical tensions and the security crisis in the Sahel.

In view of the foregoing developments, it was important to adopt an appropriate policy aimed at building back monetary policy buffers, eroded by the shocks of the previous five years. Accordingly, throughout the past year, the BCEAO kept its key policy rates unchanged to ensure adequate financing for economic activities. The main policy rate for BCEAO loans to banks remained at 3.5%, and the marginal lending facility rate at 5.5%, their levels since December 16, 2023.

Financing for the economies of the Union was adequate, with lending to private enterprises growing by 6.5% and lending to households and non-profit institutions up by 6.0%. Lending by banks to governments increased by 9.0%.

Microfinance institutions' financial intermediation activities were also diversified and deepened, further facilitating access to financial services for the population. Deposits collected by these institutions stood at 2,476.0 billion CFA F at the end of December 2024, compared with 2,274.2 billion CFA F at the end of December 2023, representing an increase of 8.9%.

To further strengthen financial inclusion for the population, in 2024, the Central Bank launched the pilot phase of the WAEMU interoperable instant payment system. This initiative aims to facilitate access for users, including the unbanked population, to fast, secure, low-cost payment services by ensuring interconnections between the various financial service providers in the zone. This represents a major step forward in the establishment of modern, inclusive, resilient payment infrastructure to serve the economic integration and development of the region.

On the regulatory front, important steps were taken to strengthen the resilience of the financial system with the adoption of instruments including the new Regulation on the external financial relations of WAEMU Member States and the Instruction governing payment services. These new instruments marked significant progress in the modernization of the legal framework in force in the Union.

At the institutional level, the BCEAO continued to expand and modernize its network of branch offices, in 2024, consolidating its territorial presence in Senegal by inaugurating a new sub-branch in Saint-Louis. Several other infrastructure construction projects were ongoing in various countries of the Union.

Finally, in 2024, the Central Bank adopted a new ten-year strategic vision that positioned it as “an innovative and resilient Central Bank dedicated to serving the people and the sustainable development of the Union's economies”. This new vision responds to the need to address new challenges connected with technological change and climate change, as well as security threats to the Union's financial and macroeconomic stability.

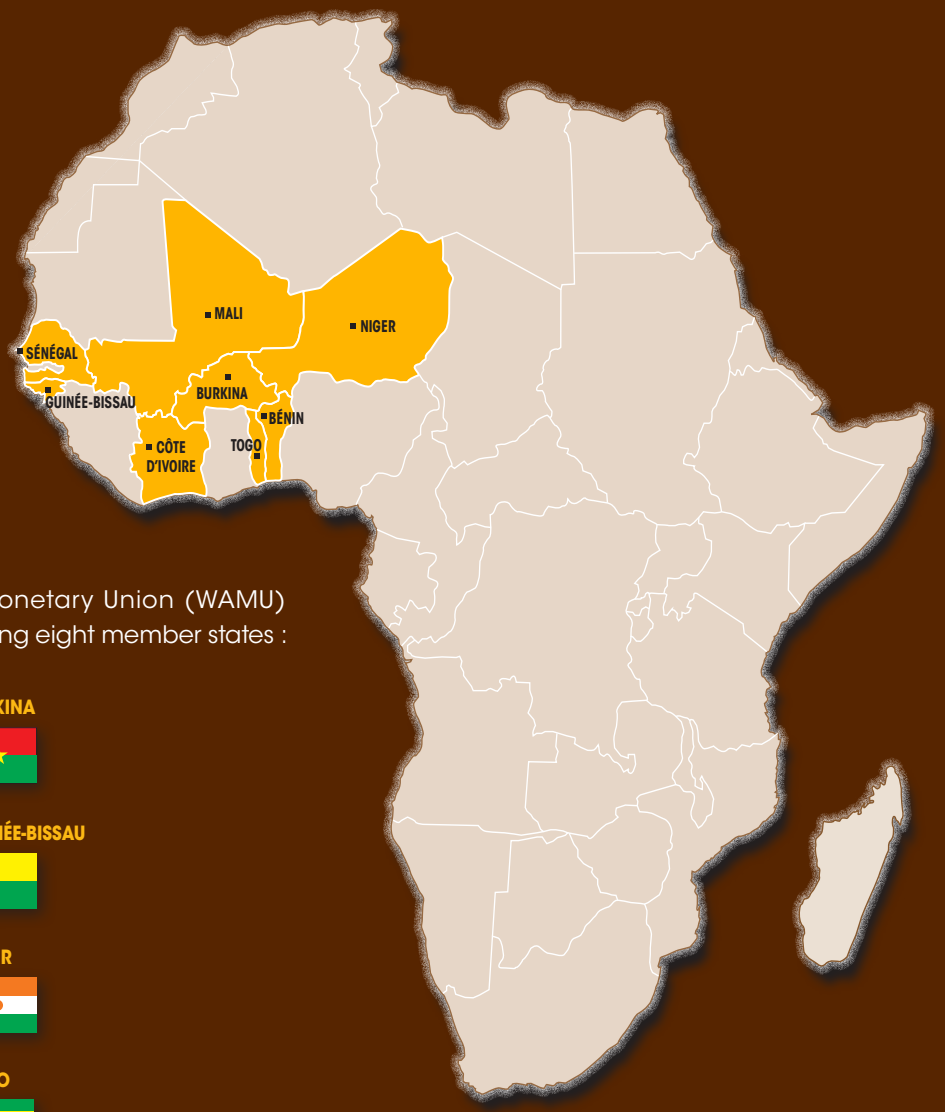
In line with its missions, the Bank will continue to work to maintain price stability and create the conditions for the development of a sound and innovative financial environment, while contributing to robust and sustainable growth.

Jean-Claude Kassi Brou

Governor of the Central Bank of West African States

MEMBERSHIP OF THE STATUTORY BODIES AND ORGANIZATION CHART OF THE BCEAO

WEST AFRICAN MONETARY UNION (WAMU)



The West African Monetary Union (WAMU) comprises the following eight member states :

BÉNIN

BURKINA

CÔTE D'IVOIRE

GUINÉE-BISSAU

MALI

NIGER

SÉNÉGAL

TOGO

The Monetary Union formed by the aforementioned states recognizes a single common currency, which is issued by the Central Bank of West African States (BCEAO).

The BCEAO 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.

CONFERENCE OF WAMU HEADS OF STATE AND GOVERNMENT
on December 31, 2024

Chair: His Excellency **Alassane Ouattara**
President of the Republic of Côte d'Ivoire

His Excellency **Patrice Athanase Guillaume Talon**,
President of the Republic of Benin

His Excellency Captain **Ibrahim Traoré**,
President of Burkina Faso, Head of State

His Excellency **Umaro Sissoco Embalo**,
President of the Republic of Guinea-Bissau

His Excellency Colonel **Assimi Goïta**,
President of the Transition of the Republic of Mali, Head of State

His Excellency General **Abdourahamane Tiani**,
President of the Republic of Niger, Head of State

His Excellency **Bassirou Diomaye Diakhar Faye,**
President of the Republic of Senegal

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

WAMU COUNCIL OF MINISTERS

on December 31, 2024

REPUBLIC OF BENIN		REPUBLIC OF MALI
Mr. Romuald Wadagni, Minister of State, Minister of the Economy and Finance, in charge of Cooperation		**Mr. Alousséni Sanou,** Minister of the Economy and Finance
Mr. Olushegun Adjabi Bakari, Minister of Foreign Affairs		**Mr. Moussa Alassane Diallo,** Minister of Industry and Commerce
BURKINA FASO		REPUBLIC OF NIGER
Mr. Aboubakar Nacanabo, Minister of the Economy, Finance and Planning		**Mr. Ali Mahaman Lamine Zeine,** Prime Minister, Minister of Economy and Finance
Ms. B. Stella Eldine Kabré-Kaboré Minister-Delegate to the Minister of Foreign Affairs, Regional Cooperation and Burkinabè Abroad, in charge of Regional Cooperation		**Mr. Moumouni Boubacar Saidou,** Minister Delegate attached to the Prime Minister, in charge of Finance
REPUBLIC OF COTE D'IVOIRE		REPUBLIC OF SENEGAL
Mr. Adama Coulibaly, Minister of Finance and Budget, President of the Council of Ministers		**Mr. Cheikh Diba,** Minister of Finance and Budget
Ms. Nialé Kaba, Minister of the Economy, Planning, and Development		**Mr. Abdourahmane Sarr,** Minister of the Economy, Planning and Cooperation
REPUBLIC OF GUINEA-BISSAU		TOGOLESE REPUBLIC
Mr. Ilídio Vieira Té, Minister of Finance		**Mr. Essowè Georges Barcola,** Minister of the Economy and Finance
Mr. Soares Sambu Minister of the Economy, Planning and Regional Integration		

BCEAO MONETARY POLICY COMMITTEE

on December 31, 2024

Chair: Dr. Jean-Claude Kassi Brou,
Governor of the BCEAO

Mr. Mamadou Diop, Deputy Governor **Mr. Der Rogatien Poda,** Deputy Governor

MEMBERS REPRESENTING THE STATES

REPUBLIC OF BENIN		REPUBLIC OF MALI
Mr. Yaovi Clément Aziagnikouda, Director, Monetary and Financial Affairs		**Mr. Sidiki Traoré,** Treasury Inspector
BURKINA FASO		REPUBLIC OF NIGER
Mr. Tertius Zongo, Director of the Sahel Chair of the Foundation for Studies and Research on International Development (FERDI)		**Mr. Ibrahim Mahamane Dan Sounsou,** Consultant at the Maison de l'Entreprise (CPA Laureate Coach), Administrator at SAHFI Tanyo, financial guarantee institution
REPUBLIC OF COTE D'IVOIRE		REPUBLIC OF SENEGAL
Dr. Mama Ouattara, Professor at Université Félix Houphouët-Boigny de Cocody, Director of the training program on economic policy management (GPE)		**Mr. Cheikh Tidiane Diop,** Director General of Public Accounting and Treasury
REPUBLIC OF GUINEA-BISSAU		TOGOLESE REPUBLIC
Mr. Quizy Anderson Martins Gomes, Senior Advisor to the Minister of Finance		**Dr. Mohamed Takpara-Khoura,** Retired teacher-researcher

MEMBERS APPOINTED INTUITU PERSONAE		
Mr. Lansina Bakary, Chairperson of the Supervisory Board of the Caisse des Dépôts et Consignations de Côte d'Ivoire		**Dr. 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
Mr. Abdoulaye Soumana, Chairman of the Board of Directors, Université des Sciences et Technologies du Niger, Republic of Niger		**Mr. Kodzo Mawuena Dossa,** Economist, Lomé, Togolese Republic
		Mr. Michel Lazare, Economist, Chevy Chase, USA

BCEAO BOARD OF DIRECTORS

as at December 31, 2024

Chair: Dr. Jean-Claude Kassi Brou,
Governor of the BCEAO

REPUBLIC OF BENIN		REPUBLIC OF MALI
Mr. Oumara Karimou Assouma, Director General of Treasury and Public Accounting		**Mr. Abdoulaye Traoré,** Secretary General of the Ministry of the Economy and Finance
BURKINA FASO		REPUBLIC OF NIGER
Mr. Bruno Raymond Bamouni, Director General of Treasury and Public Accounting		**Mr. Alio Daouda,** Secretary General of the Ministry of the Economy and Finance
REPUBLIC OF COTE D'IVOIRE		REPUBLIC OF SENEGAL
Mr. Arthur Ahoussi, Director General of Treasury and Public Accounting		**Mr. Abdoulaye Fall,** Treasurer General of the General Directorate of Public Accounting and Treasury
REPUBLIC OF GUINEA-BISSAU		TOGOLESE REPUBLIC
Mr. Justino Ramos Vieira, Director General of Treasury and Public Accounting		**Mr. Ekpao Adjabo,** Director General of Treasury and Public Accounting.

BCEAO AUDIT COMMITTEE

Chair: Mr. Arthur Ahoussi,
Director General of Treasury and Public Accounting
of the Republic of Côte d'Ivoire

BURKINA FASO		REPUBLIC OF NIGER
Mr. Bruno Raymond Bamouni, Director General of Treasury and Public Accounting		**Mr. Alio Daouda,** Secretary General of the Ministry of the Economy and Finance
REPUBLIC OF MALI		
Mr. Abdoulaye Traoré, Secretary General of the Ministry of the Economy and Finance		

ACTIVITIES OF THE STATUTORY BODIES

During the 2024 financial year, the organs of the BCEAO held their meetings in compliance with the provisions of the Treaty of the West African Monetary Union (WAMU) of January 20, 2007, and the Statutes of the Central Bank of West African States.

CONFERENCE OF WAMU HEADS OF STATE AND GOVERNMENT

On February 24, 2024, the Conference of Heads of State and Government of the Union held an extraordinary session in Abuja, Federal Republic of Nigeria, under the chairmanship of His Excellency Mr. Alassane Ouattara, President of the Republic of Côte d'Ivoire and senior member of the Conference of Heads of State and Government of the Union.

During the session, the Conference focused in particular on the socioeconomic situation in the Union. It also discussed the state of play and the future of integration.

With regard to the socioeconomic situation in the Union, the Heads of State and Government commended the remarkable resilience shown by the economies of the Member States throughout 2023, despite the global economic slowdown and the fragile sociopolitical and security climate in the subregion. The Union's growth rate for the year stood at 5.7%, as in 2022. Inflation eased to 3.7% in 2023, compared with 7.4% in 2022, owing to an increase in the supply of cereal commodities and continuing measures to combat the high cost of living.

The Conference expressed its satisfaction with the Union's continued determination to strengthen its integration process, particularly in the areas of macroeconomic management, the common market, and sectoral policies.

With regard to the financing of the Union's organs, the Conference urged States that had accumulated arrears in the Community Solidarity Levy (PCS) in recent years to bring themselves up to date in the payment of this key source of funding.

In terms of the progress review and outlook for integration, the Conference noted with satisfaction that the celebration of the 30th anniversary of WAEMU on January 10, 2024, had provided an opportunity to highlight the Union's accomplishments and challenges.

The Heads of State and Government also welcomed the finalization by the WAEMU Commission of a document on WAEMU's vision for 2040, with a view to addressing current and future challenges more effectively.

In addition, the Conference discussed the implications of the Alliance of Sahel States (AES), formed by Burkina Faso, Mali, and Niger, for the regional integration process.

The Heads of State and Government paid a vibrant tribute to His Excellency Mr. Macky Sall, President of the Republic of Senegal, for his unwavering commitment to regional integration, and particularly the conduct, under his leadership, of the Peace and Security project in the WAEMU region for over a decade.

COUNCIL OF MINISTERS OF THE UNION

The following changes were made to the membership of the Council in the 2024 financial year:

On behalf of Burkina Faso, Ms. Stella Eldine Kabré-Kaboré, Minister-Delegate to the Minister of Foreign Affairs, Regional Cooperation and Burkinabè Abroad, in charge of Regional Cooperation, was appointed as alternate representative, effective February 28, 2024, replacing Mr. Karamoko Jean-Marie Traoré.

On behalf of the Republic of Niger, Mr. Ali Mahaman Lamine Zeine, Prime Minister, was appointed to the position of Minister of Economy and Finance, replacing Mr. Ahmat Jidoud, and Mr. Boubacar Moumouni Saidou, Minister Delegate to the Prime Minister, in charge of Finance, was appointed as alternate representative, replacing Mr. Rabiou Abdou, with effect from February 24, 2024.

On behalf of the Republic of Senegal, Mr. Cheikh Diba was appointed to the position of Minister of Finance and Budget, replacing Mr. Mamadou Moustapha Ba, with effect from April 2, 2024.

Mr. Abdourahmane Sarr, Minister of Economy, Planning and Cooperation, was appointed as alternate representative, replacing Mr. Doudou Ka, effective April 28, 2024.

On behalf of the Togolese Republic, Mr. Essowè Georges Barcola was appointed to the position of Minister of Economy and Finance, replacing Mr. Sani Yaya, effective August 20, 2024.

As at December 31, 2024, the Council of Ministers had held four regular sessions, respectively on March 28 at Central Bank headquarters in Dakar, on July 11 at the BCEAO Main Office in Ouagadougou, on September 26 at the Main Office in Bissau, and on December 20, 2024, at the Main Office in Bamako, under the chairmanship of Mr. Adama Coulibaly, Minister of Finance and Budget of the Republic of Côte d'Ivoire, its current Chair.

At its ordinary session of March 28, 2024, at Central Bank headquarters in Dakar, Senegal, the Council of Ministers reviewed recent developments in the Union's economies and welcomed the continued economic recovery in 2023, despite an unfavorable international environment. Economic activity grew by 5.7% of real GDP in the fourth quarter of 2023, the same rate seen in the previous quarter.

The Ministers took note of a significant drop in the inflation rate, which stood at 3.7% in 2023, compared with 7.4% in 2022. This was helped by easing inflationary pressures on food and government efforts to combat the high cost of living, as well as the effects of monetary policy measures taken by the BCEAO.

Reviewing the budget situation, the Council of Ministers noted a decrease in the aggregate budget deficit, calculated on an accrual basis including grants, which totaled 5.4% of the GDP in 2023, as compared to 6.7% of the GDP in 2022.

The Council of Ministers stated that the economic outlook in the Union remained positive, although it would continue to depend on international economic trends, the Union’s sociopolitical and security environment, and climatic factors. According to the latest BCEAO forecasts, real GDP growth in the Union was expected to stand at 6.5% in 2024. This acceleration was likely to be driven primarily by healthy extractive and manufacturing production.

The Ministers then approved the report detailing the economic and monetary situation in WAEMU as at December 31, 2023.

As pertains to the BCEAO

The Ministers also established additional threshold amounts for the enforcement of the Uniform Act on Combating Money Laundering, Financing of Terrorism, and Proliferation of Weapons of Mass Destruction in WAMU Member States. These threshold amounts were added to those adopted by the Council of Ministers of the Union in December 2023 to further strengthen the implementation of the aforementioned Uniform Act.

The Ministers also gave effect to Articles 67 et seq. of the Statutes of the BCEAO by appointing a Representative of Guinea-Bissau to the Monetary Policy Committee of the BCEAO.

The Ministers then approved the BCEAO's financial statements for the 2023 financial year and proceeded with the allocation of the profit.

As pertains to the WAMU Banking Commission:

The Council of Ministers gave effect to the provisions of Articles 5 and 8 of the Annex to the Convention governing the WAMU Banking Commission, regarding the renewal of the term of office of a member of the Resolution College of the Banking Commission.

Regarding the WADB

The Council approved the WADB's annual accounts for the financial year ended December 31, 2023, and the institution's 2023 annual report.

Regarding the WAEMU Commission

The Ministers discussed the situation pertaining to the Community Solidarity Levy (PCS).

As regards the AMF-UMOA

The WAMU Council of Ministers mandated its Chair to appoint representatives of the Union’s Member States to the Boards of Directors of the Regional Stock Exchange (BRVM) and the Central Depository/Settlement Bank (DC/BR) for the 2024-2027 period.

The Council also mandated its Chair to approve, on its behalf, the institutional and organizational reform of the organ as soon as consultations on the remaining outstanding issues produced satisfactory responses.

The Council of Ministers renewed the term of office of Mr. Badanam Patoki as Chair of the AMF-UMOA, effective May 1, 2024.

Finally, the Council approved the AMF-UMOA budget for the 2024 financial year.

At its ordinary session of July 11, 2024, convened at the Main Branch Office of the Central Bank in Ouagadougou, the Council of Ministers approved the following conclusions and recommendations following their discussions:

Regarding the WAEMU Commission

The Council reviewed and adopted the June 2024 Semi-annual Multilateral Surveillance Report, assessing the economic and financial performance of the Union's Member States in 2023. It also provided information on the outlook for 2024, when economic activity in the Union was expected to remain robust. The growth rate in the Union stood at 5.3% in 2023, as compared to 5.5% in 2022. Inflationary pressures eased, with the average annual inflation rate slowing to 3.7%, after 7.4% in 2022. The growth rate in the Union was expected to stand at 7.0% in 2024. The Council also adopted the Recommendation on Economic Policy Guidelines for Member States for 2025.

The Council adopted a Decision approving a revised action plan to optimize tax collection in the Member States. The revision of the action plan, which was originally adopted in 2019, is intended to optimize the collection of tax revenue and contribute to improving the tax burden ratio in the Union.

The Council also approved a Decision on the adoption of guidelines for WAEMU's financial courts. The main aim of the Decision is to harmonize methods and procedures for judicial reviews, compliance audits, financial audits, and performance audits conducted by financial courts in the WAEMU region.

The Council reviewed and adopted the annual report on the audit of the accounts and the management of the Union's Organs for the 2022 financial year. It adopted the Regulation approving the financial accounts of the Union's organs and the decisions granting discharge to the Chief Authorizing Officer and the Principal Accounting Officer of the WAEMU organs for the 2022 financial year.

As pertains to the AMF-UMOA

The Council of Ministers additionally approved the annual accounts of the WAMU Financial Markets Authority for the 2023 financial year and decided on the allocation of the resulting profit.

As pertains to the BCEAO

The Council of Ministers adopted the Draft Decision on the replacement of Guinea-Bissau's representative on the WAMU Financial Stability Committee.

The Council also reviewed and approved the findings of the ad hoc committee responsible for selecting the BCEAO National Auditor for Niger for the 2024 to 2029 financial years.

Finally, the Council reviewed the status of adoption of WAMU community instruments and recommended accelerating the process of incorporating them into national legal systems.

Regarding the WADB

The Council approved the terms and conditions for establishing a financial assistance program, accompanied by a guarantee from the Multilateral Investment Guarantee Agency (MIGA).

During its ordinary session of September 26, 2024, convened at the BCEAO's Main Branch Office in Bissau, the Council of Ministers approved the following conclusions and recommendations at the end of its deliberations:

Regarding the WAEMU Commission

The Council of Ministers examined and adopted three community instruments on biodiversity, veterinary public health, and energy.

The Council examined and adopted a Directive on urban and peri-urban wetlands management and the adoption of an ecosystem-based approach to health in wetlands. The purpose of the Directive is to define the rules applicable to WAEMU Member States in this area, harmonize national strategies and align them with the guidelines of the Common Policy for the Improvement of the Environment in the Union.

The Council also examined and adopted a Regulation establishing rules for the implementation and enforcement of veterinary health measures in the WAEMU Union. The purpose of this Regulation is to protect consumers from food-borne hazards and to facilitate intra-community and international trade in animal foodstuffs and foodstuffs of animal origin.

The Council additionally adopted a Directive on the establishment and management of an Energy Information System in the WAEMU area (SIE-UEMOA / WAEMU EIS). This Directive aims to provide WAEMU Member States with a harmonized, appropriate legal framework and to define rules and procedures for the management of the WAEMU EIS at national and regional levels. The WAEMU EIS is a benchmark decision-making tool intended for use by policy makers, technical and financial partners, project promoters and academics, among others.

As pertains to the BCEAO

The Ministers discussed the recent economic, monetary, and financial situation in the Union.

They also approved the new order of precedence for the appointment of State representatives to the Board of Directors of the West African Monetary Union’s Deposit Guarantee and Resolution Fund.

At its ordinary session of December 20, 2024, held at the BCEAO's Main Branch Office in Bamako, the Council of Ministers adopted the following conclusions and recommendations:

As pertains to the BCEAO

Reviewing recent developments in the Union's economic situation, the Council of Ministers expressed their satisfaction with the continued robustness of the economy in 2024. The latest GDP estimates for the Union pointed to an acceleration in the pace of economic growth in 2024, with growth of 6.0%, after 5.3% in 2023.

The Council of Ministers pointed out that inflationary pressures had eased. The year-on-year inflation rate stood at 4.1% in the third quarter of 2024, stable compared to the previous quarter.

The Council noted that the Union's economic outlook remained favorable overall. According to the latest BCEAO forecasts, real GDP growth in the Union was expected to reach 6.3% in 2025. This increase is expected to be driven primarily by healthy agricultural, extractive and manufacturing production, combined with robust trade and financial sectors.

The Ministers adopted the report detailing the economic and monetary situation of the Union as at September 30, 2024, and endorsed the WAEMU macroeconomic framework for the 2024-2029 period.

They also reviewed and adopted the draft Decision on the appointment of State representatives to the Board of Directors of the WAMU Deposit Guarantee and Resolution Fund (WAMU DGRF).

In addition, the Council of Ministers adopted a draft Regulation on the external financial relations of the Union's Member States. This new instrument, which replaces Regulation No. 09/2010/CM/UEMOA of October 1, 2010, marks a significant step forward in the modernization of the regulatory framework. It incorporates recent developments in the global economic environment and ensures that policies are better adapted to new economic and financial challenges.

Regarding the WADB

The Council approved the Bank's updated financial outlook for 2025-2029, the note on the waiver of the WADB's immunities and privileges in connection with the establishment of a fifth KfW credit line for the Bank to finance micro, small and medium-sized enterprises, as well as the note on the waiver of the WADB's immunities and privileges in connection with the granting of a joint loan to the Bank by the Japan International Cooperation Agency (JICA) and a consortium of commercial banks.

The Ministers also approved the outcome of the call for applications for the selection of a statutory auditor for the WADB for financial years 2025 to 2027 and the proposal for the Bank to create a corporate foundation.

Regarding the WAEMU Commission

The Council of Ministers approved the supplementary budget authorized by Regulation No. 03/2024/CM/UEMOA of November 22, 2024, amending Regulation No. 06/2023/CM/UEMOA of December 21, 2023, on the budget of the West African Economic and Monetary Union for the 2024 financial year.

The Council of Ministers also examined the budget of the Union's organs for the 2025 financial year, which provides for revenue and expenditure amounting to 149.6 billion CFA F, compared with an initial budget forecast of 142.0 billion CFA F for 2024, representing an increase of 5.3%. This budget includes activities to kick-start the implementation of the Commission's new strategic plan, Impact 2030, whose main aim is to enhance the performance of the WAEMU Commission and the impact of its interventions on the people of the Member States. The Council adopted the Regulation on the Budget of the Organs of the Union for financial year 2025, as well as the subsequent Decisions.

After reviewing the December 2024 semi-annual report on the implementation of multilateral surveillance, the Council of Ministers of the Union called on the Member States to carry on their efforts to mobilize both internal and external resources.

The Council then adopted the semi-annual multilateral surveillance report for December 2024 and issued a Recommendation on the economic and financial outlook for the Union's Member States for 2025-2029.

The Council of Ministers reviewed and adopted, by means of a Regulation, the methodological guidelines defining procedures for the compilation and calculation of the harmonized index of consumer prices in the WAEMU Member States (HICP base 100 in 2023). The adoption of these guidelines allows the Union to comply with the latest international standards on consumer price

indices and better take into account current household consumption patterns when measuring inflation. Thus, as of January 1, 2025, the HICP base 100 in 2023 will become the official instrument for measuring inflation in the WAEMU zone, replacing the HICP base 100 in 2014.

As regards the Financial Markets Authority

The WAMU Council of Ministers approved the supplementary budget for 2024 as well as the AMF-UMOA budget for financial year 2025.

BCEAO MONETARY POLICY COMMITTEE

The following changes were made to the membership of the Monetary Policy Committee (CPM) of the BCEAO in 2024:

Representing the Republic of Guinea-Bissau, Mr. Quizy Anderson Martins Gomes, Senior Advisor to the Minister of Finance, was appointed to sit on the Committee as of April 1, 2024, succeeding Mr. Jeremias António Da Cruz Pereira.

The Monetary Policy Committee held four regular meetings in 2024, on March 6, June 4, September 11, and December 4, at BCEAO headquarters. The meetings were chaired by Dr. Jean-Claude Kassi Brou, Governor of the Central Bank and Statutory Chair of the Monetary Policy Committee.

At its meeting on March 6, 2024, the Monetary Policy Committee decided to maintain the main policy rate for Central Bank lending to banks at 3.50% and the interest rate on the marginal lending facility at 5.50%, the levels in effect since December 16, 2023.

This decision mainly takes into account the easing of inflationary pressures and the improvement in the Union's external accounts at the close of 2023.

The inflation rate dropped to 2.3% in the fourth quarter of 2023, following 2.9% the previous quarter. The drop in inflation was supported by the easing of inflationary pressures on food items, the impact of monetary policy measures taken by the Central Bank, and national government efforts to reduce the cost of living. For 2023 as a whole, the inflation rate was 3.7%, following 7.4% in 2022. In 2024, inflation is expected to remain within the target range defined for monetary policy purposes.

Economic activity remained buoyant in the fourth quarter of 2023, with real GDP growth equivalent to that of the previous quarter. For 2023 as a whole, economic growth in the Union stood at 5.6%, after 5.7% in 2022. It is expected to accelerate in 2024 to reach 6.5%.

Loans to the economy increased by 9.4% year-on-year as at end December 2023, compared to 13.9% in the previous quarter, helping to support the financing of the Union's economies.

During its session of June 4, 2024, the Monetary Policy Committee decided to keep the main key rate for Central Bank lending to banks unchanged at 3.50%, and to maintain the interest rate on the marginal lending window at 5.50%. These rates have remained in force since December 16, 2023.

This decision was made against a backdrop of controlled inflation and improvements in the Union's external accounts.

The inflation rate, which rose slightly to 2.9% in the first quarter of 2024, remained within the target range of 1% to 3%. For 2024 as a whole, the inflation rate is expected to decrease to 2.9%, after 3.7% in 2023.

The economy remained buoyant, with real GDP growth of 5.1% in the first quarter of 2024, compared with 4.8% in the previous quarter. In 2024, economic growth in the Union is expected to reach 6.1%, compared with 5.3% in 2023.

The Union's external situation improved in the first quarter of 2024, mainly thanks to higher export revenues and the mobilization of external resources by the Union's Member States.

The financing of the economy remained robust, with lending to the economy growing by 5.0% year on year, as measured at the end of March 2024.

In its session of September 11, 2024, the Monetary Policy Committee decided to keep the main key rate for Central Bank lending to banks unchanged at 3.50%, and to maintain the interest rate on the marginal lending window, at 5.50%. These rates have remained unchanged since December 16, 2023.

This decision was based on an analysis of recent price trends, economic activity, and the external situation of the Union.

In the second quarter of 2024, inflation reached 4.1%, compared with 2.9% in the previous quarter. This acceleration in price increases was mainly due to a less favorable 2023-2024 agricultural season, market supply difficulties owing to the security situation, higher prices for imported foods, as well as higher energy prices in some countries.

According to the latest forecasts, inflation is expected to reach 3.7% in 2024, the same level as in 2023. However, the inflation rate is expected to return to the target range of 1% to 3% in 2025, thanks to expectations of a more favorable 2024-2025 agricultural season, an anticipated decline in world prices for imported foods, and measures taken by some national governments to combat the high cost of living.

Nevertheless, inflation remains subject to upside risks, including the continuing security situation in certain countries, the impact of unfavorable weather conditions on agricultural production, and the effects of geopolitical and trade tensions on world energy and food prices.

The external position of the Union improved in 2024, thanks to favorable trends in the terms of trade and increased mobilization of external resources by Member States.

The economy remained buoyant, with real GDP growth of 5.3% in the second quarter of 2024. For 2024 as a whole, economic growth in the Union is expected to stand at 5.9%, after a performance of 5.3% in 2023. The increase in lending to the economy stood at 5.3%, year over year, at the end of June 2024.

In its session of December 4, 2024, the Monetary Policy Committee decided to keep the main key rate for Central Bank lending to banks unchanged at 3.50% and to maintain the interest rate on the marginal lending window, at 5.50%. These rates have remained unchanged since December 16, 2023.

This decision was based on an analysis of economic activity, price trends, and the external situation of the Union.

Economic activity remained buoyant over the short term, supported by adequate financing of the economy. Growth in lending to the economy was 5.9% year on year at the end of September 2024. Economic growth in the Union is projected to reach 6.3% for the year 2025, compared with 6.0% in 2024.

In the third quarter of 2024, inflation emerged at 4.1% due to a continued overall shortage in the local supply of food products from the 2023-2024 agricultural season. In October 2024, the inflation rate was 3.4%, remaining above the Central Bank's target range of 1% to 3%.

According to the latest forecasts, the annual inflation rate was expected to come in at 3.6% in 2024, after 3.7% in 2023. The inflation outlook for 2025 remains subject to upside risks. These risks include the security situation in certain countries, the impact of unfavorable weather conditions on agricultural production, and the effects of geopolitical and trade tensions on world energy and food prices.

Despite the improvement in the balance of trade with the rest of the world thanks to favorable trends in the terms of trade, the Union's external situation needs to be strengthened. The anticipated improvements in the current account and external resource mobilization should strengthen the Union's external viability.

BCEAO BOARD OF DIRECTORS

The following changes were made to the membership of the Board of Directors of the BCEAO in 2024:

Representing the Republic of Guinea-Bissau, Mr. Justino Ramos Vieira, Director General of Treasury and Public Accounting, was appointed to the Board as of March 1, 2024, to succeed Mr. Faustino de Pina Rodrigues.

Representing the Republic of Niger, Mr. Alio Daouda, Secretary General of the Ministry of Economy and Finance, was appointed to the Board, effective March 27, 2024, replacing Mr. Mamane Boukari.

The Board of Directors of the BCEAO held two ordinary meetings, respectively on March 27, 2024, at BCEAO headquarters, and on December 18, 2024, at the Main Branch Office in Bamako, chaired by Dr. Jean-Claude Kassi Brou, Governor of the Central Bank and Statutory Chair of the Board.

At its ordinary meeting of March 27, 2024, the Board examined and approved the BCEAO's financial statements for the 2023 financial year, prepared in accordance with International Financial Reporting Standards (IFRS) as well as the BCEAO's internal rules.

The Board also reviewed and approved the Summary of Conclusions of the Audit Committee meeting held on March 25, 2024, at Central Bank headquarters.

The Council was also informed about the findings of the Audit Committee's annual activity report for the 2023 financial year.

In conclusion, the Board commended the Central Bank for its achievements and decided to submit the financial statements to the WAMU Council of Ministers for approval, in accordance with the BCEAO's Articles of Association.

During its ordinary meeting on December 18, 2024, the Board reviewed and adopted the BCEAO's draft budget for the 2025 financial year.

The Board of Directors also approved the Summary of Conclusions of the BCEAO Audit Committee meetings held in June 2024 at Central Bank headquarters, in September 2024 at the Main Branch Office in Bissau, and in December 2024 at the Main Branch Office in Bamako.

The Board also approved the updated draft Rules of Procedure for the BCEAO Audit Committee and issued a favorable opinion on the Central Bank's Strategic Plan for 2025-2027.

BCEAO AUDIT COMMITTEE

The following changes were made to the membership of the BCEAO Audit Committee in 2024:

Representing the Republic of Niger, Mr. Alio Daouda, Secretary General of the Ministry of Economy and Finance, was appointed to the Committee, replacing Mr. Mamane Boukari.

As of December 31, 2024, the BCEAO Audit Committee had held four regular meetings: on March 25 and June 7 at BCEAO headquarters, on September 25 at the Main Branch Office in Bissau, and on December 17 at the Main Branch Office in Bamako. The meetings were chaired by Mr. Arthur Ahoussi, the statutory chair of the Committee.

At its meeting on March 25, 2024, the Central Bank's Audit Committee reviewed the Bank's financial statements and the Commissioner Comptroller's reports for the year ended December 31, 2023.

The Committee took note of the opinion issued by the Commissioner Comptroller on the financial statements as of December 31, 2023, resulting in their unqualified certification. The Commissioner Comptroller also indicated that the Central Bank's internal control system was satisfactory. However, he made a number of recommendations to enhance it.

In addition, the Committee revised its Rules of Procedure and submitted them to the BCEAO's Board of Directors for approval.

The Audit Committee also reviewed the annual report on the Central Bank's auditing activities. It called for the timely implementation of measures designed to enhance the maturity of the auditing system.

It also took note of matters pending, including the contribution to the BCEAO's annual report for the 2023 financial year and the proposals made with a view to strengthening the BCEAO's cyber resilience framework.

During its meeting on June 7, 2024, the Central Bank's Audit Committee reviewed the findings of the Special Commission that assessed and analyzed the technical and financial proposals submitted in connection with the selection of a National Auditor for Niger for the 2024-2029 period.

The Audit Committee recommended that the Board of Directors issue a favorable opinion on the two firms selected to serve as National Auditor and Alternate National Auditor for the external audits of the accounts of the BCEAO's National Directorate for Niger for financial years 2024-2029.

The Committee then heard with interest two presentations on the internal audit systems put in place by the BCEAO National Directorate for Senegal and by the Accounting and Management Control Directorate. Upon review, the Committee assessed the effectiveness of the systems, which provided a reasonable assurance of the quality of the financial information produced by the BCEAO and the efficiency of the internal audit systems of the entities. It also made suggestions for improving the systems.

The Committee also took note of the action plan to strengthen the BCEAO's cyber resilience system.

During its meeting on September 25, 2024, the Central Bank's Audit Committee approved the Internal Audit Charter, which takes into account a recommendation from the BCEAO's safeguards assessment mission conducted by the International Monetary Fund in 2023, as well as areas for improvement identified in the current version.

The Committee also heard a presentation by the Commissioner Comptroller on the plan of action for the external audit of the BCEAO's accounts for the 2024 financial year. The members of the Committee ensured that their expectations were taken into account in the action plan.

During its meeting on December 17, 2024, the Central Bank Audit Committee adopted its annual activity report for the 2024 financial year.

The Committee also adopted its working program for 2025, which focuses primarily on reviewing the BCEAO's financial statements for the year ending December 31, 2024, and monitoring the implementation of the internal audit agenda for 2025.

The Audit Committee noted with satisfaction the successful implementation of the internal audit agenda for the 2024 financial year and approved the internal audit agenda for 2025, which covers the main areas of activity of the Central Bank and takes into account emerging risks, particularly those related to cybersecurity.

After reviewing the report on the BCEAO's business continuity mechanism, the Committee members called for the timely implementation of the measures recommended to bring the Business Continuity Plan (BCP) to maturity.

It then heard a presentation by the Commissioner Comptroller on the preliminary conclusions of the internal control and external audit of the accounts as at October 31, 2024.

HIGHLIGHTS OF 2024

IMPORTANT EVENTS

BCEAO EVENTS

January 19, 2024

Inauguration of a Sub-Branch in Saint-Louis

The BCEAO has opened a third Sub-Branch Office in Senegal, in the city of Saint-Louis, following offices in Kaolack in 1964 and Ziguinchor in 1982. Inaugurated on January 19, 2024, by His Excellency Macky Sall, President of the Republic of Senegal, the new branch office was built as part of a program to consolidate and expand the infrastructure of the Central Bank's network of sub-branches. The aim of the program is to support the banking system in its expansion into new regions, promote access to banking services, and improve the financial system.

BOX 1: INTRODUCING THE SUB-BRANCH OFFICE IN SAINT-LOUIS, SENEGAL: AN INNOVATIVE AND CONTEMPORARY DESIGN

Built on a site extending over nearly two hectares, the BCEAO Sub-Branch Office in Saint-Louis consists of:

- one three-story building housing functional facilities for dealing with customers—e.g., the general public, the Public Treasury, and banks—as well as offices, meeting rooms, and additional premises,

- two modern two-story residences,

- additional buildings comprising a medical center, spaces for service providers, a dining hall, a gym, and an ATM,

- utility rooms housing security infrastructure,

- and parking lots.

The buildings making up the complex are bioclimatically engineered and energy efficient. Openings and glass partitions are protected from sunlight to promote natural lighting while ensuring optimal security. The striking architecture of the new Sub-Branch Office, with metal cables forming sunscreens, is inspired by the iconic Faidherbe Bridge in Saint-Louis, thus reflecting the culture and history of the community.

The site is equipped with modern, energy-efficient facilities to optimize energy and water consumption. These include:

- a 70.85 kW direct injection solar power plant,

- wastewater recycling using natural treatment methods; the treated water is stored in a 65 cubic meter tank and used to water the Branch Office's green spaces, thereby reducing its water consumption,

- low-energy LED lighting, and

- low-energy, high-efficiency air conditioning equipment.

February 6, 2024

International conference on the role of central banks in addressing the challenges of climate change

On February 6, 2024, the BCEAO organized an international conference on “The Role of Central Banks in Addressing the Challenges of Climate Change” at the Abdou Diouf International Conference Center (CICAD) in Diamniadio. The official opening ceremony was presided over by Mr. Amadou Ba, Prime Minister of the Republic of Senegal, representing His Excellency Mr. Macky Sall, President of the Republic.

In his welcome address, Governor Jean-Claude Kassi Brou highlighted the duty of central banks to understand, assess, and mitigate climate risks, the effects of which can compromise the resilience of the financial system as a whole. With that in mind, Dr. Brou recalled the initiatives taken by central banks within the framework of the Network for Greening the Financial System (NGFS).

In his opening speech, Mr. Amadou Ba presented the challenges of climate change, particularly for WAEMU Member States. He also emphasized the important role to be played by the financial sector in climate change mitigation and adaptation. Finally, he invited central banks to take climate change into account in the fulfillment of their mandates, with a view to building a more resilient and sustainable financial system.

Four panel sessions and a roundtable discussion with central bank governors were held throughout the day. The meeting provided a forum for reflection and experience sharing on climate policy with a view to enhancing the financial sector's contribution to the objectives of climate resilience and the transition to a sustainable economy in the participating countries.

May 22-23, 2024

First semi-annual meeting of the Regional Advisory Group of the Financial Stability Board for Sub-Saharan Africa (RCG SSA)

On May 22 and 23, 2024, the BCEAO hosted the first semi-annual meeting of the Regional Advisory Group of the Financial Stability Board for Sub-Saharan Africa (RCG SSA) for 2024.

This high-level meeting brought together central bank governors, the Secretary General of the Financial Stability Board (FSB), the Chair of the Financial Markets Authority of the West African Monetary Union (AMF-UMOA), and experts from the World Bank and the International Monetary Fund.

The proceedings focused on major issues, including new challenges facing the member countries, such as cross-border payments, assessing macroeconomic and financial vulnerabilities at the global and regional levels, the use of artificial intelligence in the financial sector, and climate change.

The discussions helped identify actions to be taken to address these challenges, as well as levers that regulatory and supervisory authorities could use to limit the impact of these emerging systemic risks.

July 22, 2024

Launch of the pilot phase of the PI-SPI platform: A key step towards modernizing payments

On July 22, 2024, the BCEAO launched the pilot phase of the Union's interoperable instant payment system (PI-SPI), an important step towards the roll-out of services to the public. This strategic initiative is designed to enhance the efficiency and accessibility of electronic payments within the Union, while also reflecting the Central Bank's commitment to supporting financial innovation.

The new interoperable instant payment infrastructure, which will be operational around the clock, 24 hours a day, 7 days a week, all year round, is able to process transactions of any kind, regardless of the type of account.

The pilot phase will enable all the platform's functionalities to be tested under real-life conditions, guaranteeing its interoperability between banks, microfinance institutions, e-money issuers, and payment institutions. It also aims to assess the uptake of instant payments by financial sector players, as well as any adjustments required prior to large-scale deployment.

Designed in compliance with international standards for payment systems, the PI-SPI platform offers a high level of security, resilience and operational performance. Its gradual deployment will represent a major step forward in the modernization of payment infrastructures, while promoting financial inclusion and accelerating the digitalization of transactions in the Union.

December 18, 2024

Adoption of a new ten-year strategic vision

At its meeting on December 18, 2024, the BCEAO Board of Directors adopted the 2025-2027 Strategic Plan to guide the Central Bank's actions over the next three years. The BCEAO thus embarks on a new ten-year strategic planning cycle, with the vision of being “an innovative and resilient Central Bank dedicated to serving the people and the sustainable development of the Union's economies”. This new ten-year vision sets out the institution's ambitions in an international context marked by major technological advances, and in a regional environment suffering from the effects of climate change and security challenges on macroeconomic stability.

ECONOMIC INTEGRATION AND MONETARY COOPERATION

March 4-7, 2024

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

The Bureau of the Association of African Central Banks (AACB) held its ordinary meeting on March 4 to 7, 2024, at the headquarters of the Central Bank in Dakar. In addition to the Governor of the BCEAO, the meeting was attended by the Governors of the Central Banks of Zambia, Libya, Nigeria, Mauritania, Kenya, Rwanda, and Mozambique, who comprised the Bureau for the 2023-2024 financial year.

The proceedings focused on the implementation of the decisions adopted at the 45th session of the AACB Assembly of Governors, convened on August 4, 2023, in Livingstone, Zambia, as well as on preparations for the 2024 Annual Meetings, scheduled to take place in Mauritius.

April 15-21 and October 21-26, 2024

2024 Spring Meetings and Annual Meetings of the Bretton Woods Institutions

A BCEAO delegation led by Governor Jean-Claude Kassi Brou took part in the spring and annual meetings of the Bretton Woods Institutions, held in Washington from April 15 to 21 and October 21 to 26, 2024, respectively. The meetings were marked by a number of key sessions, including those of the International Monetary and Financial Committee (IMFC), the Development Committee (DC), the African Consultative Group (African Caucus) and the Africa II Group. Dialogue also took place between the IMF and WAEMU authorities.

The BCEAO delegation took part in a number of strategic meetings alongside the Annual Meetings. These included talks between the Finance Ministers of the WAEMU countries and France, as well as a meeting of the Governors of AACB member central banks devoted to examining the draft Articles of Association of the African Monetary Institute (AMI).

On October 22, 2024, the Governor took part in the 17th edition of the Emerging Markets Forum, which focused on the presentation of the main conclusions of the World Bank's latest report on the outlook for world development. In his presentation, the Governor of the BCEAO spoke of the many challenges facing African countries, notably the growing indebtedness of most African economies, the risk of a weakening of the sociopolitical and security situation, and the challenge of youth employment. In view of the scale of the economic challenges and risks currently facing emerging markets, Governor Brou emphasized the need for coordinated action at both international and regional levels, and for financial instruments to be tailored to their needs.

On October 24, 2024, the Governor of the BCEAO took part in the high-level meeting between WAEMU and the IMF. The theme of the meeting was “Maintaining macroeconomic stability to preserve growth dynamics in WAEMU”. The proceedings focused on the main challenges facing the region's economies, as well as fiscal and monetary policy measures designed to reinforce the Union's macroeconomic and financial stability. In his presentation, the Governor stressed the need for a shared vision and structured dialogue between regulators, banks, and stakeholders to successfully harmonize capital requirements and build a resilient financial system capable of supporting sustainable and inclusive economic growth on the African continent.

May 6-7, 2024

Conference on “80 Years after Bretton Woods: Relaunching Multilateralism through Regional Monetary Unions”

On May 6 and 7, 2024, in Lisbon, the Governor of the BCEAO took part in the celebration of the 80th anniversary of the Bretton Woods Conference, on the theme “80 Years after Bretton Woods: Relaunching Multilateralism through Regional Monetary Unions”.

At the Central Bank Governors' Roundtable on the future of regional monetary unions, Governor Brou shared the experience of the West African Monetary Union (WAMU) and stressed the importance of regional monetary unions in revitalizing multilateralism.

May 13-15, 2024

Governors' Roundtable on "Optimizing Regulation to Unlock Investment for Financial Technology Development"

Governor Jean-Claude Kassi Brou led the BCEAO delegation at the Governors' Roundtable, organized as part of the 3i Africa Summit and the "Capital Meets" policy dialogue, held from May 13 to 15, 2024 in Accra. The event, organized by the Bank of Ghana, focused on the theme: "Optimizing Regulation to Unlock Investment for Financial Technology Development". The meeting provided a unique opportunity for dialogue on the strategic choices that need to be made to promote technological innovation in the region while strengthening partnerships, notably through drawing up a roadmap to facilitate the development of the fintech industry in Africa.

Discussions also focused on practical, urgent solutions to the challenges associated with capital investment, a key issue for the continent's technological and economic development.

May 30-31, 2024

Conference of Central Bank Governors of French-speaking countries on "Central Banks of French-speaking Countries Facing New Challenges: What Are the Answers?"

A delegation led by Mr. Mamadou Diop, Deputy Governor of the BCEAO, took part in the Conference of Governors of Central Banks of French-speaking countries organized by the National Bank of Belgium (NBB) on May 30 and 31, 2024, in Brussels. The conference focused on the theme: "Central Banks of French-speaking Countries Facing New Challenges: What Are the Answers?". The meeting served as a forum for discussion of the common issues and current challenges facing the institutions. Discussions focused on monetary policy, the fight against climate change, geo-economic fragmentation and the independence of central banks in a changing world.

Deputy Governor Diop chaired the fourth session on: "The Independence of Central Banks in a Changing World". This session provided an opportunity to reflect in greater depth on the role and responsibilities of central banks in a constantly changing international economic environment.

June 7, 2024

High-level conference on the occasion of the 60th anniversary of the National Bank of Rwanda on the theme "The Evolving Role of Central Banks"

Governor Jean-Claude Kassi Brou led the BCEAO delegation at the international conference held in Kigali on June 7, 2024, on the occasion of the 60th anniversary of the National Bank of Rwanda, on "The Evolving Role of Central Banks". The event brought together experts and decision-makers to discuss the current challenges facing central banks.

During the panel on: "Navigating Economic Turbulence: Central Bank Strategies for Inflation Control and Future Resilience", the Governor of the BCEAO stressed the importance of enhanced cooperation between African central banks in the face of multiple challenges, in an increasingly uncertain global context.

June 14, 2024

Scientific conference organized by the Bank of Mozambique on "Interaction between Monetary and Fiscal Policies"

The Governor of the BCEAO participated in a scientific conference organized by the Bank of Mozambique on "Interaction between Monetary and Fiscal Policies" in Maputo on June 14, 2024. The conference, which marked the fifteenth edition of the scientific event, brought together high-level representatives from central banks and international institutions, along with experts from the academic and research communities. It provided a platform for discussion on the challenges and opportunities associated with coordination between monetary and fiscal policies, an issue of vital importance for macroeconomic and financial stability.

Governor Brou highlighted the importance of macroeconomic stability for sustainable development in African countries. He shared the West African Economic and Monetary Union's experience and best practices in terms of monetary and fiscal policy coordination. He also described the strategies deployed to deal with economic and financial challenges, particularly in the context of the recent global crises and inflationary pressures.

Dr. Brou stressed the need for close collaboration between monetary and fiscal authorities to ensure effective management of national economies, particularly in times of crisis. He also emphasized the importance of strengthening coordination to ensure price stability, debt sustainability, and full employment.

June 30, 2024

Annual Conference of the Bank for International Settlements

Governor Jean-Claude Kassi Brou participated in the Annual Conference of the Bank for International Settlements (BIS) in Basel, on June 30, 2024, on the theme "Inflation and Monetary Policy in Africa: Understanding Regional Challenges".

During the conference, the Governor of the BCEAO emphasized that, despite the resilience of the global economy, inflationary pressures persisted owing to disruptions in global supply chains and geopolitical tensions. He explained that inflation in WAEMU countries had been strongly influenced by a number of shocks, including decreased food production due to climate change, higher prices for imported food and petroleum products, as well as the security crisis in certain Sahel countries.

However, inflationary pressures began to ease, starting in 2023, thanks to measures taken by the BCEAO and the WAEMU Member States. In view of the uncertainties and risks surrounding the inflation outlook, the Central Bank's Monetary Policy Committee (CPM) kept key policy rates unchanged at its last two meetings in March and June 2024, with a view to maintaining monetary stability in the Union.

The Governor of the BCEAO also stressed the importance of coordination between monetary and fiscal policies to ensure the effectiveness of monetary policy instruments. He further reaffirmed the BCEAO's commitment to carrying on its efforts to stabilize the economy and promote financial inclusion.

July 1-3, 2024

African Central Bank Governors Roundtable in Oxford

Governor Brou participated in the African Central Bank Governors Roundtable organized by the Centre for the Study of African Economies at Oxford University from July 1 to 3, 2024.

Discussions focused on the state of African economies, the role of the IMF's Special Drawing Rights (SDRs) in a new global financial architecture, and the economic and political interests of the Gulf states in Africa.

Participants also exchanged views on central bank digital currencies, the opportunities and challenges associated with their introduction by African financial institutions, as well as illicit financing and new tax havens.

July 26-30, 2024

Semi-annual statutory meetings of the West African Monetary Agency for 2024, at BCEAO headquarters

From July 26 to 30, 2024, the BCEAO hosted the semi-annual statutory meetings of the West African Monetary Agency (WAMA) for 2024 at its headquarters in Dakar. They began with the 45th ordinary meeting of the WAMA Technical Committee, on July 26 and 27, 2024, followed by the 9th meeting of the WAMA Audit Committee, held on July 29, 2024, and concluded with the 64th ordinary meeting of the Committee of Governors of Central Banks of ECOWAS Member States on July 30, 2024.

These meetings afforded the Governors with an opportunity to discuss developments in the regional economic situation and the status of implementation of activities under the roadmap for the launch of the ECO, the future single currency of ECOWAS.

September 3, 2024

Symposium of the Association of African Central Banks

On September 3, 2024, the Governor of the BCEAO participated in the Symposium of African Central Bank Governors organized by the Bank of Mauritius in Port Louis.

At the first plenary session of the Symposium on the theme: *"Raising Key Interest Rates to Fight Against Inflation: Is This Enough for African Central Banks? What are the Implications for Financial Stability?",* Governor Brou explained that, while raising key interest rates was essential to counter persistent inflationary pressures, it was not enough to stabilize inflation, particularly in Africa, where the situation was exacerbated by external factors such as supply chain disruptions and security crises. He shared the experience of the West African Economic and Monetary Union, where coordination between Member States' monetary and fiscal policies played a crucial role in containing inflation. The Governor also touched on the implications of higher policy rates for financial stability, highlighting liquidity tensions and financing difficulties for securities issued by the Union's Member States on the regional market. He described the measures taken by the BCEAO to stabilize the regional financial market, such as secondary market interventions to buy back government securities, thereby helping to restore the yield curve and prevent the risk of default on the part of the States.

The Governor stressed the importance of considering long-term solutions to sustainably mitigate the impact of economic shocks, in particular by improving agricultural productivity and reducing dependence on food imports. He also mentioned the BCEAO's initiatives in the areas of artificial intelligence and big data, aimed at enhancing the effectiveness of monetary policy and banking supervision.

November 12, 2024

Meeting of the High-Level Committee for the launch of the ECO

On November 12, 2024, Mr. Der Rogatien Poda, Deputy Governor of the BCEAO, led the Central Bank delegation at the virtual meeting of the High-Level Committee for the launch of the ECO, organized by the ECOWAS Commission. The main objective of the meeting was to discuss the practical aspects of the launch of the ECO, the future single currency of ECOWAS, in accordance with the guidelines of the 65th Ordinary Session of the ECOWAS Authority of Heads of State and Government. Discussions focused on the draft supplementary act on the accession of Member States to the Monetary Union. Participants also examined the costs and financing arrangements for the reforms and institutions necessary for the introduction of the new currency.

November 20, 2024

Inauguration of the new headquarters of the Bank of Ghana, The Bank Square

On November 20, 2024, the Governor of the BCEAO took part in the inauguration ceremony for the new headquarters of the Bank of Ghana, The Bank Square, in Accra.

The inauguration was also an opportunity to highlight the solid relationship between the BCEAO and the Bank of Ghana. For several decades, the banks have been working together to strengthen monetary and financial stability, support economic growth, and promote sustainable regional integration in West Africa.

Governor Jean-Claude Kassi Brou reminded the audience of the commitment made by the region's Heads of State to create a single currency, an important goal for achieving greater economic integration. He also emphasized the importance of building an inclusive and efficient financial system capable of sustaining the region's economic and social development.

November 26-27, 2024

High-level Regional Symposium on Financial Stability

On November 26 and 27, 2024, Deputy Governor Der Rogatien Poda led the Central Bank delegation at the high-level regional symposium on financial stability, organized in Rabat by Bank Al-Maghrib, in collaboration with the Financial Stability Board (FSB) and the AACB. The symposium on: “Financial Stability in Africa in the Face of Geo-Economic Uncertainties and Emerging Risks,” provided an opportunity to strengthen cooperation between the BCEAO and Bank Al-Maghrib, while offering a framework for discussions and experience-sharing on financial stability and macroprudential supervision.

Deputy Governor Poda also participated in a panel discussion on “Cross-border crisis resolution and management in Africa”, which focused on the integrated and multilateral approach required to address that issue. This type of approach involves closer cooperation between the States, as well as institutional capacity building and the promotion of inclusive governance.

December 9-10, 2024

Fourth edition of the Africa Financial Industry Summit (AFIS): Governor Jean-Claude Kassi Brou named Central Bank Governor of the Year 2024

Governor Jean-Claude Kassi Brou received the “AFIS Central Bank Governor” award on December 9, 2024, while attending the Africa Financial Industry Summit (AFIS 2024) in Casablanca. This distinction, awarded by a jury of professionals and experts, recognizes the Governor for the role played by the BCEAO in controlling inflation and for his contribution to the economic development of the African continent. The annual event, which brought together the major players in African finance for two days, provided an opportunity for the BCEAO to highlight its initiatives and share its vision on key issues facing the banking and financial system.

During the 2024 edition, the Governor of the BCEAO spoke on several panels. At the Governors' panel on: “Central Bank Governors: Forging a consolidated financial landscape”, he emphasized the importance of building a strong and competitive financial sector capable of effectively financing African economies and supporting priority segments such as SMEs, which are drivers of growth. Dr. Brou also took part in the panel entitled: “Is mobile money interoperability the key to pan-African economic integration?", during which he described obstacles to the development of a continent-wide interoperable network. Governor Brou took the opportunity to present the measures that have been undertaken in the West African Economic and Monetary Union to improve payment interoperability and made recommendations to address these challenges while strengthening economic integration in Africa.

December 15, 2024

66th Ordinary Session of the ECOWAS Authority of Heads of State and Government

Governor Jean-Claude Kassi Brou led the BCEAO delegation at the 66th Ordinary Session of the ECOWAS Authority of Heads of State and Government, held in Abuja on December 15, 2024. He attended the meeting, chaired by H.E. Bola Ahmed Tinubu, President of the Federal Republic of Nigeria and current Chair of the Authority, as a special guest. The meeting provided an opportunity to review the economic performance of the Member States for 2024, as well as the progress made in the implementation of the single currency, the ECO.

FINANCIAL INCLUSION

June 27, 2024

13th Roundtable of Leaders of the African Financial Inclusion Policy Initiative on the theme “Digital Horizons: Strengthening the Building of an Inclusive Future in Africa”

The Governor of the BCEAO participated in the panel on “The role of financial policymakers in job creation in Africa” at the 13th Roundtable of Leaders of the African Financial Inclusion Policy Initiative (AFPI) in Abidjan on June 27, 2024.

In his presentation, Governor Brou emphasized the importance of financial inclusion and job creation, particularly for young people and women. He noted that young people account for approximately 20% of Africa's population and that the youth unemployment rate in large cities is 24.7%.

Dr. Brou stressed the need to create jobs through productive investment, government incentives, infrastructure, education, and financing of the economy. He also emphasized the importance of

coordination between the public and private sectors and banks to achieve these objectives, particularly by supporting the processing of commodities and ramping up the share of manufactured products in exports.

Governor Brou mentioned a number of BCEAO initiatives aimed at supporting SMEs and promoting financial inclusion, notably the regional financial inclusion strategy and the regional financial education program, which have helped raise the financial inclusion rate in the Union from 47% in 2016 to 72.3% in 2023.

Finally, the BCEAO Governor highlighted the significant results achieved by these initiatives, including increases in the number of electronic money accounts and transactions, as well as the growing role of fintechs in financial inclusion.

September 2-5, 2024

The BCEAO recognized at the 14th Alliance for Financial Inclusion (AFI) Global Policy Forum

The BCEAO took part in the 14th Alliance for Financial Inclusion (AFI) Global Policy Forum, held in San Salvador from September 2 to 5, 2024. During the meeting, the Central Bank was recognized as a Gender Inclusive Finance Ambassador.

This distinction recognizes the efforts of the issuing institution in terms of its commitment to women's financial inclusion. It encourages recipients to give greater priority to the gender financial inclusion agenda by identifying barriers and developing policy and regulatory solutions that address women's financial exclusion, with a view to reducing or closing the gender gap in access to financial services.

In addition, the BCEAO was appointed as a member of the Gender Inclusive Finance Committee for the term running from September 2024 to September 2026.

RELATIONS WITH THE BANKING SECTOR

March 19 and 21, 2024, June 10, July 10, and December 18, 2024

Meetings with the professional associations of banks and financial institutions in the WAEMU Union

As part of the regular consultations between the BCEAO and the *Associations Professionnelles des Banques et Établissements Financiers* (APBEF, professional associations of banks and financial institutions) of the Union, Governor Jean-Claude Kassi Brou met with the Bureau of APBEF-Senegal on March 19, 2024, in Dakar, APBEF-Côte d'Ivoire on March 21, 2024, in Abidjan, APBEF-Niger on June 10, 2024, in Niamey, the Executive of APBEF-Burkina Faso on July 10, 2024, in Ouagadougou, and APBEF-Mali on December 18, 2024, in Bamako.

The meetings provided an opportunity to discuss the situation of the banking system, gather the concerns of credit institutions, and share the BCEAO's priorities with the banking profession.

December 5, 2024

Ninth meeting between the General Secretariat of the Banking Commission and the Managing Directors of Credit Institutions and Financial Companies of the WAMU Union

On December 5, 2024, the Governor of the BCEAO and Chair of the WAMU Banking Commission chaired the ninth meeting between the General Secretariat of the Banking Commission and the managing directors of credit institutions and financial companies, which was held via videoconference.

In his opening remarks, Dr. Brou commended banking sector stakeholders for their role in implementing the Central Bank's initiatives. He noted that the annual meeting between the banking profession and the supervisory authority afforded a unique opportunity to discuss matters of mutual interest. These included the sector's performance, developments in banking risks, enforcement of regulations, and projects initiated by the Central Bank.

The Governor also highlighted the buoyancy of the banking sector in the Union, while drawing attention to certain vulnerabilities that could ultimately undermine the sector's soundness. In this regard, he called for priority to be given to strengthening equity capital, combating money laundering and terrorist financing (AML/CFT), containing the operational risk associated with increasing digitalization, and ensuring compliance with the principle of centralization of foreign exchange reserves. In addition, Dr. Brou reminded the banking professionals of various innovative BCEAO projects, such as the instant payment system and the Financial Innovation Laboratory (FIL), designed to support banks and fintech companies in developing innovative solutions in a secure environment.

OVERVIEW

World GDP growth rate		WAEMU GDP growth rate
3.2% (2024) **3.3% (2023)**		**6.2% (2024)** **5.3% (2023)**
The rate of growth in the global economy stood at 3.2% in 2024, after 3.3% in 2023.		In the WAEMU Union, the GDP grew by 6.2% in 2024, following growth of 5.3% in 2023.

International situation

The 2024 financial year was marked by near stabilization of global economic activity compared to 2023, against a backdrop of recovering domestic demand in several advanced economies. According to estimates published in January 2025 by the International Monetary Fund (IMF), the global economy grew by 3.2% in 2024, following growth of 3.3% in 2023.

Headline inflation declined over the course of 2024 but remained above the targets set by the monetary authorities in several countries, reflecting differences in central banks' monetary policy stances. In developed countries, most central banks entered a cycle of monetary easing in response to subdued price growth. The global inflation rate stood at an annual average of 5.8% in 2024, compared with 6.7% in 2023. This disinflation was linked to the stabilization of prices for certain basic foodstuffs, lower energy prices and the impact of the monetary tightening measures introduced since 2022.

Despite increased cross-border restrictions and geopolitical tensions, global trade flows grew by 3.1% in 2024, following 0.8% growth the previous year.

Economic activity and inflation in the WAEMU Union

Economic activity in the Union remained buoyant overall in 2024, despite the global economic slowdown and the fragile sociopolitical and security climate in the West African subregion. According to available recent estimates, the GDP in the Union grew by 6.2% in 2024, after 5.3% in 2023.

The average annual inflation rate dipped to 3.5% in 2024 from 3.7% in 2023. This slight decline was linked to the drop in world prices for foodstuffs imported by the Union’s countries, as well as to the absence of oil price tensions.

3.5% (2024) **3.7% (2023)**		**5.1% (2024)** **6.2% (2023)**
The annual inflation rate in the Union stood at 3.5% in 2024, compared with 3.7% the year before.		The overall deficit, on an accrual basis, inclusive of grants, represented 5.1% of the GDP in 2024, compared with 6.2% in 2023.

State financial transactions

Public finance management in the Union resulted in a reduction in the budget deficit, in line with faster growth in budget revenues compared with public expenditure.

Budgetary revenue totaled 22,396.6 billion at the end of December 2024, up 2,201.2 billion, or +10.9%, compared to the previous year. This increase was mainly driven by the favorable trend in tax revenues, underpinned by buoyant economic activity and ongoing reforms aimed at increasing the mobilization of taxes and duties by tax and customs administrations. Grants, however, fell by 100.7 billion (-8.3%) to stand at 1,116.6 billion at the end of December 2024. Overall, budget revenues and grants in the Union's Member States rose by 9.8% to reach 23,513.2 billion or 17.5% of the GDP.

The Union's net expenditure and loans amounted to 30,366.8 billion, an increase of 1,289.5 billion (+4.4%) compared with the level recorded at the end of December 2023. This trend reflects growth in both current expenditure (+4.3%) and capital expenditure (+7.8%).

3,013.9 billion CFA F (2024) **-3,530.4 billion CFA F (2023)**		**13,672.9 billion CFA F (2024)** **11,669.4 billion CFA F (2023)**
The aggregate balance of payments showed a surplus of 3,013.9 billion CFA F, compared with a deficit of 3,530.4 billion in 2023.		As at December 31, 2024, the total amount of banknotes and coins in circulation stood at 13,672.9 billion CFA F, compared with 11,669.4 billion CFA F a year earlier.

Under those conditions, the budget deficit on an accrual basis, including grants, decreased by 811.0 billion to stand at 6,853.6 billion at the end of December 2024, or 5.1% of the GDP, compared with 7,664.6 billion (6.2% of the GDP) in 2023.

Balance of payments

External trade in 2024 saw a sharp improvement in the overall balance of payments, in line with favorable trends in the terms of trade, increased mobilization of resources on international financial markets by three of the Union's Member States, and the start-up of crude oil exports in Niger and Senegal. The overall balance of payments showed a surplus of 3,013.9 billion, compared with a deficit of 3,530.4 billion in 2023.

Monetary situation

The money supply grew by 4,223.5 billion or 8.8% year over year, to stand at 52,014.3 billion at the end of December 2024. This increase in overall liquidity was reflected in a rise of 2,450.4 billion or 6.6% in deposits and 1,773.0 billion or 16.6% in currency outside banks, which stood at 12,447.0 billion.

Net external assets (NEA) of monetary institutions dropped by 3,664.9 billion to stand at 4,814.1 billion at the end of December 2024. The rate of coverage of the monetary issue was 66.6%, compared with 56.3% the year before. Outstanding domestic claims rose by 3,688.5 billion or 6.4% compared to their level at the end of December 2023, reaching 61,758.3 billion at the end of December 2024. This trend was due to the combined impact of the consolidation of net loans to central governments (CGs) and loans to other resident sectors of the economies of the Union.

Banks' net loans to central governments rose by 2,187.7 billion, an increase of 12.7%. In particular, their outstanding portfolio of government securities rose by 13.8% over all 12 months of 2024, from 17,819.1 billion at the end of December 2023 to 20,278.0 billion at the end of December 2024. At the BCEAO level, net claims showed a decrease of 58.0 billion (-0.9%), linked to the rise in Central Bank accruals (+394.3 billion, including 392.9 billion in deposits), mitigated by an increase in government claims on the Central Bank (+336.3 billion).

In addition, the rate of growth in claims by deposit-taking institutions on resident sectors of the economy, other than central governments, dropped to 4.5% at end-December 2024 from 9.4% in December 2023.

Monetary policy: BCEAO key rates and refinancing

Inflation remained high in 2024, despite signs of an incipient downward trend. Against that backdrop, the Central Bank kept its key rates unchanged throughout 2024 to ensure adequate financing for the economy. Thus, the minimum bid rate, which is the BCEAO's main key rate, and the marginal lending rate remained at 3.5% and 5.5% respectively, the levels in force since December 16, 2023.

In line with guidance handed down by the Monetary Policy Committee (MPC), the BCEAO continued to offer variable-rate auctions on its main refinancing windows (weekly and monthly).

On the weekly tender window, the amount injected reached a volume of 8,075.0 billion in December 2024, compared with 6,200.0 billion the year before. **On the monthly tender window**, the amount injected by the Central Bank fell from 675.0 billion at the end of December 2023 to 325.0 billion a year later. Volumes auctioned through the special window for stimulus bonds (OdR) averaged 248.6 billion in 2024, compared with 723.3 billion in 2023.

Total outstanding refinancing grew by 1,003.7 billion in the course of the year, reaching 9,445.5 billion at the end of December 2024.

Interbank market transactions

The volume of cash exchanges increased on the WAMU interbank market. An increase was also seen in the weighted average interest rate on one-week transactions. The average volume of transactions across all maturities amounted to 748 billion CFA F in 2024, compared with 704 billion CFA F in 2023, representing an increase of 6.00%. With regard to the cost of funds, the one-week segment recorded an increase in the weighted average interest rate from 5.37% in 2023 to 6.71% in 2024.

Management of banknotes and coins

In 2024, withdrawals and deposits through BCEAO windows totaled 49,302.6 billion CFA F in bills and coins, compared with 49,143.0 billion CFA F one year prior. Banknote withdrawals amounted to 25,640.0 billion CFA F, while deposits through BCEAO windows stood at 23,643.9 billion CFA F. Over the year, coin outflows through bank windows amounted to 15.9 billion CFA F, while coin inflows stood at 2.8 billion CFA F. At the end of December 2024, aggregate banknotes and coins in circulation stood at 13,672.9 billion CFA F, compared with 11,669.4 billion CFA F a year earlier.

Relations with the IMF

Over the course of 2024, the Central Bank's transactions with the IMF on behalf of WAEMU Member States culminated in net inflows of resources totaling 655.74 million SDRs (CFA F 540.59 billion), compared with 1,085.44 million SDRs (878.78 billion CFA F) the previous year. This decrease was due to a decline in the volume of drawings, combined with an increase in repayments. Country disbursements in the Union fell by 12.29% to reach 1,356.86 million SDRs (1,118.25 billion CFA F), while repayments rose by 205.16 million SDRs, from 389.46 million SDRs (314.43 billion CFA F) to 594.62 million SDRs (490.44 billion CFA F). No debt reductions were granted to any of the countries of the Union in 2024.

Monetary cooperation within ECOWAS

An assessment of Member States' macroeconomic performance in the area of regional integration, in accordance with the provisions of the ECOWAS Convergence Pact adopted in June 2021, revealed that in 2024, none of the WAEMU member countries had met all the first-tier convergence criteria. In most Member States, poor macroeconomic performance stemmed primarily from the persistence of high budget deficits.

With regard to the ECOWAS Single Currency Program, faster progress was seen in the implementation of the activities set out in the roadmap for the launch of the ECO. The statutory mid-year meetings of the West African Monetary Agency (WAMA) were held at BCEAO headquarters in Dakar from July 26 to 30, 2024. The BCEAO took part in the ordinary sessions of the Committee of Governors of Central Banks of ECOWAS Member States, and in the meetings of the High-Level Committee set up by the ECOWAS Commission.

During the sessions, the Regional Committee in charge of the balance of payments (BOP) and reconciliation of intra-ECOWAS trade data was set up, with a view to producing a regional BOP beginning in 2025. The High-Level Committee also recommended a Supplementary Act defining the modalities for selecting candidate countries for the ECOWAS Monetary Union (EMU). The Heads of State urged the High-Level Committee to intensify its efforts to meet the deadlines set for the establishment and operationalization of the institutions required to launch the ECO.

On December 15, 2024, in Abuja, the Conference adopted three criteria for the selection of EMU candidate countries at its 66th ordinary session. It also instructed the Commission, in collaboration with WAMA, to incorporate the criteria into the Protocol establishing the ECOWAS Monetary Union Agreement.

Central Bank staff

As at December 31, 2024, the total number of Central Bank staff stood at 3,398 compared with 3,414 on December 31, 2023. The figure included 3,336 active staff members deployed on BCEAO sites, and 62 staff members in various administrative positions, including 52 on secondment and 10 on leaves of absence.

I - INTERNATIONAL ECONOMIC ENVIRONMENT & ECONOMIC TRENDS IN WAEMU

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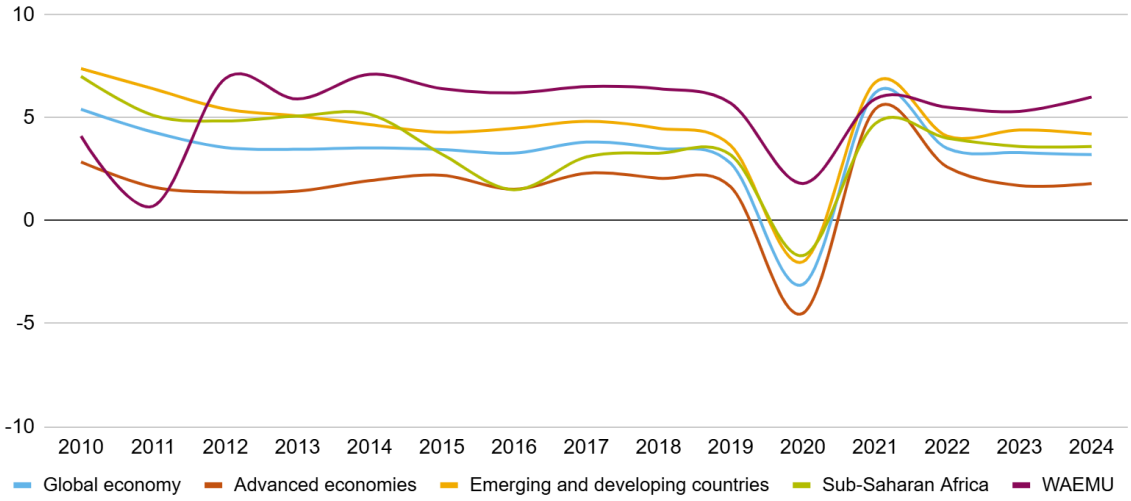
1.1 - INTERNATIONAL ECONOMIC ENVIRONMENT

GLOBAL ECONOMY		**ADVANCED ECONOMIES**
3.2% (2024) **3.3%** (2023)		**1.7%** (2024) **1.7%** (2023)
EUROZONE		**EMERGING AND DEVELOPING COUNTRIES**
0.8% (2024) **0.4%** (2023)		**4.2%** (2024) **4.4%** (2023)
CHINA		**SUB-SAHARAN AFRICA**
4.8% (2024) **5.2%** (2023)		**3.8%** (2024) **3.6%** (2023)

The international economic and financial environment showed signs of stabilization in 2024, following the upheaval caused by the Covid-19 pandemic. The steady pace of growth in economic activity in 2024 was linked to monetary policy easing and the recovery in domestic demand in a number of advanced economies, although geopolitical tensions, geo-economic fragmentation and signs of slower growth in China continued to dampen global momentum. According to International Monetary Fund (IMF) estimates, the global economic growth rate stood at 3.2% in 2024, after 3.3% growth in 2023.

Reflecting the resilience of the world economy, global trade flows rose by 3.1% in 2024, following a slight increase of 0.8% the previous year. Despite tighter cross-border restrictions, the volume of trade increased thanks to intra-bloc trade, particularly in the technology sector.

Figure 1: GROWTH IN GLOBAL ECONOMIC ACTIVITY (%)



Sources: World Bank, IMF, OECD

1.1.1 - GROWTH IN INDUSTRIALIZED ECONOMIES

Year	USA	EUROZONE	UK	JAPAN
2024	**2.8%**	**0.8%**	**0.9%**	**-0.2%**
2023	**2.9%**	**0.4%**	**0.3%**	**1.5%**

Source: IMF

Growth in advanced economies rang in at 1.7% in 2024 as in 2023. In the United States, economic activity progressed by 2.8% in 2024, after actual growth of 2.9% in 2022. The economic upturn was driven by a favorable monetary policy stance, higher consumer spending supported by growth in real wages, and a surge in investment, particularly in artificial intelligence.

In the Eurozone, gross domestic product (GDP) growth rose from 0.4% in 2023 to 0.8% in 2024, reflecting improved exports, particularly of goods, and a pick-up in real wages that has stimulated consumption. Gradual monetary easing has also supported growth by promoting investment.

1.1.2 - EMERGING AND DEVELOPING COUNTRIES

	EMERGING ECONOMIES			
Year	CHINA	INDIA	BRAZIL	RUSSIA
2024	**4.8%**	**6.5%**	**3.7%**	**3.8%**
2023	**5.2%**	**8.2%**	**3.2%**	**3.6%**

	SUB-SAHARAN AFRICA			
Year	**NIGERIA**	**SOUTH AFRICA**	**GHANA**	**CEMAC**
2024	**3.1%**	**0.8%**	**5.7%**	**2.7%**
2023	**2.9%**	**0.7%**	**3.1%**	**2.0%**

Sources: IMF, World Bank, BEAC

In emerging and developing countries, the growth rate stood at 4.2% in 2024, compared with a performance of 4.4% the year before. In China, growth slowed from 5.2% in 2023 to 4.8% in 2024, due to persistent weaknesses in the real estate sector and decreased consumer confidence, partially offset by satisfactory net export results. The Indian economy showed a growth rate of 6.5% in 2024 compared to 8.2% in 2023. In Brazil, the growth rate stood at 3.7% in 2024, after reaching 3.2% in 2023. The Russian economy was supported by an increase in public expenditure and a recovery in private consumption. As a result, the country recorded 3.8% growth in its GDP in 2024, following a performance of 3.6% in 2023.

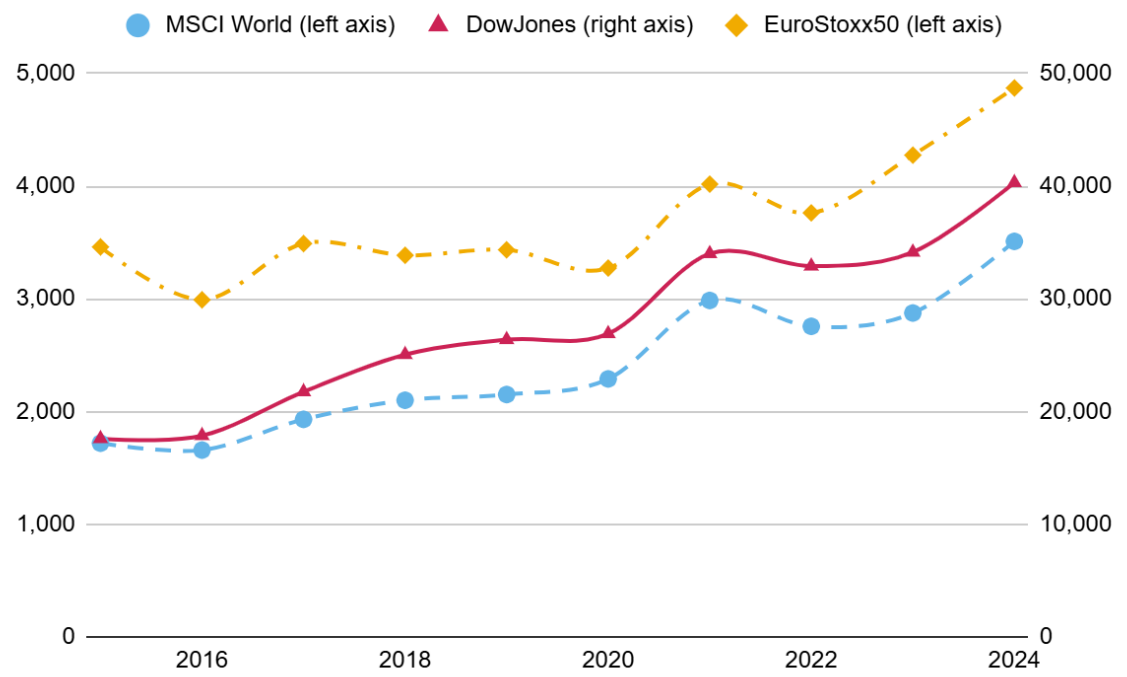
In sub-Saharan Africa, GDP growth stood at 3.8% in 2024, after a performance of 3.6% the year before. Economic activity in the region has been supported by the mitigation of the adverse effects of past weather shocks, combined with easing of supply constraints. However, it continues to be affected by a number of ongoing conflicts, which are impeding economic recovery. In Nigeria, growth in output was recorded at 3.1% in 2024, compared with 2.9% in 2023, thanks in particular to gradual increases in oil and agricultural production, despite persistent challenges linked to insecurity and insufficient infrastructure. In South Africa, the economy saw an increase in its GDP, with a growth rate of 0.8% in 2024 following 0.7% in 2023. Economic activity in South Africa was driven by an improved electricity supply and a modest increase in domestic demand.

1.1.3 - FINANCIAL AND COMMODITIES MARKETS

As for the financial markets, the main stock markets showed upward trends, due to the solid performance of the US economy and monetary policy easing by central banks in advanced economies.

On average, the MSCI World Index, which measures the performance of the stock markets in developed countries, rose by 22.1% compared to its average value in 2023, reaching 3,510.2 points. In the United States, the Dow Jones New York stock exchange index rose by 18.1% in 2024 over the previous year, while the Nasdaq technology sector index rose by 33.0%. In the Eurozone, the EuroStoxx 50 index rose by 13.9% compared to its average level in 2023, to stand at 4,871.5 points for 2024. In the United Kingdom, the FTSE 100 index rose by 6.0% to 8,076.8 points for the year 2024. Similarly, in Japan, the NIKKEI 225 index rose by 25.1% to reach an average level of 38,348.7 points in 2024.

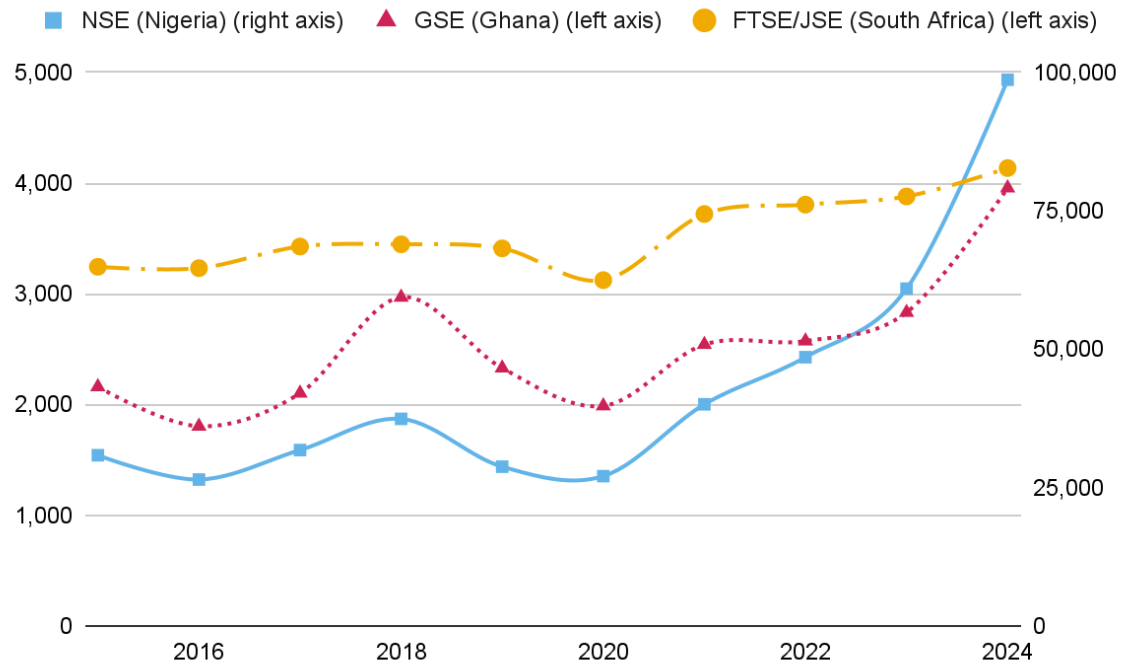
Figure 2: TRENDS IN INTERNATIONAL STOCK MARKET INDICES (in points)



Sources: Reuters, BCEAO

The leading African stock market indices also experienced upward trends during financial year 2024. Nigeria's NSE index rose by 61.9% to reach 98,672.2 points in 2024. Ghana's GSE index rose by 39.7% in 2024 relative to its average in 2023. South Africa's FTSE index rose by 6.6% to stand at 4,136.2 points in 2024. In Morocco, the MASI index gained 20.5% on the previous year

Figure 3: TRENDS IN AFRICAN STOCK MARKET INDICES (In points)



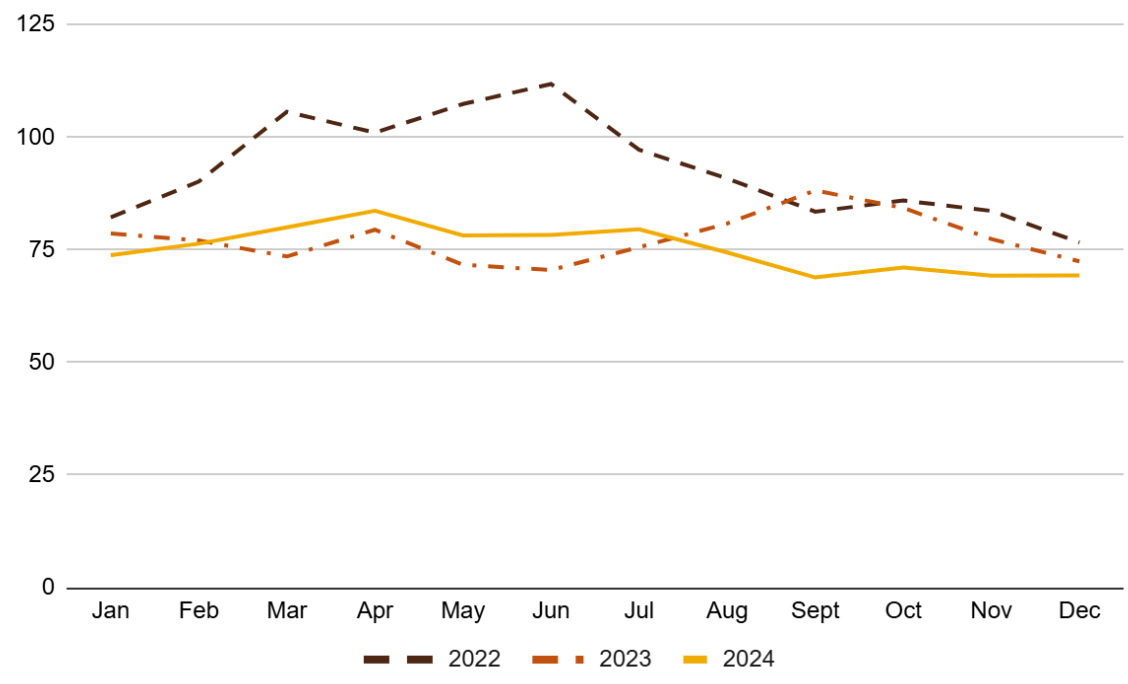
Sources: Reuters, BCEAO

Prices of commodities exported by the Union's countries continued to rise, in line with decreases in supplies due to unfavorable weather conditions and geopolitical tensions. The BCEAO's index of the Union's main export products showed an increase of 43.9% in 2024, after rising by 0.5% in 2023. Meanwhile, the price index for the main imported food products experienced a decline of 5.5% in 2024, after rising by 7.6% in 2023.

The rise in world prices for the primary commodities exported by the Union was driven by non-energy products such as cocoa (+127.0%), coffee (+75.5%), cashew nuts (+32.8%), rubber (+29.4%), gold (+22.8%), phosphate (+2.5%) and vegetable oils (+19.7%). In contrast, prices for cotton (-6.9%) and energy products, particularly gas (-13.8%) and oil (-2.7%), fell over the period.

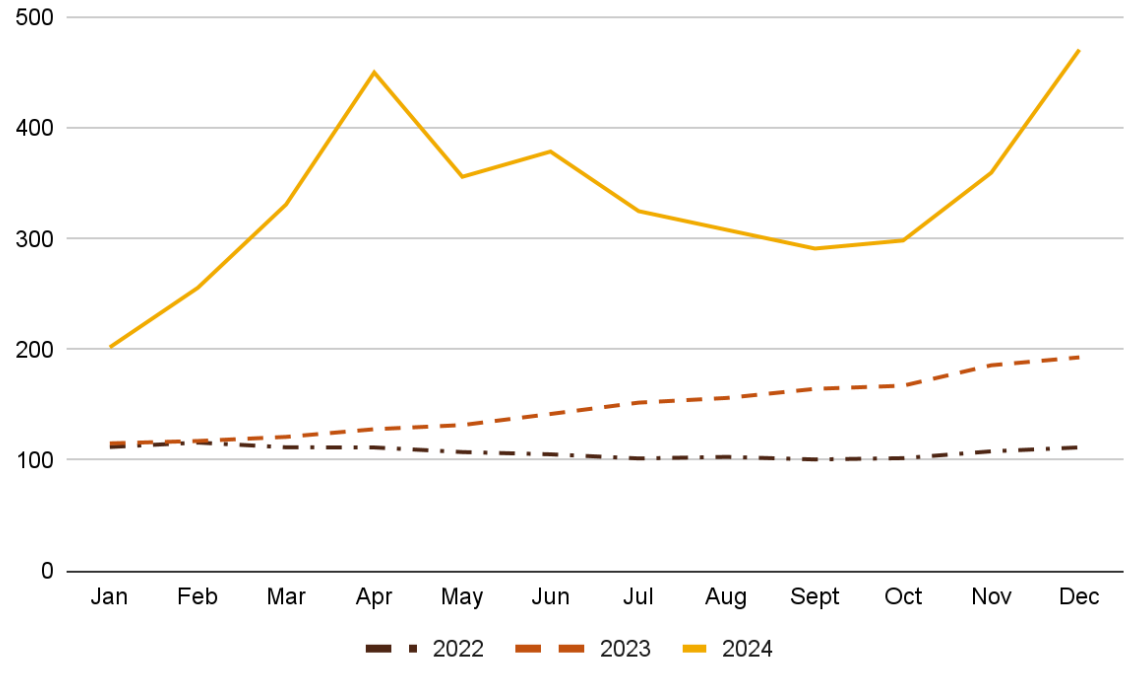
Prices of imported basic foodstuffs fell, in line with the increase in supplies on the world market. Prices were down for all imported products, with the exception of milk (+10.9%). The steepest drops were recorded for soybean oil (-22.4%), wheat (-11.6%), sugar (-7.0%), and rice (-2.1%).

Figure 4: TRENDS IN OIL PRICES ON NYMEX ($/barrel)



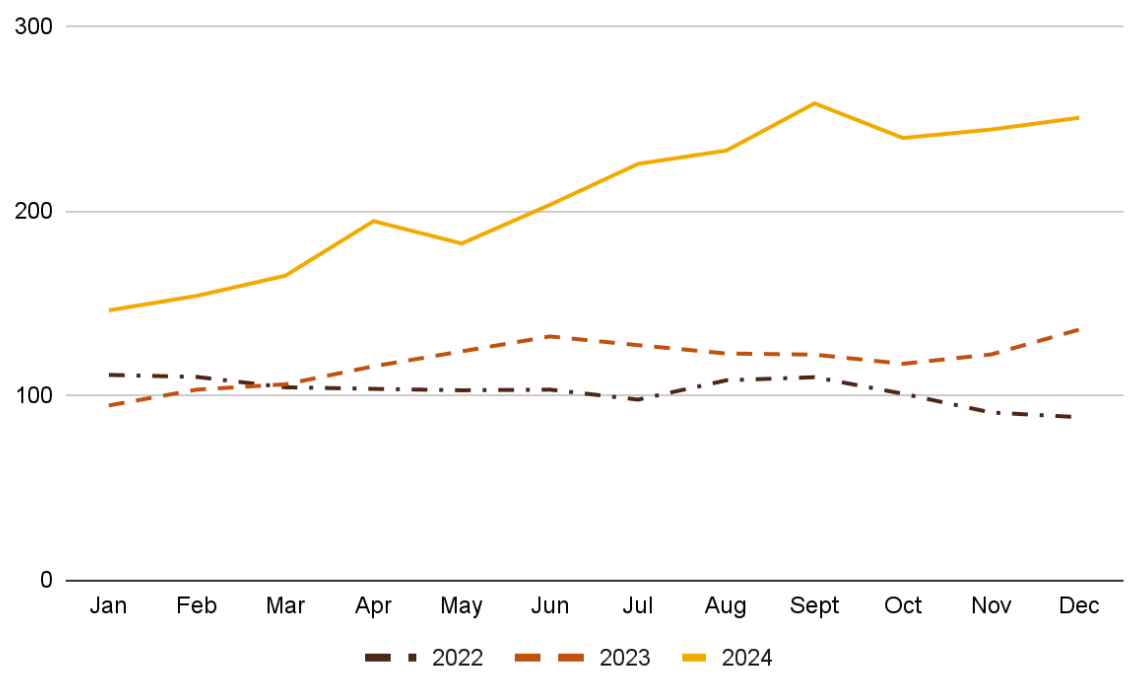
Sources: Reuters, BCEAO

Figure 5: TRENDS IN COCOA PRICES (U.S. cents per lb.)



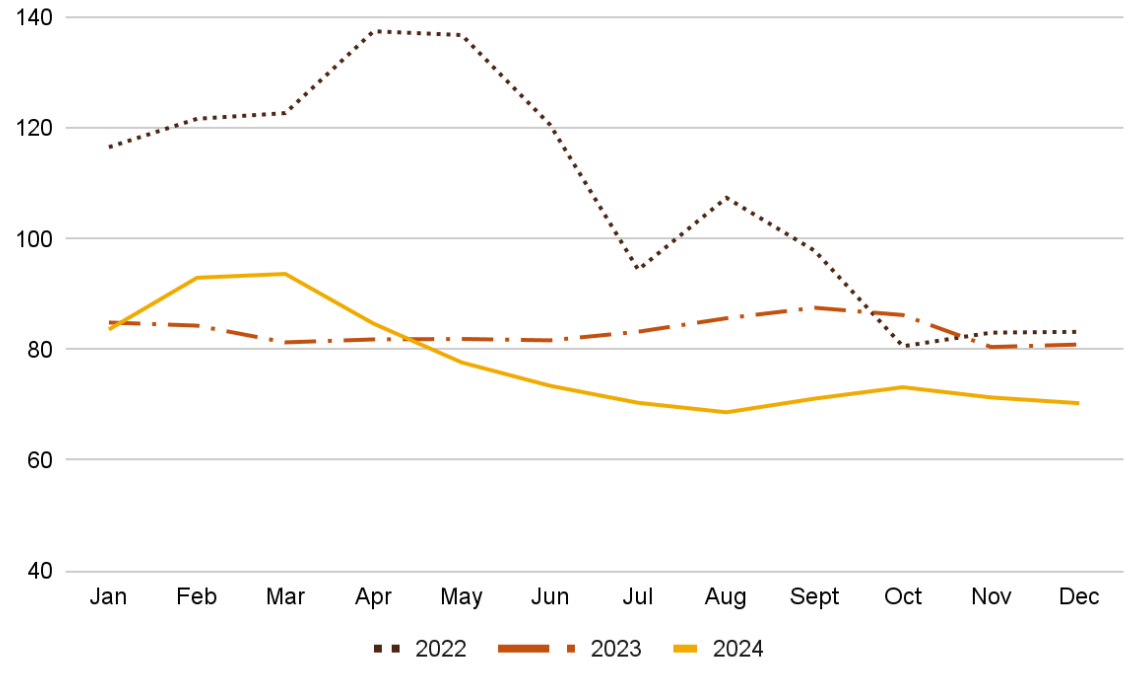
Sources: Reuters, BCEAO

Figure 6: TRENDS IN COFFEE PRICES (U.S. cents per lb.)



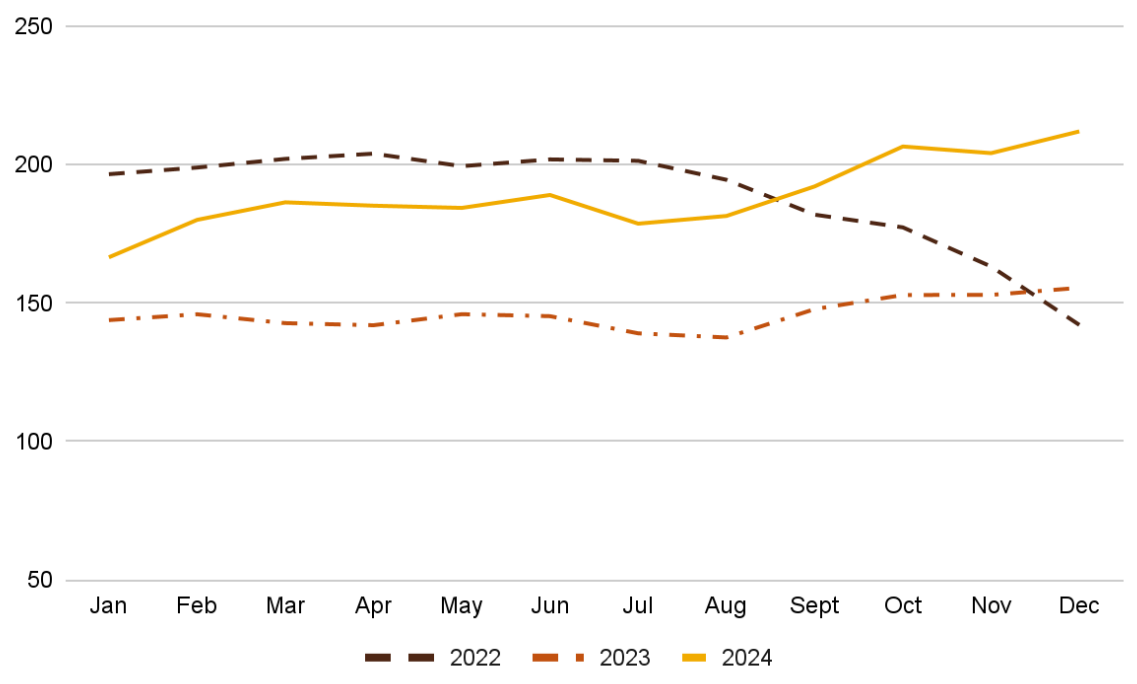
Sources: Reuters, BCEAO

Figure 7: TRENDS IN COTTON PRICES (U.S. cents per lb.)



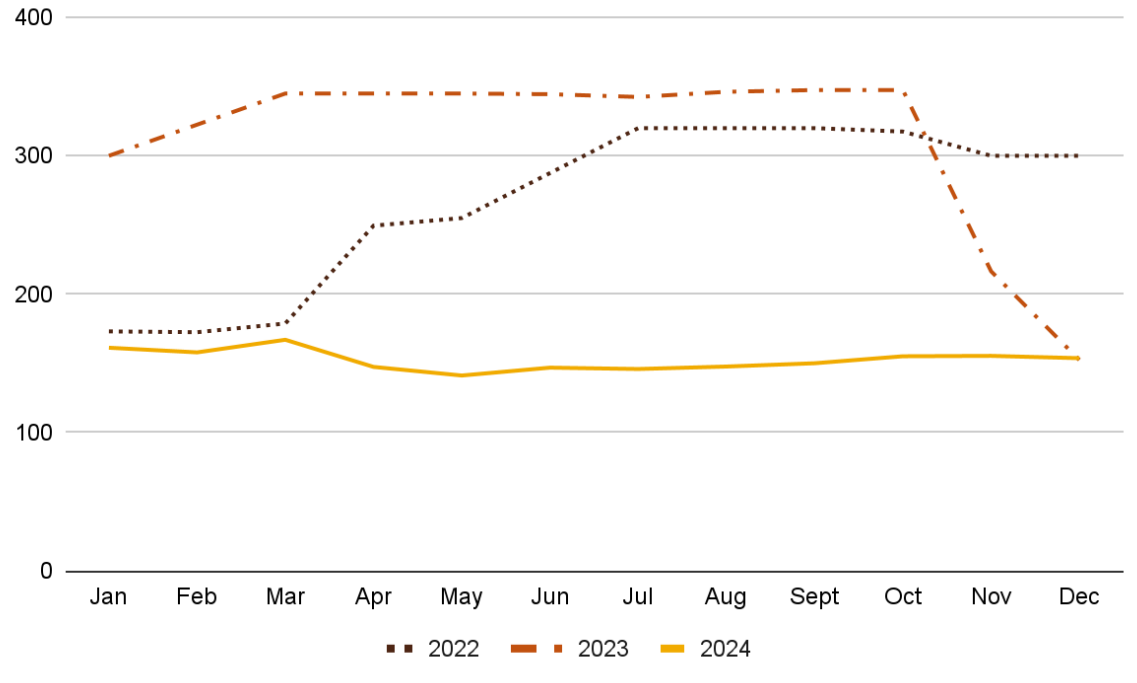
Sources: Reuters, BCEAO

Figure 8: TRENDS IN RUBBER PRICES (Eurocents per kg)



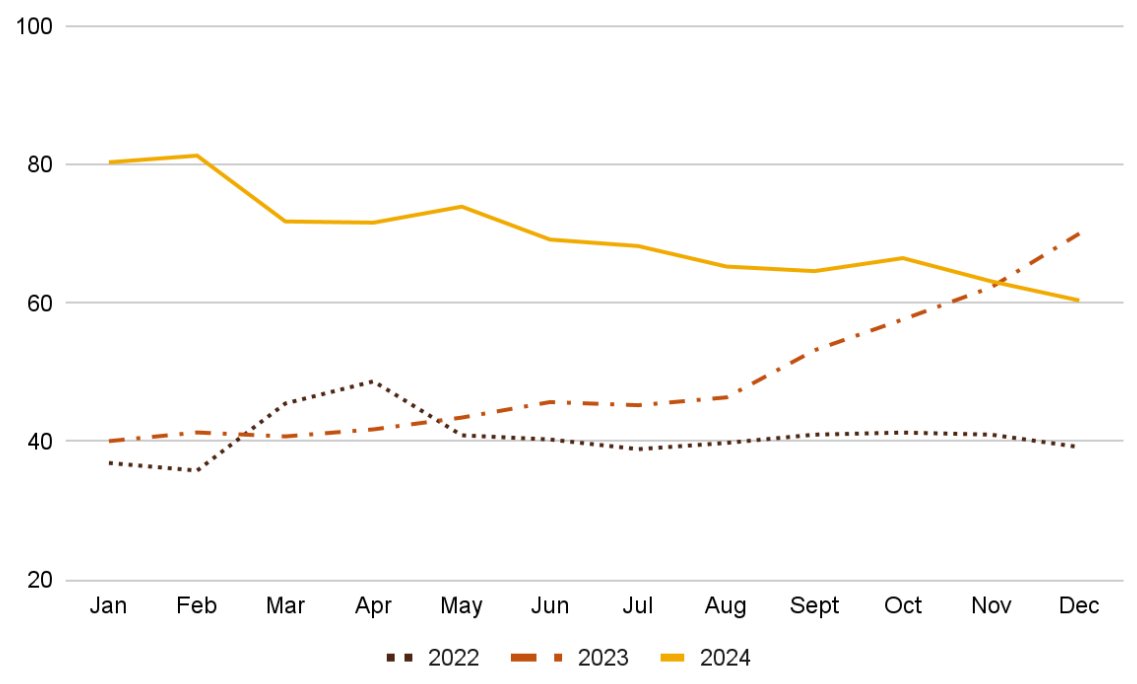
Sources: Reuters, BCEAO

Graph 9: TRENDS IN PHOSPHATE PRICES ($/Metric ton)



Sources: Reuters, BCEAO

Figure 10: TRENDS IN URANIUM PRICES ($/kg)



Sources: Reuters, BCEAO

1.1.4 - EMPLOYMENT AND INFLATION

--> CONTRASTING TRENDS IN UNEMPLOYMENT RATES IN INDUSTRIALIZED COUNTRIES

--> DECLINE IN HEADLINE INFLATION, DRIVEN BY IMPROVEMENTS IN SUPPLY CHAINS, LOWER ENERGY PRICES AND THE IMPACT OF MONETARY POLICY TIGHTENING MEASURES INTRODUCED SINCE 2022 (5.8% IN 2024 COMPARED TO 6.7% IN 2023)

--> DECLINE IN THE AVERAGE INFLATION RATE IN EMERGING AND DEVELOPING COUNTRIES (+7.9% IN 2024 COMPARED TO +8.1% IN 2023)

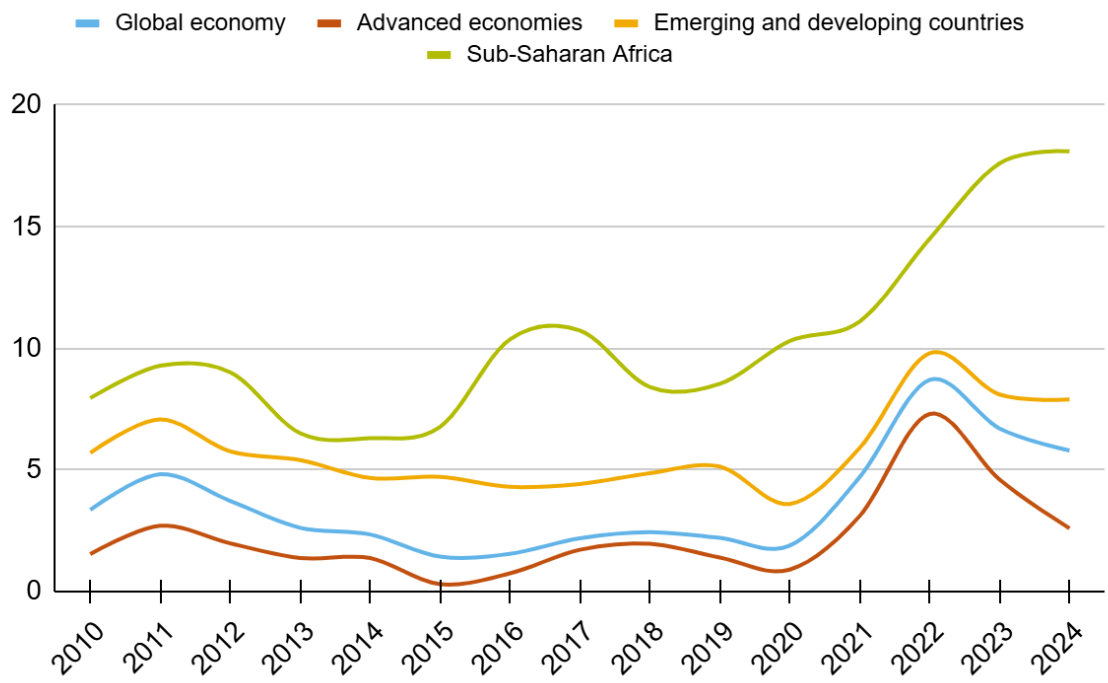
--> INFLATION RATES IN SUB-SAHARAN AFRICA REMAINED HIGH, AT 18.1% IN 2024, AFTER +17.6% IN 2023

In 2024, the unemployment rate showed contrasting trends across most of the major industrialized countries. In the United States, the unemployment rose from 3.7% in December 2023 to 4.1% in December 2024, an increase of 0.4 percentage point. In the Eurozone, the unemployment rate fell by 0.4 percentage point to reach an all-time low of 6.3% in December 2024.

Headline inflation declined over the course of 2024, while remaining above target in virtually all inflation-targeting countries. Disinflation in 2024 was linked to the stabilization of prices for certain basic foodstuffs due to supply-chain improvements, lower energy prices, and the impact of the

monetary policy tightening measures introduced since 2022. In industrialized countries, the inflation rate stood at 2.6% in 2024, against 4.6% in 2023, above the target rates set by central banks. In emerging and developing countries, it averaged 7.9% in 2024, following 8.1% in 2023. Inflation remained higher due to soaring food prices and persistent inflationary pressures on services. In sub-Saharan Africa, inflation stood at 18.1% in 2024, mainly due to rising prices in Nigeria, Angola, Ethiopia, and Ghana. Inflationary pressures in sub-Saharan Africa have been exacerbated by the effects of previous episodes of currency depreciation, which continue to fuel inflation in several countries, as well as poor agricultural performances linked to adverse weather conditions.

Figure 11: TRENDS IN INFLATION RATES (Annual average in %)



Sources: Reuters, BCEAO

1.1.5 - MONETARY POLICY MEASURES AND FOREIGN EXCHANGE MARKET

IMPLEMENTATION OF ACCOMMODATING MONETARY POLICIES BY MAJOR CENTRAL BANKS WORLDWIDE	MONETARY POLICY EASING BY THE EUROPEAN CENTRAL BANK (ECB)	APPRECIATION OF THE CFA FRANC AGAINST THE NIGERIAN NAIRA (+140.7%), THE GHANIAN CEDI (+27.9%), THE GAMBIAN DALASI (+11.5%), AND THE LIBERIAN DOLLAR (+9.9%)

The monetary policies implemented by the world's major central banks were generally accommodating throughout 2024. Central banks in advanced economies, with the exception of the Bank of Japan, lowered their key interest rates amidst moderate growth and declining

inflation. In emerging and developing economies, central banks implemented various monetary policies adapted to country-specific inflationary pressures.

At its last meeting on December 18, 2024, the US Federal Reserve (Fed) lowered its federal funds rate target range by 25 basis points to between 4.25% and 4.50%. However, it indicated that it was nearing the end of its monetary easing cycle due to inflation remaining relatively high compared to its long-term target of 2%. Overall, the Fed lowered its federal funds rate target range by 100 basis points (bps) over the course of 2024.

The European Central Bank (ECB) also continued its monetary policy easing stance throughout 2024, cumulatively lowering its interest rates by a total of 135 basis points. The interest rates on the deposit facility, the main refinancing operations and the marginal lending facility were set at 3.00%, 3.15% and 3.40%, respectively, at end-December 2024. At its final meeting of the year, convened on December 12, 2024, the ECB decided to lower its deposit facility rate by 25 basis points to 3.00%. This decision was prompted by a more favorable inflation outlook and a downward revision of economic growth forecasts.

On December 19, 2024, the Bank of England (BoE) decided to maintain its benchmark interest rate at 4.75% due to rising inflation, which reached 2.6% in November compared with 2.3% one month prior. The BoE stressed that a restrictive monetary policy ought to be maintained for as long as necessary to bring inflation back to its 2.0% target over the medium term. The BoE lowered its key interest rate by 50 basis points over 2024, from 5.25% in December 2023 to 4.75% in December 2024.

The Bank of Japan (BoJ) raised its key interest rate by 35 basis points to 0.25% over the course of 2024, its first rate hikes since 2007. At its latest meeting, held on December 19, 2024, the BoJ kept its short-term interest rate at 0.25%. This decision reflects a cautious approach, as the institution considered that more time was needed to assess certain risks, including the direction that would be taken by US economic policy under President Donald Trump and the wage outlook for 2025.

In emerging countries, the monetary policy implemented by the main central banks took different paths, depending on the individual countries' inflationary pressures. The People's Bank of China (PBoC) kept its main interest rate unchanged at its last two meetings of 2024, at a historically low level designed to support economic recovery. The one-year preferential lending rate (LPR), which is the benchmark for most loans to businesses and households, remained at 3.10%, while the five-year rate, which is the benchmark for real estate loans, remained at 3.60%. For 2024 as a whole, the PBoC's monetary policy stance was accommodative, with rates falling cumulatively by 35 bps. The Reserve Bank of India (RBI) continued the normalization of its monetary policy in 2024. At its meeting on December 6, 2024, the institution kept its key rate unchanged at 6.50% for the eleventh consecutive time, due to an increase in annual inflation, which stood at 5.5% in November 2024. The Central Bank of Russia continued its cycle of monetary policy tightening, with a cumulative increase of 500 bps over 2024. The main key rate was raised from 16.00% at the end of December 2023 to 21.00% at the end of December 2024. This development was due to inflation forecasts, which have continued to rise in response to the significant weakening of the ruble and a labor crisis.

Among the WAEMU partner countries in the West African subregion, the Central Bank of Nigeria (CBN) raised its key policy rate by 875 basis points in 2024, bringing it to 27.50%, where it has stood since November 26, 2024. In Ghana, the Bank of Ghana (BoG) cut its key rate by a

cumulative 300 basis points in 2024, bringing it to 27.00% since September 2024, in a bid to support economic recovery. The central bank of the CEMAC zone kept its key rates unchanged throughout 2024. Interest rates on tenders, the marginal lending facility and the deposit facility stood at 5.00%, 6.75% and 0.00%, respectively.

On foreign exchange markets, the euro appreciated against the other major currencies in 2024, reflecting the narrowing of the one-year interest rate differential with the United States over the year as well as a weaker US economic performance in the second half of 2024. The exchange rate index for the euro, as calculated by the ECB, rose by 1.5%. The euro remained virtually stable against the US dollar (+0.04%), at an average of 1.0821 in 2024. The euro also rose against the Japanese yen (+7.8%), the Canadian dollar (+1.5%), and the Australian dollar (+0.7%). It gained value against emerging market currencies, appreciating by 8.3% against the Russian ruble, 1.7% against the Chinese yuan and 1.3% against the Indian rupee. In contrast, the European currency depreciated against the pound sterling (-2.7%), the Swiss franc (-2.0%) and the South African rand (-0.6%).

On the West African market, the CFA franc appreciated against the Nigerian naira (+140.7%), the Ghanaian cedi (+27.9%), the Gambian dalasi (+11.5%), and the Liberian dollar (+9.9%) over the course of the year. On the other hand, it depreciated by 5.6% against the Sierra Leonean leone. On average over the year, 1,000 CFA F was worth 23.13 cedis, 111.44 dalasis, 26,832.94 leones, 314.85 Liberian dollars, 14,085.24 Guinean francs and 2,358.61 naira.

Table 1: TRENDS IN ANNUAL AVERAGE EXCHANGE RATES (Foreign currency units per 1,000 CFA F)

Currency	Code	2023	2024	Change (%)*
Special drawing rights	SDR	1.2357	1.2426	0.6
US dollar	USD	1.6489	1.6496	0.0
Swiss franc	CHF	1.4814	1.4522	-2.0
Pound sterling	GBP	1.3262	1.2906	-2.7
Japanese yen	JPY	231.6348	249.7382	7.8
Chinese yuan	CNY	11.6762	11.8701	1.7
Russian ruble	RUB	140.8182	152.4382	8.3
Indian rupee	INR	136.1749	138.0132	1.3
Gambian dalasi	GMG	99.9255	111.4398	11.5
Ghanaian cedi	GHS	18.0800	23.1284	27.9
Guinean franc	FGN	14,028.9123	14,085.2396	0.4
Liberian dollar	LRD	286.6176	314.8523	9.9
Nigerian naira	NGN	980.0882	2,358.6122	140.7
Sierra Leonean leone	SLL	28,421.2173	26,832.9408	-5.6

Sources: WAMA, Banque de France, IMF, BCEAO

** The (-) sign indicates a depreciation of the CFA franc compared to the foreign currency*

Table 2: TRENDS IN ANNUAL AVERAGE EXCHANGE RATES (Foreign currency units per 1,000 CFA F)

Currency	Code	1st quarter		2nd quarter		3rd quarter		4th quarter	
		2023	2024	2023	2024	2023	2024	2023	2024
Special drawing rights	SDR	1.22	1.24	1.24	1.24	1.25	1.25	1.24	1.23
US dollar	USD	1.64	1.66	1.66	1.64	1.66	1.68	1.64	1.63
Swiss franc	CHF	1.51	1.45	1.49	1.48	1.47	1.45	1.45	1.43
Pound sterling	GBP	1.35	1.31	1.33	1.30	1.31	1.29	1.32	1.27
Japanese yen	JPY	216.44	245.75	227.96	255.80	239.70	249.67	242.44	247.73
Chinese yuan	CNY	11.19	11.90	11.65	11.89	12.02	12.00	11.85	11.70
Russian ruble	RUB	119.72	150.57	134.97	146.43	156.35	149.59	152.23	163.16
Indian rupee	INR	134.54	137.43	136.44	136.92	137.17	140.33	136.55	137.38
Gambian dalasi	GMG	99.58	98.63	99.32	102.26	109.53	110.65	111.56	114.12
Ghanaian cedi	GHS	17.10	18.18	18.29	18.84	20.29	22.41	25.28	25.33
Guinean franc	FGN	13,954.57	14,127.59	14,107.37	13,928.36	14,087.85	13,980.66	14,333.09	13,945.82
Liberian dollar	LRD	258.16	279.25	307.76	307.51	315.72	316.00	326.32	302.30
Nigerian naira	NGN	749.01	807.78	1,271.21	1,385.91	2,031.14	2,239.36	2,650.82	2,633.10
Sierra Leonean leone	SLL	30,871.53	27,622.66	28,332.58	27,136.75	26,660.89	26,978.89	26,532.96	27,168.45

Sources: WAMA, Banque de France, IMF, BCEAO

1.2 - ECONOMIC AND FINANCIAL TRENDS IN WAEMU MEMBER STATES

REAL GDP GROWTH RATE IN THE UNION:		**6.2% (2024)**		**5.3% (2023)**

1.2.1 - GROSS DOMESTIC PRODUCT

Economic activity in the WAEMU Union remained buoyant overall in 2024, despite the global economic slowdown and the fragile sociopolitical and security climate in the West African subregion. According to available estimates, the GDP in the Union grew by 6.2% in 2024, after 5.3% in 2023. The increase in the real GDP was driven in particular by the tertiary sector, which contributed 3.3 percentage points (pps), reflecting the robust performances of trade and services. Economic growth was also driven by the primary sector (1.5 pp) and the secondary sector (1.4 pp). The contribution of the primary sector can be ascribed to the increase in agricultural production during the 2024/2025 crop year, due to generally favorable weather conditions. The secondary sector benefited mainly from growth in manufacturing and extractive industries, supported by the start of crude oil production in Senegal and increased production in Niger.

In terms of GDP uses, economic growth in 2024 was primarily driven by final consumption (3.2 points) linked to higher per capita income. The renewed momentum was also driven by the external sector, whose contribution was estimated at 1.6 pp, after a negative contribution in 2023 (-1.0 pp), thanks to the start of crude oil exports in Niger and Senegal. The contribution of investment was estimated at 1.4 point, down 0.2 pp, due to the completion of major investment projects in most of the Union's countries in 2023. These included investments in Côte d'Ivoire in connection with the organization of the Africa Cup of Nations soccer tournament and major investments in oil projects in Niger and Senegal.

Table 3: TRENDS IN SECTOR CONTRIBUTIONS TO GROWTH IN THE GROSS DOMESTIC PRODUCT OF THE UNION (%)

	2022	2023 (1)	2024 (2)	Variation (2)-(1)
Primary sector	**1.2**	**0.3**	**1.5**	**1.2**
Secondary sector	**0.7**	**1.3**	**1.4**	**0.1**
incl.				
- Manufacturing industries	0.3	0.7	0.4	-0.3
- Extractive activities	-0.1	0.0	0.8	0.8
- Public works and civil engineering	0.4	0.3	0.1	-0.2
Tertiary sector	**3.6**	**3.7**	**3.3**	**-0.4**
Real GDP	**5.5**	**5.3**	**6.2**	**0.9**
Final consumption	**4.1**	**4.7**	**3.2**	**-1.4**
- Public	0.8	0.5	0.4	-0.1
- Private	3.3	4.2	2.8	-1.3
CapEx	**3.2**	**1.6**	**1.4**	**-0.3**
- Public	1.0	0.4	0.4	-0.1
- Private	2.2	1.2	1.0	-0.2
External sector	**-1.8**	**-1.0**	**1.6**	**2.6**
incl.				
- Exports of goods and services	5.6	0.4	1.9	1.5

Sources: National departments, BCEAO

COCOA: 1,909,086 metric tons, up by 3.8%	**COFFEE:** 100.027 metric tons, up by 36.9%	**SEED COTTON:** 1,938,463 metric tons, up by 1.9%	**CASHEW NUTS: 1,544,802 metric tons, down 13.2%**

1.2.1.1 - Agricultural production

Based on available estimates, food crop production in the Union should stand at 84,971,881 metric tons (MT) in the 2024/2025 growing season, up 6.8% compared to the previous crop year. This trend is due to an increase in production of cereals (+740,482 MT, or +2.3%) and tubers (+1,464,879 MT, or 17.7%) as well as other food crops (+3,217,649 MT, or 17.7%). Compared to the average of the previous five crop years, harvests for the 2024/2025 crop year show an increase of 15.9%.

Harvests of most export crops are expected to be higher at the end of the 2024/2025 crop year as compared with the previous year, with the exception of cashew nuts.

Cocoa production rose by 3.8% in the 2024/2025 season, to stand at 1,909,086 MT across the Union, below the original forecasts. This slight increase was mainly due to the resumption of production in Côte d'Ivoire following excessive rainfall during the 2023/2024 season. However, production remained below the average level recorded over the last five years.

Coffee harvests are expected to reach 100,027 metric tons at the end of the 2024/2025 crop year, up 36.9% on the previous growing season, mainly due to a 53.8% increase in the harvest in Côte d'Ivoire, following a 2023/2024 season marked by unfavorable weather conditions.

Seed cotton production is anticipated to reach 1,938,463 MT in the 2024/2025 season, up 1.9% from the previous season. The satisfactory performance of cotton production in the Union is primarily ascribable to the figures recorded in Côte d'Ivoire (+47.3%) and Benin (+6.8%), partially offset by declines in production in Burkina Faso (-26.5%) and Mali (-2.3%). The increase in production in Côte d'Ivoire reflects base effects stemming from the sharp decline (-56.2%) recorded in the previous season, while the increase in Benin resulted from efforts deployed by sector stakeholders to combat pests and adopt resilient agricultural practices. In contrast, the decline in harvests in Mali and Burkina Faso is thought to be due in large part to localized flooding, which caused crop losses.

Groundnut harvests increased by 12.9% to 4,666,848 metric tons, reflecting the favorable spatial and temporal distribution of rainfall in producing countries. Significant rises were recorded in Benin (+65.2%), Mali (+16.5%), Niger (+14.2%) and Senegal (+10.4%).

The regional supply of rubber stood at 1,966,000 metric tons, up significantly by 21.0% compared to the previous agricultural season, mainly due to an increase in the number of mature trees.

On the other hand, cashew nut production in the Union dropped by 13.2%, with a volume of 1,544,802 metric tons. This situation arose as a result of production declines experienced in Côte d'Ivoire (-18.4%), Burkina Faso (-11.5%), and Guinea-Bissau (-1.0%), due to unfavorable weather conditions in growing areas in Côte d'Ivoire and Guinea-Bissau, as well as difficulties accessing certain production areas in Burkina Faso, owing to insecurity. Meanwhile, cashew nut supplies in Benin increased by 2.6% over the 2024/2025 crop year.

GOLD: 211,497.2 kg, up by 0.5%	**PHOSPHATES: 3,414,877.0 metric tons, up by 1.7%**	**URANIUM: 1,031.0 metric tons, down 8.8%**	**OIL: 53.4 million barrels, up by 212.2%**

1.2.1.2 - Mining production

Available estimates for extractive activities in 2024 point to an increase in oil, gold, and phosphate production, while production of uranium followed a downward trend.

Crude oil extraction grew by 212.2% to reach 53.4 million barrels, mainly due to strong growth in output in Niger and Côte d'Ivoire, as well as the start of production in Senegal. Niger's production rose from 6.4 million barrels in 2023 to 20.6 million barrels in 2024, an increase of 224.8%, while Côte d'Ivoire's production grew by 47.1% year on year to 15.8 million barrels in 2024. Senegal recorded an annual production of 16.9 million barrels in 2024.

Gold production, estimated at 211,497.2 kg in 2024, was down slightly by 0.5% compared to 2023. This positive trend was driven by increases in extraction in Côte d'Ivoire and Senegal, partially offset by decreases in Mali and Niger.

The supply of phosphates grew by 1.7% to reach 3,414,877.0 metric tons in 2024, This increase was due to a higher supply in Senegal (+6.9%), partially offset by a drop in production in Togo (-1.7%).

Uranium production, which takes place solely in Niger, fell by 8.8% to stand at 1,031.0 metric tons in 2024.

1.2.1.3 - Industrial production and sales

Industrial production in WAEMU experienced a 7.6% increase in 2024, following 3.3% growth the previous year. This growth was driven by an acceleration in extractive industries (+11.6% compared with +2.9%), manufacturing (+6.0% compared with +2.8%) and energy (+8.3% compared with +12.1%). The momentum in extractive production reflects an upturn in crude oil extraction in Niger, against a backdrop of resumed exports via the Niger-Benin pipeline, as well as the start of crude oil extraction in Senegal. Crude oil production increased by 43.6% in 2024, compared with a decline of 0.9% in 2023. However, this growth was tempered by decreases in uranium and gold production. In the manufacturing industry, the increase in production was driven by food processing, oil refining, metallurgical products, and wood and wood products. The slowdown in growth in the energy sector was mainly due to a disappointing performance in terms of electricity production (8.8% in 2024 compared to 13.2% in 2023).

Retail trade turnover in the Union rose by 3.1% in 2024, after growing by 6.3% the previous year. This trend in the index, against a backdrop of markedly lower inflation in the Union, can be explained by slower growth in sales of food products (+2.3% vs. +4.8%) and petroleum products (+2.5% vs. +8.2%), as well as rolling stock (+4.2% vs. +14.7%).

The turnover index in market services (excluding financial services) was up by 4.6% in 2024, unchanged from the previous year's performance. This was mainly due to the satisfactory performance of the transportation sector in Benin, Côte d'Ivoire, and Senegal; office support services in Benin, Côte d'Ivoire, Niger, Senegal, and Togo; as well as the performance of information and communication activities, particularly in Burkina Faso, Côte d'Ivoire, and Niger.

The financial services activity index slowed by 13.6% in 2024, following a 15.3% increase a year earlier, mainly due to the slowdown in the growth of bank lending.

1.2.2 - CONSUMER PRICE TRENDS

ANNUAL AVERAGE INFLATION RATE
3.5% in 2024 **3.7% in 2023**

The annual average inflation rate stood at 3.5% in 2024, compared to a performance of 3.7% in 2023. This slight decline was connected with the downward trend in world prices for food products imported by the Union's countries, whose index fell by 3.2% in 2024, following a 9.8% contraction a year earlier, contributing to a decrease in the prices of imported products. The moderate price slowdown in 2024 can also be explained by the lack of tensions on oil prices. Fuel prices at the pump fell in Niger beginning in July 2024 and in Togo in December 2024, while remaining stable in the other countries. This has resulted in a slowdown in price increases in the transportation sector (+1.3% in 2024 compared to +6.7% in 2023). The slowdown in prices in 2024 can also be explained by the decline recorded in the housing sector (+3.6% compared to +4.7%). The slight slowdown in the housing sector reflected lower prices for solid fuels (notably wood and charcoal) and liquid fuels (kerosene).

However, inflation remained high due to the modest increase in supplies (+2.0%) of local cereals at the end of the 2023/2024 agricultural season, combined with the persistence of certain supply chain disruptions related to trade restrictions imposed by some countries. As a result, local food prices rose significantly, by 4.8% in 2024, compared with 3.7% in 2023.

The price slowdown is expected to continue in 2025, with inflation forecast at 2.7%, in line with an expected improvement in domestic supplies of local food crops. This development should result from the arrival on the market of the 2024/2025 harvest and projected trends in the prices of petroleum products and foodstuffs imported by the Union's countries.

Initial estimates issued by the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) show generally satisfactory increases in cereal production for the 2024/2025 season in most of the Union's countries, particularly in Burkina Faso (+18.1%), Côte d'Ivoire (+17.2%), Niger (+9.1%), Guinea-Bissau (+8.9%), and Mali (+6.7%). In Benin, production remained virtually stable (+0.5%). However, production dropped in Togo (-5.0%) and plummeted in Senegal[1] (-48.1%).

Table 4: TRENDS IN CONSUMER PRICES IN 2023 AND 2024 (%)

	2023		2024	
	Annual average	**Year-over-year change at the end of December**	**Annual average**	**Year-over-year change at the end of December**
Benin	2.7	0.4	1.2	-0.4
Burkina Faso	0.7	1.0	4.2	4.9
Côte d'Ivoire	4.4	3.9	3.5	2.1
Guinea-Bissau	7.2	3.1	3.7	5.7
Mali	2.1	-0.5	3.2	4.9
Niger	3.7	7.2	9.1	4.7
Senegal	5.9	0.8	0.8	0.3
Togo	5.3	3.5	2.9	1.2
WAEMU	**3.7**	**2.5**	**3.5**	**2.6**

Sources: National Statistics Institutes, BCEAO

The inflation differential between the WAEMU Union and its main partners was favorable to the Union by 3.6 percentage points in 2024.

Over the course of 2024, member country governments implemented measures to combat inflation and strengthen household purchasing power. These measures included reducing the prices of food staples such as rice, sugar, refined cooking oil, and bread, as well as organizing sales of rice at affordable prices. Support measures for households also included reducing the retail prices of fuel and cement.

1.2.3 - PUBLIC FINANCE AND EXTERNAL DEBT POSITION

1.2.3.1 - Trends in State financial transactions

Public finance management in the Union resulted in a reduction in the budget deficit, in line with faster growth in budget revenue compared with public expenditure.

[1] *In connection with severe flooding and overflowing rivers, which reduced the total area under cultivation.*

Budgetary revenue totaled 22,396.6 billion at the end of December 2024, up 2,201.2 billion, or 10.9%, compared to the previous year. This increase was mainly driven by the favorable trend in tax revenue, underpinned by buoyant economic activity and ongoing reforms aimed at increasing the mobilization of taxes and duties by tax and customs administrations. Total revenue rose by 11.3% in nominal terms to stand at 19,619.7 billion. The tax burden was 14.6% at the end of December 2024, compared with 14.3% a year earlier. Grants, however, fell by 100.7 billion (-8.3%) to stand at 1,116.6 billion at the end of December 2024. As a result, the combined budget revenues and grants of the Union's Member States rose by 9.8% to reach 23,513.2 billion or 17.5% of the GDP.

Net expenditure and loans amounted to 30,366.8 billion, an increase of 1,289.5 billion or 4.4% over December 2023. This trend reflects growth in both capital expenditure (+7.8%) and current expenditure (+4.3%). The increase in capital expenditure reflected the continued implementation of projects under the Member States' development plans. The increase in current expenditure was mainly driven by higher interest payments on public debt (+16.0%), increased personnel expenditure (+6.8%) and, to a lesser extent, transfers and subsidies (+2.9%). The rise in the wage bill reflected the financial impact of new hirings and promotions in the civil service, among other things.

In view of the above developments, the overall deficit (on an accrual basis, including grants) fell by 811.0 billion to stand at 6,853.6 billion (5.1% of the GDP) at the end of December 2024, compared with 7,664.6 billion (6.2% of the GDP) in 2023.

FISCAL REVENUE AND GRANTS: -> **22,396.6** BILLION AT THE END OF DECEMBER 2024. UP BY **2,201.2** BILLION OR **10.9%** COMPARED TO THE YEAR BEFORE.
AGGREGATE DEFICIT, ACCRUAL BASIS, INCLUSIVE OF GRANTS: -> **6.853,6** BILLION AT END DECEMBER 2024 (**5.1%** OF THE GDP) AS AGAINST **7,664.6** BILLION (**6.2%** OF THE GDP) IN 2023.
NET EXPENDITURES AND LOANS: -> **30,366.8** BILLION AT END DECEMBER 2024 UP BY **4.4%** COMPARED TO 2023.

Table 5: PUBLIC FINANCES IN 2023 AND 2024 (in billions of CFA F, except where otherwise stated)

	December 2023 (1)	December 2024(*) (2)	Variation (2) – (1)	
			in billions	in %
Budgetary revenue and grants	**21,412.7**	**23,513.2**	**2,100.5**	**9.8**
(% of GDP)	17.4	17.5	-	-
Budgetary revenue	**20,195.4**	**22,396.6**	**2,201.2**	**10.9**
Fiscal revenue	17,625.7	19,619.7	1,994.0	11.3
(% of GDP)	14.3	14.6	-	-
Other revenue (including non-tax revenue)	2,569.7	2,776.9	207.2	8.1
Grants	**1,217.3**	**1,116.6**	**-100.7**	**-8.3**
Total and net loans	**29,077.3**	**30,366.8**	**1,289.5**	**4.4**
(% of GDP)	23.7	22.6	-	-
Current expenditure	18,125.6	18,897.7	772.1	4.3
payroll	6,791.5	7,256.2	464.7	6.8
grants and transfers	4,186.5	4,309.6	123.1	2.9
interest on the debt	2,812.8	3,262.4	449.6	16.0
other current expenditure	4,334.8	4,069.5	-265.3	-6.1
Capital expenditure	9,494.2	10,238.7	744.5	7.8
(% of GDP)	7.7	7.6	-	-
Other expenditure	1,412.5	1,242.6	-169.9	-12.0
Net loans	45.0	-12.2	-57.2	-127.1
Balance, accrual basis (including grants)	**-7,664.6**	**-6,853.6**	**811.0**	**-10.6**
(% of GDP)	-6.2	-5.1	-	-
Balance, cash basis (including grants)	**-7,728.2**	**-6,874.8**	**853.4**	**-11.0**
(% of GDP)	-6.3	-5.1	-	-

(*) Estimates

Sources: BCEAO, National departments

1.2.3.2 - External resource mobilization and external debt position

The WAEMU Member States received support from technical and financial partners (TFPs) in 2024 towards the implementation of their development projects. Among other sources of support, they raised external resources from the World Bank amounting to 1,609.6 billion.

As part of their IMF-supported economic and financial programs, six Member States of the Union —Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Niger, and Togo—received disbursements totaling 1,116.9 billion. Of that total, Burkina Faso, Guinea-Bissau, and Togo received 39.2 billion, 13.7 billion and 77.5 billion, respectively, under the Extended Credit Facility (ECF). Benin, Côte d'Ivoire, and Niger, for their part, received a total disbursement of 986.5 billion under programs funded by the Extended Fund Facility (EFF), the Extended Credit Facility (ECF) and the Resilience and Sustainability Facility (RSF).

In addition, three of the Union's countries raised resources totaling 2,663.9 billion CFA F on international markets through Eurobond issues. Côte d'Ivoire participated in those markets in January 2024, raising 2.6 billion dollars (1,576.7 billion CFA F). Benin, for its part, issued international bonds in February 2024 to the tune of 750 million US dollars, or 456.2 billion CFA F.

Senegal's operations in June and October 2024 totaled $1,050 million, equivalent to 631.0 billion CFA F. Member States also obtained resources from foreign commercial banks and other private partners amounting to 3,818.2 billion CFA F[2].

Available data on the external public debt shows that the stock of external public debt grew by 9.6%, to reach 4,370.3 billion in 2024, compared with 12.8% the previous year. As a percentage of the GDP, the external public debt represented 37.0% in 2024 against 36.9% the year before.

1.2.4 - BALANCE OF PAYMENTS

THE OVERALL BALANCE OF PAYMENTS SHOWED A SURPLUS OF **3,013.9** BILLION COMPARED WITH A DEFICIT OF **3,530.4** BILLION IN 2023.

External trade in 2024 saw a sharp improvement in the aggregate balance of payments, in line with favorable trends in the terms of trade, increased mobilization of resources on international financial markets by three Member States, and the start-up of exports of various mining products (oil, gas and ore) from the Union.

The current account deficit fell by 3 points compared with 2023, to stand at 6.4% of the GDP in 2024. This improvement was largely due to the positive trend in the balance of goods and services, owing to a higher increase in exports of goods and services (+13.2%) than in imports (+0.6%). This momentum in exports reflects the impact of oil production facilities coming online in Niger and Senegal, as well as increased capacity at facilities already operating in Côte d'Ivoire. The rise in imports was driven by strong growth in imports of consumer goods (+4.6%) and petroleum products (+2.3%).

[2] These are disbursements recorded in Member States' accounts at the BCEAO.

Table 6: TRENDS IN THE BALANCE OF PAYMENTS OVER THE 2022-2024 PERIOD (in billions of CFA F, except where otherwise stated)

	2022	2023	2024 (*)
Trade balance	-5,140.5	-4,453.1	-929.6
Balance of services	-6,411.8	-7,306.3	-7,410.1
Balance of the current transactions account	-11,021.1	-11,488.5	-8,594.6
Balance of the current transactions account (as a % of GDP)	-9.9	-9.4	-6.4
Balance of the current transactions account exclusive of grants (as a % of GDP)	-10.3	-9.6	-6.6
Balance of the capital account	1,373.2	1,409.9	1,338.8
Balance of the current transactions and capital accounts (**(+) Financing Surplus (-) Financing Needs**)	-9,647.9	-10,078.6	-7,255.8
Balance of the financial account	-6,864.9	-7,017.4	-9,414.1
Aggregate balance	**-3,343.1**	**-3,530.4**	**3,013.9**
Revaluations	54.5	221.6	651.0
Change in NEAs	**3,288.7**	**3,308.8**	**-3,664.9**
Nominal GDP	**111,182.3**	**120,255.5**	**134,527.2**

Source: BCEAO *(*) Estimates*

The deficit in the balance of services rose slightly (+1.4%) compared with 2023, mainly due to higher freight costs (+1.6%), which were partially offset by higher tourism revenue (+11.5%). The primary income deficit deepened by 14.0% to reach 4,054.7 billion in 2024, due in particular to interest payments on foreign debt. The secondary income account surplus stood at 3,799.8 billion in 2024, compared with 3,828.1 billion in 2023, primarily due to an increase in migrant remittances (+26.2%), partially offset by a decline in budgetary aid (-22.6%).

The capital account surplus was estimated at 1,338.8 billion versus 1,409.9 billion one year earlier, reflecting increased project grants in certain WAEMU countries. Net capital inflows under the financial account rose by 34.2%, mainly due to portfolio investments following the return of certain of the Union's countries to the international capital markets. Indeed, Benin, Côte d'Ivoire and Senegal issued Eurobonds for a total net amount of 1,983.1 billion. This positive trend in financial inflows was tempered by a decline in net public drawdowns by governments (-6.9%). The 20.5% decrease in net inflows of foreign direct investment (FDI), in a context where certain projects, in particular the Niger-Benin pipeline and phase 1 of the Senegalese oil project, came to an end, contributed to the decline in resource inflows under the financial account. Under these conditions, the overall balance of payments showed a surplus of 3,013.9 billion, compared with a deficit of 3,530.4 billion in 2023.

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2.5 - TRENDS IN LENDING RATES 30

2.1 - MONETARY POLICY OBJECTIVES

The institutional reform of the West African Monetary Union (WAMU) and the Central Bank of West African States (BCEAO) that entered into force in April 2010 established price stability as the primary objective of the Central Bank's monetary policy. In addition to this objective, monetary policy also aims to support the economic policies of the WAEMU Member States, with a view to achieving sustainable growth.

In operational terms, the price stability objective is defined as an inflation rate of 2.0%, allowing for a margin of plus or minus 1.0% over a 24-month period. In order to achieve this objective, the Central Bank assesses potential risks to price stability and economic growth on the basis of its analysis of the internal and external macroeconomic environment, published quarterly in its monetary policy report.

2.2 - MONETARY ACTION

MONETARY POLICY MEASURES IN 2024:

➡ Maintaining the monetary policy stance adopted in June 2022. The main policy rate remained at 3.5% and the marginal lending rate at 5.5% throughout 2024, remaining unchanged since December 16, 2023.

➡ Maintaining the reserve requirement ratios applicable to banks. The rate remained at 3.0% in 2024, the level at which it stood since March 16, 2017.

BANK LIQUIDITY REGULATION MEASURES:

➡ Continuing variable-rate auctions on the weekly and monthly windows.

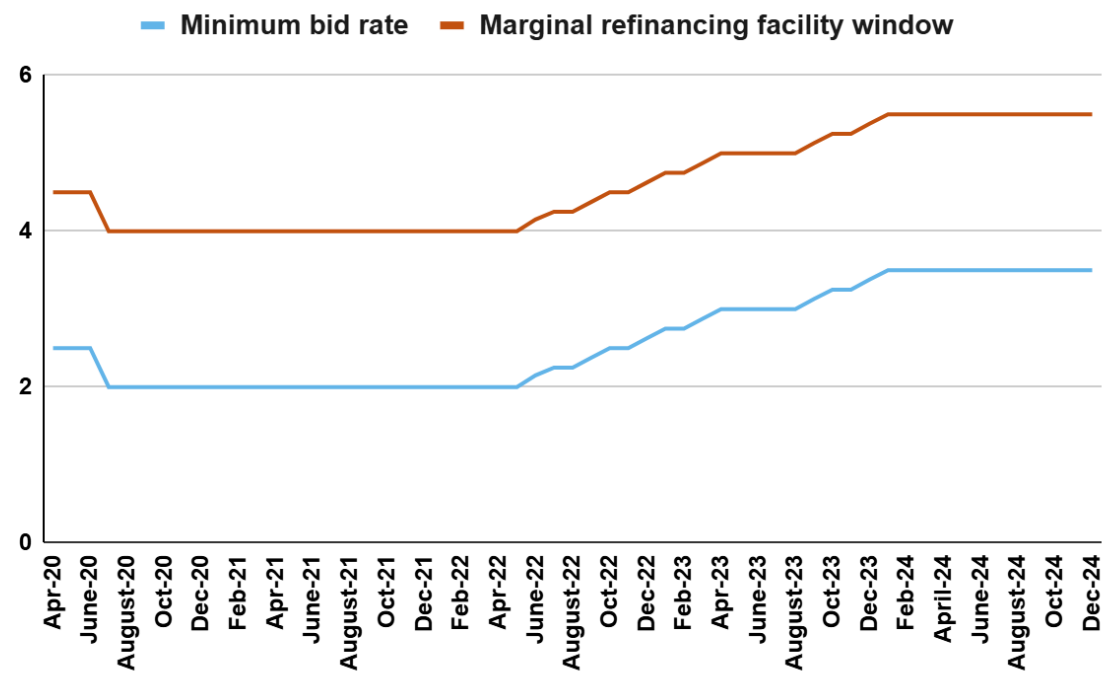
➡ Implementing an appropriate liquidity regulation policy to preserve the external balance while covering the real needs of banks.

2.2.1 - INTEREST RATE POLICY

In 2024, although inflation had begun a downward trend, it remained relatively high (above 3%) and accompanied by upside risks. Against that backdrop, the Central Bank kept its key rates unchanged throughout 2024.

The minimum bid rate—the BCEAO's main key rate—and the marginal lending rate remained at 3.5% and 5.5% respectively, the levels in force since December 16, 2023. In line with the guidance handed down by the Monetary Policy Committee (MPC), the BCEAO continued to offer variable-rate auctions on its main refinancing windows (weekly and monthly).

Figure 12: TRENDS IN THE KEY RATES OF THE BCEAO (%)



Source: BCEAO

2.2.2 - RESERVE REQUIREMENTS

The Central Bank kept the required reserve ratio for banks in the Union unchanged, at the 3.00% level in force since March 16, 2017. During the year 2024, the reserves actually built up by the Union's banks represented on average 197.57% of the reserves required by the regulations, as compared to 202.87% the year before.

It should be recalled that the Central Bank has opted for a single reserve requirement rate applicable to all banks in the Union since December 16, 2010, reflecting the single market. The table below shows the history of the reserve requirement ratios it has applied.

Table 7: RESERVE REQUIREMENT RATIOS APPLICABLE TO BANKS (%)

	June 16, 2009 - May 15, 2010	May 16 - Dec. 15, 2010	Dec. 16, 2010 - March 15, 2012	March 16, 2012 - March 15, 2017	Since March 16, 2017
	As a percentage (%)				
Benin	9.0	7.0	7.0	5.0	3.0
Burkina Faso	7.0	7.0	7.0	5.0	3.0
Côte d'Ivoire	5.0	5.0	7.0	5.0	3.0
Guinea-Bissau	3.0	5.0	7.0	5.0	3.0
Mali	7.0	7.0	7.0	5.0	3.0
Niger	7.0	7.0	7.0	5.0	3.0
Senegal	7.0	7.0	7.0	5.0	3.0
Togo	3.0	5.0	7.0	5.0	3.0

Source: BCEAO

2.3 - MONEY MARKET TRANSACTIONS AND FINANCING CONDITIONS

2.3.1 - Open market transactions

In terms of bank liquidity regulation, the BCEAO continued its liquidity injection operations through variable rate tenders, in accordance with Monetary Policy Committee guidelines. The volumes injected were calibrated to cover the actual needs of the system and ensure the smooth functioning of the market.

To offer lending institutions greater flexibility in their cash management, larger injections were made through the weekly tender window, which remains the main refinancing facility. The amounts injected on the weekly window totaled 8,075.0 billion in December 2024, against 6,200.0 billion one year previously. The average amount of weekly liquidity injections in 2024 stood at 7,497.0 billion, up by 1,255.6 billion from the level recorded in 2023. The average annual rate on the weekly window was 5.50% in 2024, compared with 4.01% in 2023.

On the monthly tender window, the amount injected by the Central Bank stood at 325.0 billion at the end of December 2024, compared with 675.0 billion one year prior. Requests satisfied through this segment averaged 492.0 billion in 2024, compared to 1,383.2 billion in 2023. The average annual rate on the weekly window was 5.50% in 2024, compared with 4.09% in 2023.

Volumes auctioned through the special window for stimulus bonds (OdR) averaged 248.6 billion in 2024, compared with 723.3 billion in 2023. Banks' outstanding commitments on the six-month maturity window fell to 175.0 billion at the end of December 2024, from 575.0 billion on the same date the year before.

2.3.2 - TRANSACTIONS THROUGH PERMANENT REFINANCING WINDOWS

Outstanding refinancing through the **marginal lending window** at end-December 2024 stood at 850.3 billion, compared with 975.0 billion at end-December 2023.

No commitments to the BCEAO were recorded in 2024 under the **special refinancing window**[3].

2.3.3 - INTERBANK MARKET

The average volume of transactions across all maturities amounted to 748 billion CFA F in 2024, compared with 704 billion CFA F in 2023, representing an increase of 6%. The transactions covered maturities ranging from one day to twelve months. The one-week and one-day segments were the most active, accounting for 61% and 29% of the average transaction volume respectively, compared to 62% and 28% in 2023. Compared to the average amount of cash injections, the volume of interbank transactions rose from 8.4% in 2023 to 8.6% in 2024.

The one-week segment saw an increase in the weighted average interest rate, which rose from 5.37% in 2023 to 6.71% in 2024.

[3] The special refinancing facility entered into force in January 2014 and allows banks to raise funds on their own initiative for periods ranging from three to twelve months, at the marginal lending facility rate, with collateral with a residual maturity of more than five years.

Table 8: Trends in interbank rates in 2024 (weighted average as a percentage)

	1 day	1 week	2 weeks	1 month	3 months	6 months	9 months	12 months
January	5.33	5.91	6.27	6.23	-	5.80	-	-
February	5.89	5.85	6.01	5.44	5.52	5.76	6.25	-
March	5.69	5.91	6.39	5.80	5.71	5.75	-	-
April	5.72	6.05	6.25	5.78	7.05	6.00	-	5.76
May	5.83	6.13	6.38	5.92	6.06	5.69	-	-
June	5.76	6.10	6.46	5.78	6.12	6.06	-	-
July	5.84	6.13	6.48	6.03	5.99	5.57	-	-
August	5.89	6.02	6.42	6.15	6.54	5.60	-	-
September	6.01	6.15	6.46	6.66	5.77	5.67	-	-
October	5.74	6.18	6.29	6.06	5.69	5.94	-	-
November	5.96	6.19	6.31	5.95	5.87	5.63		5.10
December	5.98	6.34	6.40	6.09	6.20	5.66		5.39
Average	**6.22**	**6.71**	**6.87**	**6.50**	**6.73**	**6.15**	**6.25**	**5.65**

Source: BCEAO

Table 9: Trends in interbank lending within WAMU in 2024 (in millions of CFA F)

	Average amounts		Average outstanding loans	Rate ranges (%)	Loan terms
	Total	Including WAMU			
January	477,410	362,490	518,567	5.33 to 6.27	1 day to 6 months
February	461,640	349,990	381,835	5.44 to 6.25	1 day to 9 months
March	732,821	487,794	598,793	5.69 to 6.39	1 day to 6 months
April	681,340	454,090	649,016	5.72 to 7.05	1 day to 12 months
May	846,636	621,777	711,882	5.69 to 6.38	1 day to 6 months
June	740,462	548,518	683,812	5.76 to 6.46	1 day to 6 months
July	828,605	599,741	816,494	5.57 to 6.48	1 day to 6 months
August	797,357	555,851	804,718	5.60 to 6.54	1 day to 6 months
September	735,293	503,598	829,451	5.67 to 6.66	1 day to 6 months
October	883,779	600,713	912,918	5.69 to 6.29	1 day to 6 months
November	966,581	641,496	989,784	5.10 to 6.31	1 day to 12 months
December	827,045	598,942	890,390	5.39 to 6.40	1 day to 12 months
Average	**748,247**	**527,083**	**732,305**		

Source: BCEAO

2.4 - TRENDS IN MONETARY AGGREGATES

The monetary situation in the Union in 2024 was marked by growth of 8.8% in the money supply, following a performance of 3.5% in 2023. The momentum of growth in the money supply was boosted by the favorable trends in the external accounts and bank loans to the private sector.

2.4.1 - NET EXTERNAL ASSETS

Net external assets of monetary institutions dropped by 3,308.8 billion to stand at 1,149.2 billion at the end of December 2023. This development can be ascribed to a decline of 2,733.8 billion in the Central Bank's net external assets and a contraction of 575.0 billion in those of the banks. Consequently, the level of foreign exchange reserves ensured a coverage rate of 56.3% of the monetary issue and 3.5 months of imports of goods and services at end-December 2023, against 63.4% and 4.3 months the year before.

2.4.2 - INTERNAL CLAIMS

Outstanding domestic claims rose by 3,688.5 billion or 6.4% compared to their level at the end of December 2023, reaching 61,758.3 billion at the end of December 2024. This development was due to the combined impact of the consolidation of net claims on central governments and loans to other sectors of the economies of the Union.

2.4.2.1 - Net claims on central governments (CGs)

Over the course of 2024, governments continued to tap the regional public debt market to secure financing for their budget deficits. Net bank claims on central governments therefore increased by 2,187.7 billion, or 12.7%. In particular, banks' outstanding portfolio of government securities had increased by 13.8% at end-December 2024, from 17,819.1 billion to 20,278.0 billion.

At the BCEAO level, net claims showed a decrease of 58.0 billion (-0.9%), in connection with the rise in the Central Bank's commitments (+394.3 billion, including 392.9 billion in deposits), mitigated by an increase in claims on the Central Bank (+336.3 billion). On the whole, the net claims of all deposit-taking institutions on central governments increased by 2,129.7 billion over the year, or 9.0%.

Table 10: NET CLAIMS OF DEPOSIT-TAKING INSTITUTIONS ON CENTRAL GOVERNMENTS (in billions of CFA F)

	Dec. 23	**Dec. 24**	**Annual variation** (%)
Net claims on central governments	**23,750.2**	**25,879.9**	**2,129.7**
Claims of deposit-taking institutions	30,194.9	33,123.3	2,928.4
Loans	10,339.2	11,063.1	723.9
Public securities portfolios	19,839.1	22,043.5	2,204.4
Other receivables	16.6	16.8	0.2
Commitments of deposit-taking institutions	6,444.7	7,243.4	798.7
Treasury cash in Central Bank	30.2	33.5	3.3
Deposits	6,218.3	6,999.0	780.7
Other commitments	196.1	210.9	14.8

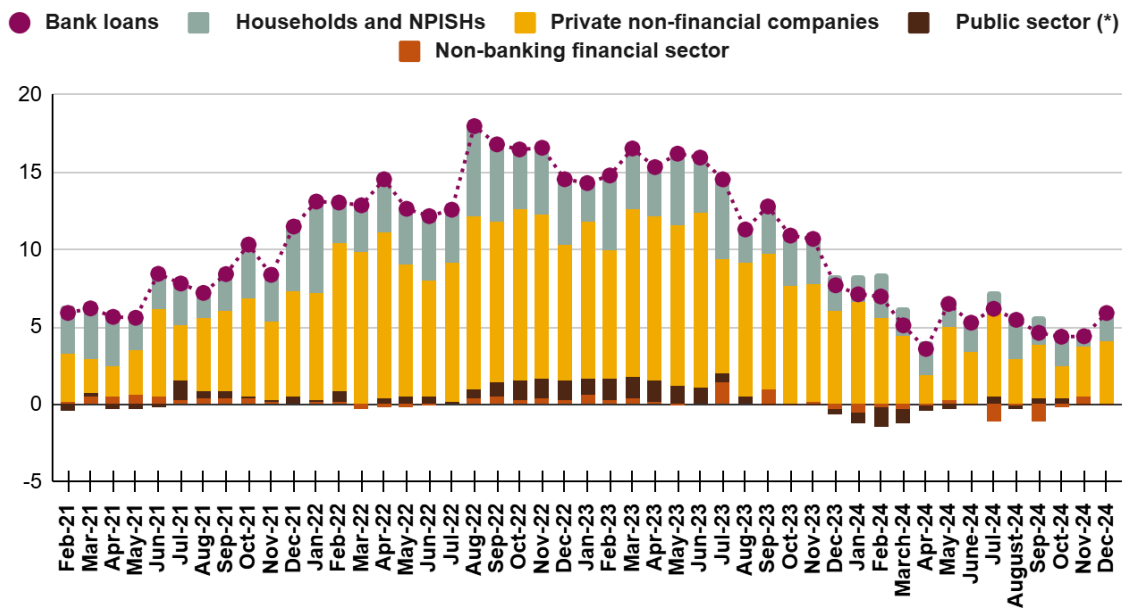
Source: BCEAO

2.4.2.2 - Claims on the private sector

In addition, the rate of increase in claims of deposit-taking institutions on sectors of the economy other than central governments, slowed to stand at 4.5% at end-December 2024, following 9.4% in 2023.

This trend in lending reflects a slower increase in bank loans to the private sector (+1,884.6 billion compared with 2,508.6 billion a year earlier). Loans to private businesses increased by 6.5% and loans to households and non-profit institutions serving households grew by 6.0% as at the end of December 2024. For the same period in 2023, these rates were 10.1% and 7.6%, respectively.

Figure 13: ANNUAL GROWTH IN BANK LOANS (in percentage points)



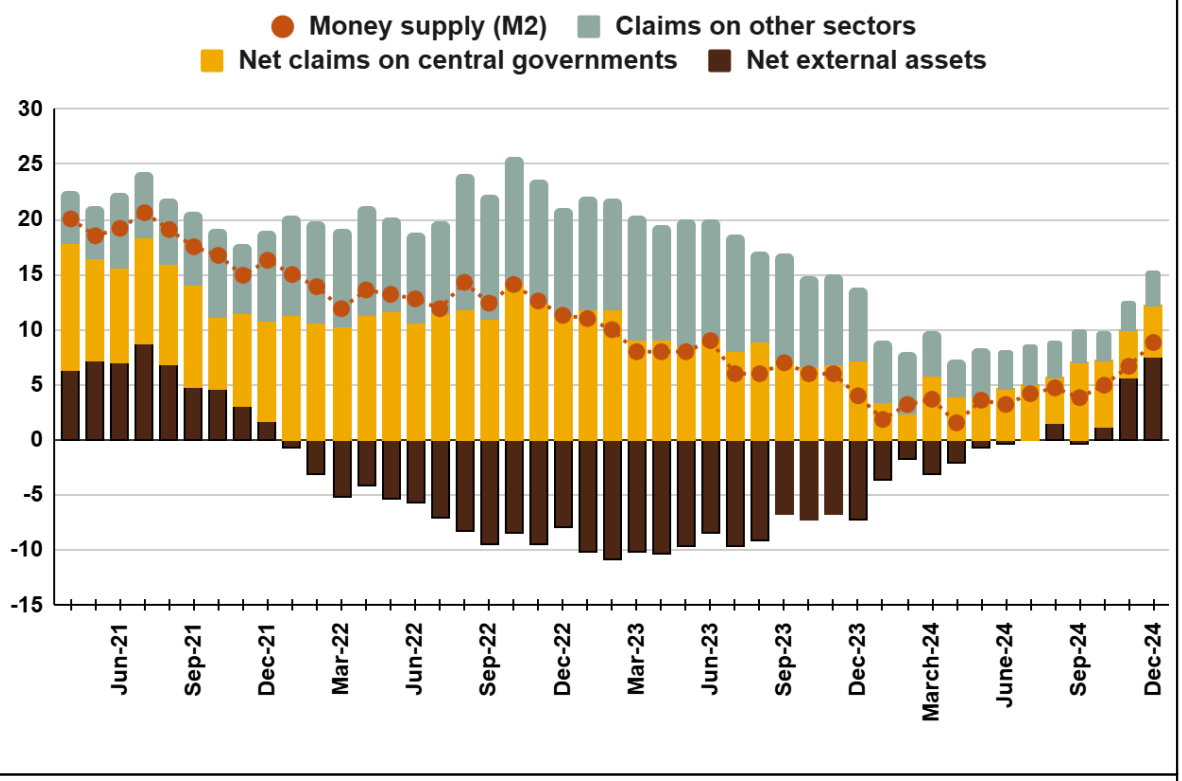
Source: BCEAO *(*) Local government and Public non-financial companies*

2.4.3 - Money supply and monetary base

In conjunction with the trends in its counterparts, the money supply grew by 4,223.5 billion or 8.8% year over year, to stand at 52,014.3 billion at end-December 2024. This increase in overall liquidity was reflected in a rise of +2,450.4 billion or +6.6% in deposits and +1,773.0 billion or +16.6% in currency outside banks, which stood at 12,447.0 billion. Similarly, the monetary base rose??dropped?? by 3,129.6 billion or 20.7% to stand at 18,249.1 billion at the end of December 2024. This development was driven by growth in its various counterparts. Lending to banks and financial institutions increased by 797.5 billion and the net external assets of the Central Bank grew by 3,359.6 billion. Net claims on central governments decreased by 54.7 billion, mainly due to the accumulation of government deposits with the BCEAO (+392.9 billion) and the contraction of the outstanding portfolio of government securities acquired by the Bank under the 2023 special buyback program (-254.5 billion) owing to repurchased securities reaching maturity.

THE MONEY SUPPLY GREW BY 4,223.5 BILLION OR 8.8**%** YEAR ON YEAR, TO STAND AT **52,014.3** BILLION AT THE END OF DECEMBER 2024.		THE MONETARY BASE CONTRACTED??ROSE?? BY **3,129.6** BILLION OR 20.7**%**, TO REACH **18,249.1** BILLION AT THE END OF DECEMBER 2024.

Figure 14: ANNUAL GROWTH IN THE MONEY SUPPLY (%)

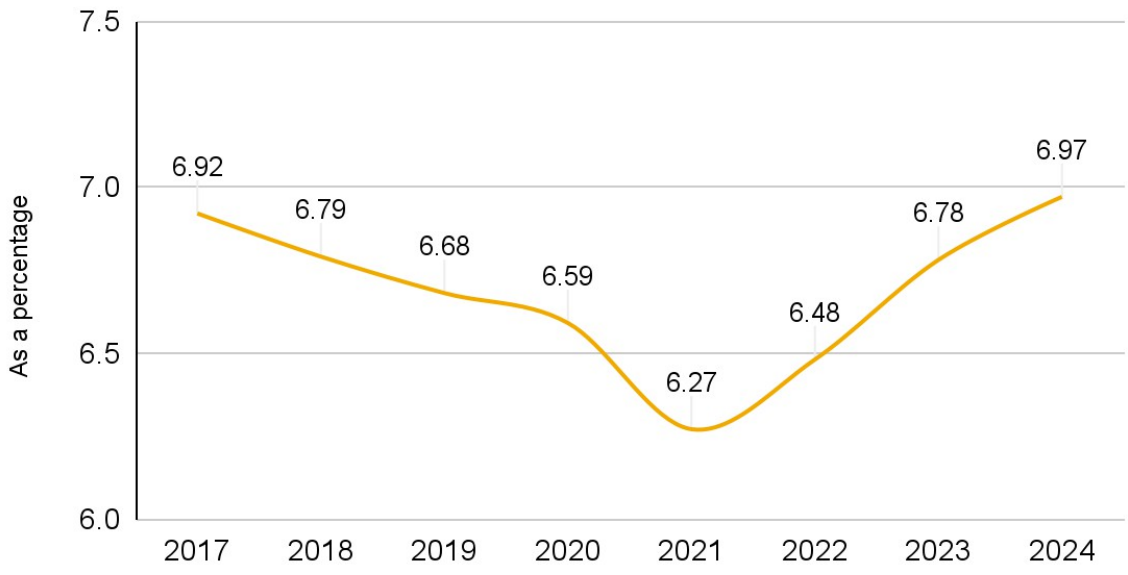


Source: BCEAO

2.5 - TRENDS IN LENDING RATES

With regard to the monitoring of banking conditions, the cost of credit rose slightly in most WAEMU countries in 2024, despite the key rate stability measures adopted by the Central Bank. The average lending rate in the Union rose from 6.78% in 2023 to 6.97% in 2024, corresponding to an increase of 19 basis points.

Graph 15: TRENDS IN LENDING RATES IN THE UNION (%)



Source: BCEAO

III - BANKING AND FINANCIAL SYSTEM & FINANCING OF THE ECONOMIES

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3.1 - SITUATION OF CREDIT AND MICROFINANCE INSTITUTIONS

3.1.1 - FINANCIAL SITUATION OF CREDIT INSTITUTIONS

160 active lending institutions, including **135** banks

25 bank-like financial institutions

BANKING LANDSCAPE

December 31, 2023 to December 31, 2024

Uses of funds increased by **+8.6% (+5,108.6** billion) to stand at **64,379.5** billion.

The average capital-to-weighted-risk ratio was **13.7%** as at December 31, 2024, above the threshold **11.5%** established by the WAMU Council of Ministers.

BANKING ACTIVITIES

December 31, 2023 to December 31, 2024

Resources increased by **+9.6%** (**+5,140.0** billion) to stand at **58,628.5** billion.

The Union's credit institutions continued to finance economic activities throughout 2024. At the end of December 2024, resources and uses had grown by 9.6% (+5,140.0 billion) and 8.6% (+5,108.6 billion), respectively, as compared with the end of December 2023, reaching 58,628.5 billion and 64,379.5 billion.

Growth in resources was driven by a 7.2% increase in deposits to 3,176.9 billion, a 117.2% rise in borrowings to 102.0 billion, a 13.7% increase in net equity to 834.2 billion, and a 33.5% rise in other resources to 1,026.9 billion. The structure of these resources, which reflects that of retail banks, was made up of 80.9% customer deposits, 0.3% customer borrowings, 11.8% net equity and 7.0% other resources. Growth in uses was primarily due to increases in loans to customers (+1,851.1 billion, or +5.3%) as well as in the securities portfolio held by the banks (+2,362.5 billion, or +11.7%). The structure of the banks' uses, predominated by customer loans (57.2%) and securities (34.9%), remained virtually unchanged at end-December 2024. The previous year, those ratios stood at 59.0% and 34.0%, respectively. The percentage of miscellaneous uses rose slightly from 7.0% to 7.8%.

The cash position of credit institutions, which run a structural deficit, improved by 31.4 billion (0.5%) to stand at -5,751.0 billion at the end of December 2024, compared with -5,782.3 billion a year earlier.

The quality of the banking sector's portfolio also improved slightly. The gross portfolio deterioration rate stood at 8.5% at the end of December 2024, compared with 8.7% in December 2023, despite a 3.3% increase in gross non-performing loans over the period. The net rate fell by 0.1 percentage point to stand at 3.3% at the end of December 2024.

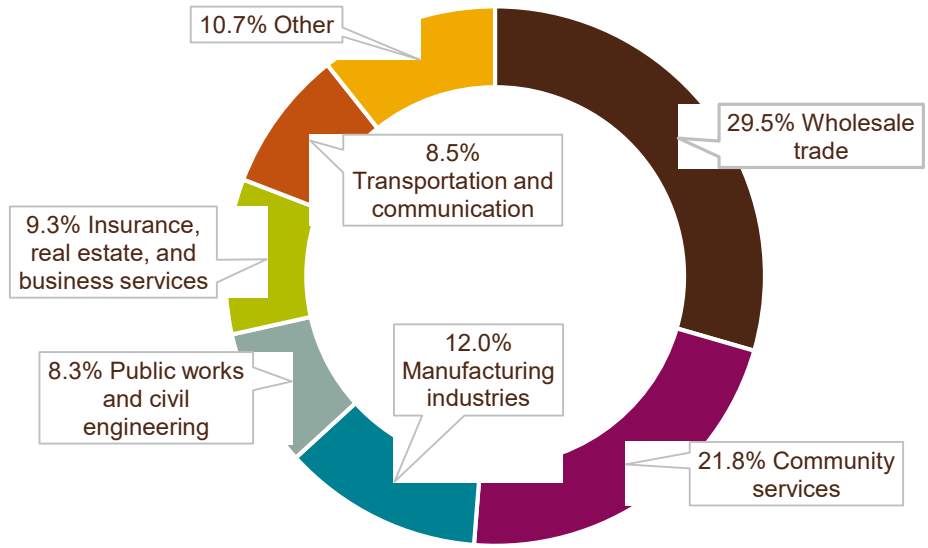
From a prudential standpoint, the banking sector remained solvent over the recent period. Based on credit institutions' statements at the end of December 2024, the overall solvency ratio stood at 13.7%, above the minimum standard of 11.5% required by the prudential framework. The compliance rate for reporting credit institutions was 83.3%.

3.1.2 - CENTRALIZATION OF BANKING RISKS

With respect to banking risk centralization, the overall outstanding amount of credit registered with the central credit register was estimated at 19,878.3 billion at end-December 2024, against 19,017.5 billion on December 31, 2023, an increase of 4.5%. It was made up of short-term loans (61.8%) amounting to 12,280.2 billion, and medium- and long-term loans (38.2%) worth 7,598.1 billion.

These risks were essentially concentrated in the following sectors: “Wholesale trade” (29.5%), “Community services” (21.8%), “Manufacturing industries” (12.0%), “Insurance, real estate and business services” (9.3%), “Transportation and communication” (8.5%), and “Public works and civil engineering” (8.3%). These six areas of activity alone accounted for more than 89.3% of the loans reported to the central credit register.

Figure 16: CONCENTRATION OF BANKING RISKS BY LINE OF BUSINESS (%)



Source: BCEAO

3.1.3 - SCORING OF NON-FINANCIAL COMPANIES

The Central Bank set up a rating system for non-financial companies in 2020, with a view to increasing the volume of private bills eligible for refinancing. After it was launched, studies were carried out with a view to broadening its scope to include scoring, in order to connect each risk profile with the probability of default by the non-financial companies in the Union. Thus, over the course of 2021, the rating system was migrated to a scoring system.

3.1.3.1 - Conceptual framework for scoring

The scoring system is based on the quantification of default probabilities using financial data extracted from the Central Balance Sheet Office, supplemented by qualitative information on the company's payment performance, available from other central information systems. Based on lessons learned from various experience-sharing exercises, the basic statistical model was disaggregated to refine the probability of default within one year for non-financial companies in the Union based on their size, measured in terms of annual sales. This made it possible to distinguish between larger enterprises (LSEs) and small and medium-sized enterprises (SMEs).

Based on the default probabilities calculated in this manner, five risk classes were designed, ranging from A (exceptional class with the lowest probability of default) to E (failure class with the highest probability of default).

3.1.3.2 - Scores of non-financial companies available at the Central Balance Sheet Office

Based on the information available from the Central Balance Sheet Office, 8,935 businesses have filed loan declarations with information centers, for a total outstanding amount of 5,147.7 billion CFA F. According to the evaluation conducted using the scoring model, out of 8,935 companies, 2,455 were rated Class A, including 763 large-scale enterprises and 1,692 small and medium-sized enterprises, while 6,480 were rated Class B to E. The scope of eligibility for refinancing with sovereign guarantees could potentially be extended to Class B. In this case, the number of eligible entities would rise to 5,556, with outstanding loans reported standing at 3,308.5 billion CFA F.

3.1.4 - ACTIVITIES OF THE CREDIT INFORMATION BUREAU (CIB)

92.8%		GROWTH IN THE NUMBER OF CUSTOMERS IN THE CIB DATABASE		
As of December 31, 2024, 259 of all **279** regulated institutions in the Union (or **92.8%**), participated in the credit information sharing system.		**30,694** AT THE END OF FEBRUARY 2016		**17,334,330** AT THE END OF DECEMBER 2024

The BCEAO monitors developments in the activities of the Union’s Credit Information Bureaus (CIBs), whose purpose is to help reduce the asymmetry of information between lenders and borrowers with a view to improving businesses' and individuals’ access to financial services at lower costs.

On December 31, 2024, 259 of all 279 regulated institutions in the Union (or 92.8%) participated in the credit information sharing system, based on qualifying tests. In addition, twenty-one public utilities, including the main electricity, water, mobile phone, and telecommunications companies in

Benin, Côte d'Ivoire, Niger, Senegal and Togo, were connected to the credit information sharing system and reported data to the Union's CIB. As for Burkina Faso and Mali, following the adoption of Decrees No. 2020-0726/PRES/PM/MINEFID/MDENP/MCIA of August 24, 2020, and No. 2021-0778/PT-RM of November 9, 2021, work is underway to integrate the data of public utilities in both countries into the CIB data-sharing platform.

The number of customers on whom information is available in the CIB database has grown from 30,694 at the end of February 2016, when CREDITINFO WEST AFRICA (CIWA) was launched, to 17,334,330 on December 31, 2024, and includes 370,514 legal entities and 16,993,816 individuals. This development was made possible by the fact that all the Member States of the Union had adopted legislative instruments exempting regulated institutions from the obligation of obtaining prior consent to share the data of customers who received loans before the date of entry into force of the uniform act. In addition to that legislation, most of the countries adopted additional instruments authorizing the inclusion of automated processing of the data of public utilities on the electronic credit information platform.

3.1.5 - FINANCIAL SITUATION OF MICROFINANCE INSTITUTIONS (MFIs)

533 MFIs		**MICROFINANCE**
	MICROFINANCE SECTOR	- > Number of beneficiaries: +7.8% 19.4 million at the end of December 2024 18.0 million at the end of December 2023 -> Deposits collected: +8.9% 2,476.0 billion at the end of December 2024 2,274.2 billion at the end of December 2023 -> Loans granted: +5.9% 2,710.6 billion at the end of December 2024 2,560.1 billion at the end of December 2023
4,991 service points at the end of December 2024.		

In 2024, the WAMU microfinance sector continued to grow in terms of intermediation and access to financial services for the general public. Based on the available information at the end of December 2024, the number of beneficiaries of microfinance services stood at 19.4 million, compared with 18.0 million at the end of December 2023, an increase of 7.8%. These trends reflect the continued penetration of microfinance among the target populations. The number of microfinance institutions stood at 533 at the end of December 2024, compared with 542 at the end of December 2023, while the number of service points rose by 386, from 4,605 to 4,991 over the same period.

Microfinance institutions' financial intermediation activities have grown in line with the trend in outstanding deposits and loans. Deposits collected by the institutions totaled 2,476.0 billion CFA F at the end of December 2024 compared to 2,274.2 billion CFA F at the end of December 2023, corresponding to an 8.9% increase. These deposits account for 5.2% of all those collected

by the Union’s credit institutions during the reporting period. Broken down by term, the resources collected continued to show a predominance of demand deposits (55.9%), while term deposits and other types of deposits accounted for 22.6% and 21.5%, respectively. Savings mobilized by MFIs were 47.0% held by men, 23.1% by women and 29.9% by groups. Average deposits per customer stood at 127,477 CFA F at the end of December 2024, compared with 126,237 CFA F at the end of December 2023, an increase of 1.0%.

Outstanding loans granted by microfinance institutions rose by 5.9%, from 2,560.1 billion at the end of December 2023 to 2,710.6 billion at the end of December 2024. They represented 7.4% of the outstanding loans granted by the Union's credit institutions at the end of December 2024. Short-term loans represented 51.2% of all loans granted by microfinance institutions. Medium- and long-term loans accounted for 30.3% and 18.5%, respectively. Average outstanding loans from MFIs per member experienced a drop of 1.8% to stand at 139,557 CFA F at the end of December 2024, compared to 142,109 CFA F at the end of December 2023.

The quality of the MFI loan portfolio deteriorated overall during the period under review. The gross deterioration rate of the portfolio of microfinance institutions in WAMU stood at 7.9% at end-December 2024, after 6.9% at end-December 2023, well above the generally accepted industry standard of 3%.

In terms of sector reorganization, 2024 was marked by the implementation of actions set out in the regional strategy for financial inclusion (*Stratégie Régionale d'Inclusion Financière* - SRIF), notably aimed at supporting the recovery of struggling microfinance institutions in the WAMU Union. In Benin, Côte d'Ivoire, Senegal, and Togo, recovery plans have been drawn up for institutions that have been diagnosed as struggling. Plans are currently being developed for concerned MFIs in Burkina Faso, Mali, and Niger. In Guinea-Bissau, a special recovery plan was drawn up subsequently to the BCEAO's diagnostic audit of the country's microfinance sector. The accompanying action plan is currently being implemented.

3.2 - ENHANCING THE SUPPORT MECHANISM FOR SME/SMI FINANCING

SME MECHANISM:
From January to June 2024: -> **8,562** SMEs supported by SAEs -> **3,629** SMEs received loans -> **88,953.7** million CFA F in loans granted

The SME/SMI financing support mechanism aims to address the issue of SME/SMI access to bank financing through incentives for credit institutions provided by the BCEAO and better support for this category of enterprises.

Two years after its launch in 2018, an action plan to improve the effectiveness of the scheme was adopted following consultations held in 2020 with a view to removing the obstacles to its smooth running. The action plan, which was adopted by the Council of Ministers of the Union at its meeting on December 17, 2021, is built around four pillars, namely: improving the management of the SME mechanism, strengthening stakeholder involvement, harmonizing risk assessment, and implementing measures to support the action plan.

In carrying out the tasks assigned to it under the abovementioned action plan, the BCEAO enhanced its efforts to promote the mechanism in 2024, notably through workshops and training sessions, as well as by monitoring the implementation of the tasks assigned to other stakeholders. The actions taken have helped improve access to financing for SMEs and SMIs. At the end of June 2024, the number of companies supported by support and supervision structures (Structures d'Appui et d'Encadrement - SAEs) had risen to 8,562, compared with 5,623 a year earlier, representing an average annual increase of 52.3%. Over the same period, 3,629 businesses, or 42.4% of those receiving support from SAEs, actually obtained financing from the banking sector, compared to a total of 1,238 over the corresponding period in 2023. The total amount of loans granted to SMEs at the end of June 2024 stood at 88,953.7 million, compared with 40,662.0 million raised a year earlier.

In addition, the Central Bank continues to consider measures to revitalize the SME/SMI financing support mechanism.

3.3 - FINANCIAL MARKET

3.3.1 - RESOURCES RAISED BY THE MEMBER STATES ON THE PRIMARY MARKET

RESOURCES RAISED BY WAEMU MEMBER STATES ON THE REGIONAL PUBLIC DEBT SECURITIES MARKET TOTALED **9,352.0** BILLION, UP BY **606.0** BILLION COMPARED TO THE END OF DECEMBER 2023.

3.3.1.1 - Resources raised on the regional market

In 2024, resources raised by WAEMU Member States on the regional public debt securities market amounted to 9,352.0 billion, up by 606.0 billion or 6.9% compared to the end of December 2023. This increase reflected growth in Treasury bonds (+39.9%), partially offset by a decline in Treasury bills (-16.3%). Net bond issues on the market stood at 3,100.6 billion in 2024, compared to 3,351.4 the year before.

As for the Treasury bill segment, Member States raised 5,055.0 billion in 2024, or 54.1% of total resources raised on the regional financial market, as against 3,613.6 billion, or 41.3%, the year before. Issues with 12-month maturities were the most highly sought after, representing a total value of 2,517.4 billion, or 49.8% of all bonds issued over the period.

On the bond segment, national treasuries raised 4,297.0 billion in 2024, compared to 5,132.4 billion the previous year. The most popular maturity was 3 years (representing 39.2% of the total), followed by 5 years (33.1% of the total), 7 years (21.0% of the total), 10 years (5.5% of the total), 8 years (0.9% of the total), and 15 years (0.3% of the total).

Table 11: GROSS ISSUES OF PUBLIC SECURITIES BY AUCTION AND SYNDICATION ON THE REGIONAL PUBLIC SECURITIES MARKET (in billions of CFA F)

Instrument	2023				Total 2023	2024				Total 2024
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Bills	715.4	1,435.5	908.6	554.1	3,613.6	1,121.4	1,333.2	1,067.8	1,532.6	5,055.0
Bonds	1,159.2	1,778.8	1,762.5	431.9	5,132.4	889.2	1,219.1	1,019.5	1,169.2	4,297.0
By auction	497.6	1,458.8	1,422.5	201.9	3,580.8	469.4	830.3	832.4	940.2	3,072.3
By syndication (*)	661.6	320.0	340.0	230.0	1,551.6	419.8	388.8	187.1	229.0	1,224.7
Total	**1,874.6**	**3,214.3**	**2,671.1**	**986.0**	**8,746.0**	**2,010.6**	**2,552.3**	**2,087.3**	**2,701.8**	**9,352.0**

Sources: WAMU Securities, AMF-UMOA *(*) preliminary data on syndication*

Financing conditions on the public debt market tightened overall in 2024 compared to 2023. The average cost of resources raised by the Member States generally followed an upward trend for most maturities, both in terms of Treasury bills and bonds. The aggregate weighted average interest rate on bills rose by 88 basis points (bps) in 2024. By maturity, increases of 66 bps were recorded for 1-month bills, 102 bps for 3-month bills, 64 bps for 6-month bills, and 104 bps for 12-month bills. Bond yields also rose on 3-year maturities (+103 bps), 5-year maturities (+13 bps), 7-year maturities (+13 bps), and 10-year maturities (+21 bps).

These developments can be explained by the longer average maturities of Treasury bills and bonds, tensions on the government securities market, connected in particular with the additional risk premium demanded by investors due to uncertainties surrounding the security and sociopolitical situation in certain countries of the Union, as well as the significant exposure of banks to sovereign risks[4].

The weighted average maturity of bills rose from 7.69 months in 2023 to 7.78 months in 2024, while the weighted average maturity of bonds stood at 4.96 years, up from 4.89 years one year earlier. The weighted average interest rate on Treasury bills and the weighted average yield on bonds stood at 6.98% and 7.30% respectively, as against 6.10% and 6.87% one year prior.

[4] The proportion of government securities in banks' balance sheets stood at 27.5% at December 31, 2024, compared with 26.6% at December 2023.

Table 12: AVERAGE INTEREST RATES AND YIELD RATES ON TREASURY BILLS AND BONDS (%)

	2023				2023	2024				2024
	Q1	Q2	Q3	Q4	Average	Q1	Q2	Q3	Q4	Average***
1 month	-	-	-	5.05	5.05	-	5.39	6.00	5.80	5.71
3 months	3.90	5.79	5.98	6.98	5.15	6.64	6.56	5.77	6.13	6.17
6 months	5.15	6.72	7.23	8.08	6.37	7.10	7.33	7.28	6.24	7.01
12 months	4.14	6.95	6.86	6.58	6.59	7.25	8.12	7.84	7.14	7.63
WAR* on bills	**4.38**	**6.71**	**6.57**	**5.99**	**6.10**	**7.09**	**7.60**	**6.80**	**6.48**	**6.98**
2 yrs	6.41	7.25	7.34	7.97	7.21	8.46	8.51	8.04	7.95	8.24
3 yrs	6.38	7.01	6.98	7.00	6.86	6.47	6.99	6.98	7.32	6.99
5 yrs	5.88	6.22	6.40	6.31	6.17	6.25	6.61	5.84	6.73	6.30
7 yrs	-	-	-	-	-	-	-	-	6.80	6.80
10 yrs	6.35	-	6.50	6.60	6.49	6.81	6.47	7.41	6.99	6.70
15 yrs	6.07	-	-	-	6.07	-	0.00	-	-	0.00
WAY on bonds**	**6.19**	**7.05**	**7.13**	**6.93**	**6.87**	**7.31**	**7.37**	**7.02**	**7.46**	**7.30**

(*) WAR: weighted average rate (**) WAY: weighted average yield (***) preliminary data on syndication
Sources: WAMU Securities, AMF-UMOA

3.3.1.2 - Outstanding public securities on the regional market

Overall outstanding public securities stood at 27,787.2 billion as at December 31, 2024, or 20.6% of the GDP, compared with 24,686.9 billion or 20.1% of the GDP one year prior. The structure of the outstanding securities was dominated by Treasury bonds which represented 87.8% of the total.

Table 13: OUTSTANDING PUBLIC SECURITIES ON THE REGIONAL FINANCIAL MARKET AT END DECEMBER 2024 (in billions of CFA F)

	2018	2019	2020	2021	2022	2023	2024(*)
Outstanding	10,036.1	11,078.0	14,407.8	17,674.2	21,335.5	24,686.9	27,787.2
(% of GDP)	11.8	12.1	15.2	17.2	18.8	20.1	20.6
Relative share (in %)							
- bills	11.0	8.0	8.0	6.9	4.3	8.1	12.2
- bonds	89.0	92.0	92.0	93.1	95.7	91.9	87.8

Sources: WAMU Securities, AMF-UMOA
(*) preliminary data

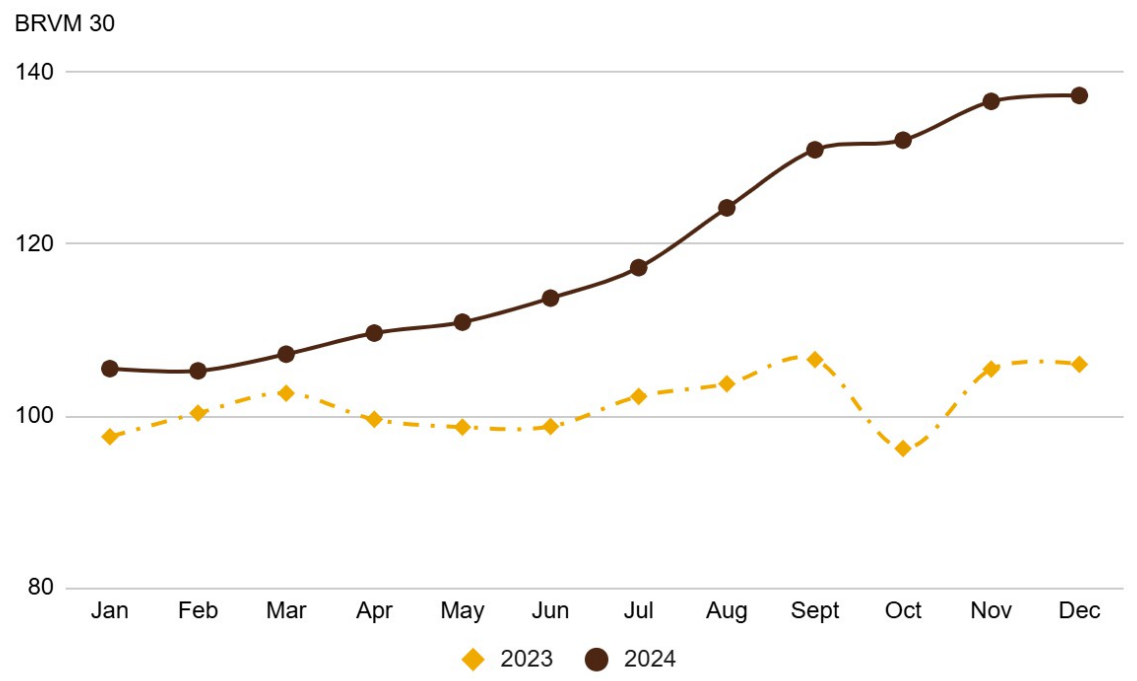
3.3.2 - TRENDS IN STOCK MARKET ACTIVITY

Activity indicators showed upward trends on the regional stock exchange (BRVM). The aggregate index, the BRVM Composite, rose by 16.5% compared to the previous year, to stand at 238.0 points in 2024. Similarly, the index of the thirty most actively traded stocks, the BRVM 30, which was launched in early January 2023 to replace the BRVM 10 index, rose to 119.2 points, up 17.5% from its average value in 2023.

Market capitalization rose by 12.8% to reach 20,611.0 billion at the end of December 2024, thanks to buoyant activity in both the equities and bonds segments. Equity market capitalization

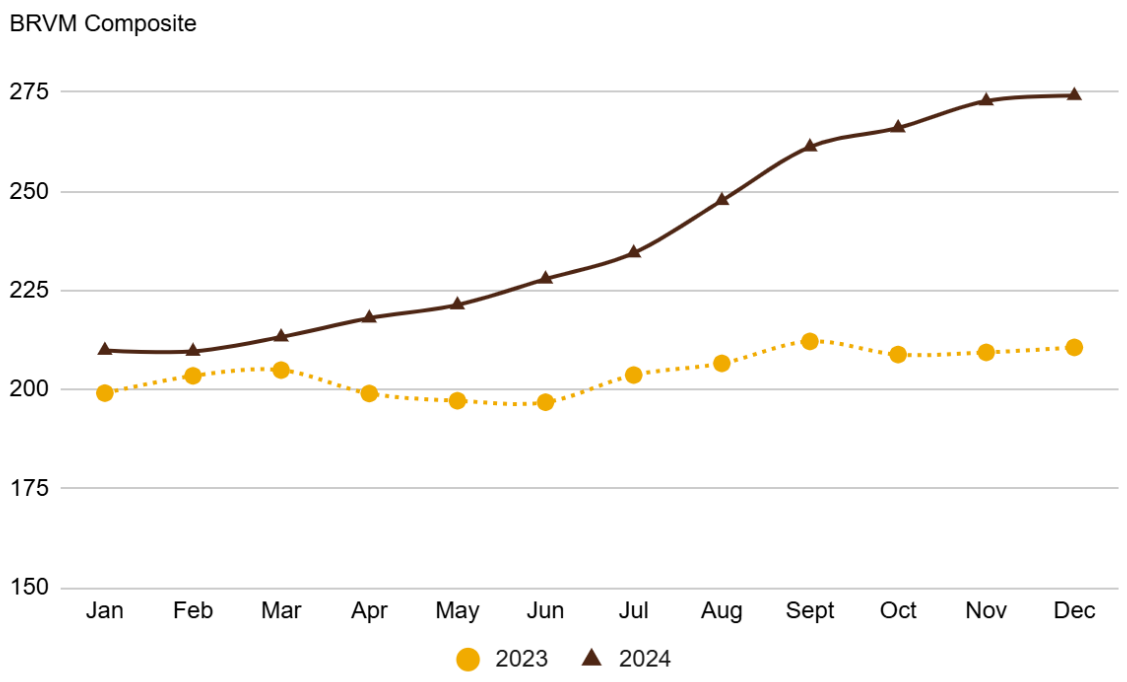
rose by 26.5% to stand at 10,078.7 billion on December 31, 2024. Bond market capitalization reached 10,532.4 billion at the close of 2024, showing an increase of 2.2% compared to the end of 2023.

Graph 17: TRENDS IN THE BRVM COMPOSITE INDEX (in points)



Source: BRVM, BCEAO

Graph 18: TRENDS IN THE BRVM 30 INDEX (number of points)



Source: BRVM, BCEAO

IV - FINANCIAL STABILITY

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4.1 - PRESERVING FINANCIAL STABILITY

As part of its regular activities, the Financial Stability Committee of the West African Monetary Union (WAMU FSC) held its 25th and 26th ordinary meetings on July 9 and December 19, 2024, respectively. The Committee took note of the resilience of the regional financial sector and the continued growth momentum of the Union's economies during the first three quarters of 2024. It pointed out, however, that persistent uncertainties in the international and regional environment posed risks to the stability of the financial sector, particularly in connection with:

- the ongoing deterioration of sovereign debt sustainability indicators worldwide,
- international geopolitical tensions,
- security crises in the Union, and
- rising cybercrime and risks connected with climate change.

In light of these vulnerabilities, the WAMU FSC stressed the need for Member States and financial sector regulatory and supervisory authorities to continue their efforts to strengthen the Union's macroeconomic and financial stability. For Member States, this will involve, in particular:

- continuing efforts to mobilize internal resources and rationalize spending,
- combating money laundering and terrorist financing,
- implementing rules and best practices aimed at enhancing the efficiency and depth of the public securities market,
- returning the situation of struggling publicly owned banks to normal, and
- implementing appropriate strategies to ensure debt sustainability.

The Committee recommended that member regulatory and supervisory authorities:

- continue to implement the recommendations issued based on mutual evaluations and national assessments of the risks associated with money laundering and terrorist financing, as well as the WAMU Financial Sector Assessment Program (FSAP),
- establish a regulatory and supervisory framework for risks related to cybersecurity, climate change, fintech activities and cryptoassets in the Union,
- intensify efforts to restructure the microfinance sector,
- continue efforts to diversify the investment of social security funds,
- continue reforms to boost regional financial market activity,
- continue efforts for the management and settlement of premium arrears in the insurance sector, and
- roll out a financial education program to equip WAEMU populations with the knowledge they need.

4.2 - REINFORCEMENT OF BANKING AND FINANCIAL REGULATION AND SUPERVISION

. Regulatory Framework on Anti-Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction (AML/FT/FP)

Following the adoption of the new Uniform Act on the fight against money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction (AML/CFT/FP) by the Council of Ministers of the Union in March 2023, three implementing instruments for the Act were finalized and adopted in 2024. These instruments were as follows:

- Decision No. 003 of 28/03/2024/CM/UMOA establishing additional thresholds for the implementation of the Uniform Act on AML/CFT/FP adopted by the WAMU Council of Ministers on March 28, 2024,

- Instruction No. 231 of July 16, 2024, establishing the threshold for declaring physical transportation of cash and negotiable bearer instruments across international borders, signed by the Governor of the BCEAO on July 16, 2024, and

- Instruction No. 233 of July 16, 2024, establishing the threshold for the payment of a debt in cash or with negotiable bearer instruments, signed by the Governor of the BCEAO on July 16, 2024.

. Updated prudential regulations

Upon a proposal by the Central Bank, the Council of Ministers of the Union adopted a decision to raise the minimum share capital of banks from 10 billion to 20 billion CFA F. This decision was brought to the attention of the banking sector by Notice No. 001-01-2024.

Furthermore, following the adoption of the banking and microfinance bills by the WAMU Council of Ministers during its June and December 2023 sessions, the Central Bank began drafting the implementing regulations. In the same vein, the BCEAO has also taken steps to update the prudential regulations applicable to microfinance institutions. This revision will bring the WAEMU regulatory framework into line with international best practices. Furthermore, in view of the expansion of Islamic finance and electronic money activities, work has begun on the development of prudential frameworks applicable to banking institutions, payment institutions, and electronic money institutions involved in Islamic finance.

. A regulatory framework for payment fintechs

In a context marked by the rise of fintechs and the rapid digitization of financial services, the BCEAO issued Instruction No. 001-01-2024 on payment services in the WAMU Union, on January 23, 2024. The purpose of the instrument is to regulate payment services activities with a view to:

- enhancing user protection, particularly with regard to pricing and transparency of information,

- promoting the development of payment fintechs, and

- fostering technological innovation in the Union's financial sector.

This regulatory framework also strengthens the prevention of risks related to fraud and cybersecurity, which are constantly rising in an increasingly digital environment. By harmonizing

practices across all Union Member States, the instrument contributes to promoting financial inclusion by facilitating safer access to payment services for the general public.

. **Temporary exclusion of government securities from the prudential limit on loans by credit institutions to their main shareholders, managers, staff, auditors, and other affiliated parties**

By Notice No. 002-01-2024, the BCEAO temporarily authorized credit institutions in the Union to maintain their exposures to the Government of Niger in the category of performing loans. This measure was intended to mitigate the impact of the default of Niger's Treasury on financial stability via the government securities market, where banks are the main investors.

. **Revitalization of the interbank market**

As part of its efforts to revitalize the interbank market, the Central Bank has undertaken a review of the regulations governing the issuance of negotiable debt securities. In addition, a review of the instruments governing repurchase (repo) agreements was launched in 2024, namely Regulation No. 07/2013/CM/UEMOA on repurchase agreements and Instruction No. 03/09/2013 on the framework agreement for repurchase agreements.

V - FINANCIAL INCLUSION, ISLAMIC FINANCE & GREEN FINANCE

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5.1 - PROMOTION OF FINANCIAL INCLUSION IN THE WAEMU UNION

In 2024, measures taken to promote financial inclusion in the WAEMU Union notably included the revision of the regional financial inclusion strategy, the promotion of financial innovation and the digitalization of financial services in the Union, as well as the implementation of the regional financial education program.

5.1.1 - REVISION OF THE REGIONAL FINANCIAL INCLUSION STRATEGY (SRIF) IN THE WAEMU UNION

Steps taken to revise the regional financial inclusion strategy focused on organizing national and regional consultation workshops and drafting a new regional blueprint for financial inclusion policy and strategy in the Union.

National consultation workshops were held from June 24 to July 24, 2024, in all eight countries of the Union. They were attended by close to 600 participants and were designed to enable stakeholders involved in promoting financial inclusion to discuss the guidelines, measures, and actions to be implemented to enhance access to and use of financial services by the general public and small and medium-sized enterprises.

These meetings served as a forum for discussion on topics pertaining to the financial inclusion of micro, small, and medium-sized enterprises (MSMEs), access to financial services for vulnerable groups (women, youth, and rural populations), financial education and consumer protection, digital financial services, financial sector regulation and supervision, and financing for financial inclusion initiatives.

The recommendations from these workshops fed into the new draft regional financial inclusion policy and strategy blueprint, which was reviewed at the regional consultation workshop held in October 2024 at BCEAO headquarters. This meeting provided an opportunity to discuss the future of financial inclusion in the Union and to identify new directions for the next five years.

5.1.2 - SUPERVISION OF FINANCIAL TECHNOLOGY (FINTECH) COMPANIES IN THE UNION AND PROMOTION OF THE DIGITALIZATION OF FINANCIAL SERVICES

As part of its efforts to promote fintech activities in the Union, the WAMU Fintech Knowledge and Monitoring Office (BCSF-UMOA) set up by the BCEAO continued its work on regulating and monitoring fintech entities in the Union. Its main activities were focused on:

- identifying fintech companies operating in the Union,
- updating the map of fintech companies and payment service providers on the dedicated page of the BCEAO website, and
- organizing regular meetings with fintech and payment service operators to assess current trends and innovations.

The inventory of new initiatives identified 227 entities as at the end of December 2024, nearly 76% of which were operating in the payment sector.

The BCEAO also continued its work on the revision of Instruction No. 008-05-2015 governing the terms and conditions for electronic money issuers to operate in WAMU Member States. These efforts are part of the ongoing process of adapting the regulatory framework for digital financial services to new developments in the ecosystem and the digitalization of financial transactions.

This new legal framework should help to address the shortcomings and weaknesses identified, while ensuring greater financial stability and inclusion, taking into account the recently expressed concerns of stakeholders and new challenges arising from financial innovations driven by fintechs and the supervision of multi-partner models developed by banks.

Work was also started on drafting an implementing instrument for Decision No. 31/29/09/2015 on the clearing and settlement of electronic payment transactions in the West African Monetary Union (WAMU). The Instruction will ensure that all electronic payments made within the Union are cleared and settled in CFA F.

5.1.3 - IMPLEMENTATION OF THE REGIONAL FINANCIAL EDUCATION PROGRAM

The BCEAO has adopted a regional financial education program that aims to:

- equip the Member States' education systems with tools to improve financial education in schools,
- coordinate actions to strengthen the financial knowledge of people outside school, and
- conduct financial skills training sessions for small and very small businesses.

The primary targets of the program include three categories of target groups:

- children and young people in schools and universities,
- people outside the school system, particularly women, out-of-school youth, rural populations, public- and private-sector employees, senior citizens, and people living with disabilities, and
- small and very small enterprises.

The rollout of the regional financial education program in 2024 was marked by the development of financial education courses and modules for the target groups as well as the drafting of a financial education communication strategy and action plan. Additionally, work was carried out on the design of a portal website and a logo to serve as the visual identity for the financial education campaign, which will be conducted in 25 languages, including French, Portuguese, and 23 local languages spoken in the countries of the Union.

5.1.4 - CONTRIBUTION OF PAYMENT SYSTEMS AND INSTRUMENTS TO GREATER FINANCIAL INCLUSION

5.1.4.1 - Electronic money payment services provided by national treasury departments

In line with their commitment to helping governments digitalize public payments, national treasury departments in the Union have been authorized to provide payment services backed by electronic money, strictly for recipients of government benefits and entities and individuals with tax obligations.

A dedicated system for monitoring of payment services backed by electronic money (SPAME), provided by national treasury departments, was rolled out with two main objectives: ensuring the efficiency of public treasury payment services and managing the inherent risks, including overdrawn e-money issuance and bearer fund security.

5.1.4.2 - Connection of national treasury departments to WAEMU payment systems

At the end of December 2024, seven public treasuries were connected to the e-clearing system and eight were connected to the real-time gross settlement system, as in 2023.

With regard to the digitalization of public treasury payments, work initiated by the BCEAO to implement a solution that meets the treasuries' needs in terms of managing their accounts with the Central Bank continued. As a reminder, the solution, which meets the highest security standards, enables public treasuries to access their accounts with the Central Bank from their own premises. The digitalization of public treasury payments also provides these entities with autonomy in managing their payment transactions and a comprehensive overview of all their assets.

5.1.4.3 - Promoting access of MFIs to WAEMU regional payment systems

As part of its efforts to promote MFI access to the WAEMU regional payment system, the BCEAO aims to support the institutions to help them connect with SICA-UEMOA and STAR-UEMOA via partner banks, as well as improving their information systems by setting up a shared data processing center (CTI) in Côte d'Ivoire and another in Niger. Significant progress was achieved in this area during 2024, in particular with the finalization of the recruitment of CTI directors and the launch of calls for tenders for the supply of the necessary equipment, which is expected to be delivered in the first half of 2025.

5.1.4.4 - Access to STAR-UEMOA for management and intermediation companies (SGIs) to boost their participation in the public securities auction market

Support for the participation of SGIs in the system by allowing them to settle their transactions on the public securities auction market through the settlement accounts of their partner banks continued in 2024. Fourteen SGIs were connected with the settlement system.

5.2 - THE STATUS OF ISLAMIC FINANCE

The BCEAO continued its efforts to promote Islamic finance in 2024, following the completion of work on model contracts and a guide to Sharia governance. To that end, it organized training sessions for its staff, ministerial structures responsible for MFI monitoring, and regulated entities, with a view to promoting the harmonization of practices among Islamic financial institutions (IFIs) in the Union and strengthening the capacities of the operators.

The Central Bank also continued to support initiatives to create IFIs with a view to facilitating access to the sector. Applications for approval to conduct Islamic finance activities were reviewed and the promoters of the entities concerned were encouraged to improve their applications.

In addition, discussions have begun with a view to setting up a Central Compliance Council for the Union, thereby completing the Sharia governance architecture of the sector.

5.3 - CLIMATE TRANSITION

Aware of the challenges climate change poses in terms of monetary and financial stability, the BCEAO is committed to implementing a comprehensive strategy to mainstream related issues transversally in the performance of its core tasks. This approach is founded on the two dimensions of central bank intervention, namely “risk” and “opportunity”. It involves taking steps to enhance the resilience of the banking and financial sector to climate shocks and to promote the

development of sustainable finance capable of supporting the Member States in their efforts to transition to a low-carbon economy.

In line with this approach, the BCEAO stepped up its international commitment by joining the Network for Greening the Financial System (NGFS) in 2020 and actively participating in the Working Group on Inclusive Green Finance launched by the Alliance for Financial Inclusion (AFI).

These cooperation frameworks have allowed the Central Bank to capitalize on best practices, deepen peer exchanges, and identify levers for the gradual integration of climate issues into its activities, while taking into account the specificities of the Union's countries.

In order to formalize its approach, in 2023, the Central Bank established a BCEAO Climate Policy Committee (CPC) responsible for proposing strategic climate policy guidelines for the Bank and monitoring their implementation. In February 2024, the Central Bank also organized an international conference on “The Role of Central Banks in Addressing Climate Change”. This high-level meeting provided an opportunity to initiate strategic dialogue on the topic between monetary and supervisory authorities, government authorities, technical partners, and the academic community. The overarching objective was to enable participants to better understand the challenges involved in adequately addressing the risks inherent in climate change, the financing arrangements for the transition, as well as the role of financial institutions.

The Central Bank has begun developing a climate strategy, accompanied by a roadmap, which is closely aligned with its core missions. It focuses on five main pillars: monetary policy, financial stability, collecting climate data, managing the BCEAO's environmental footprint, and capacity building. A consultation process with technical partners is planned for 2025 to consolidate the strategy prior to its adoption.

In addition to these actions, the BCEAO has incorporated climate shocks into the stress tests it uses to assess the resilience of the banking sector. Finally, to address the constraint of data unavailability, work has begun to define a framework for collecting climate-related information to better understand the banking sector's exposure to environmental risks.

BOX 2: KEY TAKEAWAYS FROM THE INTERNATIONAL CONFERENCE ON THE ROLE OF CENTRAL BANKS IN ADDRESSING THE CHALLENGES OF CLIMATE CHANGE

The conference proceedings were organized around four panels, which produced the following conclusions:

Climate change: Current Perspectives and Implications Regarding Africa's Economic Development.

Following a brief review of the impact of climate change on the economies, the main conclusion was that central banks needed to play a role in setting up special mechanisms to enhance the contribution of the financial sector to achieving the goal of mainstreaming climate risks across the different jurisdictions.

Financial Stability: Central Banks' Actions to Enhance the Resilience of the Financial System to the Challenges of Climate Change. This session highlighted the systemic nature of climate risks and the consensus on the need to introduce incentives to promote green financing. In this regard, the panelists suggested that African central banks should put in place an appropriate mechanism to measure the impact of climate change on financial stability and monitor the associated risks.

The Contribution of Monetary Policy to Addressing the Challenges of Climate Change. This panel highlighted the impacts of climate change on key macroeconomic variables, including inflation, exchange rates, economic growth, and employment. In this connection, avenues for exploration were discussed, such as targeted credit operations and differentiated collateral and reserve requirement policies.

From Commitment to Action: Approaches to Greening the Financing of African Economies. This panel provided an opportunity to discuss practical approaches to green financing for African economies. It highlighted the existence of several financial instruments suitable for raising capital for green projects, including green bonds, green loans, green funds, risk-sharing instruments, public-private partnerships, and green securitization. Participants agreed on the need to use innovative instruments and a pooling strategy to raise longer-term, lower-cost resources to address the challenges of transitioning to low-carbon energy, enhancing the resilience of the population, and adapting to the impacts of climate change. According to their analysis, increased resource mobilization will entail boosting both the supply and the demand for financing. On the demand side, there is a need to develop skills and provide support to actors in the design of important “green projects”, while defining a coherent and consensual green taxonomy.

On the supply side, a call has been made for mechanisms to be put in place to increase the capacities of governments and other actors to raise domestic funds, in particular through capital markets and institutional investors such as insurance companies. To this end, a green investment policy would need to be designed by financial sector authorities and implemented by private investment funds and insurance companies.

In addition, the creation of guarantee funds tailored to the financing of green projects was identified as essential to mitigate risk for financial partners. The proceedings ended with a **Governors’ Roundtable**. The roundtable provided an opportunity for the authorities in attendance to take stock of the main lessons to be learned from the conference and to discuss the prospects for the mainstreaming of climate risks by central banks.

VI - MANAGEMENT OF BANKNOTES AND COINS & PAYMENT SYSTEMS AND INSTRUMENTS

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6.1 - MANAGEMENT OF BANKNOTES AND COINS

In 2024, withdrawals and deposits through BCEAO branch windows totaled 49,302.6 billion CFA F in bills and coins, compared with 49,143.0 billion CFA F in 2023.

6.1.1 - WITHDRAWALS AND DEPOSITS THROUGH BCEAO BRANCH WINDOWS

Banknote withdrawals totaled 25,640.0 billion CFA F in 2024 (3,506.6 million units) as compared to 24,678.0 billion CFA F (3,367.9 million units) in 2023, representing an annual increase of 3.9%. On a comparative basis, the largest withdrawals in value terms were observed in Côte d'Ivoire (37.4%), Senegal (19.2%), and Burkina Faso (14.7%).

The value of coin withdrawals rose by 11.9%, from 14.2 billion CFA F in 2023 (219.3 million units) to 15.9 billion CFA F in 2024 (230.3 million units).

Banknote deposits through Central Bank branch windows totaled 23,644.0 billion CFA F (3,258.2 million units) in 2024, as compared to 24,449.2 billion CFA F (3,309.9 million units) in 2023, representing a 3.3% decrease in terms of value. On a comparative basis, the largest inflows in value terms were seen in Côte d'Ivoire (33.5%), Senegal (19.0%), and Burkina Faso (15.4%).

Coin inflows through Central Bank windows rose from 1.6 billion CFA F (7.8 million units) in 2023, to 2.8 billion CFA F (13.4 million units) in 2024, representing an increase of 82.1%.

Table 14: BANKNOTE AND COIN WITHDRAWALS IN 2024 (BILLIONS OF CFA F)

	Benin	Burkina Faso	Côte d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	Total
Banknotes	2,023.4	3,771.4	9,578.5	363.8	2,396.3	919.9	4,927.7	1,659.0	25,640.0
Coins	1.5	1.8	6.8	0.2	1.7	0.5	2.5	0.9	15.9
TOTAL	**2,024.9**	**3,773.2**	**9,585.3**	**364.0**	**2,398.0**	**920.4**	**4,930.2**	**1,659.9**	**25,655.9**

Source: BCEAO

Table 15: BANKNOTE AND COIN DEPOSITS IN 2024 (BILLIONS OF CFA F)

	Benin	Burkina Faso	Côte d'Ivoire	Guinea-Bissau	Mali	Niger	Senegal	Togo	Total
Banknotes	2,175.2	3,649.2	7,917.5	333.1	2,306.2	446.0	4,484.7	2,332.1	23,644.0
Coins	0.4	0.1	0.4	0.0	1.1	0.7	0.1	0.0	2.8
TOTAL	**2,175.6**	**3,649.3**	**7,917.9**	**333.1**	**2,307.3**	**446.7**	**4,484.8**	**2,332.1**	**23,646.8**

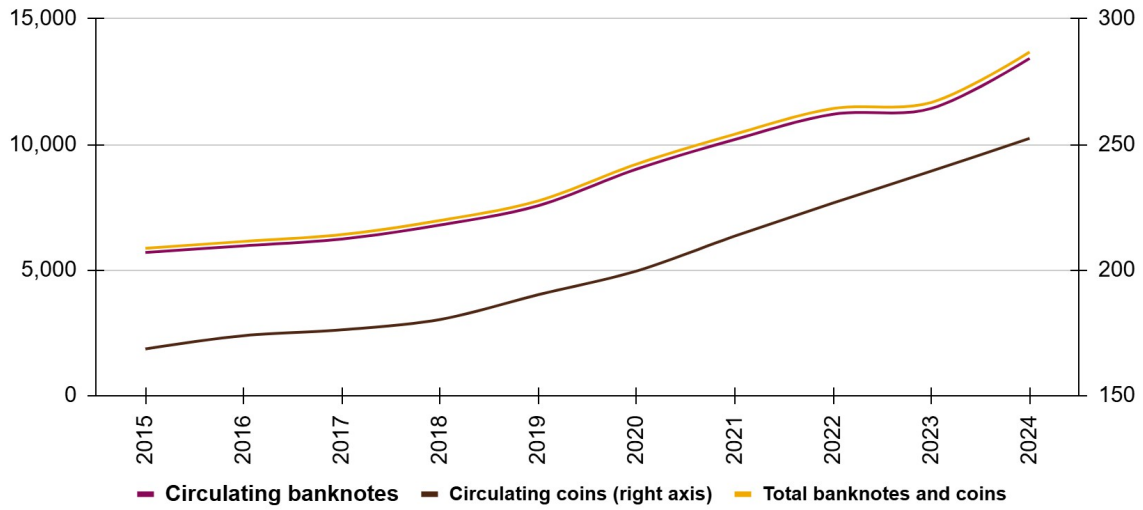
Source: BCEAO

6.1.2 - STRUCTURE OF CURRENCY OUTSIDE BANKS

At the end of December 2024, currency outside banks stood at 13,672.9 billion CFA F, against 11,669.4 billion CFA F one year prior, marking an increase of 2,003.5 billion CFA F. At 93.2% in value terms, the share of large denominations in banknote circulation rose by 1.0 percentage point compared with 2023.

The relative shares of banknotes and coins in the value of currency outside banks were 98.2% and 1.8% respectively in 2024, compared with 97.9% and 2.1% respectively in 2023.

Figure 19: TRENDS IN CURRENCY OUTSIDE BANKS FROM 2015 TO 2024 (BILLIONS OF CFA F)



Source: BCEAO

6.2 - PAYMENT SYSTEMS AND INSTRUMENTS IN THE WAEMU UNION

As at December 31, 2024, the performance of the Union's payment systems showed upward trends in their primary activity indicators.

STAR-UEMOA	SICA-UEMOA
At **152**, the number of participants in the WAEMU Automated Transfer and Settlement System (STAR-UEMOA) at the end of December 2024 was the same as in 2023.	**153** participants in the WAEMU Automated Interbank Clearing System (SICA-UEMOA) at end-December 2024, compared to **151** in 2023.
Number of transactions in **2024:** **1,706,039** Number of transactions in **2023:** **1,682,185** Value of transactions in **2024:** **1,216,442 billion CFA F** Value of transactions in **2023:** **1,040,806 billion CFA F**	Number of transactions in **2024:** **30,060,421** Number of transactions in **2023:** **28,339,223** Value of transactions in **2024:** **80,939 billion CFA F** Value of transactions in **2023:** **78,210 billion CFA F**

6.2.1 - REGIONAL PAYMENT SYSTEMS

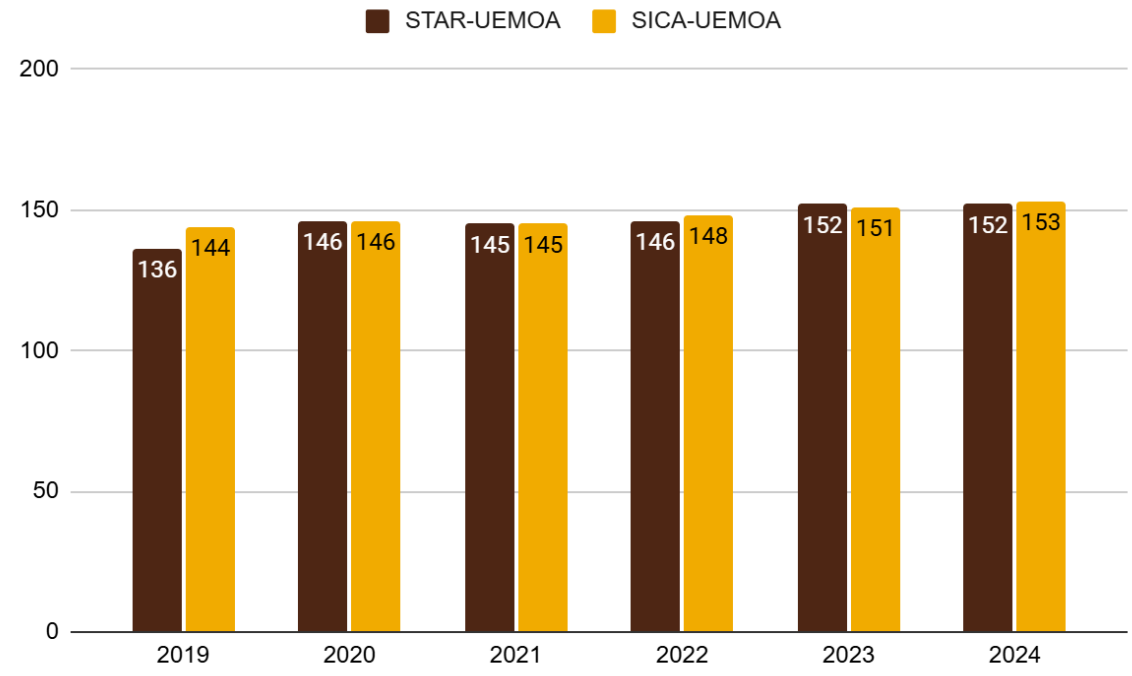
There were 152 participants in the WAEMU Automated Transfer and Settlement System (STAR-UEMOA) at end-December 2024, as in in 2023.

The number of transactions settled in STAR-UEMOA rose from 1,682,185 transactions worth 1,040,806 billion CFA F in 2023, to 1,706,039 transactions worth 1,216,442 billion CFA F in 2024, corresponding to annual growth rates of 1.42% in volume and 16.87% in value compared to the year before.

There were 153 participants in the WAEMU Automated Interbank Clearing System (SICA-UEMOA) at end-December 2024, compared with 151 in 2023. The main participants in the system were the BCEAO, commercial banks and the public treasury departments of Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, and Senegal.

The volume of transactions processed through SICA-UEMOA during the period under review numbered 30,060,421, worth a total of 80,939 billion CFA F. Compared to 2023, activity in SICA-UEMOA showed an increase of 6.07% in volume and 3.49% in the value of payments cleared. The volume and value of transactions in 2023 respectively numbered 28,339,223 and totaled 78,210 billion CFA F.

Figure 20: TRENDS IN THE NUMBER OF PARTICIPANTS IN STAR-UEMOA AND SICA-UEMOA, 2019-2024



Source: BCEAO

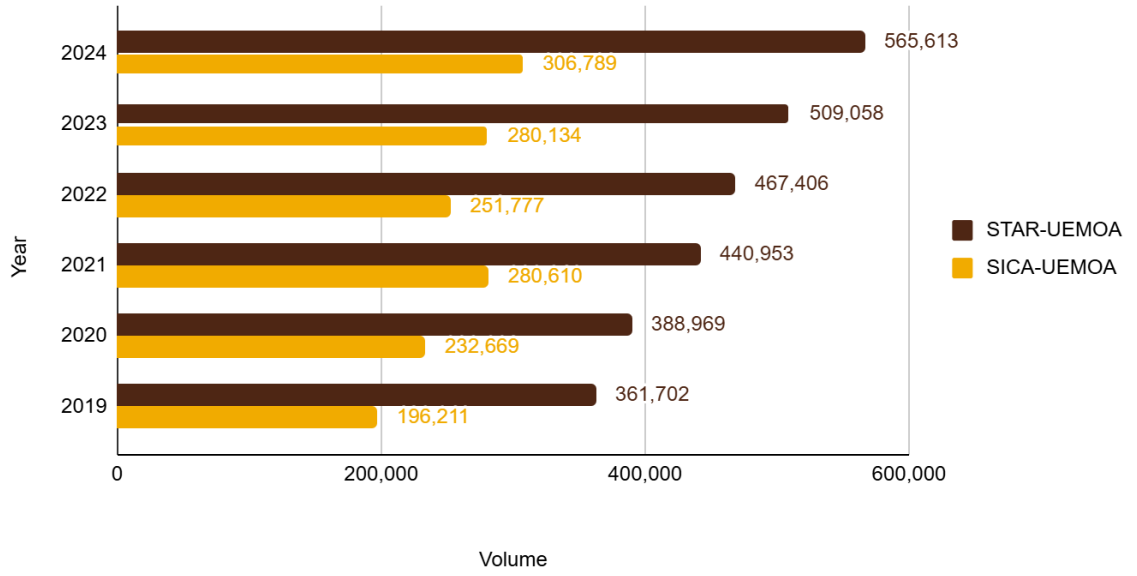
6.2.1.1 - Operations of payment systems managed by the BCEAO

Intercountry transactions within WAEMU stood at 94,668 billion CFA F at the end of 2024, as against 85,546 billion CFA F in 2023, representing 7.78% of the total value of transactions processed through STAR-UEMOA. An increase of 10.66% was noted in the value of intercountry transactions, compared to the previous year. A similar trend was seen in SICA-UEMOA, with an increase of 2.20% in intercountry transactions in 2023, and an increase of 2.25% at the end of 2024.

INTERCOUNTRY TRANSACTIONS WITHIN WAEMU: 94,668 BILLION CFA F IN 2024, COMPARED WITH 85,546 BILLION CFA F IN 2023,

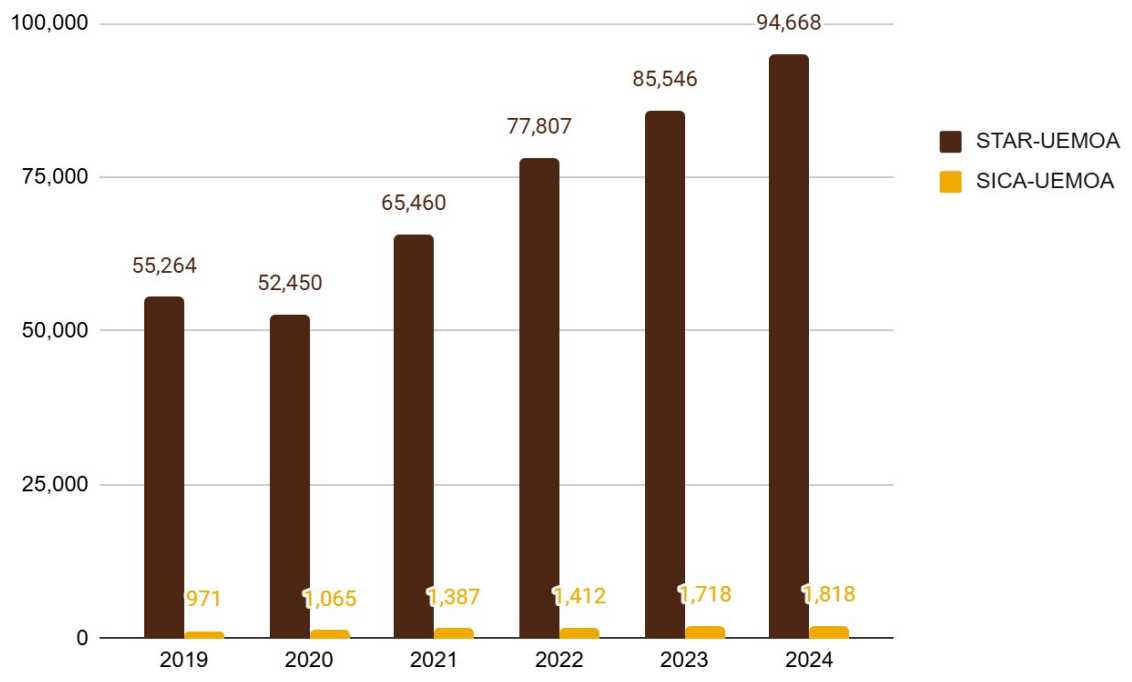
REPRESENTING 7.78% OF THE TOTAL VALUE OF TRANSACTIONS PROCESSED THROUGH STAR-UEMOA

Figure 21: TRENDS IN THE VOLUME OF INTERCOUNTRY TRANSACTIONS, 2019-2024



Source: BCEAO

Figure 22: TRENDS IN THE VALUE OF INTERCOUNTRY TRANSACTIONS, 2019-2024



Source: BCEAO

With regard to the breakdown of the different types of payment instruments processed through the e-clearing system in 2024, the relative share in the volume of transfers stood at 73.1%, up by 9.23% compared to the previous year. Check use represented 25.86% of the volume of transactions, down by 1.50% compared to 2023. In terms of value, checks accounted for 71.77% of total transactions in 2024, up 2.36% compared to the previous year. In 2024, users showed a marked preference for transfers over checks, as was also the case the previous year.

In 2024, the BCEAO implemented actions aimed at enhancing the security, modernization and inclusive impact of payment systems, instruments, and services in the Union.

6.2.1.2 - Security of payment systems

As regards the security of payment systems, awareness-raising activities continued throughout 2024, with a view to ensuring compliance with the minimum security requirements and rules applicable to payment system participants' connection platforms. These efforts made it possible to achieve an average compliance rate of 86% by the end of December 2024. It should be noted that the minimum security rules defined by the Central Bank are part of the cyber resilience framework specific to the Financial Market Infrastructure (FMI) managed by the BCEAO.

Furthermore, with a view to increasing the Central Bank's autonomy in managing systemically important FMI and enhancing the efficiency of the subregion's infrastructure, efforts have been initiated to revamp the WAEMU Interbank Automated Clearing System (SICA-UEMOA). This should allow the Central Bank to reduce the maintenance costs associated with operating the system, while tightening security and achieving efficiency gains.

With regard to the WAEMU Automated Transfer and Settlement System (STAR-UEMOA), work on implementing version 10 of the system began in 2024. The changes in the new version will improve the functioning of the system and ensure its compliance with the requirements of the ISO 20022 financial messaging standard. In its capacity as a payment systems operator and regulator, the BCEAO coordinates the activities of banks, financial institutions, and other stakeholders in the Union. As a reminder, this standard defines rules for exchanges of financial messages between financial market infrastructures.

In addition, with a view to improving the efficiency and security of systemically important FMI not managed by the BCEAO, a framework for the supervision of the Central Depository/Settlement Bank (DC/BR) has been developed in conjunction with the WAMU financial markets authority (AMF-UMOA). This collaborative supervisory framework between the BCEAO and the AMF-UMOA sets out the practical arrangements for the supervision of the DC/BR, and describes the challenges involved and the objectives assigned to this supervision.

6.2.1.3 - Modernization of payment systems and services

With a view to the modernization of subregional payment infrastructure, the Central Bank's actions in 2024 focused on:

- continuing work to revise the general policy on financial market infrastructure and payment instruments and services in the WAEMU Union,
- implementing the project on the interoperability of digital financial services in the Union,
- revising the regulations on payment systems, and
- exploring opportunities for introducing a central bank digital currency (CBDC) in the Union.

6.2.1.3.1 - Continuing work on the revision of the general policy on financial market infrastructure and payment instruments and services in the Union

A new General Policy aimed at “Preserving an efficient and resilient payment ecosystem and promoting instant, innovative, secure, and inclusive payment instruments within WAEMU” was developed in 2024.

The main activities carried out in this regard focused on:

- updating the diagnosis of the payment ecosystem and financial market infrastructure (FMI), in collaboration with stakeholders, to identify the sector's strengths, vulnerabilities, development prospects, and emerging risks, and
- organizing internal consultations with all relevant Central Bank departments and bodies.

These efforts have culminated in the definition of a five-year vision, broken down into three strategic priorities:

- promoting an environment conducive to the development of digital payments,
- fostering the adoption of secure, innovative, and inclusive payment instruments and services, and
- developing efficient, resilient, and interoperable MFI.

The aim of these priorities is to modernize and reinforce the WAEMU payment ecosystem against a backdrop of growing digitalization.

6.2.1.3.2 - Implementing the Union's digital financial services interoperability project

As part of its strategy to modernize the Union's financial market infrastructure and boost financial inclusion, the BCEAO continued its work on the implementation of the digital financial services interoperability project in 2024. The year 2024 saw significant progress in the establishment of an instant payment system (SPI) designed to provide WAEMU populations with broader, secure access to payment services in real time. The new instant payment infrastructure, which is interoperable and available 24 hours a day, 7 days a week, is designed to process transactions of all kinds, regardless of the type of account.

The main activities carried out to this end focused on consolidating technical gains, enhancing the security of the system, and continuously improving its functionality.

Specific activities included implementing the recommendations of the security review, optimizing application processing, updating certain functionalities, and continuously monitoring the proper functioning of the system. At the same time, sustained efforts were made to finalize the development of the mobile application and the Business API. The system application has been accepted and value-added services have been designed.

Particular attention was paid to the security of balance settlements as well as to proactive fraud management; this was achieved by defining robust security policies and procedures. The ongoing technical support provided for the participants also helped to enhance the system's operational resilience and accelerate user integration.

The preparation of the pilot phase of the instant payment system was a decisive step forward. It was carried out in consultation with the participants and focused on two strategic priorities: provision of personalized support for participating institutions, and technical planning for the platform's rollout. Only institutions that successfully completed testing in the sandbox environment were selected, based on objective criteria set at 80% success for the Instant Payment System Interoperability Platform (PI-SPI) tests and 90% for the Centralized Alias Directory (PI-RAC) tests.

A kick-off meeting was held on July 22, 2024, followed by two integration sessions on August 12 and 26, 2024. These events provided an opportunity to present the terms and conditions for connecting to the private PI-SPI network, the service quality requirements, and the pilot program schedule.

The deployment of a virtual private network (VPN) was a key technical component aimed at ensuring the security and availability of the connections. It was accompanied by the configuration of monitoring and alert tools, as well as the provision of specialized equipment to participants to secure the cryptographic keys used to authenticate exchanges.

In addition, the production environment was installed in a secure setting, with the system fully integrated into a dedicated private network.

Regarding the contractual framework, a Participation Agreement has been finalized.

At the same time, work was carried out to update the STAR-UEMOA and SAGETIL-UMOA systems, which are essential for settling payment system transactions. In addition, steps to protect the PI-SPI trademark were completed with the official filing of an application with the African Intellectual Property Organization (OAPI), with the support of a specialized legal firm.

With a view to rolling out the system on a wider scale, support for institutions not yet involved in the pilot phase continued in the test environment (sandbox) to facilitate their gradual integration.

These achievements reflect the BCEAO's ongoing commitment to providing the Union with modern, inclusive, and interoperable payment infrastructure to serve all players in the regional financial system.

6.2.1.3.3 - Exploring opportunities for introducing a CBDC in the Union

Given the current state of progress of research on CBDCs at the international level, marked by both strong enthusiasm for exploring all the implications of digital currency and relative caution about its actual implementation, it would appear that the adoption of CBDCs requires further study of the technological, economic, and societal issues involved to harness the potential benefits while managing the inherent risks. The BCEAO has therefore set up a multidisciplinary working group to further explore the potential benefits and challenges of CBDCs in the WAEMU Union.

The working group has identified the goals and challenges associated with issuing CBDCs in the Union, along with relevant use cases, inherent risks, impacts on the Union's ecosystem, preliminary design choices, prerequisites, and key success factors. In addition, it appears that issuing a CBDC, whether retail or wholesale, could generate benefits, subject to certain prerequisites being met and inherent risks being managed.

The next step is to continue the study through a Proof of Concept (PoC) phase with a view to understanding the technological challenges, testing the feasibility of the use cases identified for the Union, measuring the associated benefits and costs, and assessing the effectiveness of the risk control measures envisaged.

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7.1 - GOVERNANCE AND OPERATIONAL STRUCTURE OF THE BCEAO AS AT DECEMBER 31, 2023

MEMBERS OF THE GOVERNMENT

Governor	**Dr. Jean-Claude Kassi Brou**
Deputy Governor	**Mr. Mamadou Diop**
Deputy Governor	**Mr. Der Rogatien Poda**
Secretary General	**Mr. Habib Thiam**
Cabinet Director	**Mr. Kouao Ephrem Enoh**
Special Advisor to the Governor	**Dr. Bassambié Franck Bationo**
Advisor to the Governor	**Mr. Antoine Traoré**
Advisor to the Governor	**Mr. Gbégnon Alain M. Komaclo**
Advisor to the Governor	**Mr. Alioune Blondin Bèye**
Advisor to the Governor	**Mr. Chalouho Coulibaly**
Advisor to the Governor	**Mr. Emmanuel Assilamehoo**
Advisor to the Governor	**Mr. Ekoué Djro Glokpor**

CABINET OF THE GOVERNOR

Managing Director of the BCEAO's Abdoulaye Fadiga Foundation	**Ms. Akouélé Sylviane Mensah**
Director in charge of administrative operations for senior management at the BCEAO	**Mr. Abdoulaye Traoré**
Director in charge of the Governor's Communication Unit	**Ms. Adja Aminata Ndiaye**

SECRETARY GENERAL

Secretary General	**Mr. Habib Thiam**
Chief of Staff to the Secretary General	**Ms. Gisèle Keny Ndoye**

OFFICE OF THE COMPTROLLER GENERAL

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Advisor to the Comptroller General	**Mr. Coulibaly Horo**
Advisor to the Comptroller General	**Mr. Mahamadou Ali Issoufou**
Advisor to the Comptroller General	**Mr. Issa Djibo**
Advisor to the Comptroller General	**Mr. Mouhamed Diop**

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Director General, Economic and Monetary Affairs	**Dr. Bassambié Franck Bationo**
Director General, Operations and Financial Inclusion	**Mr. Mahamane Alassane Touré**
Director General, Financial Stability and Financing of the Economies	**Ms. Yaye Aminata Seck Mbow**
Director General, Organization and Information Systems	**Mr. Ekoué Djro Glokpor**
Director General, Administration and Human Resources	**Mr. Alioune Blondin Bèye**
Director General, West African Center for Banking Studies and Training (COFEB)	**Mr. Mahaman Tahir Hamani**

ADVISORS TO THE DIRECTORS GENERAL

Advisor to the Director General, Economic and Monetary Affairs	**Mr. Bléhoué Toussaint Damoh**
Advisor to the Director General, Operations and Financial Inclusion	**Mr. Charlie Jerry Dingui**
Advisor to the Director General, Administration and Human Resources	**Mr. Fama Adama Keïta**
Advisor to the Director General, West African Center for Banking Studies and Training (COFEB)	**Mr. Toukou Fernand Aboutou**

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Director, Documentation, Publications and Archives	**Ms. Ndèye Fatou Diop Seck**
Director, Inspection and Audits	**Mr. Mouhamed Diop**
Director, Surveillance and Risk Prevention	**Ms. Anastasie Carvalho Kodjo**
Director, Fiduciary Studies	**Mr. Mohamed Almountaka Alfidja**
Director, Cash Transactions	**Mr. Yamoussa M. Koné**
Director, Currency Circulation Management Center	**Mr. Florent Boniface Agboton**
Director, Statistics	**-**
Director, Economic Conditions and Monetary Analysis	**Mr. Bléhoué Toussaint Damoh**
Director, Economic Studies and Regional Integration	**Mr. N'Guessan Berenger Landry Abou**
Director, Market Transactions	**Mr. Djibril Diaw**
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Director, Financial Inclusion	**Ms. Niffone Jacqueline Dabou**
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Director, Career and Skills Management	**Mr. Jean-Blaise Kouamé**
Director, Property and Security	**Mr. Ali Seini Oumar**
Director, Teaching and Training Programs	**Mr. Toukou Fernand Aboutou**
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National Director for Niger	**Mr. Maman Laouali Abdou Rafa**
National Director for Senegal	**Mr. François Etienne Déthié Sène**
National Director for Togo	**-**

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Under-Secretaries-General	**Mr. Thierry Toffa** **Ms. Akuwa Dogbé Azoma**
Director, Crisis Resolution and Legal Affairs	**Ms. Fatou Sy Mangane Antwi-Gyampem**
Director, International Relations and Studies	**Mr. Babacar Fall**
Director, Permanent Inspection of Credit Institutions and Electronic Money Institutions	**Mr. Josephate Zola**
Director, Permanent Inspection of Microfinance Institutions	**Mr. Saïdou Sayore**
Director, On-Site Inspection of Credit Institutions and Electronic Money Institutions	**Ms. Nerida Biai Porrogho**
Director, On-Site Inspection of Microfinance Institutions	**Mr. Kalidou Assane Thiam**
Director, General Resources	**Ms. Aissa Cheiffou N'dabian**

7.2 - HUMAN RESOURCE MANAGEMENT

At the end of December 2024, the total staff of the Central Bank, all branches and departments combined, numbered 3,398 compared with 3,414 as at December 31, 2023.

This figure included 3,336 active staff members deployed on BCEAO sites, and 62 staff members in various administrative positions, including 52 on secondment and 10 on leaves of absence.

The total number of active employees on BCEAO sites can be broken down follows:

. Senior management and directors: 89 staff members, or **2.67%**

. Management staff: 1,176 staff members, or **35.25%**

. Administrative and technical staff: 2,071 staff members, or **62.08%**

The distribution of all active staff members by site was as follows:

. Headquarters: 782 staff members, or **23.44%**

. National Directorates

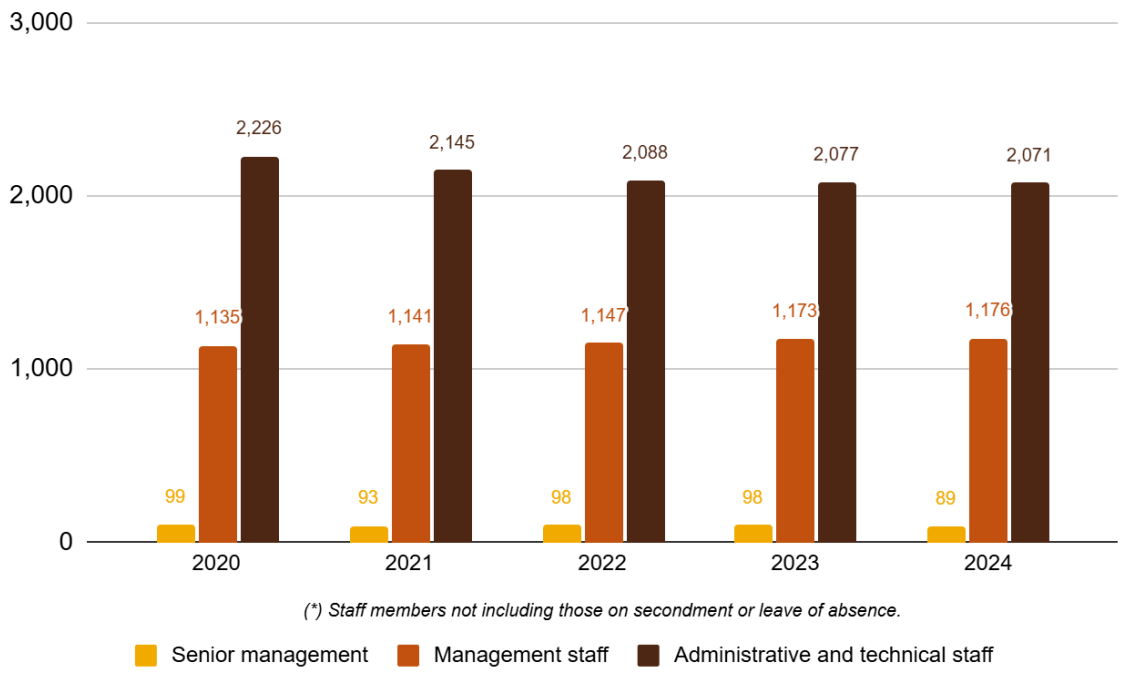
(8 Main Branches and 16 Sub-Branches): 2,398 staff members, or **71.88%**

. General Secretariat of the WAMU Banking Commission: 152 staff members, or **4.56%**

. BCEAO Representation with European Cooperation Institutions: 4 staff members, or **0.12%**

The proportion of female staff in the active workforce was **38.25%**, or 1,276 staff members, while the proportion of male staff was **61.75%**, i.e., 2,060 staff members.

Figure 23: Trends in BCEAO staff, 2020-2024



Source: BCEAO

7.3 - PROPERTY ASSETS

The Central Bank continued its program to consolidate and extend the infrastructure of its network of sub-branch offices in 2024. Under this program, renovation work on the buildings of the Sub-Branch in Bobo-Dioulasso, Burkina Faso, was completed, while significant progress was made on the sites in Abengourou, Côte d'Ivoire, and Maradi and Zinder, in Niger.

With regard to network expansion, construction of the Kayes Sub-Branch buildings in Mali has been completed, while work on the Odienné Branch building complex in Côte d'Ivoire and the Tahoua Branch complex in Niger is entering the completion phase. The design and construction of the Sub-Branch buildings in Ouahigouya, Burkina Faso, continued in line with the objectives set.

Finally, the project to raise the height of the operational building of the General Secretariat of the WAMU Banking Commission in Abidjan progressed according to schedule.

7.4 - INFORMATION SYSTEMS

Strengthening information security

In 2024, as part of the BCEAO's information security governance and management, initiatives were implemented to further consolidate the institution's information system (IS), particularly in terms of cybersecurity.

Finally, PCI DSS security certification for the payment card industry and the compliance of the SWIFT financial messaging platform security devices were validated following the performance of audits in those areas.

The BCEAO deployed a solution for continuous threat detection and active protection against intrusion attempts on its fleet of laptop computers and servers. In addition, to strengthen its cybersecurity incident response process, the BCEAO has completed the deployment of a centralized platform for orchestrating and automating security incident response.

Consolidation of the VSAT telecommunications network and core business applications

As part of the process of withdrawal of obsolete systems from its VSAT satellite communication network, the Bank has completed the migration of the network infrastructure to an architecture that supports the latest technologies in the field.

With regard to its application portfolio, the Central Bank has carried on its strategy of consolidating core business applications to optimize its internal processes, improve productivity, and enhance the quality of services.

The projects implemented in 2024 included the deployment of application modules, notably to improve the system for monitoring payment systems and instruments in the Union and supervising players in the payment instruments and services ecosystem (COCOTIER), to optimize the Credit Institution Monitoring System (SSEC), and to add a component for monitoring staff career paths to the Integrated Human Resources Management System (SIRH).

Finally, a campaign was conducted to identify needs in terms of the digitalization of manual activities carried out by the Bank's various departments, with a view to integrating all requests made into the portfolio of IT solution development projects for the 2025-2027 period.

7.5 - RISK MANAGEMENT AND CONTROL ACTIVITY MECHANISMS

The activities carried out during 2024 were part of efforts to consolidate internal control and operational risk management systems, particularly those relating to cybersecurity, while strengthening the Bank's resilience to crisis situations.

As part of the measures taken to enhance its resilience to crises, the Central Bank tested its Business Continuity Plan (BCP) and updated the relevant documentation.

In addition, on June 20, 2024, the BCEAO joined the International Operational Risk Working Group (IORWG), a leading international working group on operational risk management, with a view to collaborating and sharing information with other central banks. Joining the IORWG represents a strategic opportunity for the Bank, enabling it to keep abreast of developments, benchmark its performance, and adopt best practices in areas such as cyber risk management, internal control and business continuity.

With regard to information security, staff awareness of cybersecurity issues was raised through the regular distribution of monthly awareness brochures, the publication of bi-monthly newsletters on cybersecurity news and issues, and the organization of two training and awareness campaigns for users of the Bank's information systems on information security.

Measures taken to consolidate the internal control system mainly involved developing a self-assessment framework for internal controls, with the aim of implementing skill-building training activities for Operational Controllers.

With regard to the external audit of the BCEAO's 2023 financial statements, it was concluded that the financial statements were true and fair and accurately presented, in all material respects, the

Central Bank's financial position, financial performance and cash flows as at December 31, 2023. The Commissioner Comptroller also indicated that the Central Bank's internal control system was satisfactory.

Internal audit activities carried out in 2024 focused mainly on the implementation of the annual control program and capacity building for internal auditors.

Some thirty audits were carried out with the aim of independently and objectively providing a reasonable assurance that the risks associated with the BCEAO's activities were adequately controlled. These audits focused in particular on compliance with legal, regulatory and contractual provisions, the security and reliability of information, and safeguarding the Central Bank's assets.

Particular attention was paid to risks connected with fiduciary activities, procurement processes, the refinancing of credit institutions by the BCEAO, cybersecurity, and management of missions and travel. An audit was also conducted to assess the control of risks inherent in the supervision and control of BCEAO transactions subject to risks of money laundering, terrorist financing or financing of the proliferation of weapons of mass destruction.

Measures were taken to strengthen the capacity of internal auditors to ensure that audit activities are carried out effectively. In addition to the BCEAO's training program on audit-related topics, internal auditors benefited from skill-building opportunities in the form of training courses, experience-sharing, conferences, and more, provided by the professional organizations to which they belonged. BCEAO representatives also took part in high-level international meetings focusing on the challenges and prospects of the internal control and audit professions.

As part of the implementation of the Quality Assurance and Improvement Program (QAIP), a gap analysis was conducted to identify areas for improvement with respect to the new international audit standards to take effect in January 2025. A survey on the quality of internal audit services was also conducted within the Central Bank to measure the impact of recommendations issued on risk management systems.

Actions were undertaken to upgrade and strengthen the effectiveness of the internal audit process in line with the new audit standards entering into force in 2025, taking into account the developments in the BCEAO's internal and external environment.

7.6 - BCEAO STRATEGIC PLANS FOR 2022-2024 AND 2025-2027

2022-2024 Strategic Plan

The Central Bank completed the implementation of its 2022-2024 Strategic Plan comprising 14 strategic objectives broken down into 58 operational objectives and 69 projects.

At the end of 2024, 36 projects had been completed, representing 52% of the total. This performance represents significant progress for the Central Bank in the focus areas represented by its strategic priorities.

Thus, under “process and risk governance”, the automation of the security incident response process helps to reinforce security, risk management, and cybercrime prevention measures. In addition, communication around the BCEAO's economic and monetary journal *(Revue Economique et Monétaire* - REM) and the Abdoulaye FADIGA prize was intensified to raise awareness and enhance the reputation of the BCEAO.

With regard to the strategic priority of “monetary stability”, the implementation of a framework for the use of big data within the BCEAO, the development of an ETL (Extract, Transform, and Load) for countries that have digitalized the collection of financial statements and the establishment of turnover indices in the construction sector have helped to improve the coverage, reliability, and dissemination of economic, monetary, and financial information. In addition, the development of a national accounts database in accordance with the provisions of the 2008 SNA, the introduction of a capacity-building program for young researchers in the WAEMU Union, and an integrated framework for estimating potential GDP tailored to the individual WAEMU Member States have enhanced economic, monetary, and financial analysis. Furthermore, studies were carried out on the establishment of a system for emergency liquidity provision by the BCEAO within the Union as well as on the impact the issuance of a Central Bank Digital Currency (CBDC) would have on monetary policy. Finally, a currency hedging service for public treasuries to manage foreign exchange risks associated with their external financial commitments has been implemented to optimize the return on foreign exchange reserves.

Under the priority area of “financial stability and inclusion, and financing of the economies”, progress was made in improving the management of and stakeholder involvement in the SME mechanism; improving the subregional mechanism for studies, research, and regulatory and technological monitoring in the field of payments; developing a system to prevent cyberattacks targeting the Union's systemically important payment facilities; and reinforcing the supervision of digital financial services provided by national treasuries. In addition, the revision of the Uniform Act on AML/CFT in the Union and its implementing instruments, as well as the enhancement of the risk-based AML/CFT supervisory framework have helped to consolidate regulatory and supervisory frameworks for regulated institutions and the oversight of unregulated entities and activities.

Finally, with regard to the priority area of “resource efficiency”, discussions have been held on strengthening the Bank's energy backup systems using renewable energies, and a memorandum has been drafted on the resizing of future office buildings with a view to using innovative technologies to better control costs and reduce our environmental footprint. In addition, the Accelerated English Language Training Program (PAFLA) was implemented to improve the language skills of BCEAO staff.

2025-2027 Strategic Plan

In addition, the BCEAO has drawn up its new Strategic Plan for 2025-2027 under the umbrella of its new ten-year vision, which is to be “an innovative and resilient Central Bank dedicated to serving the people and the sustainable development of the Union's economies.” To this end, six strategic objectives, grouped around three priority areas, were identified on the basis of strategic diagnoses.

. Priority 1, “monetary stability”, includes two objectives:

- improving economic and monetary analysis tools, and
- taking into account climate risks and impacts on monetary stability.

. Priority 2, “financial stability and inclusion, and financing of the economies,” consists of the following objective:

- reinforcing the banking and financial system and increasing financial inclusion.

. Priority 3, “resilience and innovation,” comprises the following objectives:

- raising the visibility and improving the positioning of the BCEAO,
- enhancing resilience and integrating innovative technologies, and
- contributing to the achievement of sustainable development goals.

The response to these challenges is guided by the definition of strategic goals, which are broken down into operational targets and translated into projects.

The strategic measures planned should enable the Central Bank to contribute to the promotion of stability, technological innovation, and sustainability.

7.7 - BCEAO QUALITY MANAGEMENT SYSTEM

From December 3 to 6, 2024, the BCEAO submitted its Quality Management System to external follow-up audit No. 2 carried out by Bureau Veritas, in accordance with the normative requirements. Following the assessment, the BCEAO’s ISO 9001 certificate was maintained, attesting to the compliance of its practices with international standards.

VIII - TRAINING, RESEARCH AND PARTNERSHIPS

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8.1 - TRAINING AND CAPACITY BUILDING

As in previous years, the year 2024 was marked by a series of training activities, implemented by COFEB for the benefit of BCEAO staff (managers, executives and new recruits), banks as well as public administrations and partner Central Banks.

Particular emphasis was placed on training staff in the emerging themes of digital finance and green finance, with a view to their inclusion in BCEAO projects currently being implemented in these areas. Training and information sessions on the Bank's regulatory texts and reforms have also been stepped up for credit institutions, microfinance institutions and electronic money institutions.

8.1.1 - RECYCLAGE ET FORMATION DU PERSONNEL DE LA BCEAO

Training for BCEAO staff saw 3,204 participations by staff members in 2024, all categories combined. These training activities were designed to build their capacities in their respective fields and to keep them abreast of emerging issues. They were organized as part of a number of training programs, namely:

- the implementation of the BCEAO's annual staff training plan,
- continuing distance learning programs via the e-learning platform,
- induction training for newly recruited staff,
- professional skills training,
- the BCEAO's capacity-building program for managers, and
- a special program on digital finance and green finance.

- 3,204 PARTICIPATIONS BY CENTRAL BANK STAFF MEMBERS WERE RECORDED
- 43 TRAINING SESSIONS WERE ORGANIZED FOR 1,492 EMPLOYEES
- 82 NEWLY RECRUITED STAFF MEMBERS WERE TRAINED REMOTELY VIA THE E-LEARNING PLATFORM, PRIOR TO RESIDENTIAL TRAINING AT COFEB
- 36 STAFF MEMBERS TOOK PART IN THE CASHIER SERVICE ENHANCEMENT PROGRAM

Under the BCEAO's staff training plan for 2024, 43 sessions were organized for 1,492 employees. The seminars covered a variety of topics, including: “P*rocurement of supplies and services from consultants*”, “*Successful recruitment*”, “*Performance evaluation*”, and “*The ISO 9004 standard*”.

In addition to training delivered by experts online or in person, the outsourcing of the e-learning platform has made it possible to provide Central Bank staff with courses that are available at all times. In 2024, two training programs were delivered through the e-learning platform, namely induction training for newly recruited staff, specifically during the initial distance learning phase, and English language training. These programs totaled 487 participants.

The Center also provided an induction training program for newly recruited staff. The aim of this program was to support new staff members so that they can assimilate the BCEAO's institutional

culture, particularly the unique features of its working environment and the missions of the issuing bank.

Eighty-two new staff members participated in the 2024 edition, which took place in three phases:

- an online phase in the form of individualized, asynchronous self-training on the COFEB e-learning platform, covering modules related to the BCEAO's institutional culture,

- a distance learning phase in the form of a webinar consisting of presentations by the Bank's departments on their missions, organization, and key projects, and

- a classroom phase taken as a group at the Bank's headquarters from July 29 to August 2, 2024.

A professional training program was set up for 36 staff members selected through an internal competition with a view to adding to the staff of the Cash Services Department at all relevant Central Bank sites.

All of the candidates admitted to the program successfully completed the two-part training course. The first phase of the program, comprising theoretical training, began on November 16, 2023, and ended on February 4, 2024. The second phase, consisting of a practical internship lasting approximately six months, was completed in August 2024.

In the context of the implementation of the human resource development program (behavioral skills, management, and leadership), 20 training sessions were organized, and were attended by a total of 251 BCEAO managers. These sessions had a twofold objective: to provide the Bank's managers with tools to enhance their skills and to bring teams together around common projects in a spirit of trust. With this in mind, capacity-building seminars addressed the following topics: “Speed reading”, “Meeting management”, “Creating impact and influencing others”, “Supporting change and conflict management”, “Effective communication through teamwork”, “Management and managerial relations”, and “Team cohesion and communication”.

In addition to these regular training programs, a special training program on “digital finance” and “green finance” was launched in April 2024 for all staff members. Under this program, 38 training sessions were held for a total of 856 participants. The program was designed to strengthen staff members' capacities with regard to emerging subjects and equip them to take on BCEAO projects in these areas more effectively. The training focused on the following topics: Central bank digital currencies (CBDCs) and monetary policy; Fintechs and Financial Innovation Labs (Sandboxes); The Fintech ecosystem in the Union; MFI access to payment systems; Central banks and climate change; Fundamentals of digital assets; Interoperability of digital financial services; Climate risk and its interactions with the economy, Public finance and the financial sector; Investments in green financial instruments; International green finance regulations and initiatives; Open banking supervision, and more.

8.1.2 - DEGREE COURSES

COFEB provided academic support for the 45th, 46th, and 47th cohorts in the degree course program. All 26 auditors from the 45th graduating class defended their dissertations between December 26, 2023, and February 14, 2024. Following the meeting of the academic results validation committee held on March 6, 2024, it was decided to award master’s degrees in finance and banking management to the entire graduating class.

All 31 auditors in the 46th graduating class completed their internships from August 5 to November 5, 2024. They defended their dissertations between December 3 and December 18, 2024. As was the case the year before, a special seminar was organized for the members of the cohort on the topic of "Management and Leadership", to equip learners with the key managerial skills they need to carry out executive roles in the professional sphere.

The 47th cohort comprises 29 auditors, who started their training on November 4, 2024, for the 2024-2025 academic year.

In its 38th session, the African and Malagasy Council for Higher Education (CAMES) officially recognized COFEB's Master II degree in Finance and Banking Management.

8.1.3 - PROGRAM TO SUPPORT WAEMU CREDIT INSTITUTIONS AND ECONOMIC AND FINANCIAL ADMINISTRATIONS

COFEB organized 28 training sessions for credit institutions, microfinance institutions (MFIs), electronic money institutions (EMIs), and government administrations. The courses were attended by 614 participants.

The topics covered notably included the strategic guidelines for major ongoing projects, emerging issues in digital finance and green finance, and efforts to raise awareness of regulatory provisions. The latter include the Uniform Banking Act, the Uniform Act Governing Microfinance Institutions, the Uniform Act on Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction, and the Regulation Governing the External Financial Relations of WAEMU Member States.

The main topics covered by seminars and workshops in 2024 were therefore connected with anti-money laundering and counter-terrorist financing (AML/CFT), cybersecurity and information security, banking governance and audit committees, as well as new governance issues such as artificial intelligence (AI) and ESG (environmental, social, and governance) criteria.

COFEB also continued to organize certification courses aimed at building the participants' expertise. As in the previous year, three courses were organized in 2024, in partnership with ATTF and ENSEA. The joint BCEAO-ATTF training and coaching course for the transposition of Basel II and III into WAEMU legislation (7th edition) was launched in January 2018 with the aim of supporting the domestication of Basel II and III regulations in the Union. It is supported by the Grand Duchy of Luxembourg through the Luxembourg Financial Technology Transfer Agency (ATTF). It aims to enhance the risk management skills of actors in the banking and financial ecosystem, as well as their knowledge of the prudential and governance framework in force in the Union. The course ended in September 2024 with the certification of 43 banking executives.

The COFEB-ATTF certification course in Digital Finance (2nd edition), also supported by the Grand Duchy of Luxembourg through the ATTF, was set up on the basis of the needs expressed by the Union's banking and financial ecosystem. This training program supports the BCEAO's initiatives to promote the development of digital finance, including the creation of a Fintech Knowledge and Monitoring Office (BCSF), the publication of educational materials, the implementation of the Digital Financial Services Interoperability project, and the Financial Innovation Laboratory (FIL) project. The 2024-2025 edition was attended by 23 senior managers from banks and financial institutions.

Finally, the second edition of the COFEB-ENSEA certification training course on banking regulation and Basel parameter modeling was organized in conjunction with the *École Nationale Supérieure de Statistique et d'Économie Appliquée d'Abidjan* (National school of statistics and applied economics, Abidjan). This training was part of ongoing efforts to disseminate information on the prudential framework and prepare banks for potential changes to Basel II and III regulations, particularly the transition to internal models for assessing banking risks. Twenty-five executives from credit institutions took part.

In partnership with HEC Paris, COFEB organized two certification courses entitled Executive Certificate in Strategic Banking Management, levels 1 and 2 (CEMSTRAT 1 & 2) for banking sector executives and management. The CEMSTRAT 1 course was attended by 26 technical and operational directors and high-potential executives from banking and financial institutions. The CEMSTRAT 2 course was attended by 26 managing directors, deputy managing directors, and members of management committees of banking and financial institutions, as well as by directors of the BCEAO.

8.1.4 - OTHER TRAINING ACTIVITIES

2024 also saw the establishment of an internal quality assurance unit (CIAQ) within COFEB, whose main mission is to promote quality practices within the Center, particularly in all activities connected with training and research.

As part of its efforts to share knowledge and keep abreast of emerging strategic issues, COFEB organized three conferences open to internal and external audiences in 2024, on the following topics:

- "Artificial Intelligence in the Banking and Financial Sector: Opportunities and Challenges for African Banks", March 21, 2024. This conference was organized as an online international masterclass in partnership with HEC Paris, and moderated by Mr. Marc Israel, an expert at HEC Paris. It focused on the principles of artificial intelligence, its adaptation to African markets, its application in the financial world, specific challenges of artificial intelligence in the WAEMU zone, and strategies for its integration. Around 100 participants took part.

- "Successful experiences in mobilizing tax resources: lessons for high tax potential countries in Africa" took place on July 15, 2024, and was led by Professor Mbaye Diene, associate professor at COFEB, before an audience made up of 31 students from the 46th graduating class and COFEB staff members.

This conference highlighted the issue of low tax revenue mobilization in the Member States of the West African Economic and Monetary Union (WAEMU), which is a major concern for the authorities in the monetary zone.

- "Beyond profits: Mainstreaming Environmental, Social and Governance (ESG) criteria for sustainable banking" was presented on September 24, 2024, by Mr. Yves Deceuninck, an expert at ATTF Luxembourg, alongside the final phase of the 7th edition of the training and coaching course for the transposition of Basel II and III in the WAEMU Union.

This conference focused on the potential risks and opportunities of integrating ESG criteria for sustainable banking, particularly in the context of rising climate risks. A total of 100 participants were in attendance.

8.2 - RESEARCH, PARTNERSHIPS AND PUBLICATIONS

COFEB's research, partnerships and publications activities in 2024 included studies on topics of interest to the Central Bank and the economies of the Union. COFEB also organized the fourth edition of the capacity-building program for researchers from WAEMU universities and research centers, an initiative launched by the Central Bank. Finally, two new issues of the BCEAO's economic and monetary journal (*Revue Economique et Monétaire*) and the year's research reports were published by the Center in 2024.

8.2.1 - STUDIES CONDUCTED BY IN-HOUSE RESEARCH TEAMS

Four Working Papers (WPS) and two Precis were produced in 2024.

The WPS research themes were as follows:

- “Credit conditions and the effects of monetary policy in the WAEMU Union”

Recent developments in loans to the economy and the monetary policy stance in the WAEMU Union appear to reveal a paradox that calls into question the interactive effects between monetary policy and credit conditions in the Union. This study analyzes the impact of monetary policy on lending terms, exploring in particular the existence of credit condition systems under which monetary authority interventions may prove more or less effective, as well as the influence of credit conditions on monetary policy transmission.

- “Digitalization of financial services in the WAEMU Union: Analysis of determining factors and effects on bank performance”

Digital technologies are profoundly transforming the banking industry. This study aims, firstly, to develop an index that assesses the digitalization of financial services in WAEMU banks. It also identifies the factors underlying banks' adoption of digital technologies and examines the effects of the digitalization of financial services on bank performance, with a particular focus on efficiency in resource mobilization, credit distribution, and cost control.

- “Impact of climate change on monetary policy transmission in the WAEMU Union”

Climate change disrupts monetary policy implementation through the physical and transition risks it creates. With that in mind, this study analyzes its impact on monetary policy transmission channels in the Union. It assesses the impact of climate vulnerabilities on the credit channel in the transmission of monetary policy, focusing in particular on the impact of climate vulnerability on net credit. It also analyzes the functioning of the credit channel in a context of climate vulnerability.

- “Exposure of the banking sector to climate shocks: Scenario analysis for the WAEMU Union”

The damage caused by climate change can extend to the financial sector. Based on this premise, the study begins by using econometric modeling to assess the degree of exposure of the WAEMU banking sector to climate shock, with a focus on the impact of climate vulnerability on the financial stability indicators of the Union's banks. It then identifies the most vulnerable banks using a forward-looking approach and scenario analysis.

In accordance with the guidelines handed down by the BCEAO authorities, two Precis were produced on the following topics:

- “Green finance: Challenges and opportunities for central banks”

Faced with the threats posed by climate change, the implementation of adaptation and mitigation policies is a shared objective at the national and international levels. This Precis provides an overview of the key concepts and characteristics of green finance. It presents approaches to defining green finance and its importance, highlights the role of the actors in green finance as well as the tools used in the field, and addresses the main challenges of green finance for central banks.

“Central bank digital currency: opportunities and challenges”

Central bank digital currency (CBDC) is the digital form of fiat currency issued by a central bank. It has emerged as a response by central banks to the rise of cryptocurrencies. This paper sheds light on the characteristics, issues, and challenges of introducing central bank digital currencies (CBDCs) for central banks and the opportunities that their issuance could create for various economic operators.

8.2.2 - STUDIES CONDUCTED UNDER COOPERATION ARRANGEMENTS AND DURING RESEARCH VISITS

Two studies were conducted during research visits by a researcher from the “100 Women PhDs” program of the *Nouveau Programme de Troisième Cycle Inter Universitaire en Économie* (new inter-university postgraduate program in economics - NPTCIE) and a researcher from the African School of Economics (ASE). Drafted in the form of Thematic Study Notes (NET / TSN), they focus on the following subjects:

- “Climate change and food price inflation in the WAEMU zone: What monetary policy response?”

Climate change is an environmental issue that has been growing in importance in recent decades due to its direct impacts on the agricultural sector. Given the importance of this sector in the WAEMU economies, climate change could be a factor of price instability. The objective of this study is to analyze the effects of climate change on food price inflation in the WAEMU zone, with a view to identifying lessons for the BCEAO.

- “Inflation dynamics and the sacrifice ratio in the West African Monetary Union"

Achieving the goal of price stability hinges on several factors, including the effectiveness of monetary policy instruments, the nature of exogenous shocks, and how firmly the general public's expectations about inflation are anchored. The purpose of this study is to analyze inflation dynamics in the WAMU zone in order to calculate its degree of persistence and determine the factors explaining the relatively low costs of disinflation, with a view to optimizing monetary policy choices.

8.2.3 - DECISION-SUPPORT TOOLS

In terms of designing decision-making tools to support the core Directorates, the main focus was on developing a method to determine optimal thresholds for banks' gross rate of portfolio deterioration based on their exposure categories, for use by the Financial Stability Directorate (DSF).

8.2.4 - PARTICIPATION IN INTERNATIONAL SCIENTIFIC MEETINGS (SPONSORSHIPS)

In terms of scientific events, 2024 was marked by the participation of researchers in the following events:

- The 2024 edition of the African Econometric Society Conference (AFES 2024), organized by ENSEA in Abidjan, Côte d'Ivoire, from June 5 to 8, 2024. This event, sponsored by the BCEAO, provided an opportunity to present the results of a Working Paper (DER / WPS) published in 2022 on the theme “Climate shock, production and inflation in the West African Economic and Monetary Union”.

- A training seminar on “Sustainable finance - Climate change in a central bank” organized by the Banque de France's IBFI from March 19 to 21, 2024, in Paris, France.

- Two workshops organized by the Bank of England's Centre for Central Banking Studies (CCBS) on central bank communication on monetary policy and on short-term inflation forecasts using machine learning models, respectively, on March 11-12, 2024, and April 15-16, 2024.

- The 2024 edition of the International Monetary Fund's Visiting Scholar Program in Washington, D.C., was organized as part of the partnership between the IMF's African Department and the African Economic Research Consortium (AERC), from September 16 to October 11, 2024.

- The 2024 edition of the African Economic Conference in Gaborone, Botswana, organized jointly by the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA) and the United Nations Development Programme (UNDP), from November 23 to 25, 2024.

8.2.5 - CAPACITY BUILDING

The theoretical and practical phases of the 2024 edition of the WAEMU researcher capacity-building program were held on May 3 and 4, 2024, and from June 26 to 28, 2024, respectively. The theoretical workshops on the fundamentals of research methodology in economics and research proposal writing brought together more than 200 researchers from the Union. The practical phase focused on the evaluation of 14 articles and 4 projects selected from among the 49 articles and projects submitted by participants during the theoretical phase.

8.2.6 - PUBLICATIONS

Among its publications in 2024, COFEB released numerous findings from studies on relevant and topical issues connected with the BCEAO's activities and providing insight into developments in the Union's economies. It also published two issues (35 and 36) of the BCEAO's *Revue Economique et Monétaire* (REM).

Issues 35 and 36 of the REM were published in 2024 and contain a total of four articles, two per issue. The articles in issue 35 are respectively entitled: “The effects of financial inclusion on the effectiveness of monetary policy in the WAEMU Union” and ”Asymmetric effects of the exchange rate on prices in the WAEMU Union”. The articles in issue 36 focus on the following topics: “Measuring and determining the quality of economic growth in the countries of the West African Economic and Monetary Union (WAEMU)” and “Macroeconomic impacts of the Covid-19 pandemic on the Ivorian economy”.

In addition, two WPS papers and the corresponding Abrégés were published. They focused on “Financial cycle and fiscal policy in WAEMU” and ”Uncertainty and financing in the WAEMU zone.” Finally, two Thematic Study Notes (NET / TSNs) were published on the COFEB website. The first TSN was entitled “Capital companies in the WAEMU microfinance sector: How do they differ from social purpose MFIs?”. The second TSN focused on the theme ”Should we reconsider how the price stability objective is measured? Summary of recent debate”.

IX - RELATIONS WITH THE INTERNATIONAL MONETARY FUND & MONETARY COOPERATION WITHIN ECOWAS

9.1 - RELATIONS WITH THE INTERNATIONAL MONETARY FUND 88

9.2 - MONETARY COOPERATION WITHIN ECOWAS 88

9.1 - RELATIONS WITH THE INTERNATIONAL MONETARY FUND

In 2024, seven WAEMU countries, namely Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Niger, Senegal, and Togo, implemented programs supported by the International Monetary Fund (IMF). Togo, which had not been on the Fund's program since 2020, entered into a new economic and financial program supported by the Extended Credit Facility (ECF) in March 2024. The program is aimed at strengthening macroeconomic stability and ensuring debt sustainability, while supporting poverty reduction initiatives. 2024 was also marked by the approval of an agreement under the Resilience and Sustainability Facility (RSF) for Côte d'Ivoire on March 15, 2024. This financial support is intended to support the country's structural reforms to reduce macroeconomic risks related to climate change, particularly in the agriculture, transportation, infrastructure, and public finance management sectors. With regard to Mali, a favorable outlook was observed in its relations with the IMF, with the conclusion of a preliminary agreement in April 2024 between the Fund and the national authorities under the Rapid Credit Facility (RCF). This agreement is pending approval by the Fund's Executive Board.

Transactions carried out by the Central Bank with the IMF on behalf of WAEMU Member States resulted in net inflows of resources amounting to 655.74 million SDRs (540.59 billion CFA F) in 2024, compared with 1,085.44 million SDRs (878.78 billion CFA F) a year earlier. This decrease was due to a decline in the volume of drawings, combined with an increase in repayments. Country disbursements in the Union fell by 12.29% to reach 1,356.86 million SDRs (1,118.25 billion CFA F), while repayments rose by 205.16 million SDRs, from 389.46 million SDRs (314.43 billion CFA F) to 594.62 million SDRs (490.44 billion CFA F). No debt reductions were granted to any of the Member States of the Union in 2024.

Charges covered by the BCEAO and the Member States amounted to 196.47 million SDRs (162 billion CFA F) in 2024, compared to 175.04 million SDRs (141.29 billion CFA F) the previous year. They included commissions paid by the BCEAO and interest charges under the Extended Fund Facility (EFF), the Rapid Financing Instrument (RFI) and the Standby Arrangement.

In 2024, remuneration paid by the IMF to WAEMU Member States, corresponding to interest on assets and remuneration of their reserve position, decreased by 13.01 million SDRs to stand at 89.97 million SDRs (74.14 billion CFA F) compared with 102.98 million SDRs (83.22 billion CFA F) the previous year.

9.2 - MONETARY COOPERATION WITHIN ECOWAS

In terms of regional integration, assessments of Member States' macroeconomic performance continued in 2024, consistent with the ECOWAS Convergence Pact adopted in June 2021. The available data shows that in 2024, as in 2023, the WAEMU countries failed to fulfil all of the first-tier macroeconomic convergence criteria. The lower-than-expected performance in most Member States was mainly connected to persistent high budget deficits.

With regard to the ECOWAS Single Currency Program, faster progress was seen in the implementation of the activities set out in the roadmap for the launch of the ECO. In that connection, the BCEAO hosted the statutory mid-year meetings of WAMA from July 26 to 30, 2024, in Dakar. The issuing authority participated in the regular sessions of the Committee of Governors of the Central Banks of the Member States of the Community, which focused, among other things, on the harmonization of methodologies for compiling monetary and financial statistics at the Community level and the creation of a Regional Committee in charge of the

Balance of Payments (BOP) and the harmonization of data on intra-ECOWAS trade, with a view to starting the production of the regional BOP from 2025.

In addition, the BCEAO participated in the meetings of the High-Level Committee set up by the ECOWAS Commission, in accordance with the instructions of the 63rd Conference of Heads of State and Government. On the recommendation of the Committee, the Conference, at its 65th ordinary session held on July 7, 2024, in Abuja, Nigeria, decided, among other things, to maintain the Convergence Pact as it stood.

During its 66th ordinary session, held on December 15, 2024, in Abuja, the Conference adopted the selection criteria for candidate countries for the ECOWAS Monetary Union (EMU), namely:

- ratification and implementation of all legal instruments and frameworks specifically developed in the context of the creation of the EMU,

- participation in the ECOWAS Exchange Rate Mechanism (ERM) for at least two years prior to selection, after the operational framework has been established, while maintaining its currency exchange rate within the fluctuation band to be defined, and

- compliance with all four primary macroeconomic convergence criteria for at least two consecutive years prior to the launch date of the ECO or its accession.

The Conference also instructed the Commission, in collaboration with WAMA, to incorporate the criteria into the Protocol establishing the ECOWAS Monetary Union Agreement. The Heads of State also endorsed the proposals of the High-Level Committee on the costs, sources, and modalities of financing the implementation of the reforms and institutions necessary for the launch of the ECO. The Heads of State urged the High-Level Committee, in collaboration with the Commission, to intensify its efforts to ensure compliance with the deadlines set for the establishment and operationalization of the institutions required to launch the ECO.

The Central Bank will continue to engage, alongside other stakeholders, in all major economic and monetary integration initiatives involving WAEMU Member States in ECOWAS.



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