



TRADE POLICY REVIEW

REPORT BY

THE MEMBER COUNTRIES OF THE WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by the member countries of the West African Economic and Monetary Union is attached.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on the member countries of the West African Economic and Monetary Union.

Contents

1 INTRODUCTION	3
2 THE MACROECONOMIC SITUATION	4
2.1 Production	4
2.2 Prices and inflation	5
2.3 Public finances and government debt	5
2.4 Trade developments	5
2.4.1 Intra-community trade	5
2.4.2 Extra-community trade.....	6
2.5 Investment and the financial market.....	6
3 THE THRUST OF NATIONAL DEVELOPMENT POLICIES	7
3.1 National economic policies	7
3.2 National development plans	7
4 THE STRENGTHS AND POTENTIAL OF THE WAEMU MEMBER STATES.....	10
4.1 Business environment	10
4.2 Agriculture and fisheries.....	11
4.2.1 Agriculture.....	11
4.2.2 Livestock and fisheries	12
4.3 Mining and hydrocarbons.....	12
4.4 Manufacturing	12
4.5 Energy	13
4.6 Transport	13
4.7 Tourism and crafts.....	14
4.8 Telecommunications	14
5 A DYNAMIC TRADE POLICY	14
5.1 Overall framework	14
5.2 Reforms implemented or under way.....	16
5.2.1 Trade facilitation programme	16
5.2.2 Regional Road Transport and Transit Facilitation Programme.....	16
5.2.3 Trade development programme.....	17
5.2.4 Interconnection of customs computer systems	17
5.2.5 Regime of free movement of goods.....	17
5.2.6 Free movement of services	18
5.2.7 A proactive competition policy	18
6 DYNAMIC TRADE COOPERATION WITHIN WAEMU	19
6.1 Multilateral trade agreements	19
6.2 Bilateral and regional trade agreements	20
6.3 Cooperation with ECOWAS.....	21
7 CONCLUSION	22

1 INTRODUCTION

1.1. The West African Economic and Monetary Union (WAEMU) was established on 10 January 1994 and has eight member States: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. Located in West Africa, these countries are linked by their usage of a common currency – the CFA franc, and share many cultural traditions. French is the official language of seven of the eight States. Portuguese is the official language in Guinea-Bissau.

1.2. WAEMU covers an area measuring 3,506,126 km² and in 2016 was home to 112 million people. Demographic growth is around 3% per year. Five of the countries are coastal and the other three (Burkina Faso, Mali and Niger) are landlocked. The WAEMU area shares land borders with Nigeria, Liberia, Sierra Leone, Gambia, Chad, Guinea, Ghana, Mauritania, Algeria and Libya.

The stated aims of the WAEMU area include:

- boosting the competitiveness of the economic and financial activities of the member States;
- convergence of the economic performance and policies of the member States;
- the creation among the member States of a common market based on the free movement of people, goods, services and capital, and on the right of establishment;
- the introduction and coordination of national sectoral policies through the implementation of common actions and, ultimately, common policies;
- to the extent necessary for the common market to function properly, the harmonization of member States' legislation and, in particular, their tax regimes.

1.3. All WAEMU member States are Members of the World Trade Organization (WTO). Côte d'Ivoire is classified as a developing country whereas the seven other States are classed as least developed countries (LDCs).

1.4. They share the view that the removal of tariff and non-tariff barriers will help them to make the most of trade opportunities, increase trade, particularly intra-regional trade, and raise their standard of living.

1.5. The WAEMU member States recognize that the trade policy review mechanism is an important WTO tool that promotes the transparency, predictability and effectiveness of the multilateral trading system. The eight members have participated in trade policy reviews before, but this is the first time that they have done so as a group.

1.6. Building on the TPR mechanism, with its six-year interval between reviews for LDCs and a four-year interval for developing countries, WAEMU has established a trade monitoring mechanism to help further reduce barriers to trade within the WAEMU area. This internal "review" takes place annually.

1.7. The WAEMU member States are also members of international and subregional organizations such as the Economic Community of West African States (ECOWAS), the African Union, the WTO, the World Customs Organization, the World Health Organization, and the Organization of the Islamic Conference (OIC).

1.8. While world economic growth has been around 3% over the last five years, the WAEMU member States have performed well: their average growth was 6%, which is higher than the average for sub-Saharan Africa (1.5%). Since the end of the post-election crisis of 2011, Côte d'Ivoire has stood out from the rest of WAEMU with growth rates of at least 8% and the prospect of 9% for the next few years.

1.9. In conformity with the WAEMU convergence criteria, inflation has been held below 3% in all member States. The macroeconomic framework is broadly stable and monetary policy is directed independently by the Central Bank of West African States (BCEAO).

1.10. Generally speaking, the WAEMU area enjoys political stability. Elections are held regularly in an atmosphere of calm.

1.11. With the exception of Guinea-Bissau, the President of the Republic is the Head of State and exercises executive power. Guinea-Bissau has a semi-presidential regime and the Prime Minister is the Head of the Executive. In all member States, legislative power is exercised by the elected representatives of the people and judicial power is vested in judges. All States have worked to strengthen the independence of the courts, the freedom to engage in business, and freedom of expression. At the community level, the Court of Justice delivers rulings on failures by member States to fulfil their "WAEMU obligations". Its jurisdiction also includes arbitration in disputes between member States and/or between the Union and its agents.

1.12. Despite the relatively satisfactory economic situation, social indicators reflect the need to exploit all the opportunities available to improve people's living conditions. In 2016, almost five out of every ten people were living below the poverty line, an average figure that masks an even more disturbing situation in certain States. The WAEMU member States view aid-for-trade as an important means of reducing poverty.

1.13. With the support of the international community the States are working together in order to manage the security situation. Apart from Northern Mali, security in the WAEMU area is broadly satisfactory.

1.14. In terms of trade partnerships, all member States have signed the Economic Partnership Agreement with the European Union, their chief trading partner. They are also beneficiaries under the African Growth and Opportunity Act (AGOA) and have concluded a Trade and Investment Framework Agreement (TIFA) with the United States.

2 THE MACROECONOMIC SITUATION

2.1 Production

2.1. The positive trend in economic activity continued in the Union in 2016 with growth estimated at 6.8% compared to 6.6% in 2015. Still the highest in the franc area, that rate is also well above the average for sub-Saharan Africa, namely 3.4% in 2015.

2.2. This level of economic performance is in evidence across the WAEMU area and is the result of several exogenous and endogenous factors.

2.3. Internationally we should note the continued depreciation of the euro and the ensuing improvement in competitiveness of exports from the region. The fall in oil prices, a significant cost burden in member States' imports, is another factor.

2.4. Several endogenous factors have also had a bearing on the WAEMU States' economic performance.

2.5. One factor is the strong performance in the primary sector. This strategic sector for the member States has been remarkably dynamic, reflecting a high level of investment under national agricultural development programmes that has led to modernization of agricultural tools. Good rainfall is another factor. The added value of the primary sector grew by close to 5% between 2015 and 2016. The sector is expected to contribute around 31% of the Union's GDP in 2016. However, this performance still seems to depend heavily on commodity prices.

2.6. The vitality of the secondary sector is driven by the continuing all-out construction programmes for basic infrastructure in the Union and the boom in the extractive industries. This sector is forecast to contribute 24.2% of community GDP in 2016.

2.7. The boom in the tertiary sector is led by commerce, transport, financial services and telecommunications. The strong performance in commerce is linked with the marketing of agricultural surpluses from previous crop years in some States. Work to modernize road and port infrastructures lies behind the performance in the transport sector. Telecommunications performance is driven by various innovations on the part of telecommunications operators and the

promotion of new products. Overall, the tertiary sector is likely to account for 45.2% of WAEMU GDP in 2016.

2.8. The vitality of the private sector explains the buoyancy of the West African Regional Securities Exchange (BRVM). The BRVM is an economic and political success. It is the only securities exchange in the world shared by more than one country that is fully electronic and entirely seamless. At end-2016, 46 businesses were quoted on the BRVM.

2.9. More generally, the economic growth rates for each country in 2016 are as follows: Benin (5.0%), Burkina Faso (5.4%), Côte d'Ivoire (9.3%), Guinea-Bissau (5.4%), Mali (5.4%), Niger (4.6%), Senegal (6.1%) and Togo (5.0%).

2.2 Prices and inflation

2.10. In 2016, economic activity took place in a relatively stable monetary environment with low inflation of 0.3% compared to 1% in 2015. Beyond the inflation-targeting policy applied by the Central Bank, this situation is the consequence of plentiful cereals production in the member States and the fall in oil prices, which slowed rising pump prices.

2.11. Low inflation should continue in 2017 because of the anticipated changes in the prices of foodstuffs on the market, the level of oil prices, and the bright outlook for food crop production in the region.

2.3 Public finances and government debt

2.12. In all the member States, the modernization of tax administrations, computerization of procedures and controls, and measures to combat tax evasion in all its forms have driven up tax revenues, increasing the tax burden in 2016 from 13.8% to 16.7%. As a result, budget revenues have risen by nearly 10% and now represent 18.5% of community GDP.

2.13. This trend should continue over the coming years as efforts continue to modernize the tax administrations (enhanced inspections, links between tax offices, etc.) and broaden the tax base.

2.14. Total expenditure and net lending, which remain high in the WAEMU area, rose by 11.4% on average and now account for 25.8% of the Union's GDP. This is the consequence of growth in both current and capital expenditure.

2.15. The rise in current expenditure is attributable to the higher wage bill (7.5%) that accompanied curbs on transfers and subsidies (-2.0%) and operating expenditure (-1.2%).

2.16. Capital expenditure in 2016 rose by 20.7%, fuelled by the ongoing socio-economic infrastructure construction work. Burkina Faso (+45.5%), Mali (+36.5%), Côte d'Ivoire (+28.4%) and Togo (+16.0%) recorded the greatest increases.

2.17. There was an overall deficit of 4.2% of GDP in the budget balance in 2016, slightly higher than the figure of 4.1% in 2015.

2.18. In 2016, the ratio of government debt outstanding to nominal GDP was 45.1% compared to 42.9% in 2015, a rise of more than two percentage points. The lowest government debt-to-income ratio was 35% and the highest 76%; this ratio was above 50% in three member States. The relatively low level of government debt can be attributed to the HIPC (Heavily Indebted Poor Countries) initiative, which has benefited all WAEMU countries.

2.4 Trade developments

2.4.1 Intra-community trade

2.19. Intra-community trade is limited within the WAEMU area: the latest review of WAEMU trade indicates that it accounts for less than 15% of the area's total trade, one of the lowest figures for a monetary area. Between 2000 and 2015, the value of intra-community trade increased (rising

from CFAF 988 billion to CFAF 2,870 billion) but its relative share of total WAEMU trade fell by almost 3 percentage points.

2.20. Thanks to the Union's work aimed at establishing instruments to promote trade among the member States, it is reasonable to expect that in the coming years intra-community trade will grow. The work in question includes the formulation and implementation of the regional trade facilitation programme (RTFP), transport facilitation, the entry into force of the ECOWAS CET, the project to link up the computer systems of the member States' customs authorities, and the development of statistical tools. Additionally it should be noted that moves are under way to introduce the WAEMU free movement regime.

2.4.2 Extra-community trade

2.21. At the same time, extra-community trade has risen sharply. Between 2000 and 2015, extra-community trade rose threefold, and now accounts for just shy of 90% of all trade within WAEMU.

2.22. The current share of extra-community trade in all WAEMU trade illustrates that although the establishment of the Customs Union in 2000 was a decisive step forward in regional integration, it was also beneficial to trade with the rest of the world.

2.23. There are many suppliers of imports to the Union and they vary from country to country. The main countries for imports are the European Union members (30%), other ECOWAS States (12%), China (10%) and the United States (6%). Exports go mainly to the European Union (25%), Switzerland (10%), Nigeria (7%) and the United States (5%).

2.24. The trade balance deficit is deepening as a result of higher imports (+1.0%) combined with falling exports (-2.3%).

2.5 Investment and the financial market

2.25. The rise in imports can be explained by the Union's economies' needs for purchases of capital goods and intermediate goods (+3.4%) that are crucial for the massive investment envisaged under the national development programmes.

2.26. The rise in purchases of foodstuffs and current consumer goods (+4.6%) as a result of strong domestic demand in WAEMU has also had a positive effect on imports.

2.27. The decline in exports can be explained by the lower sales of rubber (-13.2%), cocoa (-8.0%) and cotton (-3.6%) following the downward price trends on world markets.

2.28. The services trade deficit is expected to contract by 4.1% because of the fall in imports of other specialist services. This trend was flattened by the growth in freight resulting from rising imports of goods.

2.29. This change is the result of higher dividend payments to foreign shareholders of the Union's main export businesses, and interest payments on the external debt.

2.30. It is also the result of the fall in external support provided to member States, partially offset by the rise in transfers of private funds, as a result of higher remittance flows from the diaspora.

2.31. The capital account posted a surplus of CFAF 1,281.6 billion compared to CFAF 1,084.3 billion one year previously, an increase of 18.2%, in conjunction with the anticipated rise in grants connected with public investment projects in WAEMU.

2.32. With regard to foreign direct investment (FDI) and portfolio investment, there has been an 18.9% drop in capital inflows, essentially as a result of the fall in world oil prices that has led to the postponement of investment in the petroleum sector. The fall in portfolio investment can be explained by the fact that member States did not issue any Eurobonds in 2016.

2.33. According to the BCEAO, the banking network in WAEMU is continuing to develop. The number of approved credit institutions stood at 137 at end-2015 compared to 132 one year previously.

2.34. This enhancement of the banking landscape has helped to increase domestic credit and net external assets. Outstanding domestic loans, at CFAF 21,798.9 billion, grew by 12.4% between December 2015 and December 2016, as a result of the growth in bank lending to the private sector. Bank loans grew by 14% in one year.

2.35. The liquidity of the banking system is provided by money supply growth in a context of monetary stability.

2.36. The Union also has a regional financial market, the BRVM, which enables businesses and States to finance their operations more easily.

3 THE THRUST OF NATIONAL DEVELOPMENT POLICIES

3.1 National economic policies

3.1. The economic environment in WAEMU is favourable thanks to a regional market in goods and services and a regional financial market supported by a single currency that facilitates trade among member States by removing the foreign exchange and other risks.

3.2. The citizens of WAEMU can move freely, become established, and do business throughout the community territory. Visas are free in Senegal. In Benin they are free for Africans staying no longer than three months.

3.3. Growth continues to be high. The forecast for 2017 is average growth of more than 6%. This is possible because of the investment in infrastructure under the various medium-term national development programmes and infrastructure works initiated and delivered by the member States.

3.4. The robustness of that growth is much discussed. The backdrop is a socio-political environment featuring a number of security challenges and poor growth in tax receipts. This results in deteriorating budget balances and reduces the return on public investment.

3.5. In these circumstances, WAEMU considers it advisable to establish budgetary space by focussing on productive expenditure and improving the level of tax revenue by exploiting a number of particular niches. This led to the suggestion that States should reduce their fiscal expenditure to improve the tax ratio.

3.6. The member States aim to diversify their economies. The WAEMU countries continue to concentrate too heavily on single cash crops (cotton, coffee, cocoa, etc.) and mineral resources (gold, petroleum, uranium, phosphate, etc.), a factor that makes them vulnerable and increases their exposure to turbulence in the global economy.

3.2 National development plans

3.7. The ambitious development plans currently being implemented in the member States are also a response to the concerns outlined above. They include Benin's "Benin Revealed", Burkina Faso's National Economic and Social Development Plan (PNDES) 2016-2020, Côte d'Ivoire's National Development Plan 2016-2020, Mali's Strategic Framework for Economic Recovery and Sustainable Development (CREDD, 2016-2018), Niger's Economic and Social Development Plan (PDES) and Senegal's Emerging Senegal Plan.

3.8. Benin's "Benin Revealed" is an ambitious CFAF 9 trillion five-year programme with actions structured around three major pillars:

- strengthening democracy, the rule of law and good governance;
- launching structural economic change;
- improving people's living conditions.

3.9. "Benin Revealed" is based on 45 major projects together with 95 sectoral projects. The aim of the various projects is to sustainably improve the economic and social environment of Benin. The Government has chosen to act simultaneously on political, administrative, economic and social levers to kick-start the economy. Specifically, it is introducing a framework that is more conducive to investment and improving the daily lives of the Beninese people.

3.10. **The National Economic and Social Development Plan (PNDES) of Burkina Faso** is the national framework for action by the State and its partners over the period 2016-2020. At an estimated cost of CFAF 15,395.4 billion, it aims to achieve cumulative growth in per capita income that is capable of reducing poverty, boosting human capacities and meeting basic needs within an equitable and sustainable social framework. The overall objective of the PNDES is to bring about a structural transformation in the Burkina Faso economy that encourages strong, sustainable, resilient, inclusive growth and generates decent jobs for all, resulting in greater social well-being.

3.11. The PNDES is based around the three following major strategic planks:

- plank 1: reforming institutions and modernizing the administration;
- plank 2: developing human capital;
- plank 3: revitalizing the sectors with high potential for economic growth and employment.

3.12. The approach of the PNDES will be set out in sectoral policies currently under review by the newly established sectoral planning bodies. Each sectoral policy will contain strategies, programmes and projects in line with the guidelines of the State programme budget.

3.13. **The National Development Plan (PND) of Côte d'Ivoire** aims to make the country a liberal, buoyant, emerging economy that is open to the rest of the world. Change to achieve emergent status should be driven by strong, sustained, inclusive growth that is respectful of gender and the environment, and employment-rich. The Ivorian Government is counting on that growth to double per capita GDP by the beginning of the 2020s.

3.14. As part of the PND, overall investment should reach as much as CFAF 30,000 billion, of which 60% will be in the private sector, including Public-Private Partnerships.

3.15. The Ivorian Government makes education the key priority of its plan by introducing compulsory schooling, but also focuses on self-sufficiency in food, access to drinking water, electricity in all villages with more than 500 inhabitants, "one citizen, one computer, one internet connection" and a functioning, neighbourhood healthcare system. Côte d'Ivoire also wants to improve its ranking in *Doing Business* and become one of the world's top 50 countries in the business climate category, join the leading group of African countries for good governance and transparency in the management of public resources (World Bank Index), and become among the highest ranked African countries in the UNDP Human Development Index.

3.16. Guinea-Bissau has adopted the **Guinea-Bissau Strategic Plan 2025, "Terra Ranka"**. It will be implemented between 2015 and 2025 and is based on six major priorities as follows: governance, infrastructure, urban development, human development, agro-industry and biodiversity. These priorities aim to support competitiveness and economic growth.

3.17. Guinea-Bissau plans to become a diversified economy by 2025 based on the country's four drivers of growth: agriculture and agro-industry, fisheries, tourism, and mining. The development of these drivers will be accelerated by two other pillars: powerhouse sectors (energy and IT) and domestic sectors (housing, construction, commerce and distribution). By way of illustration, Guinea-Bissau intends to become self-sufficient in rice from 2020, with production of 450,000 tonnes, compared to around 200,000 tonnes in 2016, and to become a net exporter in 2025 with production of over 500,000 tonnes. That aim will be achieved by developing 54,000 ha of rain-fed lowlands, improving rice-farming practices, replenishing the country's seed capital, and reorganizing storage and distribution systems.

3.18. Mali is relying on the **Strategic Framework for Economic Recovery and Sustainable Development (CREDD)** to revitalize its economy.

3.19. The overall objective of the CREDD is to attain the Sustainable Development Goals (SDG) by 2030 by promoting inclusive, sustainable development that furthers a reduction in both poverty and inequalities on the basis of the country's potential and resilience, among other factors.

3.20. The strategy has two preliminary priorities, three strategic priorities, 13 priority areas and 38 specific objectives. Each specific objective comprises three elements:

- budgetary performance with programme budgets;
- measures to modernize institutions;
- quick-impact activities.

3.21. The strategy is supported by an action plan and incorporates cross-sector guidelines including mainstreaming of topic areas such as gender, youth employment and climate change in the formulation, implementation and monitoring of public policies. In all, CFAF 3,440 billion in budgetary allocations has been earmarked to help achieve the objectives that have been set.

3.22. Niger is implementing the **Social and Economic Development Plan (PDES)** in order to promote the economic, social and cultural well-being of the country's people. The Plan sets five strategic priorities. They include: building up the credibility and effectiveness of public institutions, establishing sustainable conditions for balanced, inclusive development; promoting food security and sustainable agricultural development; promoting a competitive and diversified economy for accelerated, inclusive growth; and promoting social development.

3.23. In addition to the **PDES**, the 3N Initiative (Niger Feeds Niger) aims to reduce the country's dependence on external sources for food security.

3.24. The **Emerging Senegal Plan (PSE)** is the framework for Senegal's medium- and long-term economic and social policy. The PSE is implemented through a five-year Priority Action Plan (PAP) built around strategic goals, sectoral objectives and action lines. The PAP is rolled out through development projects and programmes included in a budget framework for the period 2014-2018.

3.25. The PAP is based on the best-case scenario set out in the PSE, estimated at CFAF 9,685.7 billion. Some CFAF 5,737.6 billion of that funding, or 59.2%, is already in place, leaving a funding gap of CFAF 2,964 billion, or 30.6%; the remaining CFAF 984 billion, or 10.2%, will be covered by additional revenue and expenditure savings.

3.26. Diligent implementation of the key reforms and projects in the PAP should bring average annual growth of 7.1% over the period 2014-2018, reducing the budget deficit from 5.4% in 2013 to 3.9% in 2018. The current account deficit will fall below 6% in 2018 and inflation, measured by the GDP deflator, will remain below the community threshold of 3%.

3.27. In Togo, the **Accelerated Growth and Employment Promotion Strategy (SCAPE 2013-2017)** is coming to an end and the National Development Plan (PND 2018-2022) is being drafted.

3.28. The aim of Togo's PND 2018-2022 is to lay the groundwork for Togo to become an emerging economy by 2022 and an inclusive, strong and stable democratic nation that is open to the world. There will be a structural transformation of the economy, and all regional communities will play a substantive role in strong, sustainable and inclusive growth that enables all its people to have equitable access to high-calibre social services while complying with environmental and human rights standards.

3.29. The strategy will have five priorities, namely improvements to the population's welfare and well-being; improvements to productivity and competitiveness in growth sectors; stronger infrastructures that support growth; sustainable management of the regions, the environment and standards of living; and enhanced governance and peace-building.

4 THE STRENGTHS AND POTENTIAL OF THE WAEMU MEMBER STATES

4.1. WAEMU has an improving business environment and significant potential in various sectors including agriculture, mining, industry, fisheries, tourism, telecommunications and transport.

4.1 Business environment

4.2. Since 2013 there have been improvements in the business environment in the WAEMU States according to the rankings in the *Doing Business* report. Five of the eight States rose by more than ten places between 2013 and 2016, and Côte d'Ivoire gained a record 35 places, followed by Benin with 17 and Niger with 16. The latest *Doing Business* ranks Mali (141st in the world) as the leading WAEMU country followed by Côte d'Ivoire (142nd in the world).

4.3. The reforms chiefly concerned:

- introduction of interconnected single windows to reduce import and export times;
- reduction in the number of documents required for import or export;
- improved port management;
- development of infrastructure around ports;
- easing of transit rules for lorries;
- simplification of inspection report procedures;
- reduction in port and terminal charges;
- introduction of electronic information exchange between services;
- reduction in numbers of checkpoints;
- liberalization of the goods transport market.

4.4. A regional programme to develop industry and promote the private sector has been introduced to further encourage an environment that is conducive to private initiative and competitiveness among businesses.

4.5. A regional initiative to improve the business climate has also been drawn up to encourage the member States to implement reforms for each indicator, thus bringing them into closer alignment with the adopted community standards and improving the rankings of the WAEMU countries. The aim is to raise the rankings to between 87th and 114th in the world, or between 8th and 12th in sub-Saharan Africa.

4.6. To that end a regional workshop to pool experience is held each year by the WAEMU Commission.

4.7. The following points should also be noted:

- the member States have a common business law (OHADA) that supplements their other provisions to safeguard investment;
- certain regulations are being reviewed to increase the protection they afford to investment and make them more conducive to productivity and competitiveness of firms.

4.8. WAEMU also has a liberal environment that guarantees freedom of investment and unrestricted transfer of earnings, including:

- a single convertible currency common to all States in the Union (€1 = CFAF 655.957) backed by a rehabilitated banking system;
- a strategic position in West Africa at a crossroads for trade development;
- an emerging market in terms of population and jobs, as embodied by:
 - a population estimated at 112 million people and demographic growth of 3%;
 - a young, skilled, available workforce;
 - the growing empowerment of women, thus raising agricultural productivity and production.

4.9. **Where finance is concerned** there is an effective financial and insurance system that includes:

- a sound banking system governed by a single Central Bank, the BCEAO, for all eight member States;
- a well-organized financial market with a West African Regional Securities Exchange (BRVM) and a West African venture capital company (SOAGA);
- several international commercial banks and insurance companies.

4.10. **The fiscal framework and accounting system** have been harmonized and include:

- a single accounting system, SYSCOA (West African Accounting System);
- a double taxation agreement across the member States;
- reduced levels of capital and income tax;
- a common external tariff applied to products imported from third States;
- exemption from customs duties for products originating in the Union.

4.11. **A complementary regional approach to security risks** based on:

- preventive diplomacy by representatives of the national parliaments gathered in the WAEMU Interparliamentary Committee;
- introduction of the "zero tolerance" principle for non-constitutional regime changes;
- the adoption of a regional peace and security programme within the Union;
- further development of international cooperation on matters of peace and security.

4.2 Agriculture and fisheries

4.2.1 Agriculture

4.12. In all member States, agriculture is the primary source of income and the main activity for the majority of rural households. WAEMU is:

- the world's No.1 producer of cocoa;
- the world's No.1 producer of cashew nuts;
- Africa's No.1 producer of cotton;
- the world's No.3 producer of coffee.

4.13. The WAEMU member States are also producers of agricultural products such as rice, maize, banana, palm oil, pineapple, rubber, shea butter, groundnuts, sesame, and fruits and vegetables including mango.

4.14. In 2016 agriculture accounted for between 15% and 45% of GDP (in Senegal and Guinea-Bissau, respectively).

4.15. In view of the sector's importance, the member States adopted the Union Agricultural Policy (PAU) on 10 December 2001 under Additional Act No. 03/2001. It aims to resolve the major challenges facing agriculture in the WAEMU area, namely, how to increase agricultural output sustainably through intensification, and the joint management of natural resources that are now regional public goods and are threatened by intensifying competition.

4.16. Apart from agriculture, the WAEMU member States are major producers of cattle, meat and fisheries products.

4.2.2 Livestock and fisheries

4.17. The countries of the Sahel (Burkina Faso, Mali and Niger) alone account for three quarters of the cattle population and 70% of the sheep/goat population of WAEMU and provide the bulk of animal protein requirements in the subregion.

4.18. Fisheries has a strategic social position and contributes hugely to the economies of the eight WAEMU States. In some countries its contribution to GDP is relatively high (4.2% in Mali, 3.4% in Togo, 4% in Guinea-Bissau, 2.6% in Niger and 1.7% in Senegal). Fisheries contributes to the budgetary receipts of the WAEMU countries through fishing licence fees and financial compensation under fisheries agreements with third countries. Senegal, Côte d'Ivoire and Guinea-Bissau have fish-rich waters and significant potential for development in marine products.

4.19. In order to combat overfishing and abuse of marine products, a series of measures has been adopted, including the Directive establishing a common system for the monitoring, inspection and oversight of fisheries within WAEMU and the Directive introducing a common system for the sustainable management of fisheries resources in the member States of the Union.

4.3 Mining and hydrocarbons

4.20. The WAEMU countries have deposits of oil (Niger, Côte d'Ivoire, Senegal); gas (Côte d'Ivoire, Senegal); uranium (Niger); gold (Côte d'Ivoire, Senegal, Mali, Burkina Faso, Niger); phosphates (Burkina Faso, Togo, Senegal, Mali, zinc (Burkina Faso); diamond (Côte d'Ivoire); manganese (Burkina Faso, Côte d'Ivoire); and various quarriable substances in all member States, etc.

4.21. The development of the mineral resources sector in recent years has considerably increased the sector's share in the economies of most of the member States. According to the EITI Reports 2013, the extractive sector accounts for 67% of Mali's exports and 63.1% of exports from Burkina Faso. However, the sector is poorly integrated into the national economies and has very limited knock-on effects on them, thus restricting its real impact on economic growth and poverty reduction.

4.22. The Regional Mining and Hydrocarbons Development Programme is the vehicle for implementing the WAEMU's Common Mining Policy.

4.4 Manufacturing

4.23. Industry in the WAEMU area, which should be the primary generator of added value, makes only a small contribution to GDP (around 20%).

4.24. WAEMU has enormous industrial potential that is just waiting to be unleashed. Growth clusters have been under development for three years to build processing capacity for goods, especially agricultural products.

4.25. The Common Industrial Policy (PIC) will significantly leverage growth in this area. It is built around six interdependent planks, namely: the restructuring and upgrading of industry, the promotion of quality, the promotion of information networks, the promotion of investment and exports, the development of small and medium-sized enterprises and small and medium-sized industries, and increased cooperation at subregional level.

4.5 Energy

4.26. The overall energy position of the WAEMU States is characterized by the following features: (a) poor access to modern energy services, primarily electricity; (b) thermal-generation power plants that use imported petroleum products predominate; (c) power generation continues to be expensive; (d) there is little use of renewable energy to meet people's energy needs despite significant potential in renewables. In view of the shortfall between supply and demand, it was vital for the Common Energy Policy (PEC) to take a new approach, especially under the Regional Sustainable Energy Initiative (IRED). The IRED has four priorities, namely:

- to develop a diversified, competitive and sustainable power supply;
- to draw up a regional energy management plan;
- to expedite reforms and the emergence of a regional market in electricity;
- to establish a funding and support mechanism for the sector.

4.27. Implementation of the PEC under the flagship IRED programme will: (a) ensure security of the Union's energy supply; (b) develop optimum management of the Union's energy resources by interconnecting power networks; (c) promote renewable energy; (d) promote energy efficiency; (e) develop and improve the rural population's access to energy services; (f) contribute to safeguarding the environment and combating global warming.

4.6 Transport

4.28. The community area comprises highways that act as traffic corridors where free-flowing traffic is a plus for the free movement of people and goods. In its Community Road Infrastructure and Transport Action Programme (PACITR), WAEMU undertook to enhance the traffic corridors. The community envisions an integrated network of road, rail, air, maritime and river transport. By exploiting all these opportunities, WAEMU will be able to offer more travel and movement options to its citizens: hence the need to beef up the existing infrastructures and build new ones.

4.29. For road infrastructures, nine road projects are under way with the support of technical and financial partners. The projects involve 4,348.5 km of community roads for a total sum of CFAF 974,596 billion. The projects have connected all the capitals in the WAEMU area with tarmacked roads. Transport infrastructures are continually being upgraded.

4.30. The States have worked to reduce the number of road checkpoints and the ensuing delays so that traffic can flow smoothly along the WAEMU corridors despite the security challenges.

4.31. In 2016 only a few capitals were linked by rail: Bamako-Dakar (1,287 km), and Abidjan-Ouagadougou (1,150 km). Two major rail projects seek to increase mobility in the WAEMU area: the first is to provide a rail link between Côte d'Ivoire, Burkina Faso, Niger, Benin and Togo; and the second should provide a rail service to Senegal, Mali and Burkina Faso.

4.32. The capitals in the WAEMU area are served by airlines, the most important of which are Air Côte d'Ivoire, ASKY International and Air Burkina. Additionally, the Union has five maritime ports for goods transport and is developing road and rail infrastructures nationally and regionally to provide links between coastal and landlocked countries.

4.33. The maritime States have also taken action to modernize ports, including the purchase of new handling equipment, making port transit operations paperless, and reducing transit times.

4.7 Tourism and crafts

4.34. The Union has potential for diversified tourism and a wealth of resources to that end: desert, sea, rivers, animal reserves and parks, natural landscapes, religious and ethnic communities with strong cultural identities, lucrative niche-sectors (hunting and fishing), etc. Despite its strong potential, this sector has been adversely affected by the weakness of community legislation and regulations. The shortcomings lie in the details of the approach to tourism development, the definitions and classifications in the sector, and the conditions governing the issuance of permits to run tourism-related establishments. In order to redress the imbalance, the Union is working to harmonize the regulatory framework for the tourism sector.

4.35. The Union's tourism product is in line with current expectations in demand for international tourism; despite its strong potential however, security challenges tend to reduce the sector's contribution to the economies of the WAEMU countries.

4.36. In order to boost the sector, Senegal has made visas free for tourists and Benin has abolished them for all Africans who wish to visit for up to three months.

4.37. Crafts is a sector at the heart of economic activity in the WAEMU countries. The States say that it accounts for between 10% and 20% of GDP and employs a considerable share of the active population. In order to support the sector's development, the Union has adopted a community Crafts Code that ultimately seeks to facilitate conditions for craft-related activities and to improve artisans' skill levels.

4.8 Telecommunications

4.38. There is competition in all market segments of the telecommunications sector, namely fixed lines, mobile telephony and the Internet. Competition has increased, primarily in the mobile telephony segment, where 25 operators pursue their activities in the eight States.

4.39. There has also been an important technological advance with the use of 3G, 4G and WiMax for wireless connections. The same applies to wired connections using ADSL, cable and fibre-optics.

4.40. The market is booming and has significant growth potential. The number of wired lines is very low. It rose from 926,533 in 2006 to 1,178,904 lines in 2015, an annual average increase of 2.7%.

4.41. There has been rapid growth in mobiles over the last ten years, from 11,981,654 subscribers to 101,883,553 subscribers in 2015, an average increase over the period of 75%.

4.42. Finally, Internet use rates have grown notably over the past ten years. The current rate is 28%. Although low compared to developed and emergent countries, it is growing strongly, at an average rate of 4% over the past ten years.

4.43. Since 2006 WAEMU has been working to introduce a vibrant, competitive, common telecommunications and ICT market. It has therefore adopted a number of directives that have been transposed into the national laws of the member States.

4.44. Preparation of a new series of directives is currently under way to address the shortcomings of the first reform and breathe new life into the information and communications technologies sector.

5 A DYNAMIC TRADE POLICY

5.1 Overall framework

5.1. The Common Trade Policy of the Union (CTPU) comprises the various measures implemented individually or jointly by the bodies of WAEMU in order to ensure both the smooth operation of the Union market and the adequate, regular supply of all high-quality goods, products and services at

the best prices to consumers. It also aims to develop and promote products originating in the Union on external markets.

5.2. Established in 1994, the WAEMU's CTPU aims to establish an environment of buoyant economic growth by constructing a common market that is competitive, open and investor-friendly, with the overall objective of developing intra-community and international trade for the member States of the Union. To that end, the Union's trade policy aims to establish the right competitive conditions to increase and diversify trade within WAEMU as well as to boost participation in the multilateral trading system.

5.3. The principles underlying the CTPU were clearly set out in the Union Treaty. The transfer of powers over trade policy was legally enshrined in WAEMU under several Treaty provisions, especially Articles 76-90. Those provisions are the basis for the main reforms made by the Union concerning the gradual liberalization of intra-community trade, the common external tariff and the common competition rules.

5.4. Nationally, responsibility for the design, implementation and monitoring/assessment of the policies lies with the various ministries of trade. Additionally, other Ministries have relatively limited, shared powers in this field. That is especially so for the ministries of the economy and finance, rural development, foreign affairs and African integration, and transport.

5.5. The current CTPU instruments relate both specifically to trade matters and to other, broader economic areas, including

- the WAEMU common external tariff (CET), which has been in existence since 2000; a new version has been in force since 1 January 2015. The tariff features a fifth category defined as "specific goods for economic development" that carry a 35% rate. The CET covers all ECOWAS member States. Currently all WAEMU member States apply the new version of the CET;
- the Preferential Liberalization Scheme defined in Additional Act No. 4/96 of 10 May 1996 on the duties and taxes applicable to local and artisanal products and to industrial products, whether originating or not;
- rules of origin: in 2016, over 6,000 products benefited from community origin in the WAEMU area;
- contingency measures such as the WAEMU Anti-Dumping Code, or the special import tax (TCI);
- customs valuation rules;
- prohibitions, quantitative restrictions and licensing;
- standards, technical regulations, and accreditation and certification procedures;
- sanitary and phytosanitary measures;
- protection of intellectual property rights.

5.6. Within the framework of the specific commitments made by the WAEMU member States under the WTO General Agreement on Trade in Services, the States assumed 27 commitments including 8 in the tourism sector, 4 in transport and 3 in professional business services, cultural services and financial services respectively. In WAEMU the fields concerned are as follows:

- tourism and temporary residence;
- postal, telecommunications and radio communications services;
- transport services (air transport, maritime and port services, land transport);

- financial services (insurance, other financial services);
- professional services that have been the subject of various regulations in the Union;
- education services;
- cultural services.

5.2 Reforms implemented or under way

5.7. The following significant reforms have been or will be implemented over the next five years in order to achieve the objectives ascribed to the Union's Trade Policy.

5.2.1 Trade facilitation programme

5.8. Trade in the WAEMU area is hampered by a number of barriers that impede the integration process. These barriers include the large number of roadblocks and checks on the corridors in the community territory; unofficial, illicit payments on highways; the slow pace of formalities upon import and export of goods; and the high number and complex nature of procedures and documents that economic operators have to contend with.

5.9. The discussions between the WAEMU member States have highlighted the need to improve the trading environment by reducing the cost and length of transactions. This is the aim of trade facilitation based on rules such as transparency, simplification, harmonization of procedures, formalities, documents, and information on the movement of goods.

5.10. Based on these findings WAEMU has designed and, between 2016 and 2020, will implement a regional trade facilitation programme (PRFE) in line with the spirit of the Bali Package. Implementation of the programme will help to achieve the four outcomes below:

- improve trade facilitation practices within the Union;
- modernize the national customs administrations;
- increase the transparency and predictability of trade transactions and cross-border transport;
- introduce more efficient coordination into the management of the structures and procedures involved in external trade.

5.2.2 Regional Road Transport and Transit Facilitation Programme

5.11. Adopted in 2003 by the Heads of State and Government, this Programme focused on promoting cross-border trade.

5.12. In order to improve intra-community trade, national road transport and transit facilitation committees were established in each country, key Union road corridors were identified, the Irregular Practices Observatory (OPA) was set up, projects to construct checkpoints at the borders of the Union member States were launched and the security mechanism for the inter-State road transit of goods (TRIE) was relaunched.

5.13. These initiatives reduced the number of road checkpoints on community highways, improved travel times through corridors and considerably reduced the sums exchanged in illicit fees. Unfortunately, the re-emergence of security issues has led to an increase in the number of checkpoints, especially in Burkina Faso, Mali and Niger.

5.14. Since taking the decision¹ on the reduction of checkpoints on WAEMU inter-State highways, the Union's approach has been to reduce the number of checkpoints for goods in transit to three

¹ Online information viewed at:
http://www.uemoa.int/sites/default/files/bibliotheque/decision_15_2005_cm_uemoa.pdf.

on Union corridors, namely the point of departure of the goods, the border crossing point, and the unloading point.

5.15. Actions are under way to implement this regulation effectively, as it will definitely boost the level of intra-community trade in the WAEMU area.

5.2.3 Trade development programme

5.16. The level of trade in the WAEMU continues to be low, despite the work done by the member States and the Commission. According to the 2014 report on the Union's trade, the share of intra-community trade within the member States' total goods trade was estimated at 11.3% in 2013. With regard to extra-community trade, despite a slight rise since the introduction of the Customs Union, the WAEMU area continues to account for a negligible share of world trade at 0.16% in 2013.

5.17. Finally, the Union holds little sway over multilateral trade negotiations or over negotiations to improve market access for its products.

5.18. The aim of the Regional Trade Development Programme (PRDEC), intended for delivery between 2016 and 2020, is to step up and diversify trade in goods and services in the Union. In particular it seeks to:

- promote trade in the member States;
- implement trade policy instruments;
- negotiate international trade and investment agreements with third countries.

5.2.4 Interconnection of customs computer systems

5.19. WAEMU aims to interconnect the customs computer systems in the member States in the years ahead. Among other things, this will help to reduce the time required for transit procedures along the various corridors in the area, and facilitate the exchange of information and data between the member States to combat fraud, manage risk and secure the supply chain. The project will make trade between the member States more seamless. The pilot stage, involving Burkina Faso and Togo, is under way.

5.20. Generally speaking, interconnection is a prerequisite for the introduction of the free movement regime within WAEMU. It will play a large part in modernizing the customs administrations of the member States.

5.21. Specifically, it will enable the customs administrations to exchange data that will ease the free movement of goods and improve the application of the CET, as well as helping to implement other reforms that will further deepen the customs union.

5.2.5 Regime of free movement of goods

5.22. One of the major projects of WAEMU is to introduce a regime of free movement of goods. Without such a regime, the WAEMU Customs Union will continue to be incomplete, resulting in the continued presence of multiple checkpoints at the Union's internal borders; a requirement to use the less beneficial transit regime; and ultimately, segmentation into national markets. Additionally, the private sector would be unable to benefit from the economies of scale that the WAEMU regional economic integration process is expected to bring. With this in mind, the initiative aims to:

- consolidate solidarity across the member States by pooling resources, facilitating the free movement of goods originating in the Union and goods from a third origin.
- remove multiple taxation of a single good;

- reduce the time spent waiting at the Union's internal checkpoints for border inspections;
- turn the "community border" concept into a reality.

5.2.6 Free movement of services

5.23. The Union envisages the free, effective movement of services within the WAEMU area. The aim of this current new project is to establish the conditions for the free movement of services as part of the establishment of the WAEMU common market.

5.24. The Union trade policy will have to take account of the new, Union-level projects; the legal framework for public and private partnerships should be mentioned in this connection. The framework supplements the arrangements for government procurement and is a matter of ongoing discussion. Its purpose is to regulate contracts in which the State and its agencies enter into a contractual business relationship with a private promoter or donor in order to construct infrastructure or provide services.

5.2.7 A proactive competition policy

5.25. Article 76 of the WAEMU Treaty provides for the establishment of common competition rules applicable to public and private enterprises and to public aid. They draw on development goals and legal instruments that embrace international standards and are implemented by community and national institutions.

5.26. Competition policy as established under the Treaty has three major objectives, namely:

- to act as an economic policy instrument by promoting competitiveness and encouraging the optimum redistribution of resources and economies of scale in the consumers' interest;
- to consolidate the Customs Union by combating all practices having the purpose or effect of segmenting the Union market along national borders;
- to support sectoral policies by opening up network industries, promoting the emergence of competitive businesses, and ensuring that the objectives and thrust of industrial policy are compatible with those inherent in the construction of the common market.

5.27. Community competition rules regulate competition between the economic agents of the Union. Competition is governed by Articles 88-90 of the Treaty. These lay down the framework and scope of competition, and prohibit four types of practice:

- agreements, associations or concerted practices among enterprises for the purpose or having the effect of restricting or distorting competition within the Union;
- anti-competitive practices attributable to member States;
- any practice by one or more enterprises equivalent to an abuse of dominant position on the common market or in a significant part thereof;
- public aid liable to distort competition by favouring certain enterprises or producers.

5.28. Since 2002, three regulations and two directives have been adopted to implement the WAEMU competition policy. Their purpose is to establish the implementing provisions for substantive rules, procedures, and transparency in relationships between public enterprises and States. Additionally, one of the directives lays down the distribution of powers between the Commission and the national competition bodies.

5.29. Pursuant to those rules, and having heard the opinions and recommendations of the Consultative Committee on Competition – a body comprising representatives from the member

States - the WAEMU Commission made a number of decisions concerning procedural issues, penalties for anti-competitive practices, negative clearance, and individual exemption.

5.30. Nonetheless, in order to address the difficulties encountered in implementing this policy and to better coordinate oversight of the regional market, WAEMU has drawn up and is delivering a Programme to Regulate Markets in Goods and Services (PRMBS). Its aim is to make the Union's action in this area more effective.

5.31. The PRMBS targets consumers and businesses as well as legal practitioners (lawyers, judges, legal advisers), the national governments of the WAEMU member States, the WAEMU Commission, higher education establishments and their members.

5.32. Implementation of the Programme will help to develop a culture of competition in the Union by promoting fair, healthy competition between businesses in the consumers' interest and opening certain sectors up to competition.

5.33. Additionally, in cooperation with ECOWAS, WAEMU is taking measures aimed at more coordinated implementation of ECOWAS and WAEMU competition law. This involves establishing a mechanism for cooperation that can: (a) ensure the effectiveness of measures taken by both organizations to combat anti-competitive practices; (b) prevent inconsistent decisions; (c) provide legal certainty to businesses and States.

6 DYNAMIC TRADE COOPERATION WITHIN WAEMU

6.1. Recognizing the major role that international trade must play in reducing the region's economic development gap, the WAEMU member States engage in active trade cooperation bilaterally and multilaterally in order to ease the downstream constraints on the Union's capacity to gain a larger share of global trade.

6.2. Accordingly, as part of the development of their trade relations with third parties, the member States have conferred exclusive authority for their common trade policy with third States upon the Commission – the body tasked with following up and implementing the decisions of the WAEMU Council of Ministers.

6.3. Articles 84 and 85 of the Union Treaty deal with, respectively, the general framework for handling trade negotiations and the arrangements for conducting trade negotiations within international organizations where WAEMU is not specifically represented. Consequently, the bilateral trade agreements previously entered into by WAEMU members will gradually be replaced by agreements between WAEMU and third countries.

6.4. Pursuant to Articles 84 and 85 of the Treaty, the Council of Ministers, as the decision-making body of the Union, has adopted several directives that confer a mandate upon the WAEMU Commission to:

- open and conduct negotiations for trade and investment agreements with third countries;
- coordinate member States' participation during multilateral trade negotiations.

6.5. The directives reflect the commitment on the part of the Union's member States to promote and develop their trade relations with various external partners at the bilateral, regional, multilateral and continental levels.

6.1 Multilateral trade agreements

6.6. For the purposes of efficient participation in the various WTO Ministerial Conferences, including those held in Bali, Indonesia, in 2013 and in Nairobi, Kenya, in 2015 the Council of Ministers has adopted directives that have provided a means of coordinating the WAEMU member States' negotiating positions on all matters under discussion.

6.7. The WAEMU countries welcome the substantial progress made during the last two WTO Ministerial Conferences in Bali and Nairobi, which achieved important outcomes, especially on agriculture, cotton and issues related to least developed countries (LDCs), despite their limited scope.

6.8. The WAEMU countries support the implementation of the other Bali outcomes, especially the WTO Agreement on Trade Facilitation (TFA), and welcome the entry into force of this Agreement on 22 February 2017. Five of the eight WAEMU member countries have ratified it. The three that have not yet done so are Benin, Burkina Faso and Guinea-Bissau. Significant work is under way to implement the measures set out in the Agreement.

6.9. The WAEMU countries recognize the importance of the negotiations taking place within the WTO towards a conclusion of the Doha Development Round.

6.10. They nonetheless call upon the WTO Members, in particular the developed countries, to take a more forthcoming position for the purpose of seeking the compromise that is crucial in constructing a fair, balanced and equitable multilateral trading system that addresses the concerns of all its Members, particularly those of the LDCs. They also call upon the WTO Members to adopt ambitious measures to abolish all agricultural subsidies and certain trade-distorting domestic support, especially in the cotton sector.

6.11. Accordingly they emphasize the need for the development dimension to continue to be the central core of post-Nairobi work and therefore for appropriate solutions to be found to the concerns of the developing countries and the least developed countries.

6.2 Bilateral and regional trade agreements

6.12. The Council of Ministers has adopted several directives that confer a mandate upon the WAEMU Commission to open negotiations leading to the conclusion of trade and investment agreements with:

- the United States (Directive No. 07/98/CM/UEMOA of 22 December 1998);
- Morocco (Directive No. 01/99/CM/UEMOA of 6 August 1999);
- Tunisia (Directive No. 07/99/CM/UEMOA of 21 December 1999);
- Algeria (Directive No. 03/2003/CM/UEMOA of 26 June 2003);
- Egypt (Directive No. 04/2003/CM/UEMOA of 26 June 2003);
- Lebanon (Directive No. 05/2003/CM/UEMOA of 26 June 2003).

6.13. Additionally, by Decision No. A/DEC.11/12/01 of 21 December 2001, the ECOWAS Conference of Heads of State and Government instructed the ECOWAS Executive Secretariat to work with the WAEMU Commission and the competent authorities of each member State, to open and conduct negotiations leading to an economic partnership agreement between West Africa and the European Union (EU).

6.14. The negotiations with the United States led to the conclusion of an agreement, namely the Trade and Investment Framework Agreement (TIFA) signed in April 2002. This is a comprehensive framework agreement intended to promote and develop trade relations and investment between the WAEMU member States and the United States. The basis for the Agreement is the GATT-based most-favoured-nation clause; the Agreement does not provide for any special tariff preference.

6.15. Negotiations are still under way with some of the other countries, namely Morocco, Tunisia, Algeria and Egypt.

6.16. The negotiations with the European Union concluded on 30 June 2014 in Ouagadougou with a joint text that was initialled by the chief negotiators for West Africa and the European Union. The initialled text covers three major issues, namely, the market access offer, support under the EPA, and the text of the agreement essentially geared to trade in goods and other provisions necessary

to implement the EPA. Trade in services and the other trade-related matters will be the subject of future negotiations.

6.17. The process of signature of the Agreement began in West Africa at the 46th Ordinary Session of the Conference of Heads of State and Government of ECOWAS on 15 December 2014 in Abuja, Nigeria. To date, 13 of the 16 States have signed. The three remaining countries, which are due to sign in the near future, are Nigeria, Gambia and Mauritania.

6.18. As a result of these three countries' failure to sign the West African regional EPA, in 2016 Côte d'Ivoire and Ghana ratified their Interim EPAs (IEPAs). The entry into force of the regional EPA will cause both IEPAs to lapse.

6.19. The eight WAEMU countries are involved in the African Union negotiations to establish a **continental free trade area (CFTA)**.

6.20. The CFTA is an African Union initiative that aims to establish a vast common market for the continent's 54 countries. It will ultimately merge the existing community economic areas.

6.21. At the 18th Ordinary Session of the Conference of Heads of State and Government of the African Union held in Addis Ababa (Ethiopia) in January 2012, the decision was taken to establish a Continental Free Trade Area.

6.22. **With regard to other partners**, the WAEMU member States are engaged in negotiations within the Organization of the Islamic Conference (OIC) to establish a system of trade preferences among the OIC member States. To date, the eight WAEMU States have signed the Framework Agreement on the system of trade preferences.

6.3 Cooperation with ECOWAS

6.23. The eight WAEMU member States are all members of ECOWAS. The aim of both these West African regional integration organizations is to develop the economies of their member States, in particular through the establishment of a common market leading eventually to economic union.

6.24. The process of convergence between WAEMU and ECOWAS has been vigorously propelled in recent years by the convergence and harmonization of the organizations' programmes and policies. Much progress has been made as a result, including:

- the adoption and implementation since 1 January 2015 of an ECOWAS CET across the 15 West African States, an achievement that builds on the success of the WAEMU CET;
- improvement of the internal liberalization scheme in West Africa;
- following the introduction of the ECOWAS CET, coordination between the West African States in the forthcoming renegotiations on bound tariffs in the WTO;
- the establishment of the joint platform comprising the WAEMU Regional Economic Programme (PER) and the ECOWAS Community Development Programme (CDP);
- the establishment of the legal cooperation framework to remedy or prevent disparities in community standards;
- the construction of juxtaposed control posts to facilitate trade at borders.

6.25. Cooperation with ECOWAS also extends to joint conduct of the EU-West Africa Economic Partnership Agreement (EPA) process, and to coordinated implementation and formulation of regional programmes under the 10th and 11th Regional Indicative Programmes of the European Development Fund (EDF).

6.26. **In short**, the development of trade cooperation is a priority for the WAEMU countries because it encourages the growth and development of opportunities for products originating in the Union and allows them to take advantage of international production networks.

6.27. This approach also stems from the member States' permanent concern to take full advantage of the advantages offered by international trade liberalization in order to make businesses more competitive and improve the well-being of their people.

6.28. The development of this trade cooperation will ultimately result in a more predictable business environment both for exporting businesses in the region and for foreign investors who want to become established in the community area.

7 CONCLUSION

7.1. The reforms undertaken in the WAEMU area in recent years aim to achieve economic liberalization and the emergence of a buoyant private sector. Specifically, they will help to increase and diversify the range of the exportable supply in goods and services by bringing about, among other things:

- greater transparency and predictability in trade transactions and cross-border transport;
- more efficient coordination in the management of trade-related structures and procedures;
- improvements to trade facilitation practices;
- modernization of the national customs administrations;
- improvements to competition in the Union market and better administration of competition rules;
- the development of trade cooperation through relevant and functional trade and investment agreements.

7.2. WAEMU intends to maintain, continue and consolidate this process by adapting its regulatory texts to the regional and international economic environment.

7.3. Additionally, the countries have introduced democratic process, rule of law and good governance with a view to pursuing and strengthening structural reforms to achieve sustainable economic growth and development.

7.4. The WAEMU States are, and will continue to be, very active in strengthening regional integration in West Africa and fully intend to fulfil their obligations within the multilateral trading system.

7.5. However, the countries' development level and specific economic and social needs are a constraint on their ability to fulfil this commitment to openness.

7.6. If their technical assistance requirements continue to be taken care of and built on by the international community, the WAEMU countries will be able to remove certain production and promotion constraints and as a result facilitate their integration into the world economy, where the trend is towards globalization.

7.7. The WAEMU States believe in the multilateral trading system and consider trade to be a factor in sustainable development. They intend to further increase their participation in international trade. To attain these objectives, the WAEMU countries will seek to act in cooperation with their multilateral trading partners and the WTO to achieve the following:

- enhanced technical cooperation through national and regional workshops and seminars with a view to acquiring a better understanding of the multilateral trade agreements;

- greater support for the Integrated Framework, and extension of that support to regional projects, in order to enhance and diversify supplies of goods and services;
- implementation of the WTO Agreements, especially the Agreement on Trade Facilitation that entered into force on 22 February 2017;
- greater fairness in international trade through the elimination of unfair trade practices, in particular the use of unjustified subsidies and technical barriers to trade;
- increased capacity of human resources as a result of training for trade stakeholders.

7.8. Specific technical assistance needs by country and region are set out in the table in the Annex.

Table 7.1 Specific technical assistance needs by country

Country	Specific needs
Benin	Capacity building in SPS- and TBT-related matters, WTO dispute settlement system, trade remedy actions, WTO notification obligations for the benefit of government departments Capacity building to complete the shift to paperless external trade documents and paperless customs clearance
Burkina Faso	Capacity building in SPS- and TBT-related matters, WTO dispute settlement system, trade remedy actions, WTO notification obligations for the benefit of government departments Technical assistance to implement the ATF Technical assistance to economic operators in order to help them better manage SPS- and TBT-related matters, and tariff and non-tariff measures
Côte d'Ivoire	Customs: technical assistance to connect IT systems between Burkina Faso and Mali and electronic payment Environmental services: technical assistance for e-commerce; liberalization in environmental and tourism-related services Ivorian Intellectual Property Office (OIP): technical assistance to combat piracy and counterfeiting in the community area Transport: application to WAEMU for support for Côte d'Ivoire by establishing a transport facilitation programme Ministry of Trade: - Technical assistance to implement Category C measures in connection with the WTO Agreement on Trade Facilitation. - Technical assistance to renegotiate bound tariffs following the shift to the ECOWAS CET. - Technical assistance to refurbish the reference centre on the multilateral and regional trading system. Ministry of Animal and Fisheries Resources Aid to finance the Regional Livestock Breeding Investment Programme in Coastal Countries (PRIDEC)
Guinea-Bissau	Capacity building in SPS- and TBT-related matters, WTO dispute settlement system, trade remedy actions, WTO notification obligations for the benefit of government departments Capacity building to complete the shift to paperless external trade documents and paperless customs clearance
Mali	Capacity building to complete the shift to paperless external trade documents and paperless customs clearance Laboratory accreditation: National Health Laboratory (LNS), Central Veterinary Laboratory (LCV) and certification of our national production processes Support for use of bar codes in our national industries Capacity building for members of the National Trade Negotiation Commission in multilateral WTO agreements and other matters under negotiation at the WTO Harness resources to implement Category C projects in the ATF framework and to build institutional capacity at the External Trade Directorate with a view to implementing the WTO agreements Elimination of non-tariff measures, including those concerning SPS, red tape, and any others in order to make our products more competitive while complying with international standards
Niger	Step up the Training Programme for the Master's Degree in Trade and International Arbitration by training lecturers at the Université de Sciences Juridiques et Politiques de Bamako, founding a library and WTO Chair, building the capacity of the "markets and organizations" research centre Capacity building to complete the shift to paperless external trade documents and paperless customs clearance

Country	Specific needs
Senegal	Support to implement trade agreements Support with managing the rules of the multilateral trading system Support to implement and evaluate WTO agreements Statistics on trade in services Capacity building for trade department officials Support for better participation in trade negotiations
Togo	Support to implement trade agreements Step up aid-for-trade finance
WAEMU	Mastering the mechanisms and rules of the multilateral trading system Support for implementation of ATF measures Statistics on trade in services Capacity building in phytosanitary, animal health, and food safety matters
